From the Editor’s Desk

Dear FDI supporters,

Welcome to this week’s edition of the Strategic Weekly Analysis.

In the week ahead, FDI looks forward to an analysis by FDI Senior Visiting Fellow Auriol Weigold of the approach that Indonesia is likely to adopt when it takes over as Chair of the Indian Ocean Rim Association from Australia later this year.

We open this week’s SWA with a follow-up to the meeting between Indian Prime Minister Narendra Modi and Pakistani Prime Minister Nawaz Sharif at the Shanghai Co-operation Organisation (SCO) meeting in Ufa, Russia, last week. Since then, unfortunately, the initial hopes for a resumption of dialogue between the two countries appear to have failed.

We then turn our attention to the Middle East, with an examination the latest developments in Yemen, including the implications of the Saudi airstrikes against the reportedly Iranian-backed Houthi rebels.

Moving next to Africa, we assess the outcome of the ruling Chama Cha Mapinduzi (CCM) party conference in Tanzania, which has selected its next leadership team. Given the disunity among the opposition parties, the October 2015 general election is expected to see the new CCM leaders, John Magufuli and Samia Suluhu, become the country’s next President and Vice-President.

We wrap up this week’s coverage with a review of the Health Star Rating System, launched by the Australian Government one year ago. Intended to provide a reliable source of nutritional information for Australian consumers, we find that it has actually become more of a marketing tool for food manufacturers.

I trust that you will enjoy this edition of the Strategic Weekly Analysis.

Major General John Hartley AO (Retd)
Institute Director and CEO
Future Directions International

*****
India and Pakistan Dialogue: A Quick Return to a Stand-off?

The international hopes of a resumption of dialogue between New Delhi and Islamabad that were raised late last week when the Indian and Pakistani Prime Ministers met on the sidelines of the SCO Conference in Russia appear to have been dashed, with Pakistan now demanding that the issue of Kashmir be placed on the table.

Background

A good deal of hope for a breakthrough in bringing about better relations between historic rivals India and Pakistan was raised when Indian Prime Minister Narendra Modi and Pakistani Prime Minister Nawaz Sharif held discussions on the sidelines of the Shanghai Co-operation Organisation (SCO) meeting in Ufa, Russia, last week. Initial reports stated that they would discuss the on-going issues of terrorism and Kashmir during their meeting. In the event, Kashmir was left out of their discussions but a joint statement that was released after the meeting stated that Pakistan would give India voice samples of Zakir-ur-Rehman Lakhvi, the alleged mastermind of the November 2008 Mumbai attacks, so that the Indian authorities could compare those with recordings they had made during the attack of a person who issued instructions to the attackers. This, by itself, was a major step between the two states towards normalising their relations.

Comment

As is too often the case, the goodwill engendered by the two leaders appears to have dissipated very soon after their meeting. In fact, it took only three days to undo the cordial tone of the joint statement, which was commonly seen to be an instrument to halt the downward spiral in relations between the two states. Apart from point number five of the statement, which referred to the provision of Lakhvi’s voice samples, it was notable that there was no reference to Kashmir, which was assumed to be a softening of Islamabad’s stance on the issue. At least one report suggested that SCO members (read China and possibly Russia), tried to restart the stalled dialogue between the two countries.

Three days after their meeting, however, Pakistan’s National Security and Foreign Affairs Adviser, Sartaj Aziz, issued a statement in which he announced that no meaningful dialogue could take place between Islamabad and New Delhi unless the Kashmir issue was debated, that New Delhi provided further proof of Lakhvi’s alleged role in the Mumbai attacks and, further, demanded to know the status of the Samjhauta Express train bombing. This last referred to the explosions that occurred on the Samjhauta Express in February 2007, which ran between New Delhi and Lahore, and caused the deaths of nearly seventy people, most of them Pakistanis. Essentially, Pakistan was turning the tables on India, implying that New Delhi could not have things its own way when it (New Delhi), too, could be accused of failing to bring its own terrorists to justice, just as it accused Islamabad of doing with Lakhvi. India had previously complained on several occasions that the Pakistani anti-terrorism court did not appear to be interested in prosecuting Lakhvi, which led to his release.

