

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



November 09, 2015

TAPI Project – Earns Giant Progress

Afghanistan at present is facing extreme power shortages. It's nothing less than a great surprise learning doing away the energy woes not only Afghanistan but also neighboring Pakistan and India are in stark need of energy that could be channeled from Turkmenistan. Earlier the energy-rich Turkmenistan's President Gurbanguly Berdimukhamedov ordered the state companies Turkmengaz and Turkmenneftstroi to start building the isolated republic's section of the pipeline on a pipeline carrying gas from the former Soviet state to Afghanistan, Pakistan and India. Overall, the pipeline will stretch 1,800 kilometers and is likely to cost more than \$10 billion.

Turkmenistan is rich in natural gas, and currently sells most of its gas to Russia and Ukraine. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project undertook between three countries is of immense significance. Ashgabat has often wanted is access to India and the markets of Asia, which desperately need Central Asia's energy supplies to sustain their rapid economic growth. The proposed Trans-Afghan natural gas pipeline, or the TAPI pipeline, named for the four countries that it would pass through (Turkmenistan, Afghanistan, Pakistan and India) would bring natural gas from the Daulatabad gas field in central Turkmenistan along a highway to Herat in eastern Afghanistan and further to Helmand and Kandahar in southern Afghanistan. From there, it would go on to Quetta and Multan in Pakistan, terminating in Fazilka in northern India. The nearly 1,800-km-long proposed pipeline project worth around \$10 billion aims to export up to 33 billion cubic meters (bcm) of natural gas per year and integrate economies of the four partnering nations. It is said Afghanistan would earn \$300 million dollars annually in transit fee besides finding thousands of employment opportunities.

Turkmenistan is largely a desert country with intensive agriculture irrigated areas, and huge gas and oil resources. In terms of natural gas reserves, it is ranked 4th in the world. Being the fourth largest gas reserves; it has been actively on the lookout to build transportation routes to large markets and the route through Afghanistan has been the most feasible and economical. The rise of India as an economic giant and its increasing energy needs make Turkmenistan and Central Asia energy markets of choice for that country and also China. Afghanistan and other neighboring countries could be privileged with the huge earthen resources.

Gas, oil and electricity are principal imports from Turkmenistan. The Turkmen president said his country wanted to increase energy exports to Afghanistan and was currently working on centre for exporting gas to Afghanistan. Turkmenistan, especially under the new President positive role in Afghanistan's development and reconstruction. Ashgabat has delivered humanitarian aid to Afghanistan and forgiven much of Kabul's debt for Turkmen electrical power. Turkmenistan continues to supply Afghanistan with energy at a deep discount and Ashgabat has reconstructed a portion of the railway that will connect the two countries.

The president Ghani had earlier visited countries owing potentials to help out Afghanistan to do away its security and economic tribulations. He paid visit to Pakistan to revitalize its resolve undoing the battered relation and work together fighting the menace of terrorism. Subsequently, he paid a visit to United Arab Emirate, in the bid to earn the confidence of potential investors that would create employment opportunities. It is yet to get public whether investors were drawn in to launch to help in successful launching of the project in Afghanistan's section.

Seemingly the orientation meetings between the four countries at different level have had an earned progress. President, Ashraf Ghani and his Turkmen counterpart had stressed the need for cementing economic relations, trade and cultural links between Kabul and Ashgabat, is turning fruitful given the Turkmen premier afforded willingness to export 500 megawatts of power to Afghanistan. It's indeed a great step ahead, to cope with increasing power demand. In the meanwhile, the Turkmen head of the state, also hinted at plans to construct maternity home in Torghondi district, an orphanage in Jawzjan and two mosques in Aqina and Andkhai. To finalize the course of action of proposed project, a meeting of steering committee consisting of ministers from four countries met in Islamabad formerly. The fact that Pakistan Prime Minister Nawaz Sharif chaired a meeting of the petroleum ministers of the TAPI member countries in Islamabad earlier signaled that the project is likely approaching the takeoff stage. The project of course helps Pakistan and India get away with the battered relation. This in turn will help Afghanistan travel easily across avenues of material success. The project's uniqueness is that it could make Pakistan a 'stakeholder' in stable relationship with India – and vice versa. More importantly, it enables the two countries to bury the backlog of the past and move on to a new phase in the geopolitical arena where the stabilization of Afghanistan becomes a shared concern rather than an issue of rivalry.

The central Asians and South Asians countries bridged via roads and rails facilitate the fastest business between these countries; it in fact opens the new avenues to financial development. President, Ghani stressed a railway line between Afghanistan and Central Asian countries including China, Afghanistan, Pakistan, Iran and Turkmenistan. He believed such a track would pave the ground for spurring regional trade.



