

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

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Strong Economy is Vital for Stability

One of the ways Afghanistan would be able to face the serious challenges in different sectors is to strengthen its economy. A reliable economic system would help in political stability and restoration of security. The country cannot keep on relying on the external support indefinitely. It has to stand on its own and face its economic challenges itself. Most importantly, it needs to let the businesses grow, support them and enable them to bear roots. Both national and international businesses can assist the country in its journey towards a stable economic system.

However, the fact is that the attention given to the economic system of the country is really insufficient. Moreover, the different institutions that can play a great role in this regard have been victimized by incapacity and corruption. And, without strong economic institutions, developing the basic infra-structure on which to make the economy stand is almost impossible.

One of the main institutions that has a key role in Afghanistan's economic prosperity is Afghanistan Chamber of Commerce and Industries (ACCI). This institution has to be supported, groomed and managed properly so that it shoulders the tough responsibilities that are given to it. Unfortunately, the institution is being dominated by controversies and ill-management. On many occasions, the Afghan business community, entrepreneurs and private sector leaders have demanded that the leadership of ACCI has not been able to devise strategies that can help them develop economic and financial initiatives. They have also mentioned that business community wanted the ACCI leadership to adhere to the laws of the chamber and those of the country to ensure sustainable development of the market, business and economy of the country. They have also stressed that it is duty of the chamber to prevent any mistrust, misuse of public resources, abuse of power and authority.

They have also highlighted that the business community is facing serious challenges like kidnapping of businessmen, procurement issues and challenges, low quality of services especially in large projects, lack of electronic payment systems, failure to attract foreign direct investment, WTO representation, low employment and brain drain challenges, lack of support mechanisms and programs for Afghan businesses especially for women-owned businesses, misuse of ACCI resources by those in authority, capital flight etc. And, these all issues remain unattended, while the authorities are busy in saving the positions in the institution.

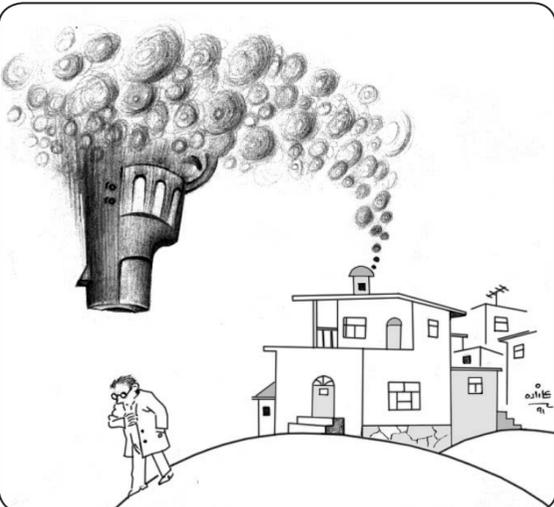
They, therefore, have always demanded that ACCI and other responsible bodies should play their role in supporting the private sector and contribute to the economic growth and development of already fragile Afghan economy.

There are different pre-requisites for businesses and investments to flourish. Among them stability and security play a dominant role. If different systems within a country are stable and there are not major fluctuations every now and then, the ground is said to be ready for the investors and businessmen to jump in and establish their businesses. Businessmen want consistent outcomes from their investments and they abhor seeing political and social changes disturb their businesses. The evil like insecurity plays a major role in discouraging businesses and investments. Different incidents of terrorism and killings compel the businesses to shut down, and frighten the investors to invest. The societies marked with insecurity do not have consumers going to the markets and enjoying the luxury of shopping different products. Afghanistan is one of the same kinds of country where insecurity has been influencing the economic life to a large extent. Both national and international businessmen are not readily willing to invest in all the sectors and they do not see positive prospects of their businesses. As insecurity has been overwhelmingly influencing the country, the development in the basic infra-structure has been meager.

The doubts and uncertainties of the Afghan market have made the international investors to think thousand times before they take an initiative to start their businesses in the country. Though there are great opportunities in Afghanistan and the country is blessed with different types of mineral and other natural resources, the economic infra-structure has not been able to get enough attention.

Afghanistan needs to have strong economy so as to go through the current period and most importantly to survive after the international supports dry. The country has to start from the institutions and basic infra-structure development and has to reach to a stable economy, wherein the businesses are able to function without any fear and inconsistency. The business institutions like ACCI need to develop an environment that can be galvanizing for both the national and international investors. Moreover, the golden opportunities wherein Afghanistan can exert maximum and can get the best outcomes from must be discovered and they should be strengthened so as to push the country towards self-sufficiency.

On the other hand, the businessmen and investors must also keep the national interests in their consideration while they establish their businesses and start getting the outcomes from them. They have to keep this in their minds that the society as a whole has certain rights that have to be fulfilled by them.



