

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



January 20, 2016

Strengthening Business is Imperative

For Afghanistan, it would be very imperative to focus on economic system as well if it desires to stand on its own in the times to come. The political issues are important too but in the current circumstances, the economic issues have to be dealt with if success is to be achieved. Unfortunately, for Afghanistan it is a Herculean task to make its economy stand on sound footings. There are myriads of issues that are being faced in this regard. However, losing hope would further deteriorate the situation. Therefore, the country has to be determined and it has to start from strengthening its business base for both the national and international businessmen.

Attracting the businessmen and convincing them to take business initiatives in the country is really vital and Afghan government requires taking quick steps in this regard. A similar step was taken by the Chief Executive of Afghanistan, Abdullah Abdullah on Tuesday, wherein he addressed a number of Afghan businessmen and assured them that the necessary facilities would be provided for them to invest. He also agreed that the issue of insecurity is the most dominant one and said that Afghanistan's enemies wanted to break down the Afghan government in 2015; therefore, government paid more attention to security issues, which resulted in some gaps in this aspect.

Definitely, without concentrating enough on the challenges being faced by businesses and businessmen, it would be impossible for the government to tackle the situation. Lip service alone would not be enough as most of the businessmen are very much cautious about their investments and they will only make investments when they are totally sure of the circumstances.

It is also important to note that the problems being faced by the investors are not only related to insecurity. There are many other issues as well, and among them corruption is on the top of the list. CEO Abdullah also agrees that corruption is an issue but it was inherited from the previous government and the National Unity Government (NUG) is committed to fighting graft.

Meanwhile, the Afghanistan Chamber of Commerce and Industries (ACCI) blamed the NUG for not supporting businessmen and said there has been corruption in government's contracts.

ACCI deputy chief Khan Jan Alokozay said, "Both we and the president are happy that we earned 114 billion Afs (last year) but we should not forget that we used to earn \$120 billion USD in income (during the previous government). Mr. Ghani has taken this money from the people but he has not prevented the endemic corruption."

The clashes, ambiguities and misunderstandings among different government and economic institutions can do no good to the overall business. It is important that there should be frequent and effective communication among both types of the institutions and they should be on the same page regarding the issues being faced by the businesses so that they are able to challenge them cooperatively, as business is not a matter to be neglected at the present scenario by Afghanistan.

If within a system there are consistent investments and different business initiatives, the system is on a track towards development and prosperity. Throughout human history, businesses have taken different forms and characteristics and today have reached to a very advanced form. From the barter system to today's advanced era when the businesses are taking place online, there has been a series of different practices, but the vitality of the business has never been lost.

The under-developed and developing countries of the world that need to establish strong economic system require evolution and nourishment of different businesses to a large extent. The authoritative people in such societies have to make sure that the way to the businesses is paved properly.

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 also plays major role in discouraging businesses and investments. Therefore, 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

IEC's Defiance of the Electoral Reforms

By Abdul Ahad Bahrami

The Independent Election Commission (IEC) set October 15, 2016 as the day for the upcoming parliamentary and district council elections. Yosouf Nuristani, the chairman of the Independent Election Commission (IEC), stressed that the commission would go ahead with the preparations for holding the elections and would not allow anyone to interfere. Mr. Nuristani asked government to provide budget to hold parliamentary elections. He expressed that the government and other parties would cooperate with the commission's preparations for holding the elections and not to interfere in the tasks of the commission. While operation of the commission being questioned, Nuristani stressed commission work according to law. "On the basis of the law, the government does not have the authority to sack us nor anyone is willing to step down for now. The law gives us the right to continue our job in the election commission for six years," he added.

The IEC has set the date while there are efforts going on by the government to implement the proposed electoral reforms which include amendment of the electoral laws and reestablishment of the bodies governing the elections. On other hand, Chief Executive Officer (CEO), Abdullah Abdullah has said that government is ready to hold parliamentary and district councils' elections, emphasizing that the electoral reform should be brought before upcoming elections. CEO said the election and announcement of results would be acceptable only if the electoral reforms are implemented and the IEC commissioners are picked by the "Selection Committee". This is while Nuristani had previously rejected the selection committee as illegal saying that the Committee's recommendations would have no value to the Commission. Both President Ashraf Ghani and CEO Abdullah Abdullah have pledged to stand firm in bringing reforms to election system and procedures. After the controversial presidential elections in 2014, the electoral reforms constituted a key part of the agreement that led to the formation of the national unity government and a power-sharing agreement between the two leaders. The reforms process was itself highly controversial, and the leaders of the national unity government bickered over every bit of the issues in the process. Nuristani's blatant defiance of election reform and government's role shows how there is still a long path ahead of real reforms to the electoral system, procedures and the governing bodies. Nuristani's defiance of the process and his insistence for remaining in his position is not the only hamper to the electoral reforms, the government and parliament failure to resolve the current legal stalemate over the amendment of the

