

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

Daily Outlook
AFGHANISTAN
The Leading Independent Newspaper

February 07, 2019

How to Minimize Conflicts?

Conflicts exist within every human society. And, it points towards the fact that there are different kinds of people and groups of people within a society and their interests are different and in certain cases, they are even different from one another. There is no possible way of avoiding all sorts of conflicts; however, it is possible to minimize them and their influences if they are understood and handled properly.

Understanding the reasons of conflicts may provide an opportunity that can support in handling it them properly. One of the basic reasons of conflict is misunderstanding. Misunderstanding has the tendency to generate and enlarge a conflict to a great extent. One of the basic reasons of misunderstanding is the communication gap or communication errors.

Every human being has his unique perception and frame of reference through which he/she understands the world or the different phenomena, processes and happenings in the world. So, the objective reality is not necessarily what a person perceives; what a person perceives is basically the subjective interpretation of the objective reality.

The differences in interests are another main reason of conflict. There are different sorts of interests that a person strives to pursue in his or her life. These interests range from a very minor personal benefit to the large economic and political benefits. However, most of the interests are measured in economic terms in today's capitalist society where almost every person is running after money. There is a tough competition among the people to achieve different resources so as to make their lives comfortable; unfortunately, these resources are limited and everybody cannot have what he/she wants. This gives rise to a competition and on most of the occasions this competition ends in clashes and conflicts. Therefore, the differences in interests have a potential to generate different types of clashes.

The differences in interests turning into conflicts can be best understood in the context of collective life. Take the example of different countries. All the countries in the world have certain interests, which are pursued and defined by the countries' political systems and governments. All the countries want to pursue their national interests through diplomatic means; however, the diplomatic trickery cannot always earn the countries their interests as others also have certain interests which clash with them. This situation generates conflicts among nations, which, if not resolved through diplomatic prudence may turn into wars.

The conflicts have the capacity to bring wars, disorders and destructions; therefore, efforts should be made to resolve the conflicts in a proper manner. It basically starts with the personal endeavors. In personal life, conflict can be resolved in so many ways. The most important point is to understand that the conflicts are unavoidable and they are bound to occur; therefore, the imperative thing is how to respond to the conflicts. There are three main categories of an individual's response to the conflict. First, he/she may remain very much pessimistic to the conflict and try to avoid it even though it is affecting him/her. The second response is that of very aggressive people. They are the ones who overdo most of the things on most of the occasions. Then there is the moderate response and that is considered as the most appropriate one. That is response of a real peace-maker. With a moderate response it is possible to thwart certain conflicts. For a moderate response it is important to have certain personal qualities as well. The personality traits like tolerance and prudence can be very much helpful in resolving conflicts.

If taken on collective level, there are conflicts among groups, institutions, states and even groups of states. In order to resolve the conflicts among the groups and institutions, it is necessary to adopt democratic culture and tradition. The democratic principles allow the groups, institutions and states to form an administration or government through the consent of all the people involved. These principles make sure that everybody should have a say not only in the formation of the administration or the government but also in the undertakings of the government.

Another important key to resolving conflict within the groups and among the groups is the rule of law. It is necessary to prioritize justice and consider it above the social, economic and political status. Both the weak and the strong should be treated alike and they should be considered equal while justice is being implemented.

Afghanistan is also one of the nations that have been suffering from conflicts. There are different reasons of the conflicts in Afghanistan. There have been religious intolerance, tribal bounds and ethnic controversies. All these conflicts have basically been utilized politically and have been intentionally turned into troublesome issues; therefore, they have influenced Afghan nation to a large extent. There is no doubt in the fact that Afghan society is a heterogeneous society; but this heterogeneity could best be used in order to embellish the social structure with variety and different colors.

**Afghanistan Makes Strides in Regional Connectivity**

By: Hujjatullah Zia

Seeking to regain its historical position as the regional transit hub, Kabul government has put its weight behind regional connectivity and increased the trade volume between Afghanistan and regional countries in recent years through launching air corridors with India, Turkey, Kazakhstan, Saudi Arabia, Indonesia, and China.

