

# Act East Policy and Northeast India: Opportunities and Challenges

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## **Abstract:**

India's Act East Policy (AEP) is a strategic initiative aimed at strengthening India's relationships with Southeast Asia and the broader Indo-Pacific region, promoting deeper economic, cultural, and strategic connections. This policy is particularly important for North-East India, which serves as a vital gateway to Southeast Asia due to its geographical location. Consequently, the region's infrastructure has become essential for the success of the AEP, prioritizing enhancements in connectivity through roads, railways, air networks, and multimodal transport systems. These infrastructure developments are not solely focused on improving local connectivity; they are also seen as a way to strengthen India's economic relationships with its eastern neighbors and to reinforce its presence in the Indo-Pacific. This paper analyzes the significant connectivity projects in North-East India as part of the Act East Policy (AEP). It explores how improvements in road, rail, and air connectivity, along with multimodal transport systems, have facilitated trade, encouraged regional collaboration, and enhanced access to Southeast Asia. The study further assesses the contributions of these initiatives to economic growth in the North-East and their role in strengthening India's strategic presence in the area. The paper points out the challenges encountered in their implementation and consider possible strategies to address these issues.

## **Introduction:**

The North Eastern Region (NER) of India, located along the eastern border, comprises mainly eight hilly states: Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Sikkim. This region has borders with several Southeast Asian countries, such as Myanmar, Bangladesh, Bhutan, and China, making it a key gateway to the East for India. Its strategic positioning makes North East India an essential component of India's initiatives to enhance engagement with East Asia and foster regional connectivity. As Prime Minister Modi remarked, "we adopted the Act East Policy, of which the North-East is at its heart," signaling a significant shift in how the Northeast is understood within the policy framework. Additionally, the area's closeness to significant economic routes like the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project emphasizes its crucial role in promoting trade, investment, and interactions between India and Southeast Asia. This region has been somewhat detached from the country's prevailing political and developmental trends, mainly due to its geographic position at the edge of India, alongside its unique social legacy, complex demographic composition, and insufficient infrastructure and economic growth. The current Act East Policy (AEP), which aims to improve economic links between the region and Southeast Asia, is gradually being framed as the emerging strategy for economic development in India's Northeast Region (NER).

**Methodology:** The data's collected for this study are based on secondary source like books, articles, internet. The method adopted for this study is analytical as well as descriptive.

### Results and Discussion:

India's Act East Policy (AEP) was officially launched in 2014 by the current NPA government led by Prime Minister Modi. Essentially, it is a progressive version of the "Look East" Policy that was initiated by the UPA Government in the 1990s. The transition from "Look East" to "Act East" signifies a strategic shift in India's foreign policy, indicating a more proactive approach towards the East and Southeast Asia. While the Look East policy laid the foundation for engaging with the region, the Act East policy embodies an assertive and more action-oriented framework, focusing on strengthening economic integration, advancing strategic partnerships, and promoting cultural connections. This development illustrates India's increasing ambition to assume a more prominent role in influencing the regional framework and leveraging the opportunities presented by Asia's economic rise.

The evolving geopolitical dynamics in the Asia-Pacific region, marked by China's rise, escalating maritime disputes, and the United States' pivot towards Asia, required India to reevaluate its strategy. The increasing power of China and its assertive actions in the South China Sea led India to take a more proactive stance concerning regional security and stability. The Act East Policy has significantly impacted North Eastern India, an area strategically located at the intersection of India's Act East initiatives. Improved connectivity, trade enhancement, and exchanges among people under this policy have created new opportunities for economic development and growth in the region. Investing in infrastructure initiatives, like the India-Myanmar-Thailand Trilateral Highway, has not only enhanced connectivity but has also boosted trade and investment flows, strengthening the socio-economic development of the region.

In addition, cultural exchange programs and tourism initiatives have enriched the cultural landscape of North Eastern India, promoting greater cross-cultural understanding and integration with East and Southeast Asia. The shift from the Look East policy to the Act East policy highlights India's active involvement with East and Southeast Asia, driven by the needs for economic collaboration, strategic partnerships, and cultural exchanges.

