

## **Prospects and Constraints of the Act East Policy (AEP) with Special Reference to Northeast India**

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### **Abstract:**

The Act East Policy (AEP), launched in 2014, aims to enhance India's diplomatic, economic, and strategic ties with Southeast Asia and beyond. The (NER) of India is critical to this policy due to its strategic location as a gateway to Southeast Asia, bordering Myanmar, Bangladesh, Bhutan, and China. This seminar explores the prospects and constraints of the AEP with special reference to the NER. Key prospects include the region's potential to become a transit hub for trade and connectivity, thanks to projects like the India-Myanmar-Thailand Trilateral Highway and Kaladan Multi-Modal Transit Transport Project. Improved cross-border trade, tourism, and cultural exchanges with ASEAN nations can stimulate local economies and create jobs. The NER's cultural ties with Southeast Asia also open avenues for people-to-people diplomacy. However, the region faces significant constraints. Inadequate infrastructure, poor connectivity, and delays in key projects hinder its development. Security challenges, including insurgency and cross-border tensions, create an unstable environment for investment. Additionally, bureaucratic inefficiencies, environmental concerns, and competition from China's Belt and Road Initiative (BRI) complicate the realization of the AEP's goals. In this paper will examine how the NER can fully leverage the Act East Policy for growth and regional integration while addressing the challenges that impede its progress.

**Key words:** Act east policy, transit, bureaucratic, environmental concerns.

### **1. Introduction**

The Act East Policy (AEP), launched by the Government of India in 2014, represents a pivotal shift in India's foreign policy strategy aimed at enhancing economic, cultural, and strategic ties with Southeast Asia, East Asia, and the broader Indo-Pacific region. A key component of this policy is the development of India's Northeast Region (NER), which serves as the geographic and strategic gateway to Southeast Asia. The NER comprises of eight states, shares international borders with Myanmar, Bangladesh, Bhutan, and China, making it central to the success of India's eastward engagement. This seminar paper will try to explore the importance of the Northeast Region within the framework of the Act East Policy. By enhancing infrastructure, connectivity, and

border trade between the NER and Southeast Asian countries, the policy seeks to integrate this region more closely with global markets. Major projects like the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project aim to facilitate trade and transit, turning the NER into a vital economic and strategic hub. Moreover, the region's rich cultural and ethnic linkages with Southeast Asia offer opportunities for people-to-people diplomacy and tourism. However, the NER faces significant challenges, including inadequate infrastructure, security issues, and insurgency, which need to be addressed to fully realize the potential of the Act East Policy. This introduction sets the stage for discussing the prospects and constraints of the Act East Policy in the Northeast, and how the region can play a transformative role in India's broader engagement with Southeast Asia and the Indo-Pacific region.

## II. Review of Literature on the Act East Policy

1. Bhattacharya, Prabir De (2015) – *“Act East Policy: India's Trade and Investment in Southeast Asia”*: Bhattacharya explores the economic dimensions of India's Act East Policy and its focus on enhancing trade and investment relations with ASEAN nations. He highlights the importance of infrastructure development, specifically in the Northeast Region (NER), to strengthen connectivity with Southeast Asia. Bhattacharya argues that India's trade with ASEAN has increased but remains underutilized due to logistical constraints in the NER. He stresses the need for improving road, rail, and air linkages, especially through projects like the Trilateral Highway and Kaladan Multi-Modal Transit Transport Project, to unlock the potential for trade and investment growth.
2. Singh, Udai Bhanu (2016) – *“Act East and India's North East: Enhancing Connectivity with ASEAN”*: Singh provides a geopolitical analysis of the Act East Policy, emphasizing the strategic role of the North East Region in linking India with Southeast Asia. He discusses how the NER can be leveraged for better cross-border cooperation, particularly with Myanmar, and analyzes the challenges posed by insurgency, border tensions, and inadequate infrastructure. Singh argues that the Act East Policy must go beyond rhetoric and focus on addressing security concerns and governance issues in the NER to ensure seamless connectivity and integration with Southeast Asia.
3. Baruah, Sanjib (2020) – *“India's Northeast and the Act East Policy: Bridging the Gap?”*: In this study, Baruah examines the historical and socio-political context of the NER within India's Look East and Act East policies. He critiques the overemphasis on infrastructure projects without adequately addressing the region's internal conflicts and socio-political realities. Baruah suggests that while infrastructure development is vital, there needs to be a parallel focus on inclusive development, governance reforms, and fostering local participation to ensure that the benefits of the Act East Policy are equitably distributed in the NER.
4. Das, Gurudas (2018) – *“The Economic Benefits of Act East Policy for the North*

