

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



December 10, 2018

The Reasons of Our Economic Failure

After the formation of National Unity Government (NUG), the citizens of the country were determined to see a change in the economic life of the country, but so far, they have not been able to experience anything worthwhile.

The reasons for the current state of affairs in the economy are rooted in the failure of Mr. Karzai's thirteen-year-old government and lack of political will, vision, plan, and administrative mismanagement in NUG. These two cases are the cornerstone of this flawed evolution.

As we know, Afghanistan had an exceptional opportunity since the end of 2001 after the US military intervention and the end of Taliban regime and the establishment of a somewhat democratic regime, but it failed to use it efficiently and purposefully.

The new government began its economic activity in 1381, when its economy had undergone an exceptional opportunity after a period of stagnation and a decline in the economy. The interim government immediately estimated the financial damages at about \$30 billion after the Bonn Accords in December 2001. After the preliminary assessments of the damage to the economy, the United Nations at the Afghanistan Reconstruction Conference in Tokyo in January 2002 promised that it will pay for reconstruction in Afghanistan an estimated amount of \$10 billion for the past year, and some other countries and institutions participated in the \$5 billion program in five years, which provided Afghanistan with \$1.8 billion in the first year of 2002 and about \$2 billion in 2003.

But even after the success of National Solidarity Program at that time and over a five-year period, and with the support of billions of dollars from the international community, the government was not able to determine its strategy for reconstruction and development. However, the government presented the second plan of a five-year program called the "National Development Strategy of Afghanistan" for funding in the Paris Conference on June 12, 2008, and again it implemented the program with a lot of deficiencies. It continued until 2012 (of course, the cost of the program was worth tens of millions of dollars, and the control of it was left to several individuals). The growth rates were not accurately predicted.

In brief, Mr. Karzai's rule over thirteen years was not able to take advantage of the time, financial, monetary and military support and the presence of the international community (about forty countries), including the active presence of the United States, the United Nations and other institutions. NUG is the direct product of the Karzai regime and the outcome of differences and conflicts that ensued at the start of its formation. As mentioned, the Karzai's thirteen-year-old government failed to pave the way for economic growth and posterity.

The national unity government started work with the empty treasury, reducing aid, mistrusting citizens from security, and many other such issues. They made people over-optimistic through promises during the election campaign. The lack of a strong political will, a proper understanding of national interests, and the government's inability to control the internal affairs made the situation even more difficult for NUG leaders.

The new government should, in the first step, should have carried out an accurate assessment of the overall state of the country, including the performance of thirteen years of the previous regime, and clearly set out all requirements and facilities (internal and external), based on a comprehensive National Development Strategy Plan. However, government had no strategy to offer except empty promises.

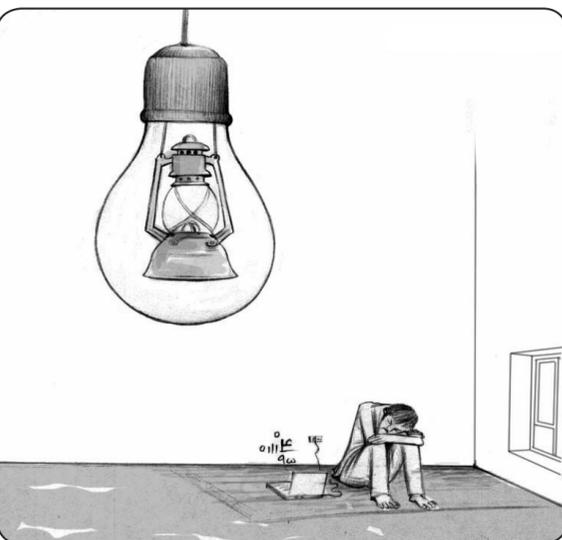
The government began to accelerate its work by launching a series of anti-corruption investigations in the Kabul Bank and the Ministry of Defense, where hundreds of embezzlers were involved; however, it was never able to reach all the culprits and the complete depth of the corruption that was carried out in such institutions of great importance. At the same time, it was not able to focus on new economic initiatives for the country.

