

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



December 11, 2018

## Ethnic Politics as the Main Barrier to Social Cohesion

In Afghan Politics, ethnicity is a salient cleavage within the political spheres of the nation. In our politics, where ethnic parties dominate, this is the case. Despite the differences in the salience of ethnicity, our country has had multiethnic coalitions following post 9/11 attack of the United States for elections and before it for fighting with the Taliban or other ethnic groups in the country. Our country has had different levels of successes and failures with multiethnic coalitions in the past.

Ethnicity is a highly salient cleavage in Afghanistan. Political leadership is based on ethnic identity, and those who become political leaders are expected to serve their ethnic communities, which results in zero sum game for those who are involved. There is no agreement about the percentage of the ethnic groups, especially the four main ethnic groups namely Pashtuns, Tajiks, Hazaras and Uzbeks in the country. However, based on some assessments Pashtuns make up around 40%, Tajiks make up around 39%, Hazaras account for about 15% of the population, and The Uzbek and Turkmen minorities in Afghanistan make up about 10% of the population of Afghanistan.

The formation of multi ethnic coalition sometimes has resulted to success such as 2004 Presidential election that Hamid Karzai won the election and most often has failed in Afghanistan as different ethnic coalitions were formed during 90s.

Despite the success of forming a coalition government (NUG) in 2014, the success of the multiethnic coalition was short-lived. Different partners began to promote hysteria and allowed their supporters to issue warnings of the dangers of ethnic conflicts in the country. This had very negative impacts on the public perception in the country and weakened the public trust in the government. This situation finally led to the formation of the Afghanistan Grand National Coalition of those opposed to the president Ashraf Ghani and his team. Sadly, the language of the ethnic groups' leaders against the president is similar to the 90s, a period that Afghanistan witnessed its harshest civil conflict.

This zero sum mentality matches with the violence that erupted following Najib was ousted from power in 90s. Both sides erupted in ethnic violence against each other. And the main cause of zero sum mentality is favoring one ethnic group over others, that results in great animosity from other ethnic groups. In such case, members of other ethnic groups feel that their ethnic group is economically, politically and socially disadvantaged, both before and after the violence.

According to studies, the mechanism at play in Afghanistan is zero sum ethnic politics and institutionalized violence. Presence of politicized ethnic parties has led to ethnic outbidding in Afghanistan. This ethnic outbidding looks to be largely responsible for the ethnic violence. It also seems that institutionalized violence relates to the presence of political ethnicity in Afghanistan.

In a nutshell, political ethnicity can be used to institutionalize violence, as was the case in 90s in Afghanistan. Afghanistan government shall be very cautious of consequences of political ethnicity and shall conduct researches into the relationship between politicized ethnicity and the institutionalization of violence, which could help multiethnic communities and policy makers in their management of multiethnic issues. Also, further research requires to be conducted into the relationship between a lack of politicized ethnicity and a lack of institutionalized violence to determine whether this is a pattern or not. Social scholars hold that ethnicity is not salient because it is non-issue, politically. The research findings show that ethnicity may be salient to one's personal identity, but it is not salient in the public realm likely because it has not been politicized. It is necessary to conduct research whether or not ethnicity does matter in one's personal life in Afghanistan, and if it does, how people are able to keep it separate from political issues. Let us not be burden by the weight of past, but let us not forget its lessons. The last four decades have given us considerable experience in confronting and coping with inter-ethnic issues. Based on these lessons, Afghan leaders must seek to build a country open to diversity, rooted in a strong foundation of democratic governance and respect for human rights, and co-operative in its neighbored relations.



## Glance at the Long and Arduous Road to Peace Process

By: Mohammad Zahir Akbari

The Afghan peace process has been accelerated more than the past, and it is hoped that this time the Taliban and the Afghan government get closer together. Although the Taliban have not announced their readiness for direct talks with the Afghan government. The Taliban has consistently insisted on a dialogue with the United States, instead of the Afghan government. The Taliban argues that there is a major conflict between the Taliban and the US in Afghanistan. While the forces of US and NATO have handed over the military operations to Afghan force, and they have only a consultative and training role. However, the Taliban considers the United States as the main decision-maker in Afghan affairs.

