

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

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Central Asia, Regional Economic Integration and evolving geopolitical Significance

Central Asia has vast stores of energy and natural resources. But to achieve a brighter future the region must pursue economic integration. Sustainable stability, economic growth, trust building and viable friendly relations among the neighboring countries can contribute to effective bilateral cooperation in the region. The regional countries shall work on developing a system to create conducive trade conditions, extending joint markets, improve transportation infrastructure, strengthening investment and encouraging the regional and international entrepreneurs and commercial associations to take part in the economic opportunities of the Central Asia. Central Asia has more than 70 million populations and more than 5 percent annual economic growth rate that is considered as a big regional market. It also can play a vital role in international development initiatives such as One Belt and Road Initiative.

Central Asia can play an important role in international crises including food security, access to clean water and preserving water resources.

It is amazing that the Central Asian countries pursue their own economic model in order to align themselves with the world economic convergence and regional economic integration.

Central Asia's impressive growth

Central Asian countries have achieved impressive economic results with relatively high growth rates over the last ten years based on natural resources underpinned by rising global prices for those exports. The reason for the high growth rates: Central Asia became attractive to the EU and the US, as well as other Western countries and the People's Republic of China (PRC) as providers of energy and natural resources.

Regional integration initiatives

The Shanghai Cooperation Organization (SCO) has, apart from the PRC and Russia, only member states from Central Asia, excluding Turkmenistan.

The Eurasian Economic Union (EAEU) is an economic union of states located in central and northern Asia and Eastern Europe. The Treaty on the Eurasian Economic Union was signed on 29 May 2014 by the leaders of Belarus, Kazakhstan and Russia, and came into force on 1 January 2015. Treaties aiming for Armenia's and Kyrgyzstan's accession to the Eurasian Economic Union were signed on 9 October and 23 December 2014, respectively. Armenia's accession treaty came into force on 2 January 2015. Kyrgyzstan's accession treaty came into effect on 6 August 2015. It participated in the EAEU from the day of its establishment as an acceding state.

Geopolitical Trends

Russian foothold within the region in the region is already facilitated under a series of organizations (Collective Security Treaty Organization (CSTO), the Eurasian Economic Community (EurAsEC), and the Customs Union Commission (CUC)) which allows them to cement political, economic and security ties with Central Asia. Similarly, USA and China have also made critical overtures to the Central Asian states. For the USA, these untapped markets are critical for economically recovering post-war Afghanistan; aiming towards enhancing its security and economic ties with Central Asian states. Thus, it is highly likely that the geopolitical significance of Central Asia will persist in the current political dimensions. In this regard, the global powers are clearly defining the geopolitical and geo-economic interests in the region and powerfully seeking towards spreading and maintaining their influence in Central Asia. Yet, how the Central Asian states tackle via their diplomacy remains the most interesting factor.

Conclusion

Central Asia enjoys vast natural resources. Central Asia plays a vital geopolitical role in the region and has the potential to change to a powerful regional player. Regional Economic Integration not only can unify the region but also can support the aim of Central Asian governments, neighboring countries, and international partners to bolster the region against destabilization from a broader invasion of extremism and terrorism, primarily from the south. These countries shall solve the real issue of convergence in the region. The basic steps have been taken and now they shall create a joint market and develop a unique Central Asian treaty to enable them to address their economic, military and political concerns.



Necessary Lessons to Learn from the Moscow Conference

By: Mohammad Zahir Akbari

The second Moscow Conference has not only yielded any fruitful results, but also caused shame and possibly more turmoil. Those who repeatedly rushed into Moscow gates with too much eagerness and bowed to the enemies of the Afghan people should now learn important lessons from the interactions with the Taliban. Many of the politicians thought that Taliban had reached at Kabul gates under pretext of peace and as soon as possible they needed to specify their position and may get a place in the future government. Seemingly, all of our optimistic politicians thought that they could repeat the anarchism of the nineties with the help of the Taliban and other regional actors.

