

# India's Act East Policy and the Northeastern Region: Opportunities and Challenges

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## Abstract:

The Act East Policy (AEP) unveiled by India in 2014 signifies a paradigm change in the foreign policy of the country by focusing on closer economic, political and strategic relations with the Southeast Asian region and the larger Indo-Pacific area. In this context, the Northeastern part of India has been imagined as an important gateway to regional connectivity and integration because of its geographical association to the countries of the ASEAN and the similarity of the socio-cultural affiliation (Ministry of External Affairs [MEA], 2015). In this paper, the author will analyse the opportunities and challenges that relates to the adoption of AEP in Northeastern states specifically connectivity, economic integration and development in the region. The study is based on the secondary data, which involves peer-reviewed journals, government policy documents, and institutional reports, to examine how AEP has aimed at facilitating infrastructure development, cross-border trade, tourism, investment, and people-to-people connectivity in the region (RIS, 2025; Barua, 2020). The results show that despite the fact that AEP has created great opportunities, particularly due to large connectivity projects like transnational highways and multimodal corridors, the actual enjoyed benefits have been skewed. Chronic problems such as infrastructure gaps, poor governance and institutions, security, geopolitical instability in the neighbouring state, and environmental limitations have mitigated the efficacy of the policy (Horam, 2024; ORF, 2025). The paper finds that despite the fact that AEP has put the Northeastern region at the heart of the regional engagement strategy, policy vision, and focus at outcomes are still separated by institutional coordination, region-specific development strategies, measures of trade facilitation and sustainable implementation structures. These issues need to be addressed in order to make sure that the Northeastern region becomes an active beneficiary of the Act East Policy of India.

**Keywords:** Act East Policy, Northeastern Region, Regional connectivity, Socio-economic Development, ASEAN.

## 1. INTRODUCTION:

In 2014, the Act East Policy (AEP) was officially formulated by India as a strategic expansion of the previous Look East Policy that had first been launched in the early 1990s. Although the Look East Policy was mainly about economic involvement, the Act East Policy focuses on the active political, strategic, economic, and cultural involvement with the Southeast Asia, East Asia, and the wider Indo-Pacific region (Ministry of External Affairs [MEA], 2015). The policy highlights economic integration, connectivity, people-to-people relations and strategic cooperation with regional groupings like the Association of Southeast Asian Nations (ASEAN) which is an indication of the changing foreign policy priorities of India in a multipolar global order (RIS, 2025).

Northeastern India, a sub-region, which consists of eight states and borders other countries internationally with Myanmar, China, Bangladesh, Bhutan, and Nepal, holds a strategic position in the Act East. It is geographically close to Southeast Asia and this makes it the natural land bridge of India in terms of cross-

border trade, transit, and cultural exchange (Horam, 2024). The Northeast, therefore, has been projected as the entry point of the eastern involvement of India and its social-economic transformation would be at the centre of the success of AEP (ORF, 2025).

Nonetheless, the successful introduction of AEP in the Northeast is challenged by the systematic issues, even though it is strategically relevant. The region has been unable to integrate itself to a regional economic network because of historical underdevelopment, poor physical and digital infrastructure, low industrial capacity, and structure of governance (Bajpae, 2017). Significant connectivity plans between the Northeast and Southeast Asia have been stalled with the challenging terrain, ecological concerns, security challenges, and geopolitical uncertainties especially on the sensitive borders (RIS, 2025).

Concurrently, analysts and policy-makers realise the unexploited potential of the region being a springboard to regional connectivity, trade liberalisation and cultural diplomacy in the Indo-Pacific region. It is against this backdrop that the current research paper aims to critically analyze the opportunities and challenges that may face the implementation process of the India Act East Policy in the Northeastern states based on existing secondary literature and policy documents.