In early November, Afghan President Muhammad Ashraf Ghani opened Afghanistan-China Air Corridor to increase the volume of export to China in a bid to address the trade deficit. In the inauguration ceremony, President Ghani described pine nuts and pistachio nuts as "the hidden treasures" of Afghanistan adding that the trade corridor would enable the country to utilize its full potential.

Besides friendly neighbors, China and Afghanistan are significant trading partners. With Chinese opening-up policy, the room for trade has widened in China for all countries, including Afghanistan, whose businessmen and high-level officials are taking active part in Chinese economic forums, expos and exhibitions. For example, Afghan high-level officials, led by second deputy CEO Muhammad Muhaqqiq, participated in the fifth China-South Asia (CSA) Expo in Kunming, capital of Southwest China's Yunnan province, on June 14. Likewise, second vice president Sarwar Danesh attended the International Cultural Expo of the Silk Road in Chinese Province of Gansu - also known as the sister city of Bamyan - in late September. More Significantly, President Ghani also had a trip to China last year to attend Shanghai Cooperation Organization.

In the meantime, a number of Afghan businessmen attended many expos, forums and exhibitions - including CSA Expo and China International Import Expo (CIIE) - in China. Attending the CIIE in Shanghai, Director of the Afghan Expo Commission Omer Rahimi, said Afghan government subsidized businessmen to export their goods through Afghanistan-China Air Corridor, which made shipping goods to China more affordable. He featured Afghanistan's handicrafts, carpets, precious stones, saffron, pine nuts, etc. in the exhibition.

Moreover, Afghanistan launched lapis lazuli route, an air corridor with Turkey, on December 13, which enables Afghanistan to transport its products to Turkey as well as to Europe. "We are a people of connection and not a people of disconnection. We do not want isolation and separation, we want communication and cooperation," Ghani is cited as saying.

Kabul also hosted the first coordination meeting of RECCA (Regional Economic Cooperation Conference on Afghanistan) Ambassadors in 2019 and the inauguration of RECCA Research and

Evaluation Center on Sunday. RECCA, which was established in 2005, involves in regional issues such as regional connectivity, trade and transit facilitation, transportation, and multilateral cooperation between member states.

It is self-evident that upgrading economy, strengthening trade and transit, and enhancing import and export with regional countries will make great contribution to poverty alleviation in Afghanistan. The country needs to address trade deficit and boost connectivity with its neighboring countries and beyond through air and land to give the economy momentum. In the current globalized world, transportation construction is an essential prerequisite for economic development. A Chinese proverb says, "If you want to be rich, you must build roads at first". This saying stresses the significance of transportation and connectivity.

As the "center of Asian crossroads", Afghanistan should seek to revitalize its historical status through expanding trade and transit with the region and paving the ground for domestic and foreign investment. It is believed that if Afghanistan focuses on economic activities, it will regain its status for three main reasons: First, Afghanistan is known as "the heart of Asia" for its unique geographical location, which is able to connect South Asia to Central Asia and East Asia to West Asia. Second, Afghanistan has huge untapped deposits and mineral resources, which will enable the country to stand on its own feet economically. Third, Afghanistan has huge human capital. The abundant workforce without labor market will necessarily lead the country to poverty. Hence, if Afghanistan struggles to manage its resources, capitalize on its geographical location and use its human capital appropriately, it will regain its former status as "Asian transit and trade roundabout".

It is believed that Ghani's administration has played key role in economic activities despite the ongoing instability hampering the economic development. Although terrorist networks and their backers seek to isolate Afghanistan and create obstacles before its economic growth through staging intensified attacks, mining its resources illegally, and smuggling its natural reserves, Afghanistan has made considerable strides in terms of trade. Nonetheless, the high level of poverty and unemployment suggest that Afghanistan has long way to go. That is, government has much to do to move Afghanistan towards self-reliance. Despite all the struggles made to connect Afghanistan to regional countries and boost its trade and economy, the country is still in its early stage and needs to move on at a faster pace.

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Is Japan's Sun Rising?

