
A Regional Overview of South Asia

By

Richard A. Boucher

Assistant Secretary of State for South and Central Asian Affairs

[The following are excerpts of the speech presented to the House Committee on Foreign Affairs, Subcommittee on Middle East and South Asia, Washington, D.C., March 7, 2007.]

There are few places more critical to our interests or in greater need of sustained United States (U.S.) attention than South Asia. With nearly a quarter of the world's population, the region has the potential to serve as a democratic and economically vibrant force, and a positive influence on neighboring regions. It is also home to some of the world's most dangerous threats weapons of mass destruction, violent extremism, terrorism, narcotics, poverty, pandemics, illiteracy, and corrupt institutions.

Our over arching aims in the region are to accomplish the following:

- Champion democracy and its foundations of education, information, and the rule of law
- Facilitate the integration of South and Central Asia
- Stop the flow of narcotics
- Bolster political and economic reform throughout the region

Specifically, we need to:

- Win the war, secure development and democracy in Afghanistan
- Jump-start the Pakistan Frontier Strategy
- Establish a firm partnership with India, including completion of the U.S. and India civil nuclear cooperation initiative
- Advance the President's Freedom Agenda

Failure to achieve our goals could lead to increasing threats from regional terrorism, an explosion of narcotics trafficking and a succession of dangerous failed states. To capitalize on the many opportunities and counteract the very real and immediate threats to this agenda, the DoS will practice what Secretary of State Rice calls transformational diplomacy, utilizing traditional diplomacy as well as harnessing the regional and bilateral assistance tools Congress provides us to pursue these goals.

In recent meetings with President Musharraf in Pakistan and President Karzai in Afghanistan, Vice President Cheney reinforced our commitment to fighting terrorism and strengthening security and reconstruction in Afghanistan and the tribal areas of Pakistan. We are meeting these challenges in both Afghanistan and Pakistan head on. In Afghanistan, in conjunction with the Afghan government and our international partners, we are taking a comprehensive approach that addresses not only security but also develops local capacity, builds infrastructure and democratic institutions, and promotes economic growth and trade. After being very heavily engaged in Afghanistan for five years, we believe it is the sustained combination of these elements that will give the Afghan people what they need and deserve.

To date for Afghanistan, we have provided over \$14.2 billion dollars in security and reconstruction assistance, and we have just requested an additional \$11.8 billion for the remainder of 2007 and for fiscal year (FY) 2008. This represents a significant increase in resources for Afghanistan compared to prior years. We think the time is right to reinforce all that we have done, and to send a clear signal that the U.S. has a long-term commitment to the people of Afghanistan. This funding, if approved, will go into:

- Training and equipping the police and the military
- Constructing a road system, principally in the south and the east
- Building electricity grid
- Extending government by building government and justice centers, and training government employees
- Fighting narcotics and building a new rural economy

At its core, it is an effort to extend the reach of the Afghan government more broadly throughout the country, especially in areas where there is conflict. There is international consensus on this approach. We will continue work with our partners not only within Afghanistan but also in foreign capitals to ensure that this effort is strengthened, broadened and coordinated. Pakistan continues to be a key ally in the War on Terror (WOT). More than that, the U.S. and Pakistan share a long-term strategic partnership that is strong and multi-dimensional. During his visit to Pakistan in March 2006, President Bush initiated a strategic partnership with Pakistan that is committed to making the region stable, open, and prosperous. In 2006, the U.S. and Pakistan signed a \$64.4 million agreement to improve primary and higher education in Pakistan and designated \$45.7 million for activities to improve maternal and newborn health services, accessibility and availability of family planning products, prevention of major infectious diseases and access to clean drinking water.

Pakistan is a vital partner and ally in our fight against the Taliban and al Qaeda. During his visit to Pakistan, Vice President Cheney held positive and serious talks with President Musharraf about how, together, we can take strong measures to eliminate the threats from the Taliban and al Qaeda. While we continue to encourage the government of Pakistan to take action against violent extremists, we recognize that purely military solutions are unlikely to succeed. We therefore strongly support President Musharraf's efforts to adopt a more comprehensive approach to combating terrorism and eliminating violent extremism in the border regions, which include the Federally Administered Tribal Areas (FATA), parts of Baluchistan, and the Northwest Frontier Province. We are committed to supporting this initiative, in order to bring economic and social development and governance reform that will render these areas inhospitable to violent extremists.