Modern Arts, Science and Human Nature

By Dilawar Sherzai

The modern science and arts, though have brought comparative development to human societies, have influenced human nature negatively, as well. Human beings, even after today's so-called development have not been able to achieve what they willed to have when they started to associate with one other in an organized society called the state. Modernity has, in fact, placed human beings much distant for true bliss and contentment and at the same time from other human beings and themselves as well. Though they have covered the distance between the earth and the other planets, they have not been able to cover the distance between them and their Selves. Although they claim to be educated, they remain highly incognizant of the real objective and worth of being human. Their education, mostly comprised of modern science and arts, has only been able to make them educated ignorant.

One of the philosophers who criticized much the modern sciences and arts for corrupting human nature was the Jean-Jacques Rousseau. Rousseau was a Genevan philosopher who clearly identified the negative impacts of society and the teachings of society over human beings in his writings. He found certain defects in human society and in the evolution of human society that resulted in contaminating human nature and making human beings go astray – away from the well-being and bliss.

In Rousseau's philosophy, society's negative influence on men centers on its transformation of amour de soi, a positive self-love, into amour-propre, or pride. Amour de soi represents the instinctive human desire for self-preservation, combined with the human power of reason. In contrast, amour-propre is artificial and encourages man to compare himself to others, thus creating unwarranted fear and allowing men to take pleasure in the pain or weakness of others. Rousseau was not the first to make this distinction; it had been invoked by, among others, Vauvenargues.

In Discourse on Arts and Sciences Rousseau argues that the arts and sciences have not been beneficial to humankind, because they arose not from authentic human needs but rather as a result of pride and vanity. Moreover, the opportunities they create for idleness and luxury have contributed to the corruption of man. He proposed that the progress of knowledge had made governments more powerful and had crushed individual liberty; and he concluded that material progress had actually undermined the possibility of true friendship by replacing it with jealousy, fear, and suspicion.

In contrast to the optimistic view of the other Enlightenment figures, for Rousseau, progress has been inimical to the well-being of humanity, that is, unless it can be counteracted by the cultivation of civic morality and duty. Only in Civil Society, can man be ennobled – through the use of reason.

He believed that the passage from the state of nature to the civil state produces a very remarkable change in man, by substituting justice for instinct in his conduct, and giving his actions the morality they had for-

merly lacked. Then only, when the voice of the duty takes the place of physical impulses and right of appetite, does man, who so far had considered only himself, find that he is forced to act on different principles, and to consult his reason before listening to his inclinations. Although, in this state, he deprives himself of some advantages which he got from nature, he gains in return others so great, his faculties are so stimulated and developed, his ideas so extended, his feelings so ennobled, and his whole soul so uplifted, that, did not the abuses of this new condition often degrade him below that which he left, he would be bound to bless continually the happy moment which took him from it forever, and, instead of a stupid and unimaginative animal, made him an intelligent being and a man.

Society corrupts men only insofar as the Social Contract has not de facto succeeded, as we see in contemporary society as described in the Discourse on Inequality by Rousseau. In this essay, which elaborates the ideas introduced in the Discourse on the Arts and Sciences, Rousseau traces man's social evolution from a primitive state of nature to modern society. The earliest solitary humans possessed a basic drive for self preservation and a natural disposition to compassion or pity. They differed from animals, however, in their capacity for free will and their potential perfectibility. As they began to live in groups and form clans they also began to experience family love, which Rousseau saw as the source of the greatest happiness known to humanity. As long as differences in wealth and status among families were minimal, the first coming together in groups was accompanied by a fleeting golden age of human flourishing. The development of agriculture, metallurgy, private property and the division of labor and resulting dependency on one another, however, led to economic inequality and conflict. As population pressures forced them to associate more and more closely, they underwent a psychological transformation; they began to see themselves through the eyes of others and came to value the good opinion of others as essential to their self esteem. Rousseau posits that the original, deeply flawed Social Contract as explained by Hobbes, which led to the modern state, was made at the suggestion of the rich and powerful, who tricked the general population into surrendering their liberties to them and instituted inequality as a fundamental feature of human society.

Rousseau's own concept of Social Contract can be understood as an alternative to the fraudulent form of association. At the end of the Discourse on Inequality, Rousseau explains how the desire to have value in the eyes of others comes to undermine personal integrity and authenticity in a society marked by interdependence, and hierarchy. In the last chapter of the Social Contract, Rousseau would ask, "What to be done?" He answers that now all men can do is to cultivate virtue in themselves and submit to their lawful rulers. To his readers, however, the inescapable conclusion was that a new and more equitable Social Contract was needed.

