

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



July 03, 2017

## A Surge in Terrorist Attacks Breeds Mistrust

Terrorist networks have intensified their attacks around the globe inflicting heavy casualties on combatants and non-combatants alike. The recent surge in global terror attacks began on May 22 when Manchester Arena came under terrorist attack. Twenty-two people, mostly women and young girls, were killed and more than 100 others were wounded in the attack.

On May 26, 2017, masked gunmen opened fire on a convoy carrying Copts from Maghgha in Egypt's Minya Governorate to the Monastery of Saint Samuel the Confessor, killing at least 28 people and injuring 22 others. In April, the Islamic State group bombed two churches in the northern cities of Tanta and Alexandria as Coptic Christians were celebrating Palm Sunday. President Abdel Fattah el-Sissi declared a three-month state of emergency afterward.

The Iraqi capital was rocked by a series of bombings that left 38 people dead and over 60 wounded. Similarly, a nighttime attack outside an ice cream parlor in the bustling Baghdad neighborhood of Karrada killed 17 people and wounded 32. Many other deadly attacks occurred in Iraq. On May 31, a suicide attacker struck the fortified heart of the Afghan capital of Kabul with a massive truck bomb that killed about 150 people, wounded some 400 and raised fears about the government's ability to protect its citizens nearly 16 years into a war with insurgents. The bomber drove into Kabul's heavily guarded diplomatic quarter during the morning rush hour, leaving behind a bloody scene of chaos and destruction in one of the worst attacks since the drawdown of foreign forces from Afghanistan in 2014.

A series of attacks happened in funeral ceremony, mosques and public places in the holy month of Ramadan in June which filled the air with a strong sense of fear and mistrust. The public protested against the government as a result of insecurity that also led to clash between police and the protesters.

What is more disappointing is when the US Senate Armed Services Committee Chairman John McCain said that the US had no strategy to end the deadlock in Afghanistan. "After nearly 16 years of war, we are at a stalemate in Afghanistan. Worse, we have no strategy to end that stalemate and achieve victory," McCain is cited as saying about a week ago. In 2001, the United States and its NATO allies launched a war on Afghanistan following the September 11 attacks. That mission formally ended on December 28, 2014. However, on January 1, 2015, NATO announced a new mission in the country, called Resolute Support, to train and assist Afghan security forces. Despite all these facts, militancy continue unabated inflicting heavy casualties upon nation. Worst of all, a spate of terrorist attacks in Afghanistan led to tension among the officials. Some political figures spoke harshly against the presidential place. Lately, Leaders from three Afghan political parties, including Jamiat-e-Islami party, Junbish-e-Milli party and Hizb-e-Wahdat-e-Islami party, have agreed to form a new coalition. These parties are led by Afghan acting minister of foreign affairs Salahuddin Rabbani, the First Vice President Abdul Rashid Dostum and the second deputy of the CEO Mohammad Mohaqiq and Balkh Governor Atta Muhammad Noor.

Although the leaders of these three parties are high-ranking officials in the National Unity Government (NUG), they formed a coalition for feeling to be marginalized or neglected. Dostum had raised his voice persistently against not being given the authority of First Vice President. Moreover, a tension emerged between him and the court, which is the judiciary power of the government, after being accused of a criminal case. He escaped the legal demand. Recently, the Second Deputy of the CEO spoke harshly about the presidential palace and the gap being widened between the government and nation.

The new coalition of the three aforementioned parties reflects the emerging rift between the officials. It is likely to trigger a strong sense of mistrust among Afghan nation. The people were of the view that the officials will stand with the presidential palace in the Unity Government for the national security and well-being and the escalated insurgency might bridge the gap between them.

Although the presidential palace has welcomed this coalition since it has a cooperative objective, the nation will still view this movement in conflict with the spirit of unity. Currently the entire world is wrestling with the issue of terrorism but the high vulnerability of Afghanistan is beyond doubt.

All states will have to adopt an effective mechanism both individually and collectively to eradicate terrorist networks and destroy their pillars. National unity and international cooperation are the first and foremost step in tackling the issue. When there is mistrust in the government's apparatus or a gap between state and nation, addressing insecurity will be extremely difficult - as it has been proved in Afghanistan.