Implicitly acknowledging that the joint statement did not name Kashmir, Aziz noted that it referred to both sides being prepared to discuss ‘all outstanding issues’ which, he said,
included Kashmir. He also claimed that Sharif had highlighted the Samjhauta Express issue and specifically asked about the status of the case in the Indian courts. But if these issues appeared to be a case of tit-for-tat, Aziz then went on the attack, stating, ‘Pakistan has been deeply concerned, not only about hostile statements from Indian ministers, but also about Indian interference in Pakistan, including continuing support for insurgency in Balochistan.’

The hostile statements probably referred to the inappropriate statements made by Indian Minister of State for Information and Broadcasting, Rajyavardhan Singh Rathore, soon after Indian commandos had crossed the Indian border with Burma to attack separatist rebels there. Rathore reportedly said that the attack also sent a message to Pakistan, implying first that Pakistan hosted rebels who attacked India and, second, that India’s stance on not crossing the border with Pakistan to attack the rebels, in turn, could change. Interestingly, Pakistan has now charged India with supporting separatist groups, the same charges that India uses against Pakistan.

While this reversal of the hopes engendered by the Ufa meeting is disappointing, it must be asked why Aziz waited to return to Pakistan before countering the joint statement when he was present at the meeting of the two leaders in the first place. His insinuation that the evidence that India has provided to Pakistan regarding Lakhvi’s role in the Mumbai attacks is either incomplete or found wanting in some other way could easily stall any further dialogue between the two states. Interestingly, the Pakistani Public Prosecutor in the Lakhvi case sided with Lakhvi’s defence counsel in refusing to provide India with the voice samples. There could be two main reasons for the Pakistani change of heart. First, and as the vociferous Indian media claim, it could be that the Pakistani Army has refused to countenance any appearance of appeasement. It could be, moreover, that the Pakistani Army has been encouraged by China’s recent statement that Pakistan would continue to be a special friend, China’s sale of fighter aircraft and submarines to Pakistan, and the visit of a Chinese Yuan-class submarine to Karachi in May. Second, Sharif could have been advised that any perception of appeasement towards India would translate into an unfavourable result at the next poll. Finally, it could be a fear of both factors that brought about the change.

Be that as it may, it is disheartening that yet another start has been reduced to nothing concrete. Unless Islamabad and New Delhi put aside their fears and historical baggage, their relationship will continue to thwart their economic progress and make them potential pawns in a larger geo-strategic game.

Lindsay Hughes
Research Analyst
Indian Ocean Research Programme

*****
Why Did Saudi Arabia Violate The Yemen Ceasefire Agreement?

While it remains unclear exactly why Saudi Arabia violated the ceasefire agreement, Riyadh’s continuing concern over Iranian influence in Yemen was certainly a motivating factor.

Background

On 9 July, United Nations Secretary-General Ban Ki-moon welcomed a decision by Saudi Arabia and the Houthi rebels to implement a humanitarian pause in the ongoing conflict in Yemen. The purpose of the ceasefire, which began on 10 July, was to permit the flow of humanitarian assistance, which is needed by more than eighty per cent of the Yemeni population. Just hours after the ceasefire began, however, witnesses reported air strikes taking place west of the Yemeni capital, Sana’a, as well as in Ta’izz and Aden in the south. Two days later, on Monday morning, Saudi-led air strikes hit Sana’a, killing 21 people, wounding 45 others and destroying 15 houses. According to the Saudi-owned newspaper, Al Arabiya, the Arab-led coalition said it did not receive a request from the Yemeni Government to halt attacks amid UN calls for a truce to take effect. It is estimated that over 3,000 people have been killed in the fighting and air strikes so far, with approximately half of the casualties being civilians.