## **1.1 Definition of Key Terms:**

### **1.1.1 Act East Policy (AEP):**

The Act East Policy (AEP) is an active foreign policy move launched by India in 2014 and is a strategic change to the previous policy, the Look East Policy, which was first introduced in the beginning of 1990s. Although the Look East Policy was mainly about economic involvement, AEP expanded the aspect to encompass political, strategic, cultural, and security aspects since the state of India was starting to take a different form in Indo-Pacific (Ministry of External Affairs [MEA], 2015). The policy will also ensure that India is further involved in the engagement with Southeast Asia, East Asia and ASEAN-led multilateral structures in terms of enhanced connectivity and trade, increased investment, people-to-people contacts and defence cooperation (Bajpae, 2017).

AEP also follows a vision of free, open, and inclusive Indo-Pacific in India, which can solve emerging geopolitical issues and balance the power relationships in the region (RIS, 2025). One of the peculiarities of the policy is that it is directed to action-oriented diplomacy which is aimed at the real results like development of infrastructure, regional corridors, and the institutions cooperation. According to scholars, the policy combines the domestic development agenda, especially of the Northeastern region, with the foreign strategic goals of India, and internal regional development is an indispensable element of foreign policy success (Horam, 2024). Therefore, AEP is a foreign policy approach, and a framework of development.

### **1.1.2 Northeastern Region:**

The Northeastern India is a part of eight states that are known as the Eight Sisters (and one brother state, Sikkim) in the form of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura. It lies geographically between mainland India and a narrow strip of land called the Siliguri Corridor, and shares more than 5,000 kilometres of international borders with China, Bhutan, Bangladesh, and Myanmar, and is characterized by immense strategic and geopolitical importance (Government of India, 2023).

The area is commonly known as the natural land bridge to Southeast Asia in India, and it is at the heart of the regional connectivity efforts as part of the Act East Policy (Barua, 2020). The Northeast is diverse intrinsically in terms of ethnicity, natural resources and cultural heritage and thus has a lot of potential in cross border trade, tourism and cultural diplomacy. Nevertheless, researchers note that chronic issues still exist, including infrastructural policies, rugged geography, underdevelopment in the past, and limitations of governance that do not allow it to fully enter the national and regional economies (Nath and Kumar,

2017). As a part of the AEP, the Northeastern region is not only imagined as a transit territory but also as an active participant in the regional interaction and economic change in India (RIS, 2025).

## 2. REVIEW OF LITERATURE:

**Horam, M. (2024).** *India's 'Act East' Policy and Northeast India: Prospects and Challenges.* This paper explains how the Northeastern region of India has received a new strategic focus with the introduction of the Act East Policy because of its geographical closeness to the area and the socio-cultural connection to the southeast of Asia and can serve as the entry point to the East Indian activities. Although such is the strategic potential, the region has been facing underdevelopment, political and governance weaknesses, which all restrict its potential in maximizing the opportunities of AEP. The author points out a lack of participation whereby the Northeast has not had much participation in the policy making and implementation which undermines the process of incorporating local requirements into national strategic plans. As it is concluded in the paper, it is imperative that the Northeastern states need to be effective participants in realising the developmental promise of the policy.

**Patar, B. C. (2025).** *'Act East Policy and Northeast India: Opportunities and Challenges.'* This paper discusses the fact that AEP has a major goal of expanding economic, cultural, and strategic connection between India and Southeast Asia with the Northeast acting as the hub because of its location. Connectivity projects, which include roads, railways, and multimodal transport systems, are considered significant opportunities in expanding trade, enhancing a closer cooperation among the regions, and an improved connection to other international markets. The paper, however, also identifies implementation challenges (including inadequate infrastructure and socio-economic differences) which jeopardize the capacity of the region to derive maximum benefits out of such initiatives. The paper suggests that it is important to solve these bottlenecks in order to enhance the position of Northeast India in AEP.