### Connectivity Projects under AEP:

- **The Kaladan Multi-Modal Transit Transport Project (KMTTP):** established on April 2, 2008, is a significant infrastructure undertaking collaboratively executed by India and Myanmar to link the eastern Indian port of Kolkata with Sittwe port in Myanmar, extending further to Mizoram in northeastern India.
- **Road Connectivity Projects:**
  1. **The India-Myanmar-Thailand Trilateral Highway:** This route begins in Moreh, Manipur (India) and concludes in Mae Sot (Thailand).
  2. **Trans-Asian Highway Network:** A pan-Asian road connectivity initiative, India is an integral part of this network, which seeks to foster regional integration and facilitate smooth overland transportation throughout Asia and Europe.
  3. **SARDP-NE (Special Accelerated Road Development Programme in the North East):** An extensive program aimed at developing and upgrading roads and highways in India's northeastern states.

4. NHDP (National Highways Development Project) – NE Components: The aim of this project is to create high-quality National Highways throughout India. In the Northeast, NHDP works alongside SARDP-NE by improving key National Highways.

• **Waterway initiatives:**

1. National Waterway-2 (NW-2) – Brahmaputra River: The main route stretches from Dhubri to Sadiya in Assam, covering approximately 891 km.
2. India-Bangladesh Protocol Routes: These routes are designed to connect Northeast India to Kolkata and Haldia through Bangladesh.
3. Indo-Myanmar Inland Waterway Collaboration: This project is integrated with the Kaladan Multi-Modal Transit Project.
4. Jogighopa Multimodal Terminal: This terminal is part of the Bharatmala and Sagarmala projects, which aim to combine road, rail, and river logistics.

• **Air Connectivity Initiatives:**

1. UDAN (Ude Desh ka Aam Nagrik) – Regional Connectivity Scheme to enhance regional air connectivity by making air travel more economical and accessible.
2. Development and Expansion of Airports
  - a. Guwahati (Lokpriya Gopinath Bordoloi International Airport)
  - b. Airports in Imphal, Agartala, Dibrugarh, Dimapur, and Shillong
  - c. Greenfield Airports
3. International Air Routes
  - a. Direct flights from Guwahati to Bangkok, Dhaka, Paro (Bhutan), Mandalay, and additional ASEAN locations are in planning or have commenced operations.

• **Rail Connectivity Initiatives:**

The aim is to establish a strong rail network that links remote northeastern states with the rest of India and ultimately connects them with neighboring countries like Myanmar, Bangladesh, Bhutan, and Thailand.

1. India-Myanmar Rail Link (Moreh–Kalay–Mandalay Project): The proposed initiative involves extending Indian railways from Imphal (Manipur) to Moreh on the India-Myanmar border and linking it to Kalay in Myanmar.
2. Agartala–Akhaura Rail Link (India–Bangladesh): Its purpose is to join Tripura’s capital city Agartala with Akhaura in Bangladesh, thereby improving cross-border trade, transit, and regional connectivity.
3. Jiribam–Imphal Line: This is a 111-kilometer railway line designed to connect Jiribam (Manipur) with Imphal, the capital of Manipur.
4. Sivok–Rangpo–Gangtok Railway Line (Sikkim): This strategic railway line connects Sivok (West Bengal) with Rangpo (Sikkim), with plans for a future extension to Gangtok.
5. Bhairabi–Sairang Line (Mizoram): This 51-kilometer railway line links Bhairabi with Sairang, located near Aizawl, Mizoram's capital. Its aim is to offer Mizoram direct rail access to other parts of India.

6. Dimapur–Kohima Line (Nagaland): This is an extension project for rail connectivity from Dimapur to Zubza, near Kohima. It will improve Nagaland's connectivity and access to economic hubs.

