

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



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## Unemployment: A Menace for the Society

It is widely accepted that unemployment is one of the most serious issues in a society. It, in itself is a grave problem, but at the same time gives rise to many other social, economic and political issues. It is because of the unemployment that the valuable human resource within a society is not brought to use or it is mostly used for negative purposes and therefore results into disorder and disturbance instead of being used for development and prosperity.

It is said that an idle mind is devil's workshop; therefore, the people who are unemployed do not get the chance of bringing their minds and their skills to work; therefore, they are used elsewhere – mostly somewhere where they can find any sort of opportunity without the thought of considering the negative and positive aspects or the concept of right and wrong. Though most of the countries in the world today face the issue of unemployment, the underdeveloped and the developing countries suffer from this menace to a large extent. As, the basic infrastructures in such countries are not developed and they lag behind in the process of industrialization, they are not able to create ample financial and developmental opportunities; therefore, new jobs are not created, which generates challenges for the authorities to compensate the ever-increasing population. The number of the capable people who have required qualifications and can work increases but the society and systems cannot compensate for them appropriately and, therefore, they become a part of the detestable unemployment.

It is not only because of the lag in the industrial revolution but unemployment has also to do with lack of determined and honest efforts to create job opportunities for the people. The agricultural societies, though may not be on the top regarding the industrial development, can also play a great role in creating opportunities for the qualified people. Some of the developing societies in this regard have taken some great initiatives and they have been successful as well. Therefore, it is also important that there should be determined and honest efforts to create new and innovative opportunities so that more and more of the human resource can be brought to work.

Afghanistan is one of the countries that have been suffering from the evil of unemployment. Though insecurity and terrorism are making headlines in Afghanistan, the most important issue being faced by the country today is poverty and unemployment. There are direct links between the insecurity and unemployment, which are neglected altogether. Unfortunately, behind the hyped news of terrorism, the issue of unemployment has become less important. However, it deserves as much attention as the growing insecurity and terrorism and even more than that.

This issue should be dealt immediately by Afghan authorities because it is becoming as the root of many other social issues in the country. The social problems like insecurity, immigration, drug addiction and crimes are mainly because of unemployment. If there are people who deserve to be working somewhere but are not provided the opportunity, there is huge likelihood that they will opt to join the ranks of the terrorists, become drug addicts, commit crimes or plan to migrate.

A recent survey conducted by Pajhwok Afghan News has revealed that joblessness in the northern province of Sar-i-Pul has forced youth to seek refuge in drug addiction, committing crime and leaving the country in droves. According to a statement by Faiz Mohammad, Chairman of Siyad District Development Council (DDC) up to 80 percent of youth remain jobless in the winter season, but they find work in Sar-i-Pul and other provinces like Jawzjan and Balkh provinces in the summer.

The survey report reveals that since March, 2015, more than 10,000 passports have been issued to residents of Sar-i-Pul. The passport department head in the province, Syed Noor Ahmad Sadat says that most of the recipients intend leaving the country for Iran, Saudi Arabia and European countries in search of better living conditions.

Moreover, poppy cultivation and drug addiction are also on the rise in the province. Director of Counter-Narcotics Hamidullah Hamid says that joblessness, insecurity and poppy cultivation are pushing many into addiction. In 2015, nearly 1,000 hectares of land had been cultivated with poppies in the province, but the area under poppy cultivation has doubled this year. Recently a 20-bed rehabilitation centre for drug addicts was built in the province and the Public Health Department will recruit staff for the facility in the near future, adds Hamid, who believes the initiative is insufficient. Moreover, the acting police chief, Col. Anayatullah Habibi, says 243 people, including 213 men, 20 women and 18 children, have been arrested in connection with 180 incidents of crime since March 2015 in the province. Twenty murders, 26 robberies, 48 injuries, six sodomy offences, five adultery instances and 75 different crimes are included in the 180 cases. Police investigations show 80 percent of the cases occurred due to poverty and joblessness.

The other provinces in the country are no better. Therefore, the Afghan government must deal with this problem on top priority basis. The issue of unemployment is more dangerous and urgent than the issue of insecurity and terrorism. Having solved this issue, Afghan government would be a huge step closer to solving the issue of terrorism and insecurity.