**Ghosh, D. (2025).** *'The Transition from Look East Policy to Act East Policy: The Performance of Northeast India States.'* Ghosh contrasts the Northeast Indian state developmental results in the times of Look East and Act East. The study concludes that despite the added focus on connectivity and infrastructure by AEP, the overall performance of the region in economic metrics (through trade, inflows and NSDP growth) did not improve significantly over the Look East period. The results challenge the notion that economic growth can only be accelerated by infrastructure development arguing that endemic structural problems and gaps in the implementation of policies are still continuing to constrain the effects of the policy.

**Saisin, A. (2025).** *'India's Act East Policy and Its Impact on Manipur's Indo-Myanmar Border.'* The paper is dedicated to the analysis of how the Act East Policy has influenced the security and economy situation on the border of Manipur and Myanmar. Although AEP has been used to promote connectivity and economic involvement within the region, the research explains that the improvements have also come with security threats such as insurgency, illegal migration and transnational crimes. This subtle presentation shows that even though AEP opens up opportunities to link cross-border and trade, it also demands solid security structures in controlling new risks across vulnerable borders.

**Sarma, A., & Choudhury, S. (2021).** *'Act East Policy: Northeast India and Southeast Asia.'* This paper discusses how AEP followed its historical path and is relevant today to Northeastern India in its relations with Southeast Asia. The paper, which can be accessed through SSRN, shows how the policy is supposed to change Northeast region to become a strategic corridor connecting India and the ASEAN countries. It sees prospects within the growth of cross-border trade, tourism, cultural relationship, and increased closer cooperation in the region. It, however, also identifies problems that emanated as a result of regional differences, poor institutional connectivity, and inability of local economies to take up new internal market

openings. The authors highlight the importance of developing regional strategies of holistic development that will supplement the external orientation of AEP with internal capacity building.

### 3. RESEARCH OBJECTIVES:

- i. To examine the opportunities offered by India's Act East Policy for the socio-economic development of the Northeastern region.
- ii. To identify the challenges hindering the full realisation of these opportunities.
- iii. To assess how effectively the policy's connectivity and integration strategies have been implemented in the region.

### 4. RESEARCH METHODOLOGY:

The research is solely based on secondary data which includes peer-reviewed journals, government reports, policy analysis, and reputable institutional reports. The synthesis of data was done through a descriptive-analytic approach, which revolved around policy analysis, thematic analysis of the opportunities and hindrances, and comparative information in the literature.

### 5. DISCUSSION AND RESULTS:

#### 5.1 Opportunities offered by India's Act East Policy for the socio-economic development of the Northeastern region:

The Act East Policy (AEP) of India makes the Northeastern part of the country a strategic point in the interaction of the country with Southeast Asia and the entire Indo-Pacific. The policy expressly connects the goals of foreign policy to the national regional development, so the socio-economic change in the Northeast is the crucial condition to ensure the AEP success (Ministry of External Affairs [MEA], 2015). As the region is located in the proximity of the ASEAN countries and has common cultural and historical ties, the region is viewed not just as a transit corridor but rather as a working economic and strategic ally in the regional integration process (Horam, 2024).

Development wise, the Northeast could have several opportunities to quell historical isolation, underdevelopment, and marginalisation with the help of AEP. The policy aims to establish growth and regional integration pathways with regard to inclusiveness and people-to-people interactions by ensuring connectivity, trade, investment, and people-to-people. According to scholars, when properly applied, AEP has the potential to turn the Northeast region into a growth engine that connects regional and global markets and is no longer marginal (Barua, 2020; RIS, 2025).

#### 5.1.1 Opportunities: The Act East Policy:

##### a) Investment in Infrastructure and connectivity:

There is a connection between large-scale connectivity initiatives and one of the biggest opportunities in AEP. The Kaladan Multimodal Transit Transport Project in India, the Myanmar-Thailand Trilateral Highway, as well as rail, road, and air networks are projects that seek to connect the Northeast to the Southeast Asia economies (Chandran and Srikanth, 2019). Better connectivity will lower transportation expenses, increase market access, and generate a trade in the region. According to the scholars, infrastructure development under AEP can serve to eliminate the physical isolation of the region that has existed since ancient times and work towards balanced regional development (RIS, 2025).

