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Daily Outlook
AFGHANISTAN
The Leading Independent Newspaper

December 15, 2018

The Lapis Lazuli corridor: the National Priorities and Strategic Engagements

Afghanistan on Thursday opened a new international trade route aimed at establishing direct access to Central Asia and Europe as it seeks to build up an economy wrecked by decades of war and reduce reliance on Pakistan.

The Lapis Lazuli corridor connects Afghanistan, Turkmenistan, Azerbaijan, Georgia and Turkey via road and rail that is most appropriate transit trade route in Central Asia, the Caucasus, the Balkans and Central Europe and also connects effectively South Asia to European countries. The importance of this route to Afghanistan is, an alternative and shortest, cheapest and safest way to the aforementioned areas.

The Lapis Lazuli begins from Aqina in northern Faryab province and Turqundi in western Herat province of Afghanistan and continues to Turkmenbashi of Turkmenistan and after passing Caspian Sea, arrives Baku, the Azerbaijan's capital and then it connects Baku to Tbilisi, Georgia's capital and also to the ports of Polti and Batumi of Georgia. And then get cities of Kars and Istanbul of Turkey and finally ends Europe.

An analysis of the geopolitical position of each member country reveals important implications for the global and regional political economy.

The first country, Afghanistan, celebrated the agreement as an important development that would heal its long standing economic plague to a great extent. As a landlocked country, Afghanistan has mainly relied on Pakistan for its international trade in the light of international conventions and bilateral agreements like the Afghanistan Transit Trade Agreement (ATTA) and Afghanistan Pakistan Transit Trade Agreement (APTITA). However, these legal frameworks have not helped; the country's economy continues to suffer due to transit trade challenges posed by Pakistan. In this context, the Lapis Lazuli corridor would diversify Afghanistan's transit routes and has been interpreted as the shortest, cheapest, and most reliable route for Afghanistan's trade with Europe. Beyond transit trade, the agreement is a strategic step toward the integration of Afghanistan in the region and securing its economic future by designating it as a hub to connect the markets of South Asia, Central Asia, and Middle East.

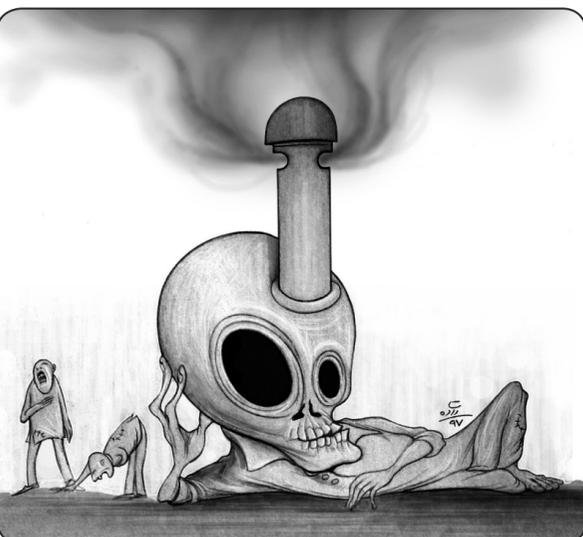
The next destination of the Lapis Lazuli route is Turkmenistan. The country is the fourth largest producer of natural gas in the world with exports to Russia, China, and Iran. Turkmenistan is aware of the risks associated with its heavy reliance on the hydrocarbon industry and has been planning to diversify the economy. As part of its economic diversification agenda under the strategic national priorities as outlined in the National Program for Socioeconomic Development 2011-2030, it has embarked on an ambitious objective to become a transnational transit corridor, including Black Sea and Caspian Sea connections. In this context, the Lapis Lazuli Corridor agreement is in line with country's strategic priorities. It will integrate the country more strongly with the South Caucasus and provide access to a world of economic opportunities.

The next destination of the Lapis Lazuli route is Azerbaijan. Azerbaijan's decision to sign the Lapis Lazuli agreement is not only aligned with its typical geopolitical stance but would also counter similar regional moves by U.S. rivals Iran, China, and Russia to a great extent.

The next stop of Lapis lazuli Corridor is Georgia, a country which shares borders with Russia, Azerbaijan, and Turkey, with Black Sea to its west. Georgia is a transit route for Azerbaijani oil and gas to reach Turkey.

Turkey is further aiming to turn into an energy hub for the EU. At the moment, Russia is the biggest supplier of oil and gas to the EU. As part of diversification efforts and to decrease dependence on Russia, the United States and EU are backing initiatives like the Nabucco gas pipeline project, which would carry gas from the Caspian and Middle East to Austria in Central Europe, and turn Turkey into an energy crossroads.

