

**ACT EAST POLICY AND REGIONAL COOPERATION:  
PROSPECTS OF ECONOMIC DEVELOPMENT IN  
NORTH EAST REGION**

**Rita Tiga**

Assistant Professor Department of Political Science St. Xavier's College

Sonabheel, Tezpur

[ritztiga@gmail.com](mailto:ritztiga@gmail.com)

**ABSTRACT**

In the field of international relations, the sovereign countries try to maintain amicable relations with each other to protect own national interests. The policy makers of a sovereign country always try to fulfill its national interest by formulating foreign policies and maintain friendly relations with other sovereign countries. By doing so, the country try to gain their interest in different fields like, economic, political cultural defense and others. And India is no exception to it. Since the inception of India's Foreign Policy after independence of the nation, India has formulated different policies and programs to achieve its foreign policies and has been trying to establish sound relations with its neighbors. Policies of government, it may be domestic as well as foreign, always related to development agenda. India has adopted several policies to develop itself but most of the times, the North-Eastern region of the country which is connected to the mainstream Indian land via small Siliguri corridor, is left out from the development agenda. The entire North-Eastern region is economically less developed in comparison to the other states of India due to its geographical location and connectivity issue. To bring economic development to India alongwith the North-Eastern region, the government of India formulated Look East Policy in 1991 which was upgraded to Act East policy in the year 2014. In this paper, focus has been given to describe and analyse the factors of regional cooperation in developmental activities and the importance of Act East Policy for developing the North East region economically.

**Keywords: International, sovereign, region, amicable, foreign, defense, connectivity**

**INTRODUCTION:**

As a sovereign independent country India formulates its economic as well foreign policy of its own. The task of foreign policy formulation is imperative for India to maintain its relations with other nations for its development because India is dependent on various neighboring countries for its development. The term development basically associated with economic development. Since the inception of foreign policy, India has been adopting several foreign policies and changing its agenda from time to time and also focusing on regional co-operation. Here we can cite the example of Act East Policy, which came in 2014. Before discussing the Act East Policy; we should discuss the genesis of it and which was rooted in the Look East Policy of 1992.

In 1991, Indian foreign policy makers reevaluated the economic and foreign policy, which led to two major shifts in India's position towards its neighbors. First, India replaced its protectionist economic policy with a more liberal one, opening up to higher levels of trade and striving to expand regional markets. Second, under the leadership of PM P.V. Narasimha Rao, India tends to view South Asia and South East Asia as a possible allies in the field of economic as well as strategic partners. As a result, in 1991, Look East Policy was adopted by the Indian government to cultivate and strengthen economic and strategic relations with the South East Asia. India attempted to build up regional cooperation through the policy by reviewing political contacts with the ASEAN nations, by increasing interaction with South East Asia in terms of trade, investment, science and technology and tourism and by forging defense links with several countries of this region as a means to strengthen political understanding.

This policy continues until the formation of the NDA government in 2014. Under the leadership of PM Narendra Modi, Look East Policy was upgraded to Act East Policy at the East Asia Summit in Myanmar in 2014. The Act East Policy aimed at promoting economic cooperation, cultural ties, defense cooperation and develop a strategic relationship with countries in the Asia-Pacific region through continuous intensive engagement at bilateral, regional and multilateral levels thereby providing enhanced connectivity to the states of NE region with our neighboring countries. Act East Policy provides an interface between the North Eastern region of India and the ASEAN region via Connective diplomacy. It includes various plans of steady efforts to develop and strengthen connectivity of NE with the ASEAN region through trade, culture, people to people contacts and physical infrastructure.

**OBJECTIVES:**

1. To analyse the factors for regional cooperation in developmental activities of the country.
2. To study the causes for the inclusion of the North East region in Act East Policy for Economic Integration with the South East Asian Countries.
3. To analyse the Act East Policy as a prime government policy to bring economic development to the North East region.

**RESEARCH QUESTIONS:**

1. What are the factors for regional cooperation with the ASEAN Countries and other neighboring countries?
2. What are the causes of inclusion of the North-East region in Act East Policy?
3. What are the prospects of economic development in the North East region under Act East Policy?

**METHODOLOGY:**

This research work is both analytical as well as descriptive in nature. The required data, information, facts have been adopted from the secondary sources such as books ,newspaper articles ,journal articles, government reports, web sources and others.

**REGIONAL COOPERATION AND THE ASEAN**

With the ever increasing focus upon the international arena, the notion of regional cooperation is getting greater scope with the growing time. It is no longer considered as the weapon of the weak rather is becoming a strategic inclusion of all the nations of the world. Being an active actor of the international field, India is no exception to it. Engagement in the power politics game of the Asian pacific region elevated the need of Indian state to strive for attaining regional cooperation especially with the ASEAN countries. Efforts in the direction of building regional cooperation, has been made by the authority of the Indian nation in the name of effective policy formulation. Upgradation of Look east policy into Act East policy is a

significant step towards the goal of attaining regional cooperation with the ASEAN nations. Act east policy of the Indian government can be considered as an action plan for the said purpose. Involvement of India with the ASEAN countries is primarily influenced by two factors. One is the strategic substance and another one is the economic expansion. In regard to its strategic dimension, India along with the ASEAN nations are engaged in Preventive diplomacy to counterweight China's expansionist policy in the Asia Pacific region. The government of India is also looking forward the act east policy for creating an alternate link except than the Siliguri corridor via Bangladesh connecting the north east region with the mainstream land. For the purpose multi modal projects have been adopted by the authority to maintain connectivity with the ASEAN nations. The growing strategic partnership among these countries will ultimately result in the economic integration of India and ASEAN nations through trade, culture, science and technology and infrastructure building. For the desired goal of enhancing regional cooperation and economic integration, Indian government and the ASEAN countries are engaged in several forums such as BIMSTEC, Mekong Ganga Cooperation and East Asia Summit. India's participation at East Asia Summit aims at growing multi-faceted engagement with ASEAN for enhancing economic cooperation.