##### b) Trade Expansion and Economic Integration:

AEP gives the Northeast a chance to get into the cross-border trade and regional value chains. The benefits of better access to the ASEAN markets can be realized in the agriculture and horticulture sector, handloom and handicrafts, bamboo products, tea, and small industries (Baishya, n.d.). Such closeness to the international borders places the region at a strategic position to trade with the borders, logistics centers and export-based production. It is proposed that economic integration within the framework of AEP would create jobs, improve the level of income, and boost the entrepreneurship within the area (Patar, 2025).

**c) Promotion of Tourism and Cultural Exchange:**

People-to-people connectivity and cultural diplomacy of the policy present a lot of possibilities in the development of tourism within the Northeast. The area is rich in biodiversity, indigenous cultures, and cultural similarities with Southeast Asia, which makes the area appealing in terms of eco-tourism, heritage tourism, and cross-border culture (Bori & Das, 2025). The growth generated through tourism has the potential of generating livelihoods and also conserving cultural heritage hence livelihoods are developed in a sustainable way socio-economically.

**d) Investment and Industrial Development:**

AEP promotes both local and global investments in the Northeastern states; this is because of its enhanced connectivity and visibility of policies. AEP-related initiatives, such as special economic zones, industrial corridors, and initiatives aimed at promoting MSMEs can encourage the inflow of the private sector activities into manufacturing, agro-processing, and service (Barua, 2020). It is believed that better flows of investment can be used by the scholars to diversify the economic base of the region and not to rely on the employment of the public sector.

**e) Regional Integration and Human Development:**

In addition to economic advantages, AEP provides a chance to develop skills, academic exchange, and institutional cooperation with Southeast Asian countries. Human capital can be enhanced in the Northeast through academic cooperation, capacity-building programmes, and labour mobility (Nath and Kumar, 2017). This kind of activity is social inclusion and it helps the region to enter more purposeful into the national and regional development systems.

Overall, the Act East Policy in India provides the multidimensional prospects to socio-economic development of the Northeastern part of the country. With the help of connectivity, trade, tourism, investment and the development of human capital, AEP can make the region an active linkage of India and Southeast Asia- and, hence, the reasons why it should be at the centre of the policy framework.

**5.2 Challenges to maximising the opportunities presented by the India Act East Policy in the Northeastern:**

Despite the fact that the Act East Policy (AEP) of India offers substantial prospects to the socio-economic redesigning of the Northeastern part of the country, the distribution of the gains is unbalanced and limited. It is agreeable among scholars that not only strategic intent, but the success of AEP also depends on successful implementation both at the regional and local levels (Horam, 2024). Although it was projected to be the gateway to Southeast Asia, the Northeast still experiences structural, institutional and geopolitical challenges that restrict its capacity to be fully integrated in the regional economic and strategic systems (RIS, 2025).

These are issues that go deep in the historical marginalisation of the region, complicated topography, weak socio-political set up, and governance limitations. Consequently, a number of AEP programs have continued to develop at a slow pace and their level of socio-economic effects on the ground is still minimal. Detection of such impediments is essential in explaining the existence of a gap between the policy vision and results, thus explaining the rationale in the current study to concentrate on both opportunities and challenges.

**5.2.1 Major Challenges Hindering the Realisation of AEP Opportunities:****a) Inadequate Infrastructure and Connectivity Gaps:**

The lack of enough physical and digital infrastructure in the Northeastern region can be considered among the most enduring difficulties. Inadequate road and rail networks, ineffective air transport infrastructures, and ineffective logistic networks are still a hindrance to trade and mobility (Baishya, n.d.). The challenge

of difficult terrain, common landslides, and climatic factors also slow down infrastructure projects under AEP, including transnational highways and multimodal transport corridors (Chandran and Srikanth, 2019). This has meant that the connectivity programs, on which AEP is based have not yet translated into widespread economic gains.