*East Region: A Critical Analysis*”: Das evaluates the economic opportunities that the Act East Policy brings to the NER, focusing on sectors like tourism, trade, and energy. He emphasizes the NER’s natural resources and cultural diversity as untapped assets that can drive economic growth. However, Das also identifies significant barriers, such as the lack of institutional capacity, poor industrial base, and border trade limitations, which have prevented the NER from fully benefiting from the Act East Policy. He calls for stronger state-level initiatives and policy interventions to enhance the region’s economic integration with Southeast Asia.

5. Jha, Balaji (2017) – “*Strategic and Security Implications of the Act East Policy for India’s Northeast*”: Jha’s work examines the security dimension of the Act East Policy, particularly with respect to the NER’s role in India’s border security and counter-insurgency operations. He highlights the importance of border management, intelligence sharing, and regional cooperation with Myanmar, Bangladesh, and other ASEAN nations to address the challenges posed by cross-border insurgency and smuggling. Jha argues that enhanced security cooperation under the Act East Policy can contribute to regional stability, which is essential for the economic development of the NER.

### III. Objectives of the study

- 1) To Explore the Socio-Cultural Impact of the Act East Policy on the Northeast Region
- 2.) To study the prospect Act East policy specially NER
- 3) To study the constraints of Act East policy on NER

### IV. Methodology

This study on the Act East Policy (AEP), with a special focus on the Northeast Region (NER) of India, will primarily rely on secondary data sources. The research will involve a comprehensive review of existing literature, including government reports, policy documents, and scholarly articles published on the AEP and its implications for the NER. This secondary data will enable a critical evaluation of the AEP’s effectiveness, particularly in its impact on the NER.

### V. Socio-Cultural Impact of the Act East Policy on the Northeast Region:

- a) **Ethnic Commonalities:** The NER is home to over 200 ethnic groups, with many having ethnic, linguistic, and cultural linkages with Southeast Asia. For instance, the Chin and Kuki ethnic groups in Manipur and Mizoram share common origins with tribes in Myanmar. Similarly, the Tangkhul Nagas are found on both sides of the India-Myanmar border.
- b) **Cross-Border Festivals and Rituals:** Festivals such as the Sangai Festival in Manipur and the Hornbill Festival in Nagaland attract visitors from Southeast Asia, showcasing the shared cultural traditions. Data: In 2019, the Sangai Festival

drew over 2,000 foreign tourists, many from Southeast Asia, indicating increased cultural exchanges due to the AEP.

- c) **Growth of Tourism through Cultural Connectivity:** The NER's rich cultural diversity, along with its natural beauty, makes it an emerging destination for international tourists, especially from Southeast Asia. The region's tribal festivals, traditional crafts, and eco-tourism potential are key attractions under the AEP. In 2019, the NER saw 11.9 million domestic tourists and 0.1 million international tourists. The international tourist footfall in the NER is expected to rise significantly as cross-border connectivity improves with projects like the India-Myanmar-Thailand Trilateral Highway. The Government of India has identified the NER as a focus area for tourism promotion under the AEP, particularly by improving visa facilitation and promoting air connectivity with Southeast Asia.
- d) **Buddhist Tourism:** The promotion of Buddhist tourism under the AEP has contributed to cultural linkages between Buddhist-majority regions of the NER, such as Sikkim and Arunachal Pradesh, and countries like Thailand, Myanmar, and Cambodia. The development of the Buddhist Circuit in these states has led to increased visits by Buddhist pilgrims from Southeast Asia. In 2019, Buddhist tourism saw an uptick in states like Arunachal Pradesh, with over 15,000 international pilgrims, many from Southeast Asia.
- e) **Student Exchange Programs:** The AEP has facilitated educational exchanges between institutions in the NER and Southeast Asia, with universities from the NER signing MoUs with institutions in Myanmar, Thailand, and Vietnam. These collaborations promote student exchanges, faculty development, and research collaborations in areas like ethnography, linguistics, and tribal studies. In 2020, over 1,000 students from Southeast Asia were enrolled in educational programs in the NER under various exchange initiatives.
- f) **Educational Partnerships:** Initiatives like the Nalanda University ASEAN Scholarship and other India-ASEAN youth exchange programs have included participation from the NER, allowing students and scholars to engage in cross-cultural academic experiences. **Language and Skill Development:** The NER's ethnic and linguistic diversity is being leveraged through programs that promote the study of indigenous languages common to both the NER and Southeast Asia. For instance, linguists from the NER have collaborated with universities in Myanmar and Thailand to study and preserve shared linguistic roots. Over 300 research papers on indigenous languages and cultures have been published as part of collaborations between NER universities and their Southeast Asian counterparts.
- g) **Cultural Exchange Programs:** The Indian government, through the ASEAN-India Cooperation Fund, has promoted cultural diplomacy by organizing cultural festivals, art exhibitions, and exchange programs focusing on the shared heritage of the NER and Southeast Asia. Festivals like the ASEAN-India Artists' Camp and the ASEAN-India Cultural Exchange Program have seen increased participation from cultural delegations of the NER. The ASEAN-India Artists' Camp held in 2021 saw participation