Now, as a result of the weakness of the leadership and management of the national unity government, our country and our people are seeing the following unfavorable conditions:

- Increased insecurity and decrease in foreign investment (reports from the relevant department shows a 26% drop in investments over the past 9 months compared to 9 months of the previous year).
- Youth escape and increased immigration to Europe (according to UN Commissioners, around 122,000 Afghans have applied for asylum in 44 countries worldwide). 90 percent of these people are educated youth, which is the human capital of the country.
- Reducing domestic production and thus reducing economic growth.
- 96% trade deficit.
- Inflation and depreciation of the Afghani.
- Increasing poverty rates

It is time for the government to come to terms with its failures, to review all the affairs on the basis of national interests and to take urgent measures to prevent the collapse of economic and social conditions. In the long run, it should start working on a major national and strategic plan. In these programs, internal and external opportunities and capacities should be accurately measured and pursued.

Strong political will, proper understanding of the situation, effective management, and the practicable national development plan will undoubtedly remove all barriers in way to progress, and the country will take steps to develop and provide its deprived people prosperity and peace.



Cancellation of Election Results of Entire Kabul Province is yet another Blow to People's Trust on Electoral Process

By: Mohammed Gul Sahibzada

Transparent, fair and free elections and electoral processes form the bedrock of a democratic society. It is through these processes and institutions that people's voices, their will to be part of democratic flow in their society and their participation, which would result in a sense of inclusiveness, independence, ownership of their government and governance process and construction of a rule based constitutional system, which would govern the way how they live, are reflected. But alas, Independent Electoral Commission (IEC) and Electoral Complaint Commission (ECC), the two major institutions responsible for administering and supervising elections and electoral processes and addressing objections and complaints respectively, have miserably failed to come up to the expectations of people of Afghanistan. Both are the main pillars of the election process and they have functional autonomy. Despite numerous failures these two institutions exhibited during the last eight months when electoral process started in March 2018 to the run up to conducting parliamentary elections, which took place on 20 October 2018, recent cancellation of elections results of the entire Kabul province is a shameful indication of inability and pathetic nature of IEC. ECC also ignored objections and complaints raised earlier and waited till they evaluated the accumulated impact on Kabul.

It seems the two bodies i.e. IEC and ECC have not synchronized themselves and have not developed rule based policies and mechanisms in place to form a platform whereby they could work together on policies, modus operandi of conducting electoral processes and consultations before they encounter a catastrophe such as the one on Kabul yesterday. Article 93 of Election Law 2016 empowers the ECC to be the final decision making body with regard to addressing electoral objections and complaints and Art 94 authorizes the ECC to invalidate the election if the principles of fair, secret and direct election are compromised. This landmark decision of ECC shows that the IEC could not live up to the expectations and there were repeated complaints of malpractices, which could not be addressed timely. ECC, which is an important oversight body to address complaints and infuse credibility into the process, was late to take off but at least started 'a new beginning' towards credible elections if their decision is based upon irrefutable facts.

Hours after ECC announced nullification of 2018 parliamentary elections results for Kabul province, IEC has jumped out to reject ECC announcement and brand it as 'illegal'. This sorry state of IEC is a disappointing indication of 'tip of the iceberg' of the scale and breadth of structural problems prevailing in the entire election process at a much larger magnitude. At present, lack of coordination and cooperation between IEC and ECC where IEC ensures fair, transparent and credible election and ECC ensures addressing objections and complaints efficiently, continue to take im-

mense toll on both, people's trust and the ongoing electoral process. In addition, lack of coordination and cooperation between IEC and government defense and security institutions have already inflicted huge miseries on civilians as hundreds of people - men and women - were killed and injured in almost all the provinces in the country during registration of candidates in April, election campaign and election day on 20 and 21 October. In some areas, some people could not participate and cast their votes due to lack of availability of proper security and safety nets.

In addition, use of government facilities, power and position by candidates who were existing members of parliament and individual candidates with kinship to powerful government officials in provinces to suit their individual or group interests during this year electoral processes, have further added to the miseries of people and ruined the very concept of a 'free and fair' elections. This phenomena has happened at a time when many ordinary civilians had braced to face existential security challenges and come out of their homes to vote for candidates of their choice, in order to 'get rid of the present parliament and parliamentarians' who they believed 'have been responsible for much of the miseries' of the people in this country.