By: Jim O'Neill

When I participated in the Chatham House/Daiwa Research Institute conference on the post-Brexit Japan-UK relationship in Tokyo last month, it was my first visit back to Japan since my departure from Goldman Sachs almost six years ago. Prior to this trip, I had been visiting the country regularly since 1988, so it was helpful to see things from a slightly more detached perspective.

By and large, Japan in 2019 feels relatively stable when compared to other advanced economies. A decade from now, I would not be surprised if it continues to show the highest real (inflation-adjusted) per capita GDP growth rate in the G7.

True, Japan's annual GDP growth has averaged just 1.1% so far this decade; but its declining population and shrinking workforce is already translating into stronger per capita performance. In fact, given the country's demographic challenges, it might well be outperforming its long-term growth potential.

Moreover, the Japanese government has begun to publicize its efforts to attract certain foreign-born workers, having finally recognized that immigration will be necessary for future growth. That has been obvious for at least 20 years now. Yet, in hindsight, Japan's long refusal to adopt a pro-immigration strategy no longer seems as mistaken as it once did, given the recent backlash against globalization in Europe and the United States.

Later this year, Shinzo Abe will become the longest-serving prime minister in Japan's history. Having taken office after two decades of successive Japanese leaders playing musical chairs, he has delivered a remarkable period of stability. In particular, his signature economic strategy ("Abenomics") has produced a number of successes. In addition to experiencing strong real per capita GDP growth, Japan's persistent deflation seems to have come to an end, and there have been marked increases in women's labor-force participation.

Then again, Japan is also nearing the 20th anniversary of its foray into quantitative easing (QE). The remarkable duration of this unconventional policy may owe something to the fact no one can be sure what will happen if it stops. But it also continues simply because, despite massive liquidity injections and measures to cajole companies into raising wages, inflation remains persistently below the 2% target that Abe instructed the Bank of Japan (BOJ) to pursue.

Under these conditions, ending QE is simply not an option. Still, in principle, one can question the wisdom of continuing with it indefinitely. It is obvious that the BOJ cannot achieve 2% inflation without introducing significant monetary risks; and it is not at all clear that a 2% target is sensible to begin with. Even if it is,

there are risks to pursuing such a narrow objective at the expense of other policy priorities. Many countries learned this the hard way back in the 1990s.

Nonetheless, the BOJ will maintain its current approach at least until Abe leaves office. The question is what happens after that. With the BOJ having become such a distortionary presence in bond and equity markets, its curtailment of QE could have far-reaching implications across the global economy. Unless the end of QE coincided with a dramatic improvement in the government's debt position, which is highly unlikely, bond prices finally would be in for a tough time.

That could also be true for equities, given that the BOJ has become one of the top-ten largest shareholders in many Japanese companies. On the other hand, if the BOJ ends its share purchases, equity markets will suffer less distortion, and there could a more important role for individual stock analysis. No doubt, these variables - along with a planned increase in the Japan's consumption tax - will occupy financial analysts' minds for some time to come.

As for the broader topic of our recent conference, I have realized that there are more areas for cooperation between post-Brexit Britain and Japan than I had previously thought, owing to the oddities of each country's economic situation.

For example, with so much experience in managing the tricky relationship with China, Japan probably has some wisdom to offer other developed countries. For governments around the world, the challenge is to strike a balance between reaping the benefits of Chinese growth and avoiding the attendant security, cyber, and financial risks.

I suspect that policymakers in the United Kingdom will share Abe's enthusiasm for stronger cooperation on data protection and cyber security - an issue that will feature prominently at the G20 summit in Osaka this June. They would also welcome Japan's advocacy for a better rules-based system of global governance. And, of course, they might have something to learn from Japan's recent success in striking trade deals across Asia and with the European Union. If the UK is determined to go it alone on trade, strengthening its commercial ties with Japan will be absolutely necessary.

And who knows, if Abe's overtures to Russian President Vladimir Putin pay off, he might even be able to teach the rest of us something about Kremlinology. But on this issue, at least, we would do well to keep our hopes in check.

Jim O'Neill, a former chairman of Goldman Sachs Asset Management and a former UK Treasury Minister, is Chair of Chatham House.

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