

In the Name of God, the Most Merciful, the Most Kind

# Daily Outlook

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### Anguish Therapy

The stretched out darkness of the night flows into the light of the dawn, and gets enlightened in the next beautiful morning. The day, after passing through its definite time, turns back to night. The seeds grow into plants and then trees and at the end become woods for burning or may become a piece of furniture. This is how nature works – it flows and moves and never stops. Nothing remains constant, and everything changes, as change is the nature of the nature. So are the feelings, moods and conditions of human beings. If today someone is sad, the other day he may be quite happy. Some changes may occur themselves while others may require considerable and untiring actions on the part of the human beings. Action basically creates balance in the equation of life, the equation of society and the equation of civilizations. The action that repels the negative forces and abandons them from increasing and the action caused by the grief and misfortunes aims at stopping the cause of its whole power. So the only cure for grief is action.

The grief showers the sadness on the faces of the people, the tears on the faces of newly widowed women, who have lost the affection of the loved ones, the newly orphans that would never have their fathers back, nor their affections. Sisters who remain waiting for their brothers at door, and brothers, shed tears having the cadavers of the brothers in their laps. Grief takes all the happiness, smiles and laughter of the innocent people of the world including our nation. The darkness of grief is to be torn by action.

The society with no unity causes no action, means it gives way to grieves, welcoming the darkness and bloodshed in future. It is depends on collective psychology of a nation that how they approach mishaps and misfortunes. If they are ready and committed enough they can face them with dignity and strength. Therefore, it is suggested that hopes are not given away people must keep on fighting hard against grieves they face as whatever they may be, they are not permanent. Every time in the face of history, the flood of grieves has been stopped through the action because no other option is optimum in its way to cure the grief. But the action causes grief in the cause and relaxation in the effect, and thus balances the scenario of wildness of human kingdom on earth.

To give up hope is to surrender and to surrender means to give the causes more chances to enter our homes and threaten us. We should never give up our will, as it reveals our strength, our deterrence against invasions, our hope, unity and determination, and our action that will last to the end of the grief. If the grief is again caused to us, the cure is always the same, the one and only mighty action.

It is a common experience that if a hole in a cloth is neglected for sometimes, it grows so big as to require many stitches. What is true of a hole in a cloth is also true of social, political, and moral problems. If these problems are not mended for a long period, a time comes when they become irreversible and solution for them becomes unattainable. So for our better future, we must not get late for an action and cure our grief. Life is full of such instances, which prove that much harm can be done by a little thing which is overlooked or is altogether neglected; like a crack in a boat if not immediately looked into, grows so big that no effort can save the boat. A little fire if not immediately put out, develops into a huge conflagration after a few hours. A leaking roof which is not repaired in time proves a source of much trouble and inconvenience in the rainy season.

Still there can be no optimism that it is not too late for remedy and taking action. Therefore, we have to leave the comforts of our cozy abodes, move to the ground and be counted; otherwise, the history with its weak memory may forget our existence within no time.

Keeping in view the today's practical world and the competitive mood of state of affairs in the world one must be quite active and energetic to bring his ideas into life by taking suitable and favorable acts/steps against the customary problems so that he could promise his survival through the tough and rapid pace of political and economic struggle. Currently we are suffering the worst form of terrorism and disorder yet again we lack the unity of thought and no clear vision to overcome the prevailing pathetic condition of the people. We are scattered into many groups and schools of thoughts.

We are ill with the differences existing among us and on the other hand we wish to beat the present miseries. Every single person must strive to come together, join hands with one another and think with broader perspective, removing all our personal clashes and differences in order to bring about constructive remedies to our tribulations. But one has to bear in mind that these are only miraculous ideas which may never ever be acted over or even mused upon. Or if we consider them with better understanding, we will be capable enough to change these ideas to strong practical measures.



