



Speech of:

H.E. Mohamed Nasheed

Honorable President of the Republic of Maldives

at the Inaugural Session of
THE SIXTEENTH SAARC SUMMIT

Thimphu, Bhutan
April 28-29, Bhutan



**Your Highness,
Mr. Chairman,
Excellencies,
Distinguished Guests and Delegates,
Ladies and Gentlemen,**

I am delighted to be here, in the enchanting city of Thimphu, for this, the Sixteenth SAARC Summit. My delegation and I have been humbled by the warmth and hospitality with which we have been greeted by our hosts and close friends, the people of Bhutan.

Mr. Chairman,

The Maldives was due to host last year's SAARC summit. However, as you are aware, last year was very challenging for us. The global recession had a severe impact on our economy. And the Maldives was still adjusting to the recent shift from authoritarianism to democracy. The political change that has occurred in our country over the past few years has been seismic. In a society where fundamental freedoms were suppressed, we managed to galvanize the people into political activism. In a country where political pluralism was officially banned, we managed to form and then register political parties.


In a state where all authority was vested in the President, we managed to amend the constitution to enshrine the separation of powers. In 2008, the Maldives held the first free and fair presidential election in the country's history. I am pleased to report that, 18 months on, the transition to democracy has been smooth, secure and stable. Nevertheless, we face serious challenges ahead. We must continue to consolidate democracy, so that it remains a permanent feature of Maldivian political life. And we must do this under very difficult circumstances. When we came into office, we inherited an economy in crisis. In the years leading up to the 2008 presidential elections, the former administration went on a spending spree that almost bankrupted the country. Public expenditure was at a peak of 64% of GDP in 2008. We took over a budget where 70% of Government revenue was spent on public sector wages. Our

administration inherited a huge national debt. Our deficit in 2009 was set to be at 33% of GDP. But, through our austerity measures, the deficit was reduced to 28% of GDP. We were bequeathed millions of dollars of unpaid bills. And we inherited this situation, just as the global economy faltered. According to World Bank statistics, the Maldives faced the worst economic situation of any country undergoing democratic transition, since records began in 1956. It has not been an easy 18 months. We continue to face serious budgetary shortfalls. But we are determined to implement the structural economic reforms that will set the economy on a steady course. And we are grateful for all the support we have received during these difficult few months, particularly from our friends in India and other friendly countries. It is not just economic difficulties that we face. We also have political problems to overcome, if we are to sustain democracy in the Maldives. I am under tremendous pressure to act against members of the former regime, who stand accused of corruption and human rights abuses. A lot of people who have been wronged in the past, or whose loved ones were wronged, are seeking justice. This is understandable. I understand how difficult it is to forgive those who deliberately cause pain, in the pursuit of power and profit. It is particularly difficult to forgive people, when they refuse to say sorry for the hurt they have caused. But I am loath to act against the former regime. If we took action against everyone implicated in corruption and torture, we would end up arresting most of the opposition. I do not believe that arresting the opposition, is the best way to build a healthy democracy. But you can understand the pressure I am under, during this period of democratic consolidation.

Mr. Chairman,

As we endeavor to secure people's fundamental rights, we also have a duty to foster a political culture that is accountable and responsible. Maldivians have moved quickly to enjoy their new found freedoms. Civil society is flourishing and dozens of NGOs and campaign groups have been formed. Political participation is

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SAARC

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very high and just under 50% of the voting population are members of a political party. Press freedom is also flourishing, and the Maldives stands just six places behind France, in Reporters Without Border's press freedom index. But with rights come responsibilities. The majority of Maldivians dutifully enjoy their democratic freedoms. As we aim to consolidate democracy, we must gently steer our new, open political culture towards one of co-operation and compromise, rather than quarrel and conflict. The recent changes in the Maldives have transformed the country. We now see things in a very different light. And as our society has changed, so our view of institutions, such as SAARC, has matured.

Mr. Chairman,

With this in mind, I would like to use this, my first speech to SAARC leaders, to call for a comprehensive review of the on-the-ground effectiveness of SAARC. I believe that we should undertake this review now. I am sure that we, the leaders of the SAARC, we can decide on how we can make this an effective body that will empower development and prosperity in the region. SAARC has expanded its work considerably over the past twenty-five years. There have been many memorable achievements. But there have also been times when the practical impact of our work has fallen behind the rhetoric. Our ambitions have grown significantly, but I wonder whether our methods of work have kept pace. Now is time to take stock; to assess in which areas SAARC can make a real difference. It is time to prioritize, so we do not duplicate but rather enhance existing work. And it is time to review how we transform words and promises into actions and results. Before I deal specifically with these challenges, I would like to reflect on some of the changes in