Afghan Peace Process: A Platform for Advancement of Regional Countries' Conflicting Interests

By: Mohammed Gul Sahibzada

Second round of peace talks between Afghan Taliban insurgents and the United States of America is planned to start on 25th February 2019 in Doha, capital of the Emirate of Qatar in Middle East. Based on communiqué issued at the end of first round talks between Afghan Taliban insurgents and the US, which included conflicting claims both by Afghan Taliban insurgents and the US, and which were followed by several statements both by spokesman of Afghan Taliban insurgents and the US representative in the talk to clarify certain 'misinterpretation'. Some of these 'misinterpretations' included a vivid statement by Afghan Taliban insurgents chief negotiator, Mr. Stanekzai, in an interview with a Pakistani media outlet that once peace agreement was fulfilled 'Taliban would dissolve Afghan national army'. Also, the US side had several times expressed that 'basic agreement' was reached about 'withdrawal of US forces from Afghanistan'. Though both parties have clarified their positions on such expressions, yet these statements came as surprises to the real stakeholders of Afghan peace process, include Government of Afghanistan, the people of Afghanistan and many regional countries who see their interests at stake and fate of Afghan peace in the balance in the event any adverse agreements were reached in these initial stages of the peace process. After all, interlocutor to ongoing initial stages of Afghan peace process agree that regional and international covenant should be reached and all stakeholders - including countries in the region, major regional powers, such as India and China, and the US and NATO member countries should have their voices heard and interests reflected in any outcome that might lead to a prolonged and trustworthy peace agreement. In addition, it was also believed that discussions on topics such as US and NATO troop withdrawal from Afghanistan, and non-inclusion of Afghan Government as major party in the ongoing peace process in the initial peace negotiations were on shaky grounds and had no validity as such matters were tied to strategic security agreements signed between the Government of Afghanistan and the Government of United States of America. In addition, major international covenants and strategic security agreements signed between the Government of Afghanistan and many other regional countries, legally hold their grounds. Under such complex circumstances, it was hardly valid for negotiating teams of both the Afghan Taliban side and the US side to bring into discussions these sensitive topics. It is, therefore, obvious that Afghanistan neighboring countries - most specifically Pakistan and to some extent Iran, which uses proxies and back channels for advancement of her interests and agenda as Islamic Republic of Iran is not talking to US - try to use Afghan peace process as platform to advance their agendas and interests. Pakistan in particular has invested time, resources and manpower since last two decades to make Afghan Taliban insurgents turn as major force to reckon with in Afghanistan. They have been successful in reaching this milestone because of the weaknesses and governance vacuum inside Afghan Government, and insidious intelligence operations that Pakistan had unleashed in Afghan Government security and defense institutions, Afghan parliaments and other sensitive Government departments through spies and agents. To make the matter

worse, Afghan Government's failure during last eighteen years to rein in corruption, male practices and misuse of Government power by individuals who had been appointed in senior Government positions based on nepotism and political or tribal connections, has assisted regional hostile forces - including Pakistan - to advance their destructive agendas. The result have been clear: more than 'forty percent of Afghan territory is held by Afghan Taliban insurgents' These figures have been supply-pushed in regional and international news outlets relentlessly in order to shape international mentality to accept the so called 'new reality' of Afghan political and military scenario, and let international supporters of Afghanistan to accept Pakistan demands concerning future Afghan political and military set up. And unfortunately, it is already accepted and touted throughout international news outlets that Afghan 'problem' could not be settled militarily and that a 'political solution' should come out. The present peace process is partially kicked off with these points in view and more dominantly by views and campaign promises of President Donald Trump.

With the above premises in mind, it is clear that start of peace negotiations has created too much unrealistic expectations among Afghan Taliban leaders and their supporters in Rawalpindi and Islamabad, which would hardly accept any moving back from demands they have already put in place, let alone talking to Government of Afghanistan. The result of such pompous treatment of Afghan Taliban insurgents is already shaping things up. They have included a notorious master mind and killer of Afghan civilians and foreign military service men, Anas Haqani, who has very close ties with Pakistan intelligence and military set up, and is at present in custody of Afghan Government. With eagerness and begging for peace on the part of the Afghan and US Government in mind, Afghan Taliban insurgents have firm belief that whatever they may demand, would be accepted by the other party in negotiation. It is worth to repeat that agenda of talks, participation of Afghan Government in peace talks and many other nationally strategic important matters have not yet been agreed upon as of this time, but demands from Afghan Taliban insurgents are swelling in size and scale! For the ongoing peace process to succeed and a stable and long-lasting peace is to prevail, it is now or never to instill in the minds of Pakistan and Afghan Taliban insurgents that ground realities are different than what was in late 1990s. They have to accept Afghan national sovereignty, Afghan constitution, Afghan diversity and Afghan polarized political and social system in the country in order to be accepted and be part of future, peaceful Afghanistan. Nothing in future political, military and social set up can be anywhere close to the setup of Taliban regime in late 1990s where army, police, judiciary, political and military decision makers - all included Taliban military personnel. Simply flexing fingers to demand more or a return to Taliban previous regime is not realistic and pragmatic. It is therefore expected that negotiator in the upcoming peace talks in Doha, Qatar, should reflect these facts and figures and agree on inclusive agenda to put the entire peace negotiation on a right track.