**b) Governance and Institutional Weaknesses:**

A number of studies indicate lapses in the governance, coordination, and the institutional capacity as significant limitations of AEP implementation. Superfluous duties between the central ministries, state governments and implementation agencies can result in delays and inefficiencies (RIS, 2025). Additionally, the minimal participation of state governments and other local stakeholders in the process of making decisions has led to the top-down implementation of the policy, thus lowering the local ownership and responsiveness to the needs of the region (Haokip, 2018). These weak governance gaps undermine the developmental effect of AEP.

**c) Socio-economic Backwardness and Limited Industrial Base:**

The low industrialization and a low level of investment by the Northern region is a major barrier to the utilization of the AEP opportunities. Preponderance of subsistence farming, shortage of skilled labor and poor market connectivity limit the ability of the region to engage in regional value chains (Nath and Kumar, 2017). In the absence of enhancement of local productive forces, increased external connectivity is not enough to achieve sustained economic growth.

**d) Security and Geopolitical Challenges:**

The security issue such as insurgency, cross-border criminality, and political instability in the neighbouring state, especially, Myanmar have negatively impacted cross border connectivity and trade projects (ORF, 2025). The development of infrastructure and cooperation among regions are complicated by geopolitical tensions on sensitive borders, particularly with China. These elements put off the private investment and reduce the rate of integration as envisaged in AEP.

**e) Environmental and Social Issues:**

The AEP-led large infrastructure projects are likely to be opposed to owing to environmental sensitivities and displacement, cultural erosion, and ecological degradation issues. The vulnerable biogeocenosis of the Northeast requires sustainable development solutions, but poor environmental planning has postponed some of the developments (Bori & Das, 2025). The lack of a balance between development and environmental and social protection may harm the long-term sustainability.

Simply put, although the Act East Policy of India provides the Northeastern region with opportunities of transformation, numerous and interconnected issues, such as lack of infrastructure and governance problems, security, and environmental concerns, still seem to limit their complete implementation. These issues are urgent to realize the policy aspirations consistent with regional developmental achievement and to make sure that the Northeast becomes an active recipient of India eastward participation.

**5.3 AEP's connectivity and integration strategies have been implemented in the Northeastern region:**

The Act East Policy (AEP) of India very clearly focuses on connectivity and regional integration as the key pillar of its strategy to connect the Northeastern Region (NER) of the country to the Southeast Asia and the Indo-Pacific as a whole (Ministry of External Affairs, 2014). The policy in recent years has produced a combination of tangible improvements (new ports, border posts, road improvements) and continuing failures (delays, partial routings, poor trade linkages). This evaluation is based on peer-reviewed articles, official policy reports and reliable institutional analyses to measure implementation on three levels (a) project delivery and physical connectivity; (b) institutional/ operational integration; and (c) measurable economic and social outcomes.

### 1. Project delivery and status of physical connectivity:

The headline projects of the NER by AEP are the Kaladan Multimodal Transit Transport Project (KMTTP) (connecting Kolkata to Sittwe (Myanmar) to Paletwa to Zorinpui to Mizoram), the IndiaMyanmarThailand (IMT) Trilateral Highway, several highway upgradations by NHIDCL, border Integrated Check Posts (ICPs), and multimodal logistics enhancements (MEA, 2014; RIS, 2025). Progress has been uneven. The KMTTP river-dredging and some elements of Zorinpui jetty are complete though the Paletwa-Zorinpui Road and Zorinpui-Aizawl link have repeatedly seen delays- now the officials say it will not be fully operationalised till 2027. Media and government announcements verify revised schedules of push-back and significant financing investments as well as admit terrain and geopolitical losses. The IMT Highway also demonstrates incomplete sections (e.g., Moreh -Tamu segments) and some essential Myanmar stretches (e.g., Kalewa -Yagyi) is still in progress and is subject to local instability (RIS, 2025; Times of India, 2025). The unbiased studies agree that some of the key corridors are being developed, though some are not yet fully developed, limiting the projected decrease in transit time and transport expenses (De & P. K. H. Singh, 2018).