In the light of countrywide geopolitical situation presented above, the Lapis Lazuli Corridor coincides with the national priorities of the member countries on one hand and U.S. Afghanistan strategic engagement on the other hand. Further, it can ensure regional development through increased integration and economic cooperation, with implications for overall development in the region.



Distinctive Features of the Japanese Education System

By: Mohammad Zahir Akbari

Japan's education system played a central part in Japan's recovery and rapid economic growth in the decades following the end of World War II. After World War II, the fundamental law of education and the school education law were enacted in 1947 under the direction of the occupation forces. The latter law defined the school system that is still in effect today: kindergarten, ages 3-6 (3 years) elementary school, ages 6-12 (6 years) junior high school, ages 12-15 (3 years), high school, ages 15-18 (3 years), university and college orderly four and two years. In addition, schools for special needs education, vocational school, specialized higher education and colleges of technology are incorporated.

Education is compulsory at elementary and lower secondary levels in Japan. Most students attend public schools through the lower secondary level, but private education is popular at the upper secondary and university levels. Japan has ZERO illiteracy!

Japan has 23,633 elementary schools, 11,134 junior high schools, 5,450 senior high schools, 995 schools for the handicapped, 702 universities, 525 junior colleges, and 14,174 kindergartens (May 2003 figures). School attendance rate for the nine years of compulsory education is 99.98%.

Public schools are funded by a combination of support from the national, municipal and prefectural governments. Public upper secondary school did require tuition, but in March 2010, the government passed a measure intended to abolish these fees. Now, schools receive enrollment support funds that they apply to the cost of their students' tuition which equals about \$100 a month, per student. However, if these funds are not sufficient, the students must make up the difference. If students come from a low-income household, the government provides further subsidies of up to \$200 a month.

Private schools also receive a great deal of public funding, with the Japanese government paying 50% of private school teachers' salaries. Other forms of funding are capital grants, which go to private schools for specific costs, including new buildings and equipment. While private schools are considered to be more competitive and prestigious than public schools, public schools still account for 99% of primary schools and 94% of lower secondary schools. There are many more private upper secondary schools, however; 23% of upper secondary schools are classified as private.

The Japanese government spends less on its schools than do many other OECD countries. Schools are functional but unadorned, and most schools have a very small administrative staff, with only a principal, an assistant principal, a janitor and a nurse. The focus of the funding is on teachers and students. In 2011, Japan spent 5.1% of its GDP on education - lower than the OECD average of 6.1%. Japan spends \$8,280 per student in primary school, \$9,677 in lower secondary, and \$10,093 in upper secondary, compared to the OECD averages of \$8,296, \$9,377, and \$9,506, respectively. The average salary of teachers is 7500\$ but they are responsible to

play role not only a teacher but also a researcher. They also required renewing their education personnel certificates every 10 years, after undergoing professional development to ensure that their skills and knowledge are up to date. This new system ensures ongoing professional development, and also provides schools with the ability to remove teachers who are not willing to upgrade or renew their certifications.

In fact, one of the main determinants of educational quality is the competence of the teacher. The high quality of Japanese education owes much to highly qualified teachers. Teaching jobs attract many college graduates because teachers have higher occupational prestige, higher salaries, and generous pensions. Furthermore, teaching is one of the few occupations where people can apply what they have learned in college. Moreover, teaching is one of few professions in which women can build lifelong careers, and simultaneously keep their family commitments. This is why teaching jobs are very competitive, and only one out of every five to eight applicants will eventually become a teacher. The majority of teachers work for almost forty years, until they retire at the age of 60.

Almost all teachers report that they are always busy, and spend much of their time on paperwork and extracurricular clubs. Smaller class sizes for English, mathematics, and science, more team-teaching, and additional teachers have been proposed by the Ministry of Education (MOE) in order to ease the workload of teachers. If schools take on classroom aides and volunteer teachers, teachers would be more effective in the classroom and after school, without massive increases to the educational budget.

The Japan Teachers' Union (JTU) is composed mostly of leftist unionists who have fought the conservative MOE for control of the educational system since 1947. There is no question that the JTU has promoted peace education, student-centered education, teacher autonomy, higher salaries, and education for minorities, the poor, and low-achievers. However, after losing its political power, the JTU needed to adopt a more moderate strategy. JTU members who opposed the compromise with the MOE left the JTU, and formed the All Japan Teachers and Staffs Union (Zenkyō). The JTU finally compromised with the MOE. Even after adopting more conciliatory approaches to the MOE, the JTU is still struggling to attract young teachers.

