

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



September 23, 2018

Peace in the Korean Peninsula: Positive Messages for Afghanistan

The North Korea nuclear issue was the most important security issue in the region and the world as well. These issues remained depressingly the same despite new developments e.g. reputed illness of North Korea leader Ki, Jon-il and new leaders in both South Korea and the United States. Questions how to rein in North Korea's nuclear programs and entice it to open its markets and borders to greater foreign interactions remained-un answer for decades. In fact, North Korea was one of the most enduring foreign policy challenges to the US for about half a century.

When Trump took office; the acceleration of the North Korean nuclear program became President Donald Trump's most pressing international security. In April 2017 alone, North Korea's leader Kim Jong-un showcased the advances in its missile technology during an ostentatious military parade and conducted two missile tests on April 16 and April 28. As a result, the Trump Administration responded with tough talk of its own, with Vice President Mike Pence declared that "the era of strategic patience" toward North Korea was over and Secretary of State Rex Tillerson indicated that all options were on the table. This Stance of the US alarmed countries in the region, especially South Korea and Japan, about an impending crisis on the Korean Peninsula.

Moon Jae-in Diplomatic Talk Policy

In such a complex and high tensions situation, It was very difficult to think about a peaceful solution to the North Korea's nuclear issues. However, new leader of South Korea, President Moon Jae-in called for diplomatic talks with the North at a time when the United States and others wanted to step up pressure on Kim Jong-un. Many political analysts held that this could make it difficult for the international community to reach consensus on how to deal with North Korea. Surprisingly, nearly no one thought that this policy would lead to an agreement between President Trump and Kim Jong-Un as the base of starting of denuclearization in the Korean Peninsula.

However, President Moon Jae-in did not give up and continued his persist efforts to bring closer the two Koreas and prevent another war in the region and his sincere efforts paid off. In a recent development, the two leaders met on September 19, 2018 and issued a statement at a Joint Press Conference Following the 2018 Inter-Korean Summit in Pyeongyang. Based on this statement a Korean Peninsula free of war has begun to take shape. The Two Koreas have agreed to eliminate all risks that could lead to war from all parts of the Korean Peninsula.

When we see such developments in other countries, we hope the same happens in Afghanistan as well. Imran Khan the new Prime Minister of Pakistan has already announced good policies about Pakistan foreign relations, especially Afghanistan. We hope he changes to "the Jae-in of Pakistan" for Afghanistan. Afghanistan is sure that if Pakistan sincerely works with Afghanistan to bring peace in the country, it has many financial and spiritual tools that not only can put under pressure the Taliban and other terrorist groups but also can satisfy them by its religious influence on these groups to put an end to the war in Afghanistan; a war that has been going on in the country for about four decades as part of the Pakistan military's doctrine of "strategic depth" which Pakistan uses Afghanistan as an instrument of strategic security in ongoing tensions with India and may the US by attempting to control Afghanistan as a pawn for its own political purposes.



Election Should Carry the True Spirit of Democracy

By Hujjatullah Zia

With only few weeks left for the upcoming parliamentary and provincial elections, the mistrust resurfaced between state and nation leading to the closure of the Independent Election Commission offices in Balkh, Herat and Kandahar provinces last week.

Backed by political parties, a number of protestors have reportedly closed the door of IEC offices in the three provinces and political parties, operating under the "Grand National Coalition", have warned to close the IEC offices in more provinces if their demands for a transparent election and change of polling system are not met.

The political parties also levelled serious accusations on government leaders over what they described it deliberate attempts to deprive the people from the right to be informed about all aspects of free and credible elections.

However, Akhtar Muhammad Ibrahim, deputy interior minister, has said that the government will "use force if necessary" to control the situation.

The protest and closing the IEC offices indicate two bitter facts. For one, there is a trust deficit between nation and state. That is to say, the public do not believe in the transparency of the upcoming elections, which, according to them, do not demonstrate democracy. Following the 2014 presidential election, the government did not only fail to win the public trust but the wall of mistrust between nation and state grew taller. Worst, the government could not implement democratic principles in the country despite conducting election. Secondly, the recent event shows the growing mistrust between officials within the government machinery as well as those who were removed from the government's body. The Grand National Coalition is a strong political competitor of the president Ghani's team, especially in the next presidential election. This team, which includes high-ranking political figures, is seeking to monitor the government from now.

Since political parties and activities are in accordance with national laws, the government is not supposed to show any sensitivity against them. Earlier, Gulbuddin Hekmatyar, the leader of Hezb-e-Islami Afghanistan, said that the IEC kills the time regarding the usage of biometric system for voting and the heads of National Unity Government seek to sidestep this issue. According to Hekmatyar, six million refugees, two millions internally displaced people and about four million of people living in insecure areas are intentionally deprived of

voting. He added that there was also political motive for the cancellation of district council election. He claimed the government deprived its political opponents from deciding about the election and warned of huge rigging in the coming election.

It is believed that illegal closing of the IEC offices is unreasonable and violation of law rather than being considered civil disobedience. Political parties could boycott the election through urging their followers not to participate, conducting comprehensive demonstrations or any other way except for illegal closing of the offices.

On the other hand, the government must be highly cautious not to resort to violence for reopening the IEC offices. It should be noted that political heavyweights are behind the protestors and they have strong public support with them. Cracking down the demonstrators and political proponents will make a big fire that would be hard to extinguish.

The government cannot simply ignore the public demands since they are legal and logical. Why the legal demands of citizens are not met? If it is not possible due to the time limit, the government should persuade the citizens and political parties through logic and reason rather than using force.