The voters who casted their votes now start to question legitimacy and abilities of IEC and ECC to decide on matters concerning their votes, elections and electoral processes. One of the major factors that have contributed to this situation is the unpredictability of both IEC and ECC. Any major event has mini-events at its peripheries that pave the way for it, and those mini-events could be logical pathways and basis for making major decisions. ECC should have taken note of those mini events timely and IEC should be undertaken path corrections as and when requires. Now, ECC should have shared with the people causes and effects that they believed warranted nullification of the entire province's results.

In addition, to avoid legitimacy of, and possible challenges to their decisions, IEC leadership should take lessons to restructure its election process and come out in public with their strategy and methodology. People's sacrifice and their acceptance of democratic values and system are the most important factors, which both IEC and ECC should consider while deciding on matters that belong to the people and to the entire democratic system in the country. It seems lack of leadership or the ability of leadership in the highest echelon of these two organizations, more in IEC doesn't seem to care for these values. Elections results for many of the provinces in the country are still pending announcement despite the passage of more than one and half month, and neither IEC nor ECC have come forward to present valid reasons for such delays! It is a shame that two most important institutions responsible for conducting free and fair elections are now becoming in the spotlight with questions over their legitimacy and ability to do the very job they are meant for.

Mohammed Gul Sahibzada is the permanent writer of the Daily Outlook Afghanistan. He can be reached at mohammed.g.sahibzada@gmail.com

Shifting Middle Eastern Sands Spotlight Diverging US-Saudi Interests

By: James M. Dorsey

A series of Gulf and Middle East-related developments suggest that resolving some of the Middle East's most debilitating and devastating crises while ensuring that efforts to pressure Iran do not perpetuate the mayhem may be easier said than done. They also suggest that the same is true for keeping US and Saudi interests aligned.

Optimists garner hope from the fact that the US Senate may censor Saudi crown prince Mohammed bin Salman for the October 2 killing of journalist Jamal Khashoggi in Istanbul; the positive start of Yemeni peace talks in Sweden with an agreement to exchange prisoners, Saudi Arabia's invitation to Qatar to attend an October 9 Gulf Cooperation Council (GCC) summit in Riyadh, and a decision by the Organization of Oil Exporting Countries (OPEC) to cut production.

That optimism, however, may not be borne out by facts on the ground and analysis of developments that are likely to produce at best motion rather than movement. In fact, more fundamentally, what many of the developments suggest is an unacknowledged progressive shift in the region's alliances stemming in part from the fact that the bandwidth of shared US-Saudi interests is narrowing.

There is no indication that, even if Qatari emir Sheikh Tamim bin Hamad Al Thani decides to accept an invitation by Saudi king Salman to attend the GCC summit rather than send a lower level delegation or not attend at all, either the kingdom or the United Arab Emirates, the main drivers behind the 17-month old economic and diplomatic boycott of the Gulf state, are open to a face-saving solution despite US pressure to end to the rift.

Signalling that the invitation and an earlier comment by Prince Mohammed that "despite the differences we have, (Qatar) has a great economy and will be doing a lot in the next five years" do not indicate a potential policy shift, UAE Minister of State for Foreign Affairs Anwar Gargash insisted that the GCC remained strong despite the rift. "The political crisis will end when the cause behind it ends and that is Qatar's support of extremism and its interference in the stability of the region," Mr. Gargash said, reiterating longstanding Saudi-UAE allegations.

Similarly, United Nations-sponsored peace talks in Sweden convened with the help of the United States may at best result in alleviating the suffering of millions as a result of the almost four-year old Saudi-UAE military intervention in Yemen but are unlikely to ensure that a stable resolution of the conflict is achievable without a lowering of tension between Saudi Arabia and Iran. Even humanitarian relief remains in question with the parties in Sweden unable to agree on a reopening of Sana'a airport to facilitate the flow of aid.

More realistically, with the Trump administration, backed by Saudi Arabia and Israel, determined to cripple Iran economically in a bid to force it to alter its regional policies, if not change the regime in Tehran, chances are the Yemeni conflict will be perpetuated rather than resolved.