**Benefits to NER:**

- **Greater Connectivity:** The Act East Policy strongly focuses on improving connectivity with neighboring nations, especially Myanmar, Bangladesh, and Bhutan, to tap into the region's economic potential and encourage cross-border trade and investment. Initiatives like the India-Myanmar-Thailand Trilateral Highway, the Kaladan Multi-Modal Transit Transport Project, and the Bangladesh-Bhutan-India-Nepal (BBIN) Initiative are designed to develop integrated transport corridors that connect North East India with the broader East Asian region.
- **Economic Opportunities:** The Act East Policy presents significant economic opportunities for North East India by utilizing its strategic location and natural resources to enhance trade, investment, and economic collaboration with East Asian nations. The region's vast hydroelectric potential, fertile agricultural areas, and diverse biodiversity create enticing opportunities for investment in sectors like energy, agriculture, tourism, and manufacturing. Additionally, the Act East Policy aims to advance cross-border trade and investment through initiatives such as trade facilitation, tariff reductions, and the promotion of investment.
- **Social and Cultural Implications:** Beyond economic prospects, the Act East Policy carries important social and cultural consequences for North East India, encouraging increased exchanges among people, cultural diplomacy, and enhanced mutual understanding between India and East Asian nations. The region's rich cultural heritage, dynamic traditions, and ethnic variety create an excellent foundation for cultural interactions and exchanges with neighboring countries. Programs like cultural festivals, art exhibitions, and academic exchanges act as venues to highlight North East India's cultural wealth while fostering cultural diplomacy with East Asian countries.
- **Infrastructure Development:** The Act East Policy focusing on infrastructure development in North East India. Acknowledging the region's strategic role as India's entry point to East Asia, the government has introduced various programs to enhance both physical and digital connectivity, strengthen transportation networks, and encourage cross-border trade and investment. Infrastructure undertakings such as the Trans-Arunachal Highway, the East-West Corridor, and the Bogibeel Bridge have been initiated to boost road connectivity throughout the region and enable the smooth transit of goods and people.
- **Power Connectivity:** Electricity produced in the north-east can be transmitted to other parts of the country through networks that link up with Bangladesh by implementing energy cooperation initiatives. This will facilitate the eventual establishment of a BBIN Power Market that leverages the hydroelectric potential of the Himalayan region.
- **Education and Medical Hub:** The north-east is increasingly becoming a center for education and healthcare for the eastern region, allowing individuals from Bangladesh and Myanmar to access these services at a significantly lower cost than in Singapore or Thailand. Guwahati and Imphal offer medical services to patients from Bhutan, Bangladesh, and Myanmar.

**Challenges:**

- **Shortcomings in Infrastructure:** The North East region is lags behind other regions of India regarding infrastructure development, specifically in roads, railways, power, and telecommunications.

Insufficient infrastructure hampers economic growth, limits access to markets and services, and restricts investment and job opportunities.

- **Transnational Crime:** The inappropriate borders in the North East region enable various forms of transnational crime, such as the smuggling of arms, narcotics, and prohibited items, along with human trafficking and unauthorized migration. Insufficient border security and weak law enforcement capabilities worsen security issues, permitting criminal organizations to function unchecked across national boundaries. These unlawful activities put a risk border security, promote corruption, and threaten regional stability and development.
- **Insurgency Issue:** The region is facing a prolonged insurgency issue. Unless the challenges of insurgency and other ethnic demands are effectively addressed, and the area continues to be classified as a 'disturbed area' under AFSPA, the Northeast will struggle to provide a favorable environment for economic collaboration within the region.
- **Border conflicts and security issues:** The North East region of India borders several neighboring nations, such as China, Myanmar, Bangladesh, and Bhutan. Over time, these borders have been the center of disputes and tensions, often driven by historical claims to territory and unresolved boundary matters. These conflicts present significant obstacles to maintaining regional peace and stability.
- **Individuals have lack of knowledge about new schemes and potential opportunities for investment and employment.** This deficiency in information hinders the successful execution of any policy.
- **There exists a significant mistrust among the people in the Northeast concerning the intentions of both central and state agencies.** The cultural and social distinctions between the residents of the Northeastern states and those from the rest of India have led to both groups perceiving each other as disconnected from their respective interests.

### **Conclusion:**

The Act East Policy has become a crucial framework in India's foreign relations, profoundly affecting Northeast India, the Siliguri Corridor, and collaboration with ASEAN and BIMSTEC countries. Although the Act East Policy is ambitious and vital for regional collaboration, it faces significant structural, geopolitical, environmental, and logistical obstacles. The policy's success is compromised by shortcomings in implementation, external uncertainties, and a lack of alignment between strategic, economic, and environmental objectives. Therefore, there is a need for ongoing political dedication, coordinated policy initiatives, and proactive engagement with regional partners. As India advances its ACT East Policy, it is essential to be aware of the distinct socio-economic and security challenges confronting Northeast India and to adapt its strategies accordingly. By harnessing the region's unexplored potential and its geographical closeness to Southeast Asia, India can assume a pivotal role in shaping the Indo-Pacific's future while promoting inclusive and sustainable development in Northeast India. The ACT East Policy offers the prospect of a more promising and prosperous future for Northeast India, simultaneously aiding in enhancing regional cooperation and integration within the Indo-Pacific.

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