

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



October 09, 2019

Causes of Electoral Violence in Afghanistan

Democratization has started in Afghanistan and Afghans will not let any force to set back this process. As a result, democracy has been embraced by most Afghans. In fact, democracy has given the power to the Afghan people to rule through electing their leaders. Therefore, a fundamental bed rock of democracy in Afghanistan is the election of political leaders through the electoral box.

Indeed, electoral process gives the Afghan citizens the sole right to elect their preferred political leaders. As if this is not enough, electoral process in Afghanistan have most often been characterized by violence at various stages, from pre-election, during elections and post elections. This electoral process which gives rights to the people to govern themselves has been challenged by the threats to security and development. According to research findings, Afghan political leaders are one of the main causes of the violence in the country. These leaders violate the electoral law in different stages, including pre-judgments about electoral results.

Electoral violence in an Afghanistan election can be seen manifested in various forms as physical assaults, snatching of ballot boxes, murder labeling the candidates as the agents of other countries and even calling them as unbelievers in order to prevent people from voting to certain candidates.

However, first and foremost, electoral violence in Afghanistan is caused by poverty. Poverty in Afghanistan is very alarming and this gives room for the unemployed majority to be manipulated to perpetuate all forms of electoral violence. Even people sell their vote to certain candidates and if they receive money from a candidate, they try to bully the voters not to vote to other candidates, but the one they recommend to the voters.

The vanity and poor performance of the security forces also give people the impetus to stage electoral violence. The ineffectiveness especially on the part of the police service is a major factor which encourages electoral violence. Pre-electoral violence is often associated with killings but the police service always fails to get to the root of those killings. This failure seems to be creating a culture of impunity and motivation for recurrence of crimes and violence in our society.

Weak performance of Afghanistan electoral bodies is one of the other major factors of electoral violence in Afghanistan. These electoral bodies have performed poorly in the past, though they were expected to mature by passing the time. However, week performance of the Afghan electoral bodies in parliamentary elections in 2018 has disappointed the Afghan voters. As a result, the turn out of the Afghan voters were very low in the Afghan presidential elections. Thus, both Afghan government and international community fear electoral violence spark the country once the presidential elections result is announced by the IEC.

Weak governance and corruption also instigate electoral violence in Afghanistan. Corruption sets the stage for structural violence. Weak governance and corruption make Afghan people feel desperate enough to seek any means of revenge against political authority including violence.

In order to resolve political violence, capacity building of Afghan electoral institutions, and accountability, social justice, and transparency, rule of law, gender equality and due process must guide governance and leadership in Afghanistan. The critical point must be made is that despite the challenges that emanates from the practice of democracy, it is far better than any other form of governance that Afghans can think of. Consequently, when these measures are well instigated, integrated and adhered to, Afghans will be freed and void of any electoral violence.

Regional Stakeholders Urge for Inclusive Peace Talks

By: Hujjatullah Zia

Following the trip of a Taliban delegation to Islamabad, the issue of peace talks resumption has resurfaced. The Afghan government has reiterated Afghan-owned and Afghan-led talks and regional stakeholders have stressed their inclusion in the process.

The Taliban delegation have reportedly met with Pakistani Prime Minister Imran Khan and US Special Representative for Afghanistan Reconciliation Zalmay Khalilzad in Islamabad, however, the content of the discussion is not clear.

Showing reaction to the issue, Afghan Deputy Minister of Foreign Affairs Indrees Zaman said Afghanistan was not supporting any talks held without presence of the Afghan government. He added that Taliban delegation paid a visit to Pakistan to ask the country for cooperation in resuming peace talks with the United States. He stated that all routes to the peace were passing from Kabul.

Meanwhile, the Indian government said there was a need for involvement of all stakeholders, including the Kabul government, in the Afghan peace process.

Furthermore, Iranian Foreign Minister Mohammad Javad Zarif is cited as saying, "We support peace talks in Afghanistan with all sides" adding that "Afghans should be involved in the peace process".

