

As prepared

**Remarks by
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“South Asia’s Unheralded Stories”

I am delighted to be here at the San Diego World Affairs Council today to discuss with you U.S. policy in South Asia and to highlight some of the lesser-known success stories coming out of South Asia.

You know, I often say that a day spent outside of the Washington beltway, is a day well spent. Well, ladies and gentleman, a day spent outside of Washington AND spent in San Diego – now that is a day REALLY well spent. I love visiting this city! Thank you again for giving me this opportunity.

Most newspapers and foreign policy analysts not surprisingly focus on India, Pakistan and Afghanistan. That’s appropriate. These three countries are among the highest strategic priorities of the Obama Administration as well. But there’s so much going on in the other five countries of South Asia, and those “unheralded stories” will be the main focus of my remarks today.

But let me first say a few words about India.

In just a decade there has been a transformation in the way the United States views India. President Obama has called India our “indispensable” partner for the 21st century. India’s strategic importance to the United States reflects several factors:

- First the center of gravity of US foreign policy has shifted from Europe to Asia.
- Second, within Asia no other country has the thriving democracy, economic promise, the sheer human capital and the growing record of cooperation with the United States that India has.
- Soon, India will be the world’s most populous country and is projected to become the world’s third largest economy in the year 2025.
- For over a decade, our relationship with India has been moving on a rapidly advancing trajectory, based on our converging values and interests.

- President Obama and Secretary Clinton have elevated our relations with India by establishing a Strategic Dialogue last year which convened for the first time in June, in Washington.

I foresee our great nations becoming ever closer in the years and decades to come. President Obama intends to make a landmark visit to India in November to help further grow the ties between our two knowledge societies, our economies, and our people. As Under Secretary of State William Burns recently noted, *“Never has there been a moment when India and America mattered more to one another. And never has there been a moment when partnership between India and America mattered more to the rest of the globe.”*

The vitality of U.S./India relations is no more evident than here in San Diego. In addition to strong commerce and business connections, and a vibrant Indian American population, U.S./India defense cooperation also has local ties to the San Diego area.

The close links between our two militaries, particularly the Navy-to-Navy relationship, are a remarkable feature of the larger Indo-U.S. defense relationship. India holds more military exercises with the U.S. than any other country, including the annual MALABAR naval exercises.

This year’s week-long MALABAR exercise, which took place in April, saw participation by ships, submarines and aircraft from the U.S. Navy’s Pacific Fleet. Admiral Willard, the head of Pacific Command, has made engagement with India a top priority. This, of course, has direct implications for Naval Base San Diego, the Pacific Fleet’s principal home port.

India would be the first to say that its own successes should not overshadow important recent developments in Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan that could have wide and positive ramifications for the region.

I’d like to begin by speaking to you about Bangladesh’s recent economic growth and social advances that have helped millions of people out of poverty. Second, I will discuss the recent end to the devastating civil wars in Sri Lanka and Nepal, which cost thousands of lives, and the significant opportunities that exist now for both countries to enter new eras of peace, reconciliation and prosperity. Finally, I will address the peaceful democratic transitions that have taken place in Maldives and Bhutan, which serve as regional models of cooperation and stability.

Let me begin with Bangladesh, a country of increasing regional stature and strategic importance to the United States. Though it is the size of Wisconsin, Bangladesh has a population of approximately 160 million people – more than Russia or Japan.

Indeed, one in every fifty people on the planet is a Bangladeshi. Despite its impressive social and economic progress, the image of Bangladesh for most Americans remains frozen as a country facing desperate poverty.

While Bangladesh remains a poor country, it has made impressive progress since those dark early days after its independence in 1971.

The United Nations last week held a Summit in New York to measure the progress developing countries are making to meet the Millennium Development goals by 2015. Bangladesh, and also Nepal, were among six countries honored this year for outstanding achievement in meeting Millennium Development targets.

