

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

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Public Concerns Over Upcoming Presidential Election

The upcoming presidential election is viewed with hope and doubt. Afghans are concerned about lack of transparency and fear that the election will be rigged similar to 2014 presidential election, the final result of which was declared one year after the establishment of the National Unity Government.

Afghanistan left a highly controversial presidential election behind in 2014, which led to power-sharing between President Ghani and CEO Abdullah Abdullah. Afghan citizens were frustrated to a great extent as a result of long-awaited result and harsh rhetoric between Afghan officials, who put the independence of the Independent Election Commission (IEC) under question.

In his recent statement, Abdullah has warned that the country will fall into an "unbearable tragedy" if the problems of 2014 presidential election are repeated in this year's polls, slated for 28 September.

Earlier, a study by two electoral monitoring organizations pointed out some challenges before the presidential elections which included: lack of interest from the international community towards the electoral process, failure of the IEC to drop fake names from the list of voters, ambiguity about the use of biometric devices in the election, and nature of relations between the IEC and the government.

Moreover, Naeem Ayubzada, head of Transparent Election Foundation of Afghanistan, is cited as saying, "The government should halt interference and pave the way for monitoring. No institution is ready to support and monitor the elections."

Meanwhile, Ahmad Wali Massoud, a presidential candidate, claimed that people had been kept away from key issues around peace and elections. He also said, "They [government officials] are distributing money [to the people] when they visit provinces. They collect stickers and signatures in every corner they go. They ask people to promise. They appoint their favorites who are ready to commit fraud [in the election]."

The budget for conducting election was the main concern, but it has been settled as the government will contribute \$90 million and the international community will pay \$59 million to elections budget and the Trump administration will provide up to \$29 million. Thus, the IEC has confirmed that a budget of \$149 million had been approved for the elections. It suggests that the government is highly committed in conducting election as scheduled despite the public statements that presidential election will be delayed and interim government would be established in peace talks reach an agreement.

Overall, there are two main concerns about the presidential election. First, Afghan political figures and grassroots fear that election will not be conducted in a fair and free manner. The recent claims by politicians about the government's interference in the electoral issues has compounded the public mistrust. It will generate disappointment and will leave people with lack of incentive to participate in the election. Second, people are also worried about the security situation. The Taliban will seek to interrupt the election through violence and militancy. Despite their commitment not to target civilians, as they said in the intra-Afghan dialogue in Doha, they have killed and wounded dozens of civilians in their recent attacks in many provinces, including Kabul.

It is believed that the number of voters will decrease tremendously since the government could not protect their rights and freedoms, alleviate poverty, create jobs, provide public facilities, remove corruption, etc. After all, no single election, whether presidential or parliamentary elections, has been conducted in a fair and free manner.

In other words, although Afghan men and women flocked to ballot boxes in presidential and parliamentary elections, their rights were not protected and elections were not transparent. It is because many corrupt officials were involved in the issue. To prevent corruption and fraud in the upcoming election, the government has to provide the necessary requirements, mainly biometric devices, as the National Procurement Commission (NPC) said that 39,000 biometric devices were needed. The NPC added that biometric devices and other equipment will cost around 14.14 million Euros.

Furthermore, the international observers have to monitor the process so as to ensure the transparency of the election.

The government has to prevent any interference in the election and IEC and implement Afghan Constitution and Electoral Law. No provinces should be left behind in the election. That is, the government has to ensure security and let all qualified citizens use their suffrage. In short, election is conducted to support democracy and rule of law and safeguard the rights and freedoms of citizens. If election brings no changes in the country and people could not exercise their rights and freedoms, it will carry no significance and people will remain indifferent. Hence, election should bring positive changes in the country.

The other side of US strategy in Afghanistan

By: Rajkumar Singh

By 1989, it became very clear that Soviet forces residing in Afghanistan would leave the country due to reasons more than one. The new situation created power vacuum in Central Asia prevailed with the disintegration of Soviet Union and feuding among the ruling Mujahideen in Afghanistan. At the juncture, the United States of America was lured by the prospects of controlling the oil and natural gas resources of Central Asia as well as being right next to the underbelly of Russia and China. Now the US oil giants were pushed by the US government for humoring the Taliban to access the Central Asian oil and gas through pipelines that would touch the Indian Ocean through Afghanistan and Pakistan. Lures of financial gains and strategic needs combined to make the whole region very important for outside powers. Central Asian leaders became obsessed with projected pipelines, potential routes and the geopolitics that surrounded them, which led some of them like Turkmenistan to deal even with the Taliban regime. The new US game started in the early 1990s especially after the collapse of the Soviet Union.