## Will the US Strike North Korea?

By Minghao Zhao

Donald Trump is running out of patience with North Korea. Using heated language unusual for a US president, Trump recently warned that if Pyongyang threatens to attack the United States again, the US will respond with "fire and fury like the world has never seen." Whatever action Trump decides to take, he must recognize that the stakes – not just for the Korean Peninsula, but also for America's relationship with China – could not be higher. North Korea's two latest intercontinental ballistic missile tests, carried out last month, suggest that the country now has the capability to hit the continental US. The US Defense Intelligence Agency has concluded that North Korea may well have already developed a miniaturized nuclear warhead that could be delivered on such a missile. Experts from Johns Hopkins University anticipate a sixth nuclear test at any moment.

The United Nations Security Council has now unanimously passed the harshest sanctions yet against North Korea, in the hope of pressuring the small country to renounce its nuclear-weapons program. The resolution bans North Korean exports of coal, iron ore, lead, lead ore, and seafood products, which together account for one third of the country's already meager annual export revenue of \$3 billion. It also prohibits countries from issuing new permits to North Korean workers abroad, whose wages, it is suspected, help fund nuclear and missile programs. So far, however, the sanctions do not seem to be having the intended effect. North Korea has threatened to retaliate against the US "thousands of times" over – including by striking the US territory of Guam in the western Pacific – and reiterated its vow to never give up its nuclear arsenal. Similarly, at the just-concluded ASEAN Regional Forum in Manila, North Korean Foreign Minister Ri Yong-ho asserted that the North would not participate in negotiations on its nuclear and missile programs unless the US abandons its "hostile" policy. The US has taken a similarly stubborn line. In a recent Senate Foreign Relations Committee hearing, Acting Assistant Secretary of State for East Asia Susan Thornton articulated the administration's belief that talks would not get North Korea to abandon its nuclear-weapons program, even if they brought much-needed economic concessions. "We will not," she added, "negotiate our way to talks."

Instead, the US has been working hard to tighten the screws on Pyongyang, by reinforcing its international isolation. The Trump administration attempted to convince the Philippines to exclude North Korea from the ASEAN forum, and is pushing Myanmar to suspend its military ties with the country. The US has been more successful in pressuring Australia, the European Union, Japan, and other US allies to strengthen unilateral sanctions on the North. According to Federica Mogherini, the EU's High Representative for Foreign Affairs and

Security Policy, the EU is considering additional measures, including further reductions in trade and financial exchanges. Japan's government has decided to expand a re-entry ban for North Korean officials, and widen the scope of its asset-freeze program for entities and individuals connected to the country's nuclear and missile development.

But the US is unlikely to put all of its eggs in the sanctions basket. Already, the Department of Defense announced that US Joint Chiefs of Staff Chairman Joseph Dunford and US Pacific Command Chief Harry Harris had spoken by phone with South Korea's top military official, General Lee Sun-jin, to discuss military-response options to the launch. Moreover, US, Japanese, and South Korean forces have conducted several joint drills involving B-1B bombers and other strategic assets. The message is clear: the US is ready to fight, should it come to that. Of course, avoiding such a fight is still the world's best bet – a fact that even the turbulent Trump administration seems to recognize. But that will require cooperation from China, which the Trump administration has gone to great lengths to alienate. As North Korea's main trading partner, China has substantial leverage over the country. China's suspension of North Korean coal imports alone – part of its obligations under the Security Council resolution – will reduce the North's export earnings by an estimated \$400 million this year (while also costing China a pretty penny).

But China has serious reservations about America's North Korea policy. For example, China adamantly opposes the deployment of the Terminal High Altitude Area Defense (THAAD) anti-missile system in South Korea, claiming that it undermines China's own security. Moreover, China condemns "secondary sanctions" placed by the US on Chinese companies and individuals found to have illicit dealings with North Korea as assaults on its sovereignty. Yet the Senate's leading Democrat, Minority Leader Chuck Schumer, is ready to double down on this approach, calling for the suspension of direct investment from China.

And that is not the only way the US Congress is antagonizing China. The 2018 National Defense Authorization Act, passed by the US House of Representatives last month, includes demands for the US government to strengthen military ties with Taiwan, with US Navy ships calling in at Taiwan's ports.

