

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



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Business Institutions Must be Strengthened

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 Monday, June 27, the Afghan business community, entrepreneurs and private sector leaders, in a press conference, demanded that the current leadership of ACCI step down and hold fresh elections immediately, claiming that the current board's tenure had expired 18 months ago and it has been refusing to hold a new round of elections. They also said that businessmen and businesswomen 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 stressed that it was duty of the chamber to prevent any mistrust, misuse of public resources, abuse of power and authority.

They 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, demanded that ACCI and other responsible bodies should play their role in supporting the private sector, holding elections through a transparent process to ensure that it is a representative body of the private sector and can 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 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 infrastructure 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 transition period and most importantly to survive after the international supports dry. The country has to start from the institutions and basic infrastructure 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.



Pakistan and Afghanistan are in the Same Boat

By Hujjatullah Zia

Following the exchanges of fire between Afghan-Pak soldiers in Torkham border, the tension has reached a climax. The relation between these two countries ebbed and flowed for more than a decade. Persisting on peace talks, Pakistan hosted a face-to-face negotiation between Afghan officials and the Taliban elements on July 07, 2015 – which was stalled after the revelation of Mullah Omar's death.

With the Taliban's heavy inroads, mainly as Mullah Akhtar Mansour succeeded Omar, the Afghan-Pak relation deteriorated. As a result, a sense of mistrust emerged after the Shah Sheheed bombing on August 07, 2015, which took heavy toll of Afghan civilians. Therefore, Afghan President Muhammad Ashraf Ghani talked in a serious tone about Pakistan in a press conference. He said, "Pakistan still remains the venue and ground for gatherings from which mercenaries send us a message of war." He added that at the time Pakistan President Nawaz Sharif had said the enemies of Afghanistan were the enemies of Pakistan, "now the time has come for him to prove it." Similarly, the Afghan Chief Executive Officer (CEO) Dr. Abdullah Abdullah declared on the 70th United Nations General Assembly meeting in New York that the Haqqani network, which enjoys a safe haven in Pakistan, had been identified as a main culprit and needed to be dismantled. He directly stated as, "We call on Pakistan to do what its leadership promised to us a few months ago when they agreed to crack down on known terror outfits – meaning the enemies of Afghanistan."

Currently, although Pakistan is a member of the Quadrilateral Coordination Group (QCG), the trust among the group is moribund and it is unlikely to succeed in bringing the Taliban to the negotiating table. Amid the lack of bonhomie, Afghan-Pak officials declare angry statements against each other. Of late, Pakistani Adviser to Prime Minister on Foreign Affairs Sartaj Aziz denied fighting terrorism in its own soil. He said that the US wants Pakistan to act against the Afghan Taliban but "Pakistan cannot fight Afghanistan's war on its own soil."

On the other hand, the Afghan Ministry of Defense has said that up to 45,000 Madrasahs in Pakistan continue to train, fund and send terrorists to fight against Afghanistan. Based on this statement, members of the terrorist groups, who are fighting against the Afghan security forces, are fostered in the Pakistani Madrasahs. The terrorists are educated and equipped and then dispatched to Afghanistan to attack the Afghan government forces. It is believed that a sour relation between these two countries will strengthen the morale of warring factions. The militants will fish in the troubled water and intensify their attacks to fuel

the cold war. It should be noted that the Taliban masterminds, who are orchestrating attacks behind the scenes, hunt for a damaged relation to exploit it through triggering further violence and bloodshed. The militants will stage attacks against both the countries to display a proxy war, which will compound the tension.

It is self-explanatory that when a country is burning in a fire, the smoke will go to the eyes of the neighboring countries. Therefore, when Afghanistan suffers from militancy, the whole region will be exposed to threat. Just think of the establishment of the self-styled caliphate in Iraq by Abu-Bakr al-Baghdadi. Currently, not only Afghanistan, Pakistan and Syria suffer from the militancy carried out by members of the IS group, but the Orlando attacker in the US, Omar Mateen, and California murderers Rizwan Farook and Tashfeen Malik also claimed loyalty to the IS group while shooting at the civilians. In a nutshell, terrorists have transcended the borders and will continue to do so as they claim to establish caliphate on the surface of earth.

Since the terrorist groups practice upon their own radical ideology, they seek to impose their ideology with the barrel of gun wherever they gain foothold. Needless to say, there are great potentials in Afghanistan and Pakistan for the attraction of terrorist groups. As a result, as soon as the IS group gained foothold in Pakistan and Afghanistan, an "ISIL-K" was formed between the Afghan-Pak border, according to the US, and a number of the Taliban fighters pledged allegiance to them. Hence, both the countries are in the same boat.