In fact, those who have long struggled to reach such illegitimate dreams they see their personal and party interests in political disorder and instability. Because when the conflicts of all happen against all, those who have spent their lives in instability and lawlessness will benefit more than others. Anyway, the second Moscow conference with presence of prominent political figures from Afghanistan and Taliban under Russian control ended with no fruitful result but it taught good lessons to all stakeholders, especially political parties and government of Afghanistan.

The first lesson that we should learn from the futile Moscow meetings is not to rely on the power that has high demand and still have sweet plans in his head for Afghanistan. Russia as the legacy of the former Soviet Union is responsible for all today's devastation as the consequence of its aggression on Afghanistan; they are not only dishonest to Afghanistan, but also trying to fill the place of the United States after the withdrawal of its troops from Afghanistan. The old Moscow politicians are still in the era of the Cold War, and now, with the defeat of the United States in Afghanistan war, they see themselves in a historic victory against the superpower of the West.

The historic conflict between the two superpowers has lasted for many years with mostly ended in the favor of United States; now, once again Russia wants to compensate its historic defeats in the past with legitimizing a group who are the killers of innocent school children, men and women in the country. So, the old KGB workers and their Afghan colleagues dream a lot of nightmare and having different desire these days and nights. It is not unreasonable that individuals such as Zamir Kablof and one of the Afghans who were formerly one of the Khad missioner close to the Russian intelligence community host such conference.

By the way, neither Afghanistan and nor Russian close allies have good memory from its friendship and commitment in the past; Looking at past history of relations between the two countries they always deceived Afghans and left us alone against other aggressors and enemies. They have also applied the same policy against its close strategic

allies Iran. Recently, Putin indirectly pointed to Iran that Russia is not fire extinguisher to put out every ignited fire referring to resolving the conflicts happened between Iran and United States.

The second lesson, especially for the politicians who are likely unsatisfied from the current leadership of the Afghan government, is that with dissented voices against enemy we will not have any achievement rather it would end up with humiliation. Because those are hidden behind Taliban they have been their supporter and the main driver of war and conflicts in the country. Therefore, they have are well experienced and know all the political factions of Afghanistan like the palm of their hand, and so it does not seem that the time has come to prefer others to the Taliban. Though some of the elders have miscalculated when the peace talks between the United States and the Taliban accelerated, but by now they must have learned that the realization of this dream is too early.

The third and more important lesson for all political factions, including the Afghan government is to decisively fight and firmly stand against armed groups who kill people and destroy the country. People do not deserve to go under terror and violence tolerating mediaeval way of life after 18 years of sacrifices. The Taliban have also shown that they will never retreat from their inhumane demands. At the last meeting with Khalilzad, they raised their main demand and repeated the same thing in the Moscow conference. Their main goal is to establish the Islamic Emirate system and make inhumane constraints on the people of Afghanistan something that nobody is willing to accept that.

The Taliban, while sitting behind the negotiating table, are not ready to accept even one day cease-fire and successively carry out suicide attacks on innocent people of Afghanistan. Their latest example of attacks carried out on Marshall Fahim University and multiple attacks in the western part of Kabul today. With these attacks especially attacks on mosques, schools, hospitals, markets and other civilian places they divulged their true nature. They showed that neither they are loyal to Islamic values and nor to national interests, but they are only loyal to the intelligence networks of regional countries. Therefore, the only possible way is to insist on maintaining the political system, constitution, human rights and the past achievements.

And finally, the Afghan international allies should also learn a lesson that Taliban will not be a better partner than government and people of Afghanistan. They should stay committed to what they have signed as a strategic friendship with government and people of Afghanistan. The world, especially the future generation will determine our friendship on the basis of what we build today.

Mohammad Zahir Akbari is the permanent writer of the Daily Outlook Afghanistan. He can be reached at mohammadzahirakbari@gmail.com

Why Economics Must Go Digital

Diane Coyle

One of the biggest concerns about today's tech giants is their market power. At least outside China, Google, Facebook, and Amazon dominate online search, social media, and online retail, respectively. And yet economists have largely failed to address these concerns in a coherent way. To help governments and regulators as they struggle to address this market concentration, we must make economics itself more relevant to the digital age.