**Assessment:** There is concrete infrastructure in place but the network is not comprehensive or stable enough to provide the overall strategic and business goals of AEP to the NER. There is still a substantial difference between the number of project elements that are completed and a working, stable corridor. (RIS, 2025; De & Singh, 2018; Times of India, 2025).

### 2. Institutional coordination and operational integration:

Close coordination is required between the central ministries (MEA, DoNER, NHIDCL, MoRTH), state governments and foreign partners (Myanmar, Thailand) in the AEP. Institutional fragmentation, lack of inter-agency coordination, and uneven capacity at the state level are the key obstacles identified by RIS (2025) and ORF (2025). The bottlenecks in the implementation reported are delay in clearances, acquisition of land on Indian side, change of contractor and cross-border diplomatic synchronisation (RIS, 2025). Further, operational integration: customs/immigration interoperability, logistics facilitation, and trade protocols, is incomplete compared to physical works: most ICPs, trade facilitation mechanisms, are in their infancy and have yet to provide smooth cross-border movements (ORF, 2025). Studies indicate that all the federal announcements of projects are characterized by poor local ownership and insufficient capacity building, which decreases the success of the project implementation at the ground level (Haokip, 2018; Chandran and Srikanth, 2019).

**Assessment:** there is no complete institutional and operational integration. The physical corridors will not be converted into foreseeable cross-border trade and mobility without harmonised procedures, operating ICPs, and enhanced state capacity (RIS, 2025; ORF, 2025).

### 3. Geopolitical, security and environmental constraints affecting implementation:

The Asian cross of Myanmar projects is particularly susceptible to political instability, armed conflict and access to contractors - aspects that have been repeatedly raised by ORF and other commentators (ORF, 2025; Times of India, 2025). IMT highway and KMTTP are both located in regions where insurgency and the changing control can cause delays during construction and maintenance; this fact has caused several delays in completion time and again (De & Singh, 2018). Social and environmental issues (weak ecology, eviction, landslide risk, etc.) are also delaying project approvals, and may attract litigation or local action unless very strong safeguards are put in place (Bori & Das, 2025).

**Assessment:** geopolitical insecurity and environmental limitations are neither marginal issue, but they are core areas of implementation risk that need diplomatic contingent planning and enhancing mitigation to project design through stronger social-environmental measures.

### 4. Outcomes: trade, investment and socio-economic integration:

Policy and empirical accounts show that, regardless of infrastructure advances, NER-ASEAN trade, sustained FDI, or large-scale supply-chain integration have been rather gradually increased so far (RIS,

2025; Chandran and Srikanth, 2019). This lack of wider trade liberalisation (e.g. trade facilitation measures), participating in no-region wide schemes, such as RCEP and the tariff/NTB (non-tariff barrier) frictions, constrain the commercial profitability of physical connectivity. The positive influence on accessibility of border towns, local constructions, and gradual tourism development can be seen on micro-levels, whereas macro effects on NSDPs and the volumes of exports have not been significant (RIS, 2025; Barua, 2020).

**Assessment:** domestic benefits are being experienced early in the local economy, however, the systemic economic integration with the ASEAN markets remains in its early stages; the final mile of the policy, to facilitate trade, market connectivity and investment appeal, has not been realized in a grand way.

### **Overall implication for the title:**

The indications are that AEP is partially but incompletely executing its connectivity and integration strategies in the Northeast. The infrastructure projects have created significant building blocks but incomplete corridors, institutional fragmentation and a weak geopolitical fragility and weak trade facilitation indicate that the region has not yet achieved the magnitude of opportunities envisaged under AEP (RIS, 2025; ORF, 2025; De and Singh, 2018). Thus, the title, India's Act East Policy and the Northeastern Region: Opportunities and Challenges pass the test: there are indeed great opportunities, but they are curtailed by the limitations of substantive implementation issues that need to be solved by a concerted policy effort, greater capacity at the state level, trade promotion mechanisms and adjustive diplomacy.