The first and foremost step to be taken in anti-terrorist campaign is destroying the hotbed of terror that is to say religious seminaries (Madrasahs). In other words, it is far more effective to eliminate the factories rather than products. Both the governments will have to keep vigilant eye on activities going on in Madrasahs and make sure that the text books do not spread radicalism. Moreover, they have to intensify their attacks against warring parties, as they never succumb to show green light for talks. Simultaneously, they should tighten the border security so as to prevent from militants' infiltration.

To bridge the rift and put an end to the chronic problem of terror, the two countries should intensify anti-terrorist operation regardless of good and bad terrorists. The futility of peace talk is clear for the world and further persistence will be a waste of time and energy. Therefore, the only effective mechanism left for brining peace is increasing counter-insurgency. Pointing fingers at each other will do more harm than good and it will never resolve the issue.

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The Main Factors to Economic Miracle in Japan

By Mohammad Zahir Akbari

In less than forty years after the defeats of World War II Japan become the great economic power in the world. It was somewhat a remarkable exception in modern economic history. Though, Japan has no valuable natural resources such as oil and gas, but its per capita income is \$41,850 which is 102 times more than Afghanistan! What Japan went through that reached this stage of development? Before the defeat in 1945, all of Japan's strength was spent on gaining power through war and, as a result, it led to the most heinous destruction. A high proportion of the industrial and commercial buildings together with the equipment they contained had been destroyed, and much plant and machinery formerly used in production for the civilian market had been scrapped to provide metal for munitions.

Due to this concentration of power used in war, the surviving Japanese people from the war were left with chaos, starvation, and unemployment when returning to their country. With almost a quarter of its nation's housing accommodation destroyed, the Allied Occupation Forces came to rescue the devastated country. Although Japan was left with wastes and ruins of factories and infrastructures, Japan was able to reconstruct its economy from a fresh start by building on its prewar economic experience and gaining knowledge from the rest of the world. With the three major reforms introduced and put into effect, the Japanese economy was on its way to recovery. However, by early as summer 1947, the Cold War tensions had started to build up in East Asia and the United States revised its policies towards Japan for the purpose of accelerating its economic recovery. The Dodge Plan in 1948, conducted by a Detroit bank president Joseph Dodge was implemented for the solution of bringing back Japan to full strength and ultimately removing American aid from Japan to prepare for the Cold War. He introduced three basic policies to mainly resolve the serious problem of inflation and to establish stabilization in Japan. The first was a balanced budget. The second was the suspension of new loans from the Reconstruction Finance Bank. This measure was aimed at cutting off at their source the supplies of new currency, which were seen as the fundamental cause of inflation. The third policy was reduction and abolition of subsidies.

The goal to accelerate the economy in such a short period of time with these three policies was almost impossible to achieve; due to sudden adjustments, but with the start of the Korean War in 1950, the economy boomed. Although these policies left by Dodge caused problems, he has set the basis for recovery without American aid and the Occupation of Japan ended in 1951. The work accomplished by Dodge had eliminated the financial problems in Japan and the Japanese were to achieve

recovery through their own work by economizing and accumulating capital to be exposed to international competition.

The rapid economic growth in Japan from the beginning of the 1950s to the early 1970s did not only result from special government policies and revolutionary events, but were also achieved by the cumulative effort and hard work by the people. The unique characteristic and ability of the Japanese people to imitate and improve the skills learned, and then applying them to their own system was the most important factor for their successes.

One of the factors that the Japanese made use of their unique characteristic to expand the economy was to improve and make practical use of technologies and technological know-how's imported from foreign countries. The Japanese were among the best at doing such a thing and often asserted that Japan has produced very little technology of its own. However, Japan has created new technology, such as the low-cost mass production systems, by combining numerous technologies imported from abroad. The most important point to recognize about Japan's import of technology was that it was translated into industrial strength only because it was combined with domestic innovation. Technological improvements in Japan contributed greatly to its economic growth, because improvements of technologies in one industry influenced the growth of many other industries. For example, Japan's steel industry successfully improved the quality of the special steel used in automobiles and as a result of technological progress in the casing of parts, the automobile industry, too, grew into an industry to be able to compete in international markets for the first time. Similar progress occurred in the shipbuilding industry also, and numerous industries were growing almost at a proportionate rate. As you can see, the improvements and modifications of technologies stimulated industries to develop an even more productive ways to grow and this trend led the Japanese economy to compete in the international markets. To conclude, the most important factors that enabled Japan's amazing economic growth, which was somewhat an exception to modern economic history was the culture and ability of the people itself to successfully combine all the knowledge and skills gained from foreign countries, and then improving those skills to fit their own system. The economic miracle did not occur simply from the reform policies implemented during the occupation of the American forces, but the basic factors for growth had already been prepared way beyond the start of WWII. The factors for the growth are unique and dependent upon each policies and strategies developed during the course of expansion.

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