our region. Many of our economies are struggling with the global recession. At the same time, India's economy has emerged largely unscathed by the downturn and continues to power ahead. I believe it is not in the interests of India or other SAARC members, if a dominant economy rapidly expands, while smaller neighboring economies lag behind. I believe the onus is on all of us to look at the economic reforms that have helped to power India's economic revival. And I believe we should learn the lessons from India, to kick-start our own economic growth. In the Maldives, we are implementing structural reforms to curtail state spending, while freeing the private sector to be the engine of growth. We know the states role is to govern rather than do business. We are here to provide the people with necessary services and provide the opportunity for them to earn a decent living. I hope our region can implement the necessary economic reforms for growth and prosperity. I also hope that greater prosperity in our region, will lead to greater peace and security between SAARC members. I appreciate that the road to peace is rarely short, and seldom smooth. But I hope that neighbors can find ways to compartmentalize pending differences, while finding areas on which they can move forward. I am specifically referring to differences between India and Pakistan. The SAARC Charter requires us to compartmentalize the differences and move forward on common ground. We must therefore, today, decide to implement that vision of the Charter. Today I am pleased and encouraged after our unofficial lunch. All SAARC leaders were able to very frankly have a conversation. We hope that this conversation will lead to greater dialogue between India and Pakistan.

Mr. Chairman,

The Maldives believes that SAARC has a key role to play in the 21st Century. South Asia is one of the most dynamic and important regions of the world. Many of the new Century's defining events will take place within our borders. It is therefore vital that, in SAARC, we have a lean, efficient, and

effective organization that can help us confront the challenges, and seize the opportunities, that lie ahead. We believe there are obvious areas in which it makes sense to pool our efforts. It makes sense to co-operate in areas of regional importance, which require a united response and that benefit from economies of scale. Using this criteria, I believe SAARC members should work together to address:

1. *Green investment and development*
2. *Democracy promotion and human rights*
3. *Food and energy security; and*
4. *Inter-cultural understanding and exchange – especially for our youth.*

Mr. Chairman,

I would like to offer some thoughts in each of these areas. Firstly, green investment and development. I purposefully use the phrase “green investment and development”, rather than the term “climate change mitigation.” When we look at global warming, we are sometimes so preoccupied by the negatives, that we ignore the positives. We sometimes dwell on the threats, and miss the opportunities. I believe we can turn the climate challenge to our mutual advantage. South Asia can become a testing ground for innovative green technologies, for research in renewable energy and for a new form of sustainable development. By 2020, I want South Asia to be recognized as the main incubator of the world’s green industrial revolution. With this in mind, I call on SAARC to establish funds to help raise capital for projects that promote green growth. Moreover, we have been experimenting with climate change adaptation and mitigation for decades and there is no region more equipped with knowledge on this than us here. Today, we must all share our knowledge and make South Asia a center for Climate Change Research. In this regard, I believe SAARC members should work together to establish a Low-Carbon Research and Development Center in the proposed South Asian University. This new institute could foster learning in renewable energy, clean technologies and low carbon development.

Mr. Chairman,

On the issue of democracy and human rights, it is pleasing to note that South Asia is now a region of democracies. However, we all face challenges consolidating democracy and strengthening human rights. I believe SAARC should consider establishing a regional human rights mechanism, similar to the one being developed for the ASEAN region. This mechanism could help States promote and protect rights and freedoms in their jurisdiction. It could ensure that international human rights laws are observed and implemented by SAARC members. And such a mechanism could help people in our region develop a common understanding of universal human rights issues and perspectives. On the issue of food and energy security, our region was badly affected by the global food and energy crises. In the Maldives we know this better than most. We are totally reliant on foreign oil for our energy demands. We are also heavily reliant on food imports. For this reason, the Maldives strongly supports the proposal to jointly import crude oil into the region and we will provide any support on this. We believe this will improve energy security and increase our bargaining position in world markets. Linked to this, we wonder whether SAARC might also play a similar role securing and improving the importation of basic food stuffs into South Asia. This is something that requires further consideration, but I suspect co-operation would be more efficient and effective than individual action. Finally, I believe SAARC has a vital role to play in fostering inter-cultural exchange, especially among our youth. The greatest hope for South Asia lies with our children. Before I end, Mr Chairman, Your Highness, Excellencies, distinguished guests, ladies and gentlemen, as I have mentioned in my address, it is with great encouragement that we, as leaders today sit in Summit hoping and believing that we will be able to find solutions to our many local issues and problems. Specially we are encouraged that India and Pakistan will be able to have effective conversations and resolve their conflicts.

Thank you very much. ■

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