Last April, Senator John McCain said that North Korea is presenting the US with a "Cuban Missile Crisis in slow motion." It is an apt analogy, but it gets one thing wrong: there is no longer anything slow about the situation. Trump's administration had better catch up. (Courtesy Project Syndicate)

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## Finishing the Post-Crisis Job

By Jim O'Neill

August 9, 2017, was the tenth anniversary of the decision by the French bank BNP Paribas to freeze some \$2.2 billion worth of money-market funds. Those of us who were active in financial markets at the time remember that event as the beginning of the worst global financial crisis since the Great Depression.

Many economists and financial observers argue that we are still living with the consequences of that crisis, and with the forces that incited it. This is partly true. Many developed economies still have in place unconventional monetary policies such as quantitative easing, and both productivity and real (inflation-adjusted) wage growth appear to be mostly stagnant. But it is important to put these developments in perspective. Many people, including the Queen of England in November 2008, still ask: "Why did no one see it coming?" In fact, many financial observers did warn that housing prices in the United States were rising untenably, especially given the lack of domestic personal savings among US consumers.

As Chief Economist of Goldman Sachs at the time, I had written three different papers over a number of years showing that the US current-account deficit was unsustainable. Unfortunately, these findings largely fell on deaf ears, and the firm's foreign-exchange salespeople probably got bored passing on yet more of the same pieces to their clients. At one point in 2007, the US current-account deficit was reported to be 6-7% of GDP (it has since been revised down to around 5% for the full year). This high figure reflected the fact that the US trade balance had been steadily deteriorating since the 1990s. In the absence of any obvious negative consequences, however, complacency had set in, and the US continued to spend more than it saved.

Meanwhile, China had spent the 1990s exporting low-value-added products to the rest of the world, not least to US consumers. In 2007, its current-account surplus was around 10% of GDP – the mirror image of the US. Whereas the latter was saving too little, China was saving too much. For some observers, this huge international imbalance was the source of the crisis. In the years leading up to the crash, they argued that the global financial system was simply doing its job, by finding increasingly clever ways to recycle the surpluses. Of course, we now know that it performed that job rather poorly.

Much has changed in the intervening decade. In 2017, China will run a current-account surplus of 1.5-2% of GDP, and the US will most likely run a deficit of around 2% – but possibly as high as 3% – of GDP. This is a vast improvement for the world's two largest economies.

Still, other countries have built up ever-larger current-account imbalances over the past decade. Chief among them is Germany, whose external surplus now exceeds 8% of GDP. Germany's current account suggests that there are deep imbalances that could lead to a new crisis if policymaking is not well coordinated. The last thing that Europe needs is another sudden reversal, as we saw at the height of the Greek debt crisis.

The United Kingdom, for its part, will have a current-account deficit above 3% of GDP this year, which is nearly three times what it was ten years ago. But that is not to say that the UK's trade balance has significantly deteriorated. Rather, it reflects the fact that the UK is a major financial center, and that investment returns have shifted more in the UK than elsewhere.

All told, the global economy today is much healthier than it was ten years ago. Many are disappointed that real global GDP growth since the crisis has undershot performance in the previous decade. But since 2009 – the worst year of the recession – the global economy has grown at an average rate of 3.3%, just as it did in the 1980s and 1990s.

Of course, this is largely owing to China, the only BRIC country (Brazil, Russia, India, and China) that has met my growth expectations for the decade (although India is not too far behind). The size of China's economy has more than trebled in nominal terms since 2007, with GDP rising from \$3.5 trillion to around \$12 trillion. As a result, the aggregate size of the BRIC economies is now around \$18 trillion, which is larger than the European Union and almost as big as the US.

There will inevitably be another financial bubble, so it is worth asking where it might occur. In my view, it is unlikely to emerge directly from the banking sector, which is now heavily regulated. The bigger concern is that many leading companies across different industries have continued to focus excessively on quarterly profits, because that determines how executives are remunerated.

Policymakers should take a hard look at the role of share buybacks in this process. To her credit, in the Conservative Party's 2017 election manifesto, British Prime Minister Theresa May announced that her government would do this. One hopes that May's government follows through. Doing so could strike a symbolic blow against the underlying malaise of post-crisis economic life. The West needs real investments and higher productivity and wage growth – not more economically unjustifiable profits. (Courtesy Project Syndicate)

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