Considering the above statements, both Kabul government and regional stakeholders urge for an inclusive peace talks with the involvement of all sides. Regional powers fear that the issue of Afghan peace process will be capitalized on by their rival states. They are also concerned about the post-peace deal strategy. For example, India is worried if Afghan soil is used against it after the peace agreement.

"Apparently, the Taliban have not yet worked out a post-peace deal strategy in terms of how they will transform their war machinery into a political asset. So far, they have been set on capitalizing on foreign troops' withdrawal and devising a power-sharing formula with other stakeholders in Afghanistan," said a Pakistani military analyst.

Imran Khan is said to visit China soon. In addition to CPEC, he will discuss Afghan peace process with the Chinese leadership. Both will encourage the Taliban to go with the peace process in Afghanistan.

Chinese leadership has worked to bring Kabul and Islamabad closer. The third China-Afghanistan-Pakistan Foreign Minister Dialogue was held in Islamabad on 7 September. The foreign ministers of the three countries reaffirmed their determination to cement trilateral trust and

support reconciliation, regional peace and stability, and counter-terrorism. China would prefer to use the regional platform, preferably the Shanghai Cooperation Organization, to drive negotiations. Moreover, Chinese officials have also reiterated on several occasions that China supported peace talks under the leadership and ownership of the Kabul administration.

As regional states have signaled their support for Afghan-owned negotiations and Russia plans to organize a meeting with the Taliban on Afghan peace process, they have to push the Taliban to sit around negotiating table with the Kabul government. It is believed that marginalization of Kabul in the talks will be proved detrimental and vice versa. Moscow, Tehran, and Islamabad have to use their leverage to broker talks between the Afghan government and Taliban leadership.

It is not certain whether the US and Taliban will resume from the point at which the talks fell apart or if both sides will renegotiate specific terms. The Taliban are likely to insist on the agreed draft, which was acceptable neither to the Trump administration nor to the Kabul government. Pakistan is expected to urge the Taliban to renegotiate.

Pakistan's Khan offered to get involved with the political solution for peace in Afghanistan after the US-Taliban talks broke down in early September. Urging that military deal would be proved abortive, Khan said that "there needs to be some sort of a peace deal. There has to be a political settlement".

He added that within more than a year that he had been prime minister, he had sought peace with Afghanistan.

Afghan officials also believe that the role of regional states is crucial in the peace process and they have to put all their weight behind the talks with sincere intention and support intra-Afghan dialogue. Hosting Taliban delegation without consulting with the Afghan administration and having backdoor discussion with it will not be approved by Kabul. Although much has been said about the process and the Taliban delegation were hosted several times by regional states, no positive outcome has emerged. In short, Kabul wants the states, which host the Taliban representatives, to show the positive result of their meetings.

This will be a crucial time for various stakeholders to enable a roadmap for peace, along with the Kabul administration, to end the 18-year conflict and pressure the Taliban to declare ceasefire as a gesture of goodwill.

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No More Half-Measures on Corporate Taxes

By: Joseph E. Stiglitz

Globalization has gotten a bad rap in recent years, and often for good reason. But some critics, not least US President Donald Trump, place the blame in the wrong place, conjuring up a false image in which Europe, China, and developing countries have snookered America's trade negotiators into bad deals, leading to Americans' current woes. It's an absurd claim: after all, it was America - or, rather, corporate America - that wrote the rules of globalization in the first place.

That said, one particularly toxic aspect of globalization has not received the attention it deserves: corporate tax avoidance. Multinationals can all too easily relocate their headquarters and production to whatever jurisdiction levies the lowest taxes. And in some cases, they need not even move their business activities, because they can merely alter how they "book" their income on paper.

Starbucks, for example, can continue to expand in the United Kingdom while paying hardly any UK taxes, because it claims that there are minimal profits there. But if that were true, its ongoing expansion would make no sense. Why increase your presence when there are no profits to be had? Obviously, there are profits, but they are being funneled from the UK to lower-tax jurisdictions in the form of royalties, franchise fees, and other charges.