As Presidents Bush and Musharraf agreed in March 2006, another U.S. priority is assisting Pakistan to build strong and transparent democratic institutions on its path to sustainable democracy. We continue to support Pakistan's efforts to conduct fair, free, and transparent elections, expected later this year. We will continue to work with the government of Pakistan to develop a long-term strategic partnership that is multi-faceted and committed to the peace and security of South Central Asia.

Mr. Chairman, I would like to take a moment to thank you and also Chairman Lantos, Representative Ros-Lehtinen and so many other members of the House Foreign Affairs Committee, and your staffs, for their strong support for the *Henry J. Hyde U.S.-India Peaceful Atomic Energy Cooperation Act of 2006* (the *Hyde Act*). Without your intensive efforts, close coordination with the Administration, and willingness to prioritize this initiative, this historic achievement would not have been possible. The

law represents a major step forward toward realizing President Bush's and Prime Minister Singh's vision of a strategic partnership between the world's oldest and largest democracies. Successful implementation of the civil nuclear cooperation initiative will help India meet its burgeoning energy needs, enhance cooperation on energy security and on global nonproliferation efforts, and increase economic investment opportunities. We look forward to working with India to fully implement this agreement. A number of key steps remain and they are listed below:

- Completing ongoing negotiations on a U.S. and India agreement for peaceful nuclear cooperation, as required under the *Atomic Energy Act of 1954* as well as the *Hyde Act*
- Approval of that agreement by the Congress
- Negotiation of a safeguards agreement between India and the International Atomic Energy Agency that will be applicable to India's separated civil nuclear sector
- The achievement of a consensus in the Nuclear Suppliers Group to make an India-specific exception to the full-scope safeguards requirement of the Group's export guidelines.

Progress is being registered on all these fronts, perhaps not as rapidly as we might desire, but in a manner that is consistent with the complexity and weight of the issues under consideration. Although I cannot predict when we will be in a position to recommend to the President the determinations required by the *Hyde Act* as a condition of submission of the bilateral cooperation act to Congress, recent meetings with the Indian government give us reason to hope that the necessary steps can be completed this year. We expect that cooperation in the civil nuclear arena, when it becomes a reality, will provide an impetus for heightened collaboration with India in many other areas.

Beyond the civil nuclear initiative, we are working to realize the President's vision of a strategic relationship with one of the world's rising powers that addresses global and regional political and security challenges, encourages mutual economic growth and prosperity, and fosters constructive Indian engagement in international organizations. We are deepening our security ties to undertake more complex joint military exercises, cultivate long-term partnerships between our defense industries, and enhance U.S. and Indian interoperability in global peacekeeping operations. Over the near term, we are encouraging India to adopt a more constructive role in forging a compromise between developed and developing nations in the Doha Development Round negotiations. We are also encouraging the government of India to open its higher education sector to U.S. institutions and exploring ways of partnering with India on joint educational programs for South and Central Asia. As our relationship continues to develop, we likely will encounter areas where we do not share the same approach. But as countries linked by a deep commitment to freedom and democracy, we believe our strategic partnership will grow and deepen.

Bangladesh has made impressive progress since gaining independence in 1971, but it still faces many daunting challenges, however. Severe poverty, rampant corruption and bitterly divisive politics dominated by polarized, dynastically-oriented parties exacerbate weak governance. Constructive engagement and assistance to Bangladesh are in the interests of the U.S. prosperity and stability would make Bangladesh a model for democratizing Muslim-majority states, while a floundering or failed Bangladesh could be a potential haven for anti-U.S. extremists and have a destabilizing effect on the entire region.

January 11, 2007, Bangladesh's president declared a state of emergency and indefinitely postponed planned parliamentary elections until after electoral reforms are implemented. Although we believe that elections should be held as soon as possible, the government and the Bangladeshi people must

determine exactly when and how they will hold free, fair, nonviolent, and credible elections in which all parties can participate. We encourage all parties to work to resolve issues peacefully and advance the democratic electoral process. In recent years, Bangladesh has also struggled with a rise in violent extremism, reaching a crisis point in 2005 with the near-simultaneous countrywide detonation of more than 400 bombs on August 17, 2006. Combating corruption is another long-standing priority of the U.S. government, and Bangladesh's interim caretaker government has embarked on a major anti-corruption campaign. We urge the caretaker government, however, to make certain those arrested in this campaign receive full due process and treatment consistent with Bangladeshi law and international standards.