electoral laws and system is profoundly threatening the reforms process.

The announcement of the date of elections also laid hidden divisions in the national unity government. While the government officially supports the reforms process, insistence of the independent election commission, which is supposed to undergo reforms on opposing the proposed reforms, is ironic. The leaders of the national unity government have never been able to resolve their fundamental differences over key issues. While the two leaders have not openly opposed each other over the issues, they have been always engaged in a game of countering each other's role and decisions.

The mismanagement of the previous elections led the country into a political crisis that could lead to potential unrest and violence in the country. The IEC's defiance of the reforms process is in fact defiance of the government's leadership and the whole political consensus over the national issue.

Based on the recommended electoral reforms, the electoral laws should be amended and the electoral bodies should be reshuffled. This means that both the Independent Election Commission (IEC) and the Election Complaints Commission (ECC) are going to be restructured based on the proposed recommendations of the reforms commission. This is while the IEC and its twin ECC is refusing to recognize the reforms process and acknowledging the reforms. If the government fails to prevent the IEC members from defying the process, it would be clear that the commission is being used as a political ploy as part of the power struggle. The government should ensure that the reforms would be implemented and the two election commissions as well as their members would be included in the reforms.

There is much ahead for the leaders of the national unity government to deliver as agreed two years ago upon formation of the government. The government needs to work hard to implement the electoral reforms process, convene the Loya Jirga and resolve the challenges of distribution of electronic national ID cards. Failing in any of these crucial national matters will be considered failure of the national unity government.

Lagging behind in timely implementation of the electoral reforms will profoundly harm the credibility of the national unity government. The trend of development so far clearly indicates the government's lack of determination to lead and implement the electoral reforms. The leaders of the unity government need to remain committed to what they promised during their presidential campaigns.

Abdul Ahad Bahrami is the permanent writer of the Daily Outlook Afghanistan. He can be reached at ahad.bahrami@gmail.com

Reshaping the Labor Landscape

By Jonas Prising

As the global economy changes at an ever-quickening pace, the labor market in many countries is not merely struggling to keep up, but seems to have broken down in important ways. High unemployment coexists with unfilled jobs. Rising productivity fails to translate into higher wages. And, for many, upward mobility is beyond reach, even though the economy has begun to recover. Fortunately, change seems to be underway. Four global trends are reshaping the world of work, helping to resolve contradictions and overcome dysfunction in the labor market as companies, workers, and governments adapt to a new demographic, technological, and economic environment.

The first trend is demographic. In much of the world, aging societies and declining birth rates mean that the days of abundant labor are coming to an end. Some 60% of the world's population lives in countries with stagnant or shrinking workforces. China's working-age population peaked in 2010; by 2050, more than a quarter of its people will be over 65 (today, just 8% are). In Germany, the labor force is projected to shrink by six million over the next 15 years.

As labor becomes increasingly scarce, employers and policymakers are being forced to think differently about sourcing talent. In Japan, where a quarter of the population is older than 65, Prime Minister Shinzo Abe has championed a major effort to bring more women and older workers into the labor market. As a result, even though Japan's working-age population, traditionally defined, has shrunk 8% over the past decade, the labor force decline totaled just 1%. Elsewhere, other strategies to fill the labor gap are emerging. Aerospace companies, faced with graying workforces, have pioneered flexible working hours, phased retirements, "encore careers," and a slew of knowledge-transfer programs to train the next generation of employees. Companies that cannot find the talent they need in one country are using remote workplaces to employ people elsewhere. And firms are making attempts to attract underrepresented groups, including women, young people, minorities, people with disabilities, and migrants.