It is the government's responsibility to ensure the election's transparency and conduct free, fair and just election in accordance with Constitution and other national laws. If elections are not held in a "free, general, secret, as well as direct" way, or if citizens are deprived of casting their votes for one reason or another, it will be violation of national laws, which is in conflict with democracy.

Since election is a significant step towards democracy, democratic principles and national laws should be exercised by both state and nation. In such a case, it is understandable that all violent move will deal a blow to democracy.

By and large, bridging the gap between state and nation as well as between political officials in such a sensitive moment is highly recommended. Both political parties and state must prefer national interests to all other issues and pave the ground for a transparent, fair, free, and general election so that all could exercise their suffrage with peace of mind. It is to put the differences aside and focus on ensuring security for election and providing a safe environment for citizens to cast their votes.

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Why the US Would Lose A Trade War with China

By Anatole Kaletsky

The United States cannot win its tariff war with China, regardless of what President Donald Trump says or does in the coming months. Trump believes that he has the upper hand in this conflict because the US economy is so strong, and also because politicians of both parties support the strategic objective of thwarting China's rise and preserving US global dominance.

But, ironically, this apparent strength is Trump's fatal weakness. By applying the martial arts principle of turning an opponent's strength against him, China should easily win the tariff contest, or at least fight Trump to a draw.

Economists since David Ricardo have argued that restricting imports reduces consumer welfare and impedes productivity growth. But that is not the main reason why Trump will be forced to back down in the trade war. In handicapping the US-China conflict, another economic principle - rarely used to explain the futility of Trump's tariff threats - is much more important than Ricardo's concept of comparative advantage: Keynesian demand management.

Comparative advantage certainly influences long-term economic welfare, but demand conditions will determine whether China or America feels more pressure to sue for trade peace in the next few months. And a focus on demand management clearly reveals that the US will suffer from Trump's tariffs, while China can avoid any adverse effects.

From a Keynesian perspective, the outcome of a trade war depends mainly on whether the combatants are experiencing recession or excess demand. In a recession, tariffs can boost economic activity and employment, albeit at the cost of long-term efficiency. But when an economy is operating at or near its maximum capacity, tariffs will merely raise prices and add to the upward pressure on US interest rates. This clearly applies to the US economy today.

US businesses could not, in aggregate, find extra low-wage workers to replace Chinese imports, and even the few US businesses motivated by tariffs to undercut Chinese imports would need to raise wages and build new factories, adding to the upward pressure on inflation and interest rates. With little spare capacity available, the new investment and hiring required to replace Chinese goods would be at the cost of other business decisions that were more profitable before the tariff war with China. So, unless US businesses are sure the tariffs will continue for many years, they will neither invest nor hire new workers to compete with China.

Assuming that well-informed Chinese businesses know this, they will not cut their export prices to absorb the cost of US tariffs. That will leave US importers to pay the tariffs and pass on the cost to US consumers (further fueling inflation) or to US shareholders through lower profits. Thus, the tariffs will not be "punitive" for China, as Trump seems to believe. Instead, the main effect will be to hurt US consumers and businesses, just like an increase in sales tax.

But let us concede that the tariffs may price some Chinese goods out of the US market. Where will the competitively priced imports that undercut China come from?

In most cases, the answer will be other emerging economies. Some low-end goods such as shoes and toys will be sourced from Vietnam or India. Final assembly of some electronic and industrial machinery may relocate to South Korea or Mexico. A few Japanese and European suppliers may displace high-end Chinese suppliers. Thus, to the very limited extent that tariffs do prove "punitive" for China, the effect on other emerging markets and the global economy will not be damaging "contagion" but a modest boost to demand that results from displacing Chinese exports to the US.

True, Chinese exporters may experience modest losses as other producers take advantage of the US tariffs to undercut them. But this should have no effect on Chinese growth, employment, or corporate profits if demand management is used to offset the loss of exports. The Chinese government has already started to boost domestic consumption and investment by easing monetary policy and cutting taxes.

But China's stimulus measures have so far been cautious, as they should be considering the negligible impact that US tariffs have had on Chinese exports. If, however, evidence starts to emerge of export weakness, China can and should compensate with additional steps to boost domestic demand. In principle, China can avoid any damage at all from US tariffs simply by responding with a full-scale Keynesian stimulus. But would the Chinese government be willing to do this?

This is where bipartisan US support for a "containment policy" toward China paradoxically works against Trump. China's rulers have so far been reluctant to use overt demand stimulus as a weapon in the trade war because of strong commitments made by President Xi Jinping to limit the growth of China's debt and to reform the banking sector.

But such financial policy arguments against Keynesian policy are surely irrelevant now that the US has presented the battle over Trump's tariffs as the opening skirmish in a geopolitical Cold War. It is simply inconceivable that Xi would attach higher priority to credit management than to winning the tariff war and thereby demonstrating the futility of a US containment strategy against China.

This raises the question of how Trump will react when his tariffs start to hurt US businesses and voters, while China and the rest of the world shrug them off. The probable answer is that Trump will follow the precedent of his conflicts with North Korea, the European Union, and Mexico. He will "make a deal" that fails to achieve his stated objectives but allows him to boast of a "win" and justify the verbal belligerence that inspires his supporters.

Trump's surprisingly successful rhetorical technique of "shout loudly and carry a white flag" helps to explain the consistent inconsistency of his foreign policy. The US-China trade war is likely to provide the next example.

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