Digital markets often become highly concentrated, with one dominant firm, because larger players enjoy significant returns to scale. For example, digital platforms incur large upfront development costs, but benefit from low marginal costs once the software is written. They gain from network effects, whereby the more users a platform has, the more all users benefit. And data generation plays a self-reinforcing role: more data improves the service, which brings in more users, which generates more data. To put it bluntly, a digital platform is either large or dead.

As several recent reports (including one to which I contributed) have pointed out, the digital economy poses a problem for competition policy. Competition is vital for boosting productivity and long-term growth, because it drives out inefficient producers and stimulates innovation. Yet how can this happen when there are such dominant players?

Today's digital behemoths provide services that people want: one recent study estimated that consumers value online search alone at a level equivalent to about half of US median income. Economists therefore need to update their toolkit. Rather than assessing likely short-term trends in specific digital markets, they need to be able to estimate the potential long-term costs implied by the inability of a new rival with a better technology or service to unseat the incumbent platform.

This is no easy task, because there is no standard methodology for estimating uncertain, non-linear futures. Economists even disagree on how to measure static consumer valuations of free digital goods such as online search and social media. And although the idea that competition operates dynamically through firms entering and exiting the market dates back at least to Joseph Schumpeter, the standard approach is still to look at competition among similar companies producing similar goods at a point in time.

The characteristics of digital technology pose a fundamental challenge to the entire discipline. As I pointed out more than 20 years ago, the digital economy is "weightless." Moreover, many digital goods are non-rival "public goods": you can use software code without stopping others from doing so, whereas only one person can wear the same pair of shoes. And they require a substantial degree of trust to have any value: we need to experience them to know whether they work, and social influence is often crucial to their diffusion.

Yet standard economics generally assumes none of these things. Economists will bridle at this statement, rightly pointing to models that accommodate some features of the digital economy. But economists' benchmark mental world - particularly their instinctive framework for thinking about public policy questions - is one where competition is static, preferences are fixed and individual, rival goods are the norm, and so on.

Starting from there leads inexorably to presuming the "free market" paradigm. As any applied economist knows, this paradigm is named for a mythical entity. But this knowledge somehow does not give rise to an alternative presumption, say, that governments should supply certain products.

This instinct may be changing. One straw in the wind is the call by Jim O'Neill, a former Goldman Sachs economist who now heads the Royal Institute of International Affairs (Chatham House), for public research and production of new antibiotics. Having led a review of the spread of anti-microbial resistance - which will kill millions of people if new drugs are not discovered - O'Neill is dismayed by the lack of progress made by private pharmaceutical companies.

Drug discovery is an information industry, and information is a non-rival public good which the private sector, not surprisingly, is under-supplying. That conclusion is not remotely outlandish in terms of economic analysis. And yet the idea of nationalizing part of the pharmaceutical industry is outlandish from the perspective of the prevailing economic-policy paradigm.

Or consider the issue of data, which has lately greatly exercised policymakers. Should data collection by digital firms be further regulated? Should individuals be paid for providing personal data? And if a sensor in a smart-city environment records that I walk past it, is that my data, too? The standard economic framework of individual choices made independently of one another, with no externalities, and monetary exchange for the transfer of private property, offers no help in answering these questions.

Economic researchers are not blameless when it comes to inadequate policy decisions. We teach economics to people who go out into the world of policy and business, and our research shapes the broader intellectual climate. The onus now is on academics to establish a benchmark approach to the digital economy, and to create a set of applied methods and tools that legislators, competition authorities, and other regulators can use.

Mainstream economics has largely failed to keep up with the rapid pace of digital transformation, and it is struggling to find practical ways to address the growing power of dominant tech companies. If the discipline wants to remain relevant, then it must rethink some of its basic assumptions.

Diane Coyle is Professor of Public Policy at the University of Cambridge.

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Chairman / Editor-in-Chief: Moh. Reza Huwaida
Vice Chairman / Exec. Editor: Moh. Sakhi Rezaei
Email: outlookafghanistan@gmail.com
Phone: 0093 (799) 005019/777-005019
www.outlookafghanistan.net

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