

# Afghanistan needs a functioning currency and tax system...

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It all comes down to money at some point. Astonishingly, the Taliban might be able to sweep across Afghanistan in days and take Kabul without a fight, but the crisis that faces them now is securing access to a viable currency.

The IMF, acting as an international banker supplying credit to a customer, is declining to provide funding to Afghanistan at present. It's not an unreasonable position to take. Quite who its customer might be right now under 'know your client' rules is not clear.

Unsurprisingly the US and other governments, as well as the aid and development agencies who have also been funding Afghanistan, are not paying at present when their focus is on getting vulnerable people out of the country.

The result is predicted to be the development of a major economic crisis within Afghanistan very shortly. Although the Taliban has been rumoured to have had an effective tax system in those areas it has been ruling for some time the logistical demand to translate such a system (and I fear for the enforcement methods) to a national scale is, I suspect, beyond it. In that case the essential backing of a credible tax system that is required to underpin the issue of a generally acceptable currency that meets the usual criteria demanded of a national money supply may be beyond the Taliban at present. If it is it will remain dependent on the dollar. The paradox of that cannot be overstated.

But nor, either, can the significance of a strong tax system as the essential underpinning of an independent currency that is essential to the validity of a state be ignored either. The state, its currency and its tax system are inextricably interwoven, one not really being capable of functioning without the other (and the EU is a special case, not an exception).

How will this resolve in Afghanistan? I do not pretend to know. But resolve it must unless another major humanitarian crisis to add to those it already faces is to be avoided in that country as the economy, and with it the food supply chain, collapses in the event that no viable currency emerges.

This is a humanitarian concern. I have no desire for a Taliban government in Afghanistan. But I do have a concern for the people of that country, and their well-being. The two concerns are linked, but of the two the humanitarian concern is the greater. Unless the conflict with the Taliban is to be pursued through the destruction of the well-being of the people of Afghanistan - where malnourishment is already commonplace - then the internal economic stability of that country and the creation of a functioning currency, and so a tax system, is a priority. People will suffer without it. It may be controversial to say so, but people need to be fed. And that's why money is going to matter in this case, and we had better take the need for both aid - and technical support on this issue - seriously if further turmoil spreading well behind the borders of Afghanistan is to be avoided.