## Financial Serfdom & Freedom

By Dr. Faisal Ali

Exclusive for the Daily Outlook

Interest is the pillar of Fractional Reserve Banking and Margin Trading which is contrary to the philanthropic objectives intended for beating the extremities of poverty and the creation of dignified channels of financial support for the down trodden with a view to achieving the lofty goal of egalitarian society in sustainable manner. The etymology of "interest" is derived from the Latin term "intereo" which means "to be ruined or to be lost." According to Oxford dictionary, Interest is the Money paid regularly at a particular rate for the use of money lent, or for delaying the repayment of a debt. In modern economics, Interest is regarded as the payment of the use of service of capital. According to Prof. Marshall, Interest is the payment made by borrower for the use of a loan. Prof. Keynes says that interest is the reward of parting with liquidity for a specified period. Prof. J. S. Mill considers interest as the remuneration for mere abstinences. Karl Marx defines interest as a portion of the profit or a portion of the surplus value which a functioning capitalist, industrialist or merchant has to pay to the owner and lender of the money capital whenever he uses loaned capital instead of his own.1 As far as the term Usury is concerned, it is derived from Medieval Latin "usura" which means interest or from Latin "usura" that also means "interest". Originally, Usury was a euphemism for the charging of interest on loans. In the words of Easton's Bible Dictionary, Usury is the sum paid for the use of money, hence interest; not, as in the modern sense, exorbitant interest. Charlemagne defined usury as where more is asked than is given.2 In the words of John T - Noonan, Usury is the sin of taking profit on a loan without a just title.3 Yaron Brook says that Usury is a financial transaction in which person A lends person B a sum of money for a fixed period of time with the agreement that it will be returned with interest.4 Jeremy Bentham is considered to be the first person among legal economists who created the present misdefinition of Usury that is used by most of the economists today i-e the taking of a greater interest than the law allows (or) the taking of greater interest than is usual.5 The Hebrew word in Old Testament for interest is "Nechech" which is improperly translated as Usury. In Hebrew language, it means interest of any kind and not usurious interest. It cannot then be taken in the acceptance now given in the word Usury.6 The Old Testament conveys the message that all interest is usury and that all usury is interest. Formerly the word usury carried no invidious meaning; it simply implied any interest whatever.7 The Greek terminology for Interest is "Tokos" which means the birth of money from money. In New Testament, it is used in Matthew 25:27 and Luke 19:23. The Islamic terminology for interest is Riba which means excess, increase or addition. Riba is defined as trading two goods of the same kind in different quantities, where the increase is not a proper compensation. There are two types of Riba-i-e Riba An

Nasiyah and Riba Al Fadl. Riba An Nasiyah is defined as excess, which results from predetermined interest that a lender receives over and above the principle. Riba Al Fadl is defined as excess compensation without any consideration resulting from a sale of goods. Riba An Nasiyah is further classified into two types i-e Simple Interest and Compound Interest.8 Simple interest is the interest calculated only on the initial investment while Compound interest is the reinvestment of each interest payment on money invested, to earn more interest. As far as the difference between interest and usury is concerned, the best answer to this perplexity is given by Khurshid Ahmad in his book "Elimination of Riba from the Economy" who says.....

"Historically interest and usury always treated as one and the same thing. It was only in the post-Christian, post-renaissance period of European history that the term interest was used as a substitute for usury to wriggle out of the religion and moral prohibition". (P-39-40)

Aristotle berated interest on the principle that it is a yield arising out of money itself, not a product of that for which money was provided. The father of modern day interest rate theory, Knut Wicksell in his book "Interest and Prices" reaffirmed the statement of Aristotle that money in principle is sterile. Sheikh Mahmud Ahmad in his book "Economics of Islam, A Comparative Study" says that all the theories of interest fail to answer the simple question: Why should interest be paid? According to him, the theory of price is the problem of exchange, whereas the theory of interest is a problem of distribution. The Scholastics championed the complete abolition of usury during their era. The moral theology of some Bookmen between 1250 and 1400 justified interest on loans by two extrinsic titles i-e Lucrum Cessans (Profit Ceasing) and Damnum Emergens (Loss Occurring) however by 1400; the majority of Scholastic opinion was still against these two extrinsic titles. The title of Poena Conventionalis or Penalty was acceptable to the early scholastics only.9 In the words of Bernard Dempsey, These extrinsic titles are the notorious 'subterfuges' by which the medieval canonist sought to 'evade' the prohibition of usury. Martin Luther condemned anyone who charged interest as a thief, robber and murderer.10 Karl Marx has also expressed the gloomy and fatalistic effects of interest and usury in part 5 of volume 3 of Capital that is titled as "Division of Profit into Interest and Profit of Enterprise. Interest-Bearing Capital." John Whipple, a Rhode Island lawyer arithmetically proved the impossibility of long term interest in "The Importance of Usury Laws- An Answer to Jeremy Bentham" .....