## ISIL Poses Greater Challenge to the Public

By Hujjatullah Zia

The self-styled Islamic State of Iraq and the Levant (ISIL) has created political turmoil across the country and threatens the life of the public. Insurgency was escalated with the emergence of ISIL and allegiance of some Taliban fighters pledged to al-Baghdadi's caliphate. Of late, the US formally designated the ISIL group's affiliate in Afghanistan and Pakistan as a terrorist organization. The US State Department said the order concerned the Islamic State group's "Khorasan Province" – which US officials refer to as "ISIL-K." It is said that "the group is based in the Afghanistan-Pakistan region and is composed primarily of former members of Tehrik-e Taliban Pakistan and the Afghan Taliban." ISIL-K was reportedly involved in terrorist attacks and suicide bombings inside and across the border.

According to a recent report, more than 10,000 members of ISIL group are based in the distant regions of Afghanistan and Pakistan. The project by the UK-based Royal United Services Institute (RUSI) has been initiated amid concerns that members of the terror group seek to expand foothold in the region, including swaths of southern and central Asia under the terror group's so-called Khorasan province.

However, the ISIL sources are cited to say that the loyalists of the terror group have been coming under pressure from some of its donors to increase activities in Central Asia, using its well-developed contacts with Central Asian jihadist groups in northern Afghanistan. "Early findings for the new research project suggest that Daesh has established a foothold in Afghanistan and is still growing. However, its advance more closely resembles a hurdle race than a triumphant march. So far, Daesh has been mainly troubling the Taliban, but it is unlikely that it will remain focused on competing with other insurgent groups." Similarly, officials said on Wednesday that air strikes have destroyed a radio station run by Islamic State terrorists in eastern Afghanistan - two months after the group took to the airwaves in a sign of their growing reach. The Ministry of Defense stated that the program was broadcast from a moving vehicle and air strikes last week destroyed the transmission equipment hidden in the basement of a house in volatile Achin district.

In recent months Afghan forces backed by US drones launched a scorched earth offensive to beat back ISIL in Nangarhar, where the group's reign of terror has displaced thousands of people. President Ashraf Ghani recently vowed to "bury" the Islamic State group's affiliate in Afghanistan, while voicing alarm over their growing reach. Earlier, Ghani ordered the Ministry of Defense to keep bombing members of the ISIL group and wanted them killed. Similarly, Afghanistan also joined the international coalition against

the ISIL extremist group, bringing the total number of participant-countries to 66, reports say.

Last month, the White House gave the US military legal authority to target the group's fighters in Afghanistan, the first such authorization for military action against the group outside Iraq and Syria. Recently, US Secretary of State John Kerry claimed that the international coalition led by the United States has conducted almost 10,000 airstrikes and killed more than 90 mid or high-level ISIL leaders since May 2015. He also pointed out that Washington would continue to increase its participation in the military operations against ISIL.

The insurgents, including the members of ISIL group, have inflicted heavy casualties on Afghan nation. The already staggering Afghan casualty figures have soared to new heights after the international combat mission ended a year ago. The country suffered almost 5,000 civilian casualties only during the first half of 2015; nearly 30,000 Afghan soldiers and policemen were killed from 2009 to mid-2015. December saw a 57 percent rise in civilian casualties.

The stronger foothold of ISIL group will pave the way for further casualty in our land. A spark of sectarianism, such as abducting and killing ethnic minority group in recent times, seems to be the product of the ISIL's presence in the country. No ethnic group will be immune to the poison spewed forth by IS insurgents. Moreover, it is self-explanatory that the ISIL group seeks to consolidate its presence in Afghanistan so as to fish in troubled water and hunt its prey in restive parts of the country – it will threaten the fragile political structure and democratic system. At his daily news conference, State Department spokesman John Kirby said, "It is absolutely true that Afghanistan remains a dangerous place; there's no question about that. Today's attack underscores that." But he also underlined the need for a continued international mission in Afghanistan to improve the capability, confidence and competence of the local security forces that continued to do an admirable job.

Hence, according to US officials, Afghanistan is still a dangerous place and need the regional and international supports to end militancy. With the failure of the US project of "war on terror" and withdrawal of US-led NATO forces, militancy and death toll increased and members of ISIL gained firm foothold across the country – which is a matter of great concern for the government and for the public. Since, ISIL fighters are more radical and less flexible than the Taliban, military action will be the only effective strategy to work. Not only Afghan government, but the Middle East should join forces to launch a heavy attack against the ISIL fighters so as to reduce civilian casualties.

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## What's Holding Back the World Economy?

By Joseph E. Stiglitz and Hamid Rashid

Seven years after the global financial crisis erupted in 2008, the world economy continued to stumble in 2015. According to the United Nations' report World Economic Situation and Prospects 2016, the average growth rate in developed economies has declined by more than 54% since the crisis. An estimated 44 million people are unemployed in developed countries, about 12 million more than in 2007, while inflation has reached its lowest level since the crisis.