In spite of the optimism of the Afghan peace process, there are still serious concerns that this peace process will not be reached at relatively early times, as expected. Looking at the long past, will further strengthen these speculations. Attempts to negotiate with the Taliban and peace talks began since Hamid Karzai's first presidential term but never succeeded. Since its inception, the National Unity Government has made many efforts to initiate a peace process with the Taliban. In his first attempt after the formation of the government, President Ghani went to Pakistan to open a new chapter in the relations with Pakistan to seriously play a role in the Afghan peace process. He set a 90-day deadline for Pakistani officials to act on their commitments in Afghan peace process. In fact, President Ghani wanted to say his last words with Pakistani military and civilian government and prove to the international community that the Afghan government has a political commitment to engage with Pakistan. After that, the Afghan government took on a diplomatic effort entitled "Quadruple Peace Summit in Afghanistan."

The Istanbul processes, as well as the Kabul process, did not have a concrete outcome. On the other hand, Taliban talks and the Qatar's Taliban office did not help much in the peace process, and the United States also was hopeless of pursuing the peace process. However, the people and the government of Afghanistan have been pursuing the peace process in Afghanistan, with all the frustrations and excessive costs because the peace forms the core of development in the country. During the mentioned period, the National Unity Governments had only one practical experience of peace with one of the warring parties in Afghanistan. The Afghan government succeeded to a peace deal with Hizb-i-Islami led by Gulbuddin Hekmatyar. This encouraged the Afghan government to continue peace talks with the Taliban hoping eventually achieve a successful conclusion.

Based on this approach, the Afghan president announced an unconditional negotiation with the Taliban in the current year. On the basis of this plan, the Taliban was supposed to be rec-

ognized as a political group, to free their prisoners and Taliban leaders were removed from the UN blacklist. However, the Taliban resisted and rejected the plan, but the plan was not entirely ineffective. Politically, the Afghan government has tried to isolate the Taliban group in the international community. The Islamic Ulema Conference was held in Indonesia and the ultimate fatwa of the Ulema against illegitimacy of Taliban war issued in Afghanistan. Psychologically this put a lot of pressure on the Taliban and was expected to incline them to peace talks. Following the same policy, the government of Afghanistan succeeded to experience another success that was the implementation of ceasefire plan.

Of course, it should be noted that the efforts of the United States and Pakistan, especially the pressure from Pakistan on Taliban cannot be considered ineffective. On other hand, the Taliban also tried to have their uses of the ceasefire but the main concerns for implementation of the cease-fire announced was the disunity and various branches of the Taliban. Following the death of former Taliban leader Mullah Mohammed Omar in 2015, the group was divided into several branches. The possibility of cease-fire disrespect by commanders of various Taliban branches created a great deal of suspicion for its smooth implementation but their collective commitment to the three days ceasefire showed their unity and coordination.

Although the temporary cease-fire was not renewed by the Taliban, at least the government got an excuse to follow negotiations over a longer ceasefire. But the Taliban's stance at the end of the ceasefire has showed that the Afghan government is compelled to increase the strength of its military and operational forces and prove to the military leadership and Taliban fighters that they have no choice except peace and negotiation. As long as the Taliban does not feel frustrated in the battlefield, they will never stop acts of terror.

In order to alter their mental patterns, the government needs to prove the fact to the Taliban that now the situations is different comparing to Dr. Najibullah's regime. In addition, the Afghan government will do its best to make Taliban supporters understand that the government of Afghanistan is not in a position comparable to the regime of Dr. Najib. Taliban-backing countries also make a big mistake in their perceptions. Even if we accept that the Afghan government is not in a good position in terms of strength and resources. But it must be remembered that the people of Afghanistan are no longer the people of the time of the doctor Najib. The people of Afghanistan insist on full support for the civil and democratic achievements of the past eighteen years and strongly reject the rule of extremist groups.