"If 5 English pennies.... had been.....at 5% compound interest from the beginning of the Christian era until the present time (say 1850), it would amount in gold of standard fineness to 32,366,648,157 spheres of gold each eight thousand miles in diameter, or as large as the earth." (P-48) (To be continued)

Dr. Faisal Ali is a freelance columnist. He can be reached at the [drfaisalali88@gmail.com](mailto:drfaisalali88@gmail.com)

## Trump and the Truth About Climate Change

By Joseph E. Stiglitz

Under President Donald Trump's leadership, the United States took another major step toward establishing itself as a rogue state on June 1, when it withdrew from the Paris climate agreement. For years, Trump has indulged the strange conspiracy theory that, as he put it in 2012, "The concept of global warming was created by and for the Chinese in order to make US manufacturing non-competitive." But this was not the reason Trump advanced for withdrawing the US from the Paris accord. Rather, the agreement, he alleged, was bad for the US and implicitly unfair to it. While fairness, like beauty, is in the eye of the beholder, Trump's claim is difficult to justify. On the contrary, the Paris accord is very good for America, and it is the US that continues to impose an unfair burden on others. Historically, the US has added disproportionately to the rising concentration of greenhouse gases in the atmosphere, and among large countries it remains the biggest per capita emitter of carbon dioxide by far - more than twice China's rate and nearly 2.5 times more than Europe in 2013 (the latest year for which the World Bank has reported complete data). With its high income, the US is in a far better position to adapt to the challenges of climate change than poor countries like India and China, let alone a low-income country in Africa. In fact, the major flaw in Trump's reasoning is that combating climate change would strengthen the US, not weaken it. Trump is looking toward the past - a past that, ironically, was not that great. His promise to restore coal-mining jobs (which now number 51,000, less than 0.04% of the country's nonfarm employment) overlooks the harsh conditions and health risks endemic in that industry, not to mention the technological advances that would continue to reduce employment in the industry even if coal production were revived. In fact, far more jobs are being created in solar panel installation than are being lost in coal. More generally, moving to a green economy would increase US income today and economic growth in the future. In this, as in so many things, Trump is hopelessly mired in the past.

Just a few weeks before Trump's decision to withdraw from the Paris accord, the global High-Level Commission on Carbon Prices, which I co-chaired with Nicholas Stern, highlighted the potential of a green transition. The Commission's report, released at the end of May, argues that reducing CO2 emissions could result in an even stronger economy. The logic is straightforward. A key problem holding back the global economy today is deficient aggregate demand. At the same time, many countries' governments face revenue shortfalls. But we can address both issues simultaneously and re-

duce emissions by imposing a charge (a tax) for CO2 emissions.

It is always better to tax bad things than good things. By taxing CO2, firms and households would have an incentive to retrofit for the world of the future. The tax would also provide firms with incentives to innovate in ways that reduce energy usage and emissions - giving them a dynamic competitive advantage.

The Commission analyzed the level of carbon price that would be required to achieve the goals set forth in the Paris climate agreement - a far higher price than in most of Europe today, but still manageable. The commissioners pointed out that the appropriate price may differ across countries. In particular, they noted, a better regulatory system - one that restrains coal-fired power generation, for example - reduces the burden that must be placed on the tax system.

Interestingly, one of the world's best-performing economies, Sweden, has already adopted a carbon tax at a rate substantially higher than that discussed in our report. And the Swedes have simultaneously sustained their strong growth without US-level emissions.

America under Trump has gone from being a world leader to an object of derision. In the aftermath of Trump's withdrawal of the US from the Paris accord, a large sign was hung over Rome's city hall: "The Planet First." Likewise, France's new president, Emmanuel Macron, poked fun at Trump's campaign slogan, declaring "Make Our Planet Great Again."

But the consequences of Trump's actions are no laughing matter. If the US continues to emit as it has, it will continue to impose enormous costs on the rest of the world, including on much poorer countries. Those who are being harmed by America's recklessness are justifiably angry.

Fortunately, large parts of the US, including the most economically dynamic regions, have shown that Trump is, if not irrelevant, at least less relevant than he would like to believe. Large numbers of states and corporations have announced that they will proceed with their commitments - and perhaps go even further, offsetting the failures of other parts of the US. In the meantime, the world must protect itself against rogue states. Climate change poses an existential threat to the planet that is no less dire than that posed by North Korea's nuclear ambitions.

In both cases, the world cannot escape the inevitable question: what is to be done about countries that refuse to do their part in preserving our planet? (Courtesy Project Syndicate)

Joseph E. Stiglitz, a Nobel laureate in economics, is University Professor at Columbia University and Chief Economist at the Roosevelt Institute. His most recent book is *The Euro: How a Common Currency Threatens the Future of Europe*

Chairman / Editor-in-Chief: Moh. Reza Huwaida

Vice-Chairman: Kazim Ali Gulzari

Email: [outlookafghanistan@gmail.com](mailto:outlookafghanistan@gmail.com)

Phone: 0093 (799) 005019/777-005019

[www.outlookafghanistan.net](http://www.outlookafghanistan.net)



The views and opinions expressed in the articles are those of the authors and do not reflect the views or opinions of the Daily Outlook Afghanistan.