Bangladesh has reduced child mortality by more than two-thirds, and is on track to meet their 2015 target well ahead of schedule. They have also been particularly successful at reducing the number of chronically food insecure people- from 40 to 27 million- and at reducing gender inequality in schools and in the labor force.

Many of these successes have been achieved in part because of the \$5 billion that the U.S. and the US Agency for International Development have invested in Bangladesh over the past four decades.

Steady economic growth over the last two decades has been another important factor in lifting millions of Bangladeshis out of poverty. Few people know that despite the global recession, the Bangladeshi economy has continued to maintain an economic growth rate of 5-6% per year for almost two decades.

Bangladesh is now the world's third-largest exporter of ready-made garments – I'd be willing to bet that the clothes that a number of you are wearing today were made by some of the millions of Bangladeshi garment workers, the overwhelming majority of whom are women.

Indeed, with a female Prime Minister, opposition leader, Foreign Minister and Agriculture Minister, it should come as no surprise that women's empowerment and girl's education rank high on the nation's list of priorities.

The country recently dispatched to Haiti its first all-female police unit of UN peacekeepers, only the second country to have such a unit. The 160-woman contingent is assisting victims of sexual violence in earthquake-devastated Haiti, and is one small part of the more than 10,000 Bangladeshi peacekeepers who serve in ten UN peacekeeping missions worldwide –more than any other UN member state.

Today, Bangladesh is a secular democracy, with a vibrant civil society, and a history of religious and ethnic tolerance. The national elections that brought Prime Minister Sheikh Hasina to power in January 2009 were hailed as the freest and fairest in the nation's history. Just as encouraging, her government has made improved relations with its neighbors, particularly India, a high priority.

Her government has also taken a strong stand against terrorism, arresting and capturing key leaders of a number of small extremist groups, including the JMB, which masterminded a series of co-ordinated bomb blasts throughout the country in 2005.

Bangladesh also can be proud of its vibrant civil society, which has produced such outstanding global citizens as Nobel Peace laureate Muhammad Yunus, whose Grameen Bank was a pioneer

of the concept of “microcredit”, providing small loans to tens of millions of Bangladeshis, especially women, who possess little or no collateral.

Another proud son of Bangladesh, Sir Fazle Hasan Abed, founded the world’s largest non-governmental organization – BRAC – which employs more than 100,000 people, operates schools, provides basic health care and offers microcredit to the poor.

Like Grameen Bank, BRAC has expanded its operations far outside the boundaries of Bangladesh, most notably in the form of a robust aid presence in war-torn Afghanistan, operating over 2,000 schools and providing loans to more than 100,000 households. More recently, grass-roots organizations like the Bangladesh Youth Leadership Center have worked to get college students from diverse backgrounds to work together to improve the lives of the country’s desperately poor.

Bangladesh’s significant diaspora, like those from other South Asian countries, has also made substantial contributions to the country’s developments. Members of the Bangladeshi diaspora in the United States send home over \$1.5 billion a year.

Just as significantly, increasing numbers of Bangladeshis who have lived and studied abroad are returning home to invest, share knowledge, and build bridges between our two countries. Moreover, Bangladesh is grappling and cooperating with the U.S. on some of the great issues of our time, including food security, global health, and climate change, which will have implications far beyond its borders.

Turning to Sri Lanka, the news is more mixed, but the future holds promise. In May 2009, the Sri Lankan government achieved a milestone few thought possible, by defeating the Liberation Tigers of Tamil Eelam, one of the world’s most deadly terrorist organizations, ending nearly three decades of conflict that had cost tens of thousands of lives.

Sri Lanka is a country to which I feel a special attachment. I served as Ambassador there for three years from 2006 to 2009 and witnessed the resumption and end of the conflict. I have returned to Sri Lanka several times since the end of the war and observed a renewed sense of purpose among its people.

The end of Sri Lanka’s conflict has brought impressive dividends. Sri Lanka’s stock market has risen an astounding 150 percent in the last 15 months, the highest performing stock market in Asia.