### **NORTH EAST REGION OF INDIA AND THE ACT EAST POLICY**

The North-Eastern region of India comprised of Arunachal Pradesh, Assam, Manipur, Mizoram, Nagaland, Tripura and Sikkim is considered to be a gateway to the East Asia because of its international border attribute. Therefore, the development of communication infrastructure of the northeastern region is very important. The geographical location, vast land border, sea links, rich and diversified nature and culture, mineral and agro-horticulture resources, agro climatic conditions of the region has helped in growing access to the markets of ASEAN (Association of South East Asian Nations) nations viz. Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam and other neighboring countries like Nepal, Bhutan and Bangladesh. The North Eastern region is comprised of 8% of total geographical area of the country and 4% of total population. Despite of having aforementioned advantages, people of this area are living with several challenges such as connectivity issue, unemployment, insurgency, poverty, natural disaster, lack of quality infrastructure and so on.

These reasons pose a great constraint towards economic growth nullifying its border advantage. But the region is important in terms of political, economic and security. Thus, deep engagement of this area in policy formulation and implementation is needed. The ministry of Development of North Eastern Region (DONER) was formed in the year 2001 keeping in mind the socio-economic development of the north east region. DONER acts as a facilitator between the Central Ministries and the state governments of the North Eastern Region in the economic development including removal of infrastructural bottlenecks, provision of basic minimum services, creating an environment for private investment and to remove impediments to lasting peace and security in the North Eastern Region. The Union Minister of State DONER ministry also urges the need of building effective connectivity in the north eastern region in the light of Act East Policy. The North Eastern Region serves as the sole channel of connectivity of the mainstream Indian State with the ASEAN countries.

### **SIGNIFICANCE OF THE ACT EAST POLICY IN THE NORTH EASTERN REGION TOWARDS DEVELOPMENT:**

The focus on the northeastern region of India is crucial for inclusive and balanced growth of the country and Act East Policy is crucial step in this direction. Act East Policy will play a very important role in bringing economic development to India in general and to northeast Indian states in particular.

The northeastern region of India will have opportunities and advantages in different fields from India's Act East Policy, such as economy, culture, politics, security and so on.

The region will be benefited from the economic integration with the ASEAN countries through Economic projects like Kaladan Multi Modal Projects and free trade agreement. While the ASEAN countries are leaders in manufacturing and India is a leader in service. Thus, both the ASEAN countries and India, specifically the northeastern region will be able to increase its trade via imports and exports of goods. It will also pave the way for creating markets and will facilitate an environment for investment and rapid industrialization in the region, and this will help in generating employment for the people. Ultimately it will help in eliminating poverty and insurgency problem in the region. This policy has tried to make North East India a trading hub.

Infrastructure connectivity projects like Urja Ganga project will connect North East Grid with National Grid. Moreover, connectivity of the northeastern region with the rest of the country will take place via East-West Corridor and NH 31 from Boxirhat (Assam Bengal Border). These two National Highways will adequately and efficiently connect all potential river routes through Brahmaputra. Other than these developments, some other significant projects have been undertaken by the government authority such as Agartala-Akhaura rail link between India and Bangladesh; Intermodal transport linkages and Inland water ways through Bangladesh and Road and Bridge projects and modernization of hydro-electric power project undertaken under India-Japan Act East Forum and so on.

The Act East Policy also focuses on increasing cultural ties between the Northeastern region to improve the ancient cultural relations between these two regions. India has historical connectivity with eastern region through the spread of Buddhist values in South East Asia. This cultural ties will help to boost up the tourism industry in the northeastern region, which is the home to different tourists destinations. Cultural similarities between the northeastern region and the ASEAN countries will enhance the scope of cultural and religious tourism and others in the region, which will create job opportunities and generate revenue. Further, the cultural ties will help to maintain people to people connectivity and promote regional peace.

The northeastern region has a strategic importance in the changing geopolitical scenario in which the significance of Indo-Pacific has been growing. The northeastern region is the key to connect with the region in the changing scenario. Moreover, the cooperation with other ASEAN neighboring countries will help India to solve the border disputes in the north eastern region with China.

### **CONCLUSIONS:**

Act East Policy is one of the major economic policies of Indian government engaged in solving domestic as well as international challenges. It has brought a ray of hope to India in general and the northeastern region specifically for vanishing the developmental issues. By being multidimensional in nature, it has given a new impetus to the developmental activities. This policy with its pragmatic action based approach has tried to renew the relations between India and the ASEAN nations. Through the establishment of physical connectivity, by applying connective diplomacy, this policy has been successful in maintaining continuous engagement at

bilateral, regional and multilateral levels between India and the neighboring countries. Since the Act East Policy aims at promoting economic cooperation, cultural ties and strategic relationship with Asia-Pacific region; different initiatives are at progress. So far, the vision of Indian government of forging domestic integration through regional connectivity and economic integration with the ASEAN countries has achieved to a large extent. India is now related with the ASEAN countries through different forums and working together to solve the common issues and trying to fulfill its national interest.

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