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What Will Succeed GDP?

By: Diane Coyle

Is the world becoming increasingly prosperous? It would be hard to answer "yes" right now, at least so far as the leading high-income economies are concerned. Yet the longstanding bellwether of economic progress - inflation-adjusted GDP - has been growing across most of the OECD since 2010, suggesting that everything is fine. Some 80 years after GDP was introduced, nearly everyone (apart from the indicator's stewards) has concluded that it is no longer a useful measure of economic progress. But there is no consensus yet on a possible replacement. Reaching agreement on an alternative will require a new concept of prosperity and a new way to measure whether living standards are improving.

There are several potential alternatives. One influential approach, pioneered by the Massachusetts Institute of Technology's Erik Brynjolfsson and his co-authors, is to ask people how much they value free digital goods such as online search and social media, and then add the result to the conventional measurement of GDP. Their research indicates that the average person in the United States would need \$17,530 per year to compensate for lack of access to online search, \$8,414 for email, and so on.

These are large numbers relative to the US median per capita income of just over \$31,000, indicating that the economic-welfare benefits of zero-money-price digital goods are high. This approach therefore captures some meaningful improvements in people's lives that are currently excluded from GDP. But to generate a meaningful economic-welfare metric, the same technique should be applied to other important components of wellbeing not captured by GDP, such as the natural environment, leisure, and unpaid work in the home.

Another alternative, supported by a large and growing body of research in economics and psychology, is direct measurement of wellbeing or happiness. Surveys of reported levels of wellbeing are now available for many countries, and the idea of cutting to the chase by using this as the prosperity metric has strong advocates. But this option has several drawbacks, including the fact that indicators of wellbeing change little over time. Happiness surveys in rich countries, for example, typically show a score of six or seven on a 0-10 scale.

One way to make such indicators more directly relevant to policy would be to track the ways people use their time and attach wellbeing measures to each. For example, people like leisure and especially digital media, may or may not enjoy their work, and hate commuting. This approach holds an obvious attraction in a largely services-based economy where the major input is time to produce and time to consume, and where digital technology is clearly changing the way many people al-

locate their time. After all, who wakes up thinking about what to spend rather than what to do?

These two options are rooted in the utilitarian philosophy that the goal of policy is the greatest happiness for the greatest number of people at any moment. This accounts for the focus on income or expenditure in the existing GDP framework, and the resulting paradoxes such as the way a natural disaster can increase GDP. It also underlies the emphasis on directly tracking wellbeing in the moment.

A third possibility for a new prosperity metric is to return to the origins of statistics, from the Domesday Book to William Petty, and measure wealth rather than income. Embracing such a balance-sheet approach would immediately bring sustainability into the calculation of economic progress by revealing when future prosperity is being compromised for that of today.

Measuring people's access to assets also draws on an ethical tradition, associated with the Nobel laureate economist Amartya Sen, which emphasizes people's agency and ability to lead the kind of life they value. What matters here is access to human capital (health and skills), social capital (human relationships and networks), and infrastructure. The World Bank has emphasized the measurement of wealth, and the calculation of these "missing capitals" is moving up the research and statistical agenda.

It is both revealing and encouraging that the issue of economic measurement has prompted such vigorous and exciting research. But, in addition to devising a new indicator of prosperity, there is the question of how to implement the shift. Official statistics are similar to a technical standard. It's hard for anyone to move from one framework to another without a lot of other people doing so at the same time.

Dissatisfaction with the prevailing GDP approach is therefore insufficient; a sufficiently large coalition has to agree to an alternative framework. Any successor to GDP also must be easily implementable, because statisticians will have to set out detailed definitions and methods, and collect the data.

Finally, and perhaps most important, there needs to be a public conversation about what is happening. Although very few people have the faintest idea about what GDP is or even what the acronym stands for, it is a single number that has gained the entrenched status that comes from long and frequent use. Its successor will need to be compelling and tell a persuasive story, consistent with experience, of what is happening in our economies. GDP may be toppling from its throne, but there is a long way to go before another composite indicator is crowned in its place.

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