## **6. MAJOR FINDINGS:**

- i. It has been a great shift in priorities of Indian foreign and regional development as the Northeastern region was strategically repositioned to enable India to engage with the Northeastern region, including Southeast Asia and the entire Indo-Pacific, under the Act East Policy (AEP).
- ii. The most apparent consequence of the AEP implementation in the Northeast has been the development of connectivity. The specific projects like the Kaladan Multimodal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway and highway upgrades under NHIDCL reflect concrete improvements albeit several are still under construction or their operations are limited.
- iii. The lack of continuous and uninterrupted pathways to connectivity and the lack of infrastructure investment has curtailed the conversion of physical infrastructure to productive trade and economic linkage with the markets of the ASEAN region.
- iv. Lack of institutional and governance coordination such as poor inter-ministerial coordination, lack of capacity at the state level and poor participation of local stakeholders, have greatly slowed down project execution and policy implementation.
- v. There are geopolitical and security issues, especially political instability in Myanmar and the dynamics of the sensitive borders directly influencing the speed and the sustainability of cross-border connectivity efforts.
- vi. The level of trade and investment in the Northeastern region is still modest, signifying that merely the existence of physical connectivity is not enough without an additional trade support policy, and market access reforms and involvement of the private sector.
- vii. area is still struggling with structural socio-economic limitations including less industrial potential, poor individual investment and lack of expertise that disrupts its capacity to maximally enjoy the benefits of regional integration within AEP.
- viii. The concern of the environment and social issues have become the main drivers of delays in the project and the demand to use sustainable and inclusive development methods in the vulnerable ecological environment of the Northeast.

- ix. In general, the Act East Policy has offered a great deal of developmental and strategic prospects; however, their actualization in the Northeastern part is unequal because of the ongoing implementation issues.
- x. The paper concludes that the gap between the policy vision and the realization of the outcomes can be bridged through a holistic strategy encompassing the development of infrastructure, the political fortification of institutions, the stability of geopolitics, and the region-specific building of the economic capacity.

## 7. CONCLUSION:

Act East Policy of India is a major paradigm shift in its foreign policy, in that it aims to play with regional development goals through the domestic goals of the country in order to have the Northeastern part a central bridge between India and Southeast Asian nations. The policy imagines the Northeast as not only a geographical passageway but also an active part of the Indian economic, cultural as well as strategic interaction of the Indo-Pacific region. As it has been shown in the current paper, AEP has provided various opportunities of socio-economic change with regard to increased connectivity, trade growth, investment promotion, tourism growth, and people-to-people engagement. Nevertheless, a significant disparity is also noticed between what is intended in the policy and what happens on the ground. Although there has been an improvement in the development of infrastructure and connectivity, most of its flagship projects are either incomplete or operationally limited. Effective implementation is still compromised by institutional weaknesses, governance issues, lack of state capacity and the absence of local stakeholder participation. Also, the implementation of the connectivity and integration strategies is complicated by the geopolitical instability of neighbouring countries, the security issues and the environmental sensitivities. The results highlight that regional integration cannot be achieved through infrastructure development only. To provide sustainable and inclusive development of the Northeastern part of the country, the Act East Policy should be accompanied by trade facilitation, investment-friendly environments, human capital creation, and effective institutional coordination. Participatory, region-specific and environmentally sensitive orientation is needed to transform the strategic ambitions into elements of socio-economic benefits. To conclude, the Act East Policy contains transformative potential of the Northeastern region, the success of which lies in managing intractable structural and implementation issues. Building regional capacities, policy coherence and cross-border cooperation are important in the realisation of long-term developmental and strategic goals set out in the policy.