At the same time, another trend, the rise of individual choice, is providing workers with unprecedented flexibility. With millions of job postings just a click away, it is easier to shop around for work; most millennials expect to change course several times during their careers. Rather than attempting to hang on to a job for life, the goal today is to remain employable - to develop the skills, experience, and expertise necessary to move on or up, regardless of the employer.

As a result, wages and opportunities are increasingly being dictated by skills, rather than tenure. Those with sought-after talents have more bargaining power, are better able to manage their careers, and command higher salaries. Those without in-demand skills are struggling and feel disposable. So far, this abundance of choice has discouraged companies from spending resources on training employ-

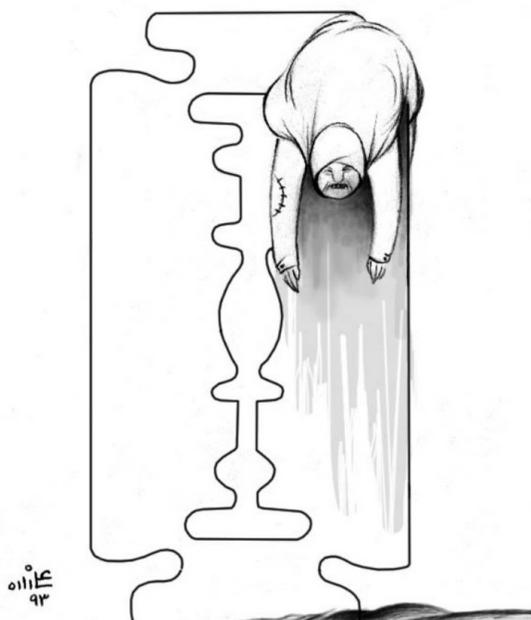
ees, who might, after all, soon decide to join a competitor. However, as talent shortages loom, the need to retain employees could tip the balance back toward greater investment in professional development. Employers that provide learning opportunities will become a destination for talent.

The third trend reshaping labor markets is rapid technological change. Few industries are safe from disruption. Automation, facilitated by better artificial intelligence, is poised to have a major impact on jobs. Up to 47% of the jobs that existed in the US in 2010 are highly likely to be computerized out of existence in the next two decades. If history is a guide, new industries and opportunities will replace those that are lost; nonetheless, the transition will be painful and could last decades.

And yet, there is reason for optimism. Even as technology sweeps away industries, it is facilitating the emergence of new models that could help solve some of the problems in the labor market. Price-waterhouseCoopers estimates that the five main sectors of the sharing economy - peer-to-peer finance, online staffing, peer-to-peer accommodation, car sharing, and music video streaming - could grow from around \$15 billion in revenue today to \$335 billion by 2025. To be sure, the industry is small. But it has nonetheless unleashed a torrent of creativity focused on the basic question of how better to align supply and demand for labor in a faster-paced world.

A fourth global trend evident in today's labor market is the rapid embrace among technologically sophisticated employers of data-based approaches to human resources. Talent management has gone from being an art to a science, as organizations have applied big data and supply-chain techniques to recruiting and retention. With the proliferation of so-called people analytics - behavioral and intelligence tests, digital performance scorecards, and better information systems - companies know their workers like never before. It is easier to see where the best talent resides within a company, or where the gaps might be. Companies are using these data to think more strategically about how to source talent. For example, given the difficulty of staying up to speed with changing technology, firms are increasingly outsourcing information-technology management to third-party experts. This, in turn, creates new efficiencies, allowing cyber-security providers to monitor attacks against a wide range of clients and share strategies and solutions. Recruitment is another area in which companies are turning to outsourcing in order to obtain expertise and increase efficiency. In short, I am an optimist. The churning, difficult period in which we find ourselves will create new opportunities.

The growing realization that labor markets have fundamentally and permanently changed will spur policymakers, employers, and workers to address new challenges in ways that benefit everyone. Big shifts are never easy, but when they are managed properly, they can make us stronger and better off. (Courtesy Project Syndicate)
Jonas Prising is Chairman & CEO of ManpowerGroup.



Chairman / Editor-in-Chief: Dr. Hussain Yasa

Vice-Chairman: Kazim Ali Gulzari

Email: outlookafghanistan@gmail.com

Phone: 0093 (799) 005019/777-005019

www.outlookafghanistan.net

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