US economic interests in the region

The energy and other resources of Central Asia attracted major regional and international powers. During the cold war days the US had been romancing religious Jihadi groups in Pakistan and Afghanistan. These were important to position US multinationals favourably, to control the considerable resources of the region and to complete the encirclement of the world's major energy resources in the area. After the Soviet collapse, the United States sought to harness these groups to serve US geopolitical interests in energy-rich Central Asia. In between 1994-96, the CIA-ISI nexus and its arms pipeline marginalised more traditional tribal-based parties and moderated leadership in Afghanistan and catapulted the radical Islamists into the forefront of Afghan civil war. The US was not reluctant to forceful intervention, if deemed appropriate to achieve its interests. The region, although could not compare with West Asia in terms of reserves, it was attractive to exploration and production (E&P). For instance, Turkmenistan, which borders the northwest of Afghanistan, holds the world's third largest gas reserves and have an estimated six billion barrels of oil reserves. Enough, experts say, to meet American energy needs for the next thirty years.

In mid-1990s, in particular, America showed keen interest in the Caspian Sea region of Central Asia, which was estimated to have 200 billion barrels of untapped oil. The American oil giants—Enron and Unocal had been known for their interest in Caspian Sea region projects and were negotiating with the Taliban for permission to construct an oil pipeline through Afghanistan to Pakistan and out to the Arabian Sea. Enron had carried out a feasibility study for pipeline from Kazakhstan, through Afghanistan and Pakistan to the border of Malta for bringing this oil to the market. In December 1997, a delegation of Taliban mullahs travelled to America and even met US State Department officials. George William Bush and Dick Cheney have both worked with oil business and have close ties with major corporations in the oil sector. Consumer countries in Europe, the US and Japan are already dependent on the Saudi-dominated Middle East Oil Producing European Countries (OPEC) suppliers for 40 per cent of the world demand for crude oil. The dependence on a single region will be dangerous for the US and her allies in the years to come. Thus, tapping in to the reserves in the Caspian Sea region was viewed as a strategic goal to meet the growing energy demand and to reduce the US dependence on oil from the Middle East. Then it is natural for the US to turn her attention to the only alternative major source of 'boundless' supply in Central Asia.

Taliban regime and its aftereffects

In between chaos and uncertainty, the Taliban regime commenced in 1996 and at the time the US government did not criticise it, rather a State Department spokesperson told reporters that there was "nothing objectionable" about the Taliban's coming to power. In fact the US hoped that the Taliban would provide stability. They were expected to provide security for roads and, potentially oil and gas pipelines that would link the states of Central Asia to the international market through Pakistan rather than through Iran. Between 1994 and 1997, the US was supporting the Taliban in the sense that it was allowing Pakistan and Saudi Arabia, its two allies in the region, to back the Taliban. This was because the US and US oil companies were interested in building oil and gas pipelines from Central Asia across Afghanistan, through Pakistan to the Gulf. In January 1998, the Taliban signed an agreement that would allow a proposed natural gas pipeline project led by Unocal oil company of the US. For the realisation of other projects the US financed and encouraged the Taliban through its surrogates in Saudi Arabia and Pakistan. At that time the US was least bothered about the human rights record of the Taliban. The victory of Taliban in Afghanistan opened a new chapter in its history. During Taliban's days in power another version of the great game was being played—there were efforts to create a world of fundamentalist Islam. Both state and non-state actors for mutual advantage used religion. The interests of Pakistan and the fundamentalist groups converged. The world that was to be created in this region would provide mutual depth to both fundamentalist Islam and Pakistan and other states that were willing to be integrated to this project. The key to this project however lay in converting Central Asia into a zone of instability and religious fundamentalism. In the calculation of religious radicals and their backers, Central Asia with vast resources like oil and natural gas, uranium and other rare metals was critical to their global plan. This apart, the nexus between drug trafficking and terrorism in the golden crescent became a major reason for political and social instability in the region. Afghanistan during the last decade emerged as the second largest producer of drugs in the world. From a relatively modest level of around 200-300 tons in 1979, opium production in that country went up to 4,500 tons by 1999. This gave the Taliban government enormous financial benefits that went to training, arming and campaign of the militant groups. The attempt of religious forces has been to identify nation with religion.

US hopes belied and terror attacks intensified

However, the US dislikes towards the Taliban began only when they realised that Taliban could not be a dependable instrument for the realisation of their interests in Central Asia. As early as 1997 Madeleine Albright was already publicly expressing her distaste for the Taliban. It indicated that an influential section in and out of the US government were becoming convinced that the Taliban were not going to deliver what was required of them. Further the US-Taliban relationship went into some rough waters after the bombing of US embassies in Africa in August 1998. In retaliation the US attacked on Sudan and Afghanistan. The attacks on US embassies were allegedly organised by Osama bin Laden.

After the event of 9/11 the US attitude towards international terrorism emanating from Afghanistan changed dramatically and it successfully led the campaign to oust Taliban from power and destroy terrorist training centres. The fate of Taliban was finally sealed the day terrorists bombed the World Trade Centre building and the Pentagon on 11 September 2001. In response to the attack the war in Afghanistan began on 7 October 2001 and this marked the beginning of US's campaign known as the "War on Terrorism".