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Confronting the Coming Liquidity Crisis

By Camila Villard Duran

This month, G-20 leaders will meet in Antalya, Turkey, for their tenth summit since the 2007 global financial crisis. But, despite all of these meetings – high-profile events involving top decision-makers from the world's most influential economies – no real progress has been made toward reforming the international financial architecture. Indeed, the group has not seriously engaged with the subject since the 2010 summit in Seoul. Put simply, the G-20 is failing in its primary and original purpose of enhancing global financial and monetary stability.

A big part of the problem is that the G-20 agenda has become increasingly congested over the years. At a time of looming financial upheaval, the G-20 must stop attempting to tackle a broad array of issues simultaneously – a goal that has proved impossible – and go back to basics.

The United States Federal Reserve is now preparing to raise interest rates, which it has kept near zero since the crisis. While monetary-policy tightening may be necessary, it risks triggering a serious liquidity crisis in developing countries, with a major impact on economic growth and development. That is why, at this month's G-20 summit, participants must focus on providing a credible institutional backstop for the difficult times ahead.

Specifically, the G-20 should move to empower the International Monetary Fund, both by pushing it to do more with its existing powers and by championing institutional reform. Raghuram Rajan, the governor of India's central bank, emphasized this at the recent annual meetings of the IMF and the World Bank in Lima, Peru, when he called for the Fund to build a sustainable global safety net to help countries in future liquidity crisis.

The necessary institutional arrangement already exists: the IMF's Special Drawing Rights (SDR) department. Within this department, official entities can exchange SDRs – the IMF's own international reserve asset – for other currencies. Moreover, the IMF can designate a country with a strong balance-of-payments position to provide the liquidity that another member needs. Through this so-called "designation mechanism" – which has never been used – the IMF can ensure certainty of access to global currencies in times of crisis.

Of course, if the IMF's SDR department is to become a global liquidity hub capable of mitigating future crises, reform is vital. Ideally, major powers would support efforts to strengthen the IMF. But the US has so far been unwilling to do so, with domestic partisan politics spurring Congress to block the relevant reforms.

While the G-20 should not give up on IMF-strengthening reforms, it should hedge its bets. Specifically, it should work with a "coalition of the willing" – including the major emerging economies, concerned advanced countries, and other developing countries – to create an institutional mechanism with which to respond effectively to the next global liquidity crisis.

One obvious option would be to replicate the institutional design of the SDR department by incorporating it in an agreement among the coalition countries. The Bank for International Settlements, which was the counterparty in currency swaps under the Bretton Woods par value system in the 1960s, could be the manager of this system.

This approach undoubtedly has major shortcomings. Indeed, the key advantage of the IMF's SDR department – that it is a quasi-universal and government-driven system whereby currencies are exchanged with reliable "collateral" (the SDR) – would be lost.

But the perfect should not be made the enemy of the good. As long as an ideal system is out of reach, an imperfect option will have to do. With the risk of a liquidity crisis intensifying, and the existing international financial architecture ill-equipped to respond to such a crisis, doing nothing is not an option.

In recent years, the international financial system has become increasingly fragmented, exemplified in the proliferation of bilateral and multilateral currency-swap arrangements. For example, the Chiang Mai Initiative Multilateralization involves the ASEAN countries, plus China, Japan, and South Korea. And the Contingent Reserve Arrangement (CRA) was created by the BRICS countries (Brazil, China, India, Russia, and South Africa).

Swap contracts involve pre-committed resources, which are not transferred to an international organization with a specific institutional mission. Instead, foreign-exchange reserves – that is, liquidity in currencies accepted for international payments – are held in national agencies until a swap's activation.

This means that there is no guarantee that, in the event of a crisis, a central bank will actually provide the swap line it has pledged, at least not without attaching political strings. In the CRA, for example, members can opt out of providing support – and can request early repayment if a balance-of-payments need arises.

Clearly, the world's ever-expanding network of currency-swap arrangements is far from a reliable mechanism for responding to crisis. This is particularly problematic for the emerging economies, which are especially vulnerable now.

Turkey, which currently holds the G-20 presidency, and China, which will take over next year, should have plenty of motivation to demand action to create safeguards against today's liquidity risks. Beyond urging the US to approve IMF governance reforms, both countries should be hard at work building a coalition of the willing and designing an effective crisis-response mechanism.

So far, Turkey seems to be falling short, promoting an overcrowded and ineffective agenda. One hopes that its leaders come to their senses fast, so that the upcoming summit can produce the results that past summits have failed to provide – and that the world needs more than ever. (Courtesy Project Syndicate)

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