But economic dividends will not by themselves heal the wounds of war and secure lasting peace and prosperity for Sri Lanka. A range of humanitarian, political and other steps must be taken to ensure the Tamils of Sri Lanka a future of hope, opportunity and dignity.

On the humanitarian front, most of the three hundred thousand Tamils who had been displaced by the fighting in the North have been permitted to leave temporary camps and begin to reestablish their lives.

The United States has been a leader in providing \$89 million in food and other humanitarian aid for the internally displaced and additional assistance for demining so the IDPs can return to their villages and homes.

We also have provided \$25 million to catalyze new private sector partnerships and agricultural development to provide livelihood opportunities for the inhabitants of the North.

It will now be important for the Government to work with the Tamil community to organize local and Provincial Council elections as soon as possible so that a new, freely elected indigenous leadership can emerge in the North for the first time in almost thirty years.

Finally, to ensure lasting reconciliation, Sri Lanka must investigate and ensure justice for the war crimes and serious violations of international humanitarian law that human rights and other groups allege occurred in the final stages of the conflict.

The Government has established a Lessons Learnt and Reconciliation Commission that is now holding hearings on these matters. The U.S. has welcomed this commission, and expressed our hope that it will probe violations of international humanitarian law, identify those responsible and make appropriate public recommendations.

Having defeated one of the most murderous terrorist groups in the world, President Rajapaksa now has an historic opportunity to build a tolerant, multi-ethnic democracy in Sri Lanka that will bring lasting peace and unprecedented prosperity.

Let me turn now to Nepal, another country that has recently seen the end of a long conflict. Nepal's decade-long conflict between the Maoists and the Government caused the deaths of more than 13,000 people and displaced hundreds of thousands. The conflict ended in 2006 with a Comprehensive Peace Agreement between the government and the Maoist insurgents.

Since 2006, progress on peace process has proceeded in fits and starts. After several postponements – postponements that foreshadowed the delays we have seen at every step of the peace process since – elections were held in April 2008.

Those elections resulted in the ending of Nepal's more than two-century- old monarchy and the creation of a Constituent Assembly tasked with the drafting of a new constitution. From that promising beginning, however, relatively limited progress has been made.

The two most difficult issues that were agreed in principle – but not in detail – under the 2006 Peace Agreement are the integration of the former Maoist combatants into Nepal's security forces and the devolution of power to the local level.

The inability of the parties to resolve these issues translated into a failure to meet the May 28, 2010 deadline to complete the constitution. Instead, the Nepal's political Parties agreed to a one-year extension of the deadline.

Since June, Nepal's three main Parties have fruitlessly vied to lead the next government, although we remain hopeful that a new government will be formed soon.

In recent days, we have seen progress on the peace process, including a key agreement between the Government and the Maoists to move ahead on the long-stalled integration and rehabilitation of former Maoist combatants.

We are encouraged by this positive step and hope the Parties will take advantage of this opportunity to close the camps housing the former Maoist combatants once and for all.

Despite the difficulties among the parties and the slow pace of implementation of the peace process, there has not been a return to violence. The former Maoist combatants are now a political party who repeatedly state their commitment to the political process. However you cut it, sorting out disputes in the political arena rather than on the battlefield is progress.

For all its current political turmoil, Nepal has in many ways been a remarkable global citizen. For example, Nepal has hosted over 100,000 Bhutanese refugees for almost two decades.

Following 15 rounds of unsuccessful negotiations between Nepal and Bhutan over the repatriation of the refugees, the U.S. and seven other countries have offered resettlement to interested and qualified refugees. To date, more than 35,000 have been resettled, with 30,000 resettled in the United States. Nepal has also offered safe haven to a sizable population of Tibetan refugees and facilitated the safe passage of new Tibetan arrivals to India.