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Are Central Banks Losing Their Big Bet?

By: Mohamed A. El-Erian

In recent years, central banks have made a large policy wager. They bet that the protracted use of unconventional and experimental measures would provide an effective bridge to more comprehensive measures that would generate high inclusive growth and minimize the risk of financial instability. But central banks have repeatedly had to double down, in the process becoming increasingly aware of the growing risks to their credibility, effectiveness, and political autonomy. Ironically, central bankers may now get a response from other policymaking entities, which, instead of helping to normalize their operations, would make their task a lot tougher.

Let's start with the US Federal Reserve, the world's most powerful central bank, whose actions strongly influence other central banks. Having succeeded after 2008 in stabilizing a dysfunctional financial system that had threatened to tip the world into a multiyear depression, the Fed was hoping to begin normalizing its policy stance as early as the summer of 2010. But an increasingly polarized Congress, exemplified by the rise of the Tea Party, precluded the necessary handoff to fiscal policy and structural reforms.

Instead, the Fed pivoted to using experimental measures to buy time for the US economy until the political environment became more constructive for pro-growth policies. Interest rates were floored at zero, and the Fed expanded its non-commercial involvement in financial markets, buying a record amount of bonds through its quantitative-easing (QE) programs.

This policy pivot was, in the eyes of most central bankers, born of necessity, not choice. And it was far from perfect.

The Fed knew it had no power to promote genuine economic recovery directly via fiscal policy, ease structural impediments to inclusive growth, or directly enhance productivity. This was the preserve of other policy actors, which, lacking the Fed's political autonomy, were sidelined by the inability of a deeply divided Congress to approve such expansionary measures. (These disagreements subsequently led to three US government shutdowns.)

Faced with this unfortunate reality, the Fed tried to support growth in indirect, experimental ways. By injecting liquidity using multiple means, it raised financial asset prices well above what the economy's fundamentals warranted. The Fed hoped that this would make certain segments of the population (asset holders) feel richer, enticing them to spend more and encouraging companies to invest more.

But such "wealth effects" and "animal spirits" proved quite feeble. So the Fed felt compelled to do more of the same, which led to a host of unintended consequences and risks of collateral damage that I discussed in some detail in my book *The Only Game in Town*.

The European Central Bank – second only in systemic importance to the Fed – has followed a similar path, though with even more unconventional monetary policies, including negative interest rates (that is, charging savers rather than borrowers). Again, the impact on growth has been rather subdued, and the costs and risks of such measures are mounting.

Both central banks – and especially the ECB under outgoing President Mario Draghi – have stressed the importance of a timely policy handoff to more comprehensive pro-growth measures. Yet their pleas have fallen on deaf ears. Today, neither the Fed nor the ECB is anticipating that other policymakers will take over any time soon. Instead, both are busy designing another round of stimulus that will involve even more political and policy risks.

Other risks are already giving central bankers headaches. The protracted Brexit process is hampering the Bank of England's longer-term policy strategy, while the short-term impact on global growth of governments' weaponization of trade tariffs is complicating the task of both the Fed and the ECB.

Meanwhile, some pro-growth policies currently being mooted could, if not well designed, increase the risk of disruptive financial instability and thus further complicate central bankers' task. The notion of a "people's QE" – that is, a more direct channeling of central-bank funding to the population – is getting more attention from both sides of the political spectrum. So is the related Modern Monetary Theory, which would explicitly subjugate central banks to finance ministries at a time when the concept of a universal basic income is also attracting growing interest and there is a need to reassess the wage determination process. Furthermore, some on the political left are exploring the extent to which returning to greater state ownership of productive assets and control of economic activity could improve prospects for faster and more inclusive growth. And populists in European countries with more fragile debt dynamics, including in the Italian government, seem willing to retest the markets' vigilance by running larger budget deficits without a concurrent focus on balancing pro-growth initiatives.

Such policy proposals are the tip of a political iceberg that has been enlarged by fears about the impact of technology on the workplace, climate change, and demographic trends, as well as concerns about excessive inequality, marginalization, and alienation. These developments highlight how newly salient political issues are impinging on policymaking, rendering economic prospects even more uncertain. And with central-bank activism intensifying, the gap between asset prices and underlying economic and corporate fundamentals is likely to widen further.

Central banks bet that greater activism on the part of other policymakers would be their salvation. But these days, they are facing an increasing probability of a lose-lose proposition: either a policy response materializes but turns out to be one that risks eroding central banks' credibility, effectiveness, and political autonomy; or nothing materializes, leaving central banks shouldering a policy burden that is already too heavy and exceeds the remit of their tools. Like seasoned gamblers, central bankers may soon discover that not all bets pay off over the longer term.

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