Comment

The stated goal of the Saudi-led coalition under Operation Decisive Storm, which began on 25 March, was to force the Houthi militias to withdraw to pre-conflict positions, surrender their weapons and return control of a unified Yemen to the central government. These were the demands made, according to a joint statement by the Gulf Co-operation Council, by exiled Yemeni President Abd Rabbuh Mansur Hadi. That stated goal, however, was by no means achieved when the operation was declared to be over and Operation Restoring Hope was announced on 21 April. Following the announcement of Operation Restoring Hope, Hadi said in a televised address that the air strikes had ended at his request. The airstrikes, however, continued, with Saudi actions under Operation Restoring Hope remaining unchanged. Now it appears that Hadi’s wishes are being ignored again. Before the latest ceasefire was announced, Hadi conveyed acceptance to the terms in a letter to Ban Ki-moon. Contrary to this, the Saudi Government claimed that it did not receive a request from the Yemeni Government to halt air strikes. Not only does this contradict the wishes of the Hadi Government, whose interests Riyadh claims to represent, but it also undermines the legitimacy of UN peace talks. This is worrying, especially when considering the severity of the humanitarian crisis on the ground.

So, why did Saudi Arabia ignore the UN calls for ceasefire? This is puzzling, especially as Hadi – who requested the Saudi intervention in the first place – has himself endorsed the ceasefire. It seems that Riyadh has used Hadi’s initial request for an Arab intervention to enter Yemen and pursue its own agenda. This would also explain why Saudi Arabia has recently ignored calls from Hadi to cease airstrikes. As the rebel tide begins to be turned back and the main southern city of Aden is about to be retaken by government forces,
continued airstrikes may not be in the interest of the Hadi Government for too much longer, as they are likely to worsen the humanitarian crisis and, given the toll on civilian life, could undermine the government’s legitimacy. It seems, therefore, that Riyadh is acting more out of self-interest, rather than in the interests of the Hadi Government.

Continuing the airstrikes campaign also risks destabilising the region by provoking sectarian conflict and empowering groups such as al-Qaeda in the Arabian Peninsula (AQAP). As FDI has noted previously, however, Riyadh and even Washington believe there is strong Iranian support for the Houthis, although the actual extent of Iranian involvement is difficult to assess. It could be said then, that Riyadh’s self-interest in Yemen is simply an obsession over perceived Iranian influence. If that is indeed the case, it is likely that Saudi Arabia will continue its military action against the Houthis for some time. Furthermore, given the just-concluded nuclear deal reached with Iran, concerns over Tehran’s influence – uninhibited by international sanctions – will only grow in Riyadh, fuelling the sense of a need to counter the Iranian presence in Yemen.

While Riyadh’s fixation on combatting perceived Iranian influence is certainly a motivating factor, it does not appear to provide a full picture. Regardless, such developments do show that greater pressure from the international community will be needed to end the fighting and address the humanitarian crisis facing millions of Yemenis.

Jarryd de Haan
Research Analyst
Indian Ocean Research Programme

*****

Tanzania: Ruling Party Elects New Leadership

Having been chosen to succeed President Jakaya Kikwete, John Magufuli and Samia Suluhu will probably lead the Chama Cha Mapinduzi party to victory at the next presidential and general elections, scheduled for October 2015. Dr Suluhu will then become Tanzania’s first female Vice-President.

Background

Delegates from the Chama Cha Mapinduzi (CCM) party, which has governed Tanzania since it was formed by the union of Tanganyika and Zanzibar in 1964, elected Dr John Pombe Magufuli to succeed outgoing President Jakaya Kikwete, who will step down after serving the constitutionally-mandated maximum of two consecutive terms. Given the disunity and distrust among opposition parties, Magufuli and his running-mate Samia Hassan Suluhu are the candidates most likely to be sworn in as Tanzania’s next President and Vice-President after the general election due to be held on 25 October.
Comment

Dr Magufuli scored a solid win, securing 87 per cent of the vote at the party conference in the administrative capital, Dodoma. With President Kikwete and Vice-President Mohammed Gharib Bilal to step down after serving their two terms in office, Magufuli, who is Works Minister in the current government and who has a doctorate in chemistry, is well-placed to become Tanzania’s fifth president.