More worryingly, advanced countries' growth rates have also become more volatile. This is surprising, because, as developed economies with fully open capital accounts, they should have benefited from the free flow of capital and international risk sharing – and thus experienced little macroeconomic volatility. Furthermore, social transfers, including unemployment benefits, should have allowed households to stabilize their consumption. But the dominant policies during the post-crisis period – fiscal retrenchment and quantitative easing (QE) by major central banks – have offered little support to stimulate household consumption, investment, and growth. On the contrary, they have tended to make matters worse. In the US, quantitative easing did not boost consumption and investment partly because most of the additional liquidity returned to central banks' coffers in the form of excess reserves. The Financial Services Regulatory Relief Act of 2006, which authorized the Federal Reserve to pay interest on required and excess reserves, thus undermined the key objective of QE. Indeed, with the US financial sector on the brink of collapse, the Emergency Economic Stabilization Act of 2008 moved up the effective date for offering interest on reserves by three years, to October 1, 2008. As a result, excess reserves held at the Fed soared, from an average of \$200 billion during 2000-2008 to \$1.6 trillion during 2009-2015. Financial institutions chose to keep their money with the Fed instead of lending to the real economy, earning nearly \$30 billion – completely risk-free – during the last five years. This amounts to a generous – and largely hidden – subsidy from the Fed to the financial sector. And, as a consequence of the Fed's interest-rate hike last month, the subsidy will increase by \$13 billion this year. Perverse incentives are only one reason that many of the hoped-for benefits of low interest rates did not materialize. Given that QE managed to sustain near-zero interest rates for almost seven years, it should have encouraged governments in developed countries to borrow and invest in infrastructure, education, and social sectors. Increasing social transfers during the post-crisis period would have boosted aggregate demand and smoothed out consumption patterns.

Moreover, the UN report clearly shows that, throughout the developed world, private investment did not grow as one might have expected, given ultra-low interest rates. In 17 of the 20 largest developed economies, investment growth remained lower during the post-2008 period than in the years prior to the crisis; five experienced a decline in investment during 2010-2015.

Globally, debt securities issued by non-financial corporations – which are supposed to undertake fixed investments – increased significantly during the same period. Consistent with other evidence, this implies that

many non-financial corporations borrowed, taking advantage of the low interest rates. But, rather than investing, they used the borrowed money to buy back their own equities or purchase other financial assets. QE thus stimulated sharp increases in leverage, market capitalization, and financial-sector profitability. But, again, none of this was of much help to the real economy. Clearly, keeping interest rates at the near zero level does not necessarily lead to higher levels of credit or investment. When banks are given the freedom to choose, they choose riskless profit or even financial speculation over lending that would support the broader objective of economic growth.

By contrast, when the World Bank or the International Monetary Fund lends cheap money to developing countries, it imposes conditions on what they can do with it. To have the desired effect, QE should have been accompanied not only by official efforts to restore impaired lending channels (especially those directed at small- and medium-size enterprises), but also by specific lending targets for banks. Instead of effectively encouraging banks not to lend, the Fed should have been penalizing banks for holding excess reserves. While ultra-low interest rates yielded few benefits for developed countries, they imposed significant costs on developing and emerging-market economies. An unintended, but not unexpected, consequence of monetary easing has been sharp increases in cross-border capital flows. Total capital inflows to developing countries increased from about \$20 billion in 2008 to over \$600 billion in 2010. At the time, many emerging markets had a hard time managing the sudden surge of capital flows. Very little of it went to fixed investment. In fact, investment growth in developing countries slowed significantly during the post crisis period. This year, developing countries, taken together, are expected to record their first net capital outflow – totaling \$615 billion – since 2006. Neither monetary policy nor the financial sector is doing what it's supposed to do. It appears that the flood of liquidity has disproportionately gone toward creating financial wealth and inflating asset bubbles, rather than strengthening the real economy. Despite sharp declines in equity prices worldwide, market capitalization as a share of world GDP remains high. The risk of another financial crisis cannot be ignored. There are other policies that hold out the promise of restoring sustainable and inclusive growth. These begin with rewriting the rules of the market economy to ensure greater equality, more long-term thinking, and reining in the financial market with effective regulation and appropriate incentive structures. But large increases in public investment in infrastructure, education, and technology will also be needed. These will have to be financed, at least in part, by the imposition of environmental taxes, including carbon taxes, and taxes on the monopoly and other rents that have become pervasive in the market economy – and contribute enormously to inequality and slow growth. (Courtesy Project Syndicate)

The views expressed here do not reflect the views of the United Nations or its member states.

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