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## Betting on Dystopia

By: Kenneth Rogoff

With the price of Bitcoin down 80% from its peak a year ago, and the larger cryptocurrency market in systemic collapse, has "peak crypto" already come and gone? Perhaps, but don't expect to see true believers lining up to have their cryptocurrency tattoos removed just yet.

At a recent conference I attended, the overwhelming sentiment was that market capitalization of cryptocurrencies is still set to explode over the next five years, rising to \$5-10 trillion. For those who watched the price of Bitcoin go from \$13 in December 2012 to roughly \$4,000 today, this year's drop from \$20,000 is no reason to panic.

It is tempting to say, "Of course the price is collapsing." Regulators are gradually waking up to the fact that they cannot countenance large expensive-to-trace transaction technologies that facilitate tax evasion and criminal activity. At the same time, central banks from Sweden to China are realizing that they, too, can issue digital currencies. As I emphasized in my 2016 book on the past, present, and future of currency, when it comes to new forms of money, the private sector may innovate, but in due time the government regulates and appropriates.

But as I also pointed out back then, just because the long-term value of Bitcoin is more likely to be \$100 than \$100,000 does not necessarily mean that it definitely should be worth zero. The right way to think about cryptocurrency coins is as lottery tickets that pay off in a dystopian future where they are used in rogue and failed states, or perhaps in countries where citizens have already lost all semblance of privacy. It is no coincidence that dysfunctional Venezuela is the first issuer of a state-backed cryptocurrency (the "Petro").

The ultimate obstacle for any cryptocurrency is that eventually there has to be a way to buy a range of goods and services beyond illicit drugs and hit men. And if governments ever make it illegal to use coins in retail stores and banks, their value must ultimately collapse.

Many crypto-evangelists insist that Bitcoin is "digital gold," in part because the long-term supply is algorithmically capped at 21 million. But this is nutty. For one thing, unlike gold - which has always had other purposes and today is employed widely in new technologies from iPhones to spacecraft - Bitcoin has no alternative use. And even if Bitcoiners manage to find a way to lower the phenomenal energy cost of verifying transactions, the very nature of decentralized ledger systems makes them vastly less efficient than systems with a trusted central party like a central bank. Take away near-anonymity and no one will want

to use it; keep it and advanced-economy governments will not tolerate it.

The evangelists dismiss such concerns: Bitcoin can still be incredibly valuable as long as enough people perceive it as digital gold. After all, they argue, money is a social convention. But economists (including me) who have worked on this kind of problem for five decades have found that price bubbles surrounding intrinsically worthless assets must eventually burst. The prices of assets that do have real underlying value cannot deviate arbitrarily far from historical benchmarks. And government-issued money is hardly a pure social convention; governments pay employees and suppliers, and demand tax payments in fiat currency.

But it is too soon to say how the new world of digital currencies will play out. Central banks will get into the game (their reserves are already a form of wholesale digital currency), but that is not the end of the story. US Treasury Direct, for example, already offers retail customers an extremely low-cost way to hold very short-term Treasury debt for amounts as little as \$100, tradable to others in the system. Still, heavy security makes the system relatively cumbersome to use, and just maybe governments might adopt one of today's private digital technologies.

For the moment, the real question is if and when global regulation will stamp out privately constructed systems that are expensive for governments to trace and monitor. Any single large advanced economy foolish enough to try to embrace cryptocurrencies, as Japan did last year, risks becoming a global destination for money-laundering. (Japan's subsequent moves to distance itself from cryptocurrencies were perhaps one cause of this year's gyrations.) In the end, advanced economies will surely coordinate on cryptocurrency regulation, as they have on other measures to prevent money laundering and tax evasion.

But that leaves out a lot of disgruntled players. After all, many today - including Cuba, Iran, Libya, North Korea, Somalia, Syria, and Russia - are laboring under United States financial sanctions. Their governments will not necessarily care about global externalities if they encourage cryptocurrencies that might have value as long as they are used somewhere.

So, while we shouldn't be surprised by this year's cryptocurrency price bust, the price of these coins is not necessarily zero. Like lottery tickets, there is a high probability that they are worthless. There is also an extremely small outside chance that they will be worth a great deal someday, for reasons that currently are difficult to anticipate.

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