In an at times acrimonious contest, Magufuli defeated two strong female candidates in the final round to emerge victorious from a total field of 38 candidates. Up against Magufuli in that last round were Justice Minister and former United Nations Deputy Secretary-General Asha-Rose Migiro and African Union ambassador to the United States, Amina Ali.

In a shrewd and possibly conciliatory move, Magufuli chose Dr Suluhu, from Zanzibar, to be his running mate. Even despite its strong – if not unassailable – position, the CCM could still be weakened by simmering resentments among Arab Zanzibaris towards the mainland, dating back to a short-lived and violent racially-motivated revolution in 1964 in which African Zanzibaris overthrew the Sultan and the Arab ruling class, prior to the union with Tanganyika later that year. Even today, in addition to a rising sense of Islamism, pro-secession sentiment lingers in Zanzibar, particularly among supporters of the opposition Civic United Front. Continuing the practice – enshrined in the Constitution – of having a Zanzibari Vice-President if the presidency is held by a mainland will help to ameliorate such sentiments. Suluhu is presently Minister of State in the Vice-President’s Office with responsibility for Mainland-Zanzibar Union Affairs.

While the main opposition parties are talking about fielding a common presidential candidate to take on the CCM, as they did at the last election in 2010, they are currently
showing little ability to reach any agreement as to who that candidate would be. Such disunity can only but benefit the ruling party.

Assuming that Magufuli and Suluhu are victorious, the new leaders will certainly have some challenges to address, not the least of which is poverty.

Tanzania has a tradition of political stability and has enjoyed multi-party democracy since 1992, but despite its stability and GDP growth that has averaged 6.6% per annum over the past ten years as the economy has been transformed into an open, market economy, Tanzania remains a low income country, with an average per capita gross national income of US$930. The most recent figures available from the United Nations Children’s Fund (UNICEF) record 67.9% of the population as living below the international poverty line of US$1.25 per day in 2011. In a September 2014 survey of 1,445 Tanzanian voters, 63 per cent of respondents identified poverty as their biggest concern, suggesting that politicians who are able to meaningfully address the problem of poverty should connect best with voters.

Another important challenge – and one that has the potential to make a significant contribution to improved living standards – is ensuring that the benefits of the oil and gas fields recently discovered off the Tanzanian coast are fully and sustainably realised. To do that, the Tanzanian Government will need to have a regulatory framework in place that facilitates not only employment and the equitable distribution of the wealth from the newly-discovered natural resources, but which also encourages investment and meets the norms of the Extractive Industries Transparency Initiative (EITI). Under currently proposed legislation, the Tanzanian Government could take up to an 85 per cent share of the profits from oil and gas produced in the country; a share that appears punitive and which harks back to the unsuccessful nationalisation and self-sufficiency policies of the Julius Nyerere era.

Issues such as poverty, and the money with which to try and tackle it, are likely to top the agenda when electoral campaigning begins in earnest later this year.

Leighton G. Luke
Research Manager
Indian Ocean Research Programme

*****

Australian Health Star Rating Not Yet a Transparent or Reliable System

*One year after the launch of the Australian Government’s Health Star Rating System, the system is far from being a reliable source of nutritional information for consumers.*
Background

In 2011-12, two-thirds of Australian adults and one quarter of Australian children were overweight or obese. In response to the growing obesity epidemic, the Health Star Rating System (HSRS) was developed between the state, territory and federal governments and industry, public health and consumer groups to provide simple, nutritional information on packaged food to assist consumers. The HSRS aims to correct dietary imbalances in the Australian population and stakeholders agreed to implement the system over five years, with a review scheduled in 2016.