Both American and Japanese teachers are growing older, with the average teacher now over 40 years old. Japanese teachers have larger classes without classroom aides than do American teachers; however, they will have smaller classes soon. Unlike American teachers, Japanese teachers spend much more time dealing with paper work, counseling, and student activities. Despite demanding work, the majority of both American and Japanese teachers entered the profession because of a love for children.

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Trump's Economic War of Choice

By: Jim O'Neill

The brewing conflict between the United States and China is typical of zero-sum contests among countries, firms, and individuals. The US is acting under the implicit assumption that if China's GDP were to surpass that of the US in nominal dollar terms, US economic prospects would be reduced by an amount equal to the margin of China's gain.

The idea that there needs to be a battle over trade or technological dominance at all is very much in keeping with US President Donald Trump's approach to economic and foreign policy. The recent arrest of Huawei CFO Meng Wanzhou in Canada itself raises the notion that the Trump administration is resorting to increasingly cutthroat methods to get its way.

Yet lost behind the spectacle of high-profile arrests are a few basic economic facts. For starters, one country's gain is not necessarily another's loss. Both the US and China could have vibrant tech sectors that benefit from each other's innovations. Moreover, China's economy is a key driver of growth in many other countries, including the US. And given that its economy is already larger than America's in terms of purchasing power parity, the fear that it will surpass the US in terms of nominal GDP - which is not the same thing as wealth - seems rather beside the point.

It is only natural for a dominant power that finds itself in second place to experience self-doubt or a loss of confidence. But the US will just have to get over it, as the rest of the world did when America became the single largest economy. Besides, the two primary factors behind long-term economic growth are the size of a country's working-age population and its productivity. China has a significantly larger population than the US does, so it stands to reason that it will surpass the US in nominal size at some point (unless it were trapped in a permanent state of poor productivity). The same is true for India.

Another factor that has been overlooked is the Chinese consumer. For many businesses in a given economy, the size of the domestic consumer market is the strongest determinant of potential growth. At the start of this decade, Chinese government statistics showed that domestic consumption accounted for 38% of GDP; by the end of 2017, that figure had risen to 42-43%. In nominal terms, China's consumer market is now around one-third the size of America's, which is why iconic US companies like Apple sell so many iPhones there.

Ten years after the global financial crisis, US domestic consumption remains at around 70% of GDP. But it is unlikely that the global and US economies will be able to rely on this source of demand for another decade, which is precisely why the Chi-

nese market's rapid growth should be welcomed by all - not least Western companies, whose bottom lines will increasingly depend on Chinese consumers.

Given its growth potential, the Chinese consumer market will continue to attract US companies and investors, including from Silicon Valley. So far, Chinese regulations do not seem to have discouraged the big US-based tech companies. Even Google, which left China eight years ago, is reportedly developing a censored search engine to meet the Chinese government's conditions for re-entering the market. Similarly, leading Silicon Valley investors such as Sequoia have been highly active in Chinese venture-capital start-ups for years.

Other countries can certainly disagree with China's approach to domestic governance. But as a sovereign country, China is justified in pursuing the policies that it sees fit, at least until evidence emerges that its own people object to the course it has charted for itself. The widespread adoption of digital applications such as WeChat - a broader Chinese version of WhatsApp - suggests that Chinese consumers are not particularly put off by government controls, and quite enjoy the wealth of new platforms at their fingertips. Moreover, there has been evidence that some US tech companies appear not to have full control of their own platforms. China's more controlling line on corporate behavior might not suit freewheeling businesses, but may have some social benefits.

As for the Huawei case, if it turned out that the company did indeed violate contractual obligations not to transfer US technology to Iran, then it is only reasonable that there should be consequences. That is true for any exporting business: US secondary sanctions mean that companies and governments everywhere must consider whether their business with Iran is more important than their business with the US.

But the US also needs to think carefully about its own actions. At some point, the dollar's status as a global means of payment and reserve currency could be challenged. If the US is too aggressive in its enforcement of secondary sanctions, other countries might either develop payment systems of their own or forbid their companies from doing further business with US firms. Whether China can become the world's largest economy without also achieving technological dominance is an open question. But it is not one that other countries should be obsessing over at the expense of their own economic growth and long-term stability.

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