Nepali peacekeepers have long helped make the world safer through their active involvement in UN peacekeeping missions, ranking sixth in the world in troop contributions despite a population of fewer than 30 million people.

Also, despite limited resources with which to address a very serious problem, Nepal's government has devoted significant funds and developed meaningful programs to combat human trafficking in the country.

Another area in which Nepal has excelled is in the remarkable growth in the freedom and vitality of its press. Over the past two decades, Nepal's media has blossomed both in numbers and vibrancy.

There are today literally hundreds of newspapers and magazines published in Nepali, English and several local languages as well as nearly 200 radio and some two dozen television stations.

As a key member of Nepal's evolving civil society the free media increasingly helps shape public debate and strengthens democratic institutions.

Despite overwhelming odds and continued political instability, Nepal has made strong strides on the development front, as well. In fact, Nepal is one of only a few countries that won international praise for its progress in meeting the Millennium Development Goals in health.

Nepal brought down the number of pregnancy related deaths from 538 per 100,000 in 1996 to 281 per 100,000 in 2006, and for reducing child mortality from 118 per 1000 to 61 per 1000.

All of these trends augur well for a brighter future in Nepal, particularly if its leaders can set aside their differences, and complete the peace process.

Moving from one Himalayan country to another, Bhutan is one of the brighter, if smaller, stars in the South Asian constellation. Bhutan is perhaps best known internationally for its attention to “Gross National Happiness” rather than its gross national product.

Bhutan, under the leadership of its fourth king, Jigme Singye Wangchuck, emphasized balanced, sustainable development, modern education, decentralization of governance, the development of hydroelectricity and high-end low-impact tourism that preserves Bhutan’s traditional culture.

Bhutan has recently stated that they view the tragic and devastating floods in Pakistan as indicative of the cost of climate change adaption -- particularly worrisome for mountainous countries -- and as a result will host a “Mountain Country Summit” for the eastern Himalaya countries of Nepal, India, and Bhutan. We welcome this type of leadership by Bhutan.

In 2006, Bhutan’s fourth king abdicated in favor of his son, who then significantly increased the pace of democratization. Bhutan’s first open parliamentary elections were held in 2007 and 2008 and a new constitution was ratified in July 2008.

The new constitution, at the former King’s urging, included a provision giving the National Assembly power to impeach the king and completed Bhutan’s peaceful and successful transition to a constitutional monarchy.

Bhutan showcased the economic and political progress it has made by hosting for the first time this year’s the summit of the South Asian Association for Regional Cooperation.

Another small but important South Asian democratic success story has been the island nation of Maldives, in the Indian Ocean. In just one generation, Maldives went from having South Asia’s lowest to its highest per-capita income, on the strength of its tourism boom. But democratic progress lagged through much of that boom.

To his credit, President Maumoon Abdul Gayoom, who had been in power for thirty years, announced plans in 2004 to draft a new constitution and hold the nation’s first democratic elections in 2008. In those elections, former political prisoner Mohamed Nasheed defeated Gayoom, leading to the first peaceful and constitutional transition of power in Maldives history.

As with many young democracies, the transition to a functioning system of checks and balances between the branches of government has provided some challenges, particularly since the opposition won control of the Maldivian Parliament. Moving forward, it will be important for President Nasheed and the opposition-controlled legislature to work together to address the issues that face their fledgling democracy.

Like Nepal, Maldives has become a responsible global citizen that punches far above its weight. President Nasheed has become one of the world's leading climate change advocates. His country is a moderate Muslim country that has established diplomatic relations with Israel and recognized Kosovo. And it is working with the International Monetary Fund and World Bank to stabilize its economy and move forward with privatization.

The recent histories of Bangladesh, Sri Lanka, Nepal, Bhutan and Maldives show that they are joining India in consolidating democracy and contributing to the peace and security of the larger world. They may seem small, but they understand the need to think big. Each in their own way is contributing to the growth of South Asia and the growing importance that the United States attaches to cooperation with South Asia.

Thank you.