To Yemen's detriment, Iran is emerging as one of the foremost remaining shared US-Saudi interests as the two countries struggle to manage their relationship in the wake of Mr. Khashoggi's killing. That struggle is evident with the kingdom's Washington backers divided between erstwhile backers-turned-vehement critics like Republican senator Graham Lindsey and hardline supporters such as national security advisor John Bolton. The jury is out on who will emerge on top in the Washington debate.

The risks of the Saudi-Iranian rivalry spinning out of control possibly with the support of hardliners like Mr. Bolton were evident in this week's suicide bombing in the Iranian port of Chabahar, an Indian-backed project granted a waiver from US sanctions against the Islamic republic to counter influence of China that support the nearby Pakistani port of Gwadar.

Iranian officials, including Foreign Minister Mohammad Javad Zarif and

Revolutionary Guards spokesman Brigadier General Ramadan Sharif suggested without providing evidence that Saudi Arabia was complicit in the attack that targeted the city's police headquarters, killing two people and wounding 40 others.

Iran's semi-official Tasnim news agency, believed to be close to the Guards, said the attack was the work of Ansar al-Furqan, an Iranian Sunni jihadi group that Iran claims enjoys Saudi backing.

Iran's allegation of Saudi complicity is partly grounded in the fact that a Saudi thinktank linked to Prince Mohammed last year advocated fuelling an insurgency in the Iranian province of Sistan and Baluchistan that incudes Chabahar in a bid to thwart the port development while Mr. Bolton before becoming US President Donald J. Trump's advisor called for US support of ethnic minorities in Iran.

In a bid to create building blocks for the fuelling of ethnic insurgencies in Iran, Pakistani militants have said that Saudi Arabia had in recent years poured money into militant anti-Iranian, anti-Shiite madrassas or religious seminaries in the Pakistani province of Balochistan that borders on Sistan and Baluchistan.

The divergence of US-Saudi interests, agreement on Iran notwithstanding, was on display in this week's defeat of a US effort to get the UN General Assembly to condemn Hamas, the Islamist group that controls the Gaza Strip. Saudi Arabia, despite the kingdom's denunciation of Hamas as a terrorist organization and its demand that Qatar halt support of it, voted against the resolution.

The vote suggested that Mr. Trump may be hoping in vain for Saudi backing of his as yet undisclosed plan to resolve the Israeli-Palestinian dispute that is believed to be slanted towards Israel's position.

Saudi ambassador to the UN Abdullah Al-Mouallimi said the defeated UN resolution would "undermine the two-state solution which we aspire to" and divert attention from Israel's occupation, settlement activities and "blockade" of territories occupied during the 1967 Middle East war.

Saudi Arabia's changing status and the divergence of longer-term US-Saudi interests was also evident in this week's OPEC meeting in Vienna.

To get an OPEC deal on production levels, the kingdom, once the oil market's dominant swing producer, needed an agreement with non-OPEC member Russia on production levels as well as Russian assistance in managing Iranian resistance, suggesting

The agreement, moreover, had to balance Mr. Trump's frequently tweeted demand for lower prices, and the kingdom's need for higher ones to fund its budgetary requirements and Prince Mohammed's ambitious economic reforms and demonstrate that the Khashoggi affair had not made it more vulnerable to US pressure.

The emerging divergence of US-Saudi interests in part reflects a wider debate within America's foreign policy community about what values the United States and US diplomats should be promoting.

With some of Mr. Trump's ambassadorial political appointees expressing support for populist, nationalist and authoritarian leaders and political groups, the fact that some of the president's closest Congressional allies back the anti-Saudi resolution illustrates that there are red lines that a significant number of the president's supporters are not willing to cross.

All told, recent developments in the Middle East put a spotlight on the changing nature of a key US relationship in the Middle East that could have far-reaching consequences over the middle and long-term. It is a change that is part of a larger, global shift in US priorities and alliances that is likely to outlive Mr. Trump's term(s) in office.

Dr. James M. Dorsey is a senior fellow at the S. Rajaratnam School of International Studies, co-director of the University of Würzburg's Institute for Fan Culture, and co-host of the New Books in Middle Eastern Studies podcast. James is the author of *The Turbulent World of Middle East Soccer* blog.

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



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