This kind of tax avoidance has become an art form at which the cleverest firms, like Apple, excel. The aggregate costs of such practices are enormous. According to the International Monetary Fund, governments lose at least \$500 billion per year as a result of corporate tax shifting. And Gabriel Zucman of the University of California, Berkeley, and his colleagues estimate that some 40% of overseas profits made by US multinationals are transferred to tax havens. In 2018, 60 of the 500 largest companies - including Amazon, Netflix, and General Motors - paid no US tax, despite reporting joint profits (on a global basis) of some \$80 billion. These trends are having a devastating impact on national tax revenues and undermining the public's sense of fairness.

Since the aftermath of the 2008 financial crisis, when many countries found themselves in dire financial straits, there has been growing demand to rethink the global regime for taxing multinationals. One major effort is the OECD's Base Erosion and Profit Shifting (BEPS) initiative, which has already yielded significant benefits, curbing some of the worst practices, such as that associated with one subsidiary lending money to another. But, as the data show, current efforts are far from adequate.

The fundamental problem is that BEPS offers only patchwork fixes to a fundamentally flawed and incorrigible status quo. Under the prevailing "transfer price system," two subsidiaries of the same multinational can exchange goods and services across borders, and then value that trade "at arm's length" when reporting income and profits for tax purposes. The price they come up with is what they claim it would be if the goods and services were being exchanged in a competitive market. For obvious reasons, this system has never worked well. How does one value a car without an engine, or a dress shirt without buttons?

There are no arm's-length prices, no competitive markets, to which a firm can refer. And matters are even more problematic in the expanding services sector: how does one value a production process without the managerial services provided by headquarters?

The ability of multinationals to benefit from the transfer price system has grown, as trade within companies has increased, as trade in services (rather than goods) has expanded, as intellectual property has grown in importance, and as firms have gotten better at exploiting the system. The result: the large-scale shifting of profits across borders, leading to lower tax revenues.

It is telling that US firms are not allowed to use transfer pricing to allocate profits within the US. That would entail pricing goods repeatedly as they cross and re-cross state borders. Instead, US corporate profits are allocated to different states on a formulaic basis, according to factors such as employment, sales, and assets within each state. And, as the Independent Commission for the Reform of International Corporate Taxation (of which I am a member) shows in its latest declaration, this approach is the only one that will work at the global level.

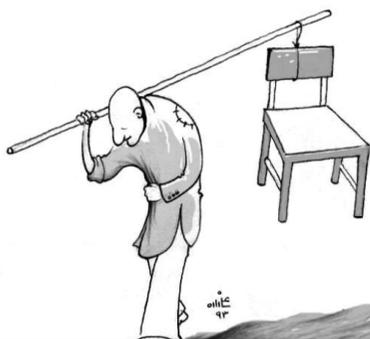
For its part, the OECD will soon issue a major proposal that could move the current framework a little in this direction. But, if reports of what it will look like are correct, it still would not go far enough. If adopted, most of a corporation's income would still be treated using the transfer price system, with only a "residual" allocated on a formulaic basis. The rationale for this division is unclear; the best that can be said is that the OECD is canonizing gradualism.

After all, the corporate profits reported in almost all jurisdictions already include deductions for the cost of capital and interest. These are "residuals" - pure profits - that arise from the joint operations of a multinational's global activities. For example, under the 2017 US Tax Cuts and Jobs Act, the total cost of capital goods is deductible in addition to some of the interest, which allows for total reported profits to be substantially less than true economic profits.

Given the scale of the problem, it is clear that we need a global minimum tax to end the current race to the bottom (which benefits no one other than corporations). There is no evidence that lower taxation globally leads to more investment. (Of course, if a country lowers its tax relative to others, it might "steal" some investment; but this beggar-thy-neighbor approach doesn't work globally.) A global minimum tax rate should be set at a rate comparable to the current average effective corporate tax, which is around 25%. Otherwise, global corporate tax rates will converge on the minimum, and what was intended to be a reform to increase taxation on multinationals will turn out to have just the opposite effect.

The world is facing multiple crises - including climate change, inequality, slowing growth, and decaying infrastructure - none of which can be addressed without well-resourced governments. Unfortunately, the current proposals for reforming global taxation simply don't go far enough. Multinationals must be compelled to do their part.

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