In Nepal and Sri Lanka, we have remained engaged with the international community to support ongoing peace processes and conflict resolution. In Nepal, the historic People's Movement of April 2006 that forced the autocratic King to transfer power back to the parliamentary parties, as well as the Comprehensive Peace Agreement between the government and the Maoists in November 2006, have opened a window of opportunity for that country to emerge from conflict and establish lasting peace and democracy. We are doing our utmost to help Nepal take full advantage of that opportunity. We have focused our development assistance and diplomacy on helping conduct free and fair elections scheduled for June 2007 to a constituent assembly that will draft a new constitution. In doing so, we have placed a high priority on coordinating with our international partners, especially India and the United Nations (U.N.). Success is not guaranteed, as the Maoists continue to commit abuses that call into question their stated commitment to peaceful, multi-party democracy, but we are cautiously optimistic that the commitment of the Nepalese people and the support of the international community will produce a positive outcome.

The conflict in Sri Lanka between the government and the Liberation Tigers of Tamil Eelam (LTTE), a designated foreign terrorist organization, is preventing the country from fulfilling its potential as a prosperous, stable democracy. Peace would reduce the threat of regional and international terrorism and stabilize Sri Lanka as a partner for the U.S. in South Asia. Unfortunately, the situation is unlikely to change in the near-term, as escalating violence has caused the peace process to break down and has led to an undeclared war with myriad human rights violations and a humanitarian crisis.

Ambassador Robert Blake recently came under the Tigers' mortar fire on a visit to the Eastern Province and was slightly injured. Resolving the conflict through a political settlement requires moving the Sri Lankan government and the Tigers to a durable cessation of hostilities. The international community is engaged in the peace process and is working toward bringing both sides back to negotiations. Continued divergence between economic and social indicators in the Western Province and those in the rest of the country will only entrench inequalities. The U.S. assistance will thus target workforce development, job creation, and niche market development for the most vulnerable populations from the conflict outside of the Western Province. A stronger and more geographically inclusive economy will make implementing and sustaining a peace agreement faster and easier.

The U.S. has important relationships with each country in South Asia and they have important relationships with one another. We are working in close cooperation with our friends and partners to achieve important economic and trade linkages within the region. Our strategy includes collaboration with other donors, the private sector, and appropriate regional organizations in meeting our common regional integration goals. In recognition of our commitment to such home-grown efforts, the South Asian Association for Regional Cooperation (SAARC) recently invited the U.S. to join as an observer member and I am pleased to report that we will participate in the SAARC's upcoming summit meeting in New Delhi. Our membership will give us the opportunity to assist SAARC members in realizing the full potential of the South Asia Free Trade Area and address persistent impediments to the cross-border movement of goods that has stunted the economic growth of the region. Beyond trade, our

membership in SAARC will allow us to leverage a broad range of our other technical assistance efforts, including in the areas of education, the environment, and humanitarian relief.

Concurrent to pursuing bilateral and regional efforts within South Asia, it is our priority to further integrate the South and Central Asia region, with the aim of fostering long-term stability between Afghanistan and its neighbors; encouraging energy exports from Central to South Asia; and jump starting trade within the region to accelerate growth. All three components are necessary, interlocking pieces from a geo-strategic viewpoint. As Russia, China, and Iran try to place their own imprints on the development of Central Asia, we have to acknowledge that even though we do not subscribe to the so-called “Great Game”, others do, to the detriment of regional stability and U.S. goals. Regional integration will be more effective if focused on concrete steps that lead to tangible progress. We are working with other partners and donors, as well as the private sector, to initiate programs in building energy, transportation (road, rail and air), and telecommunications links across the region. Building on the success of the London Conference, where over sixty donors made available over \$10.5 billion to reconstruct Afghanistan, we will continue to engage our partners on building technical linkages between South and Central Asia. We plan to use FY 2008 funds to stimulate construction of transportation and energy-related infrastructure. We foresee roads reaching from the high tech corridor of India and the port of Karachi in the south to Almaty in the north.

As infrastructure alone will not lead to real integration, we are also aiming to promote regional dialogue with a focus on education and access to the media, which are fundamental to improving social development in all areas. We will work closely with the government of India to increase access for U.S. students and U.S. universities to the Indian higher education sector. We will continue to support the American University of Central Asia in Bishkek, as a locus for free inquiry and debate for young people in a region where such possibilities are limited. Free and independent information is the number one means to clearly portray U.S. interests in South Asia ‘s economic growth and democratic reform. To this end, we are launching a comprehensive strategy to support our spring offensive against the Taliban and limit the effect of their corrosive propaganda. We will support journalism training to attract students and journalists from across South Asia region. Throughout the region, we maintain aggressive, active press and public diplomacy efforts to promote democratic values, counter the influence of extremists, and highlight our contribution to the political freedom and economic prosperity of ordinary citizens.