Comment

Experts argue that one of the major limitations with the HSRS is that it adopts a narrow and isolated approach to nutritional advice for consumers. Australians should be eating a variety of nutritious foods from the five food groups, illustrated in the Australian Guide to Healthy Eating. The HSRS, however, misleads consumers into thinking that foods with a higher star rating are “healthier” based on the nutritional content of individually packaged foods, rather than in the context of a well-balanced diet. In some cases, confectionary items such as liquorice, or highly processed foods such as potato chips, have been rated higher than Greek yoghurt.

The HSRS has been developed as a voluntary system, under which manufacturers may decide whether or not to include the rating assigned to their packaged product. Manufacturers, however, are less likely to include star ratings when their products are rated 0.5, compared with products rated two or higher. The system was intended to encourage manufacturers to reformulate their products to achieve higher star ratings; instead, it allows discretionary foods to achieve a higher rating by altering nutritional quantities, while still being inherently “unhealthy”.

Mark Lawrence, Professor of Public Health Nutrition at Deakin University, and Christine Pollard from the School of Public Health at Curtin University, argue that the campaign is misleading. According to the HSRS campaign, the system is designed to help consumers purchase more nutritious products: ‘the more stars, the healthier the choice.’ Yet Professor Lawrence and Dr Pollard note that Australians should instead be eating more foods found in the five food groups. Often, the foods that we should be eating the most of do not have packaging and are not provided a rating. Many consumers rely on visual indicators to decide whether a product is healthy, so the system then gives a “halo effect” to products that carry the star rating. The HSRS, in some instances, has developed into a marketing tool for companies which choose to include a star rating on their products.

The Federal Health Department has rebutted criticism that the system is misleading and simplistic, noting that it is not designed for the cross-comparison of different food categories but, rather, to allow consumers to compare foods within the same category. There is a strong argument, however, that the HSRS is creating greater confusion for consumers wishing to purchase healthier options.

In a country with alarming rates of obesity, the concept of the HSRS works well in theory; simplifying nutritional information in a star rating system should make it easier for
consumers to choose healthier items. In reality, flaws in the system have created loopholes that companies are capitalising on for marketing purposes which will have an adverse impact on efforts to reduce obesity and lower the risk of chronic disease. Reforms must be made to the HSRS to place packaged foods in context with the five food group recommendation for a balanced diet. Experts also suggest that health warnings be displayed on discretionary foods, rather than a star rating that may be misinterpreted. Above all, the system must be made compulsory for all foods that carry a label, ensuring greater transparency and information for Australian consumers.

Madeleine Lovelle
Research Assistant
Global Food and Water Crisis Research Programme

*****

What’s Next?

- The four-day Third International Conference on Financing for Development runs until 16 July in the Ethiopian capital, Addis Ababa.
- South African Vice-President Cyril Ramaphosa is visiting China until 17 July.
- The chairman of the Unified Communist Party of Nepal (Maoist), Pushpa Kamal Dahal, also known as Prachanda, is visiting India until 18 July.
- The Major Economies Forum on Energy and Climate will take place in Luxembourg on 18-19 July.
- The presidential election in Burundi, originally scheduled for 15 July, is now postponed until 21 July.
- The US-Australian biennial joint military exercise, *Talisman Sabre*, continues in northern Australia until 21 July. Forty personnel from the Japan Self-Defence Forces and 500 personnel from the New Zealand Defence Force are joining the exercise for the first time.

Any opinions or views expressed in this paper are those of the individual authors, unless stated to be those of Future Directions International.

Published by Future Directions International Pty Ltd.
80 Birdwood Parade, Dalkeith, WA 6009
Tel: +61 8 9389 9831 Fax: +61 8 9389 8803
E-mail: lluke@futuredirections.org.au Web: www.futuredirections.org.au