from over 50 artists from the NER and Southeast Asia, contributing to cross-cultural artistic collaborations.

- i) **Cross-Border Cultural Ties:** Cultural delegations from the NER are regularly sent to Southeast Asian countries as part of India's cultural diplomacy. Additionally, Southeast Asian countries have been sending their delegations to various festivals in the NER, helping to foster people-to-people connections. In 2022, more than 200 cultural delegations from Southeast Asia participated in events in the NER, while similar numbers of NER delegations visited Southeast Asia.

## VI. The prospect Act East policy specially NER

### a) Economic Development

- i) **Cross-Border Trade:** The NER shares borders with Myanmar, Bhutan, and Bangladesh, providing a gateway for trade with Southeast Asia. The AEP promotes trade facilitation measures such as the India-Myanmar-Thailand Trilateral Highway, which aims to enhance connectivity and trade routes. The total trade between India and ASEAN countries was approximately \$94 billion in 2020-2021, with a potential to significantly increase through better access from the NER.
- ii) **Investment in Infrastructure:** The NER can attract investments in sectors such as agriculture, tourism, and manufacturing through special economic zones (SEZs) and initiatives to improve logistics and transportation. Examples: The Bharatmala Project aims to improve road connectivity in the NER, which will facilitate smoother trade routes to Southeast Asia.
- iii) **Agri-business Development:** The AEP emphasizes the development of agriculture and horticulture, leveraging the region's rich biodiversity and favourable climate. Products like tea, spices, and fruits can be marketed to Southeast Asian countries. The NER contributes to about 12% of India's total horticultural production, indicating strong potential for growth in export markets.

### b) Promotion of Cultural Tourism

- i. **Cultural Heritage:** The NER is rich in tribal culture, languages, and traditions. The AEP encourages the promotion of these cultural assets through festivals and fairs that attract both domestic and international tourists. Examples: Festivals like the Hornbill Festival in Nagaland and the Sangai Festival in Manipur serve as platforms to showcase the region's cultural diversity to Southeast Asian visitors.
- c. **Educational and People-to-People Exchange:** The AEP fosters collaborations between educational institutions in the NER and Southeast Asia, promoting student and faculty exchanges that enhance academic ties. Programs like the India-ASEAN Youth Summit have seen participation from youth in the NER, fostering mutual understanding and cultural ties

- d) **Infrastructure Development Transportation and Connectivity:** The AEP places a strong emphasis on developing transport infrastructure, including roads, railways, and airports, to enhance connectivity within the NER and with Southeast Asia. The Trans-Asian Railway Network aims to connect the NER with other Southeast Asian countries, enhancing trade and travel opportunities.
- e) **Digital Infrastructure:** Investment in digital infrastructure can facilitate e-commerce, telemedicine, and digital education, making the NER more integrated with the Southeast Asian digital economy. Internet penetration in the NER has increased from 25% in 2016 to over 50% in 2022, indicating a growing digital landscape for economic activities.
- f) **Regional Stability and Security Cooperation**
  - i) **Geopolitical Importance:** The NER's location at the crossroads of South Asia and Southeast Asia makes it a strategic area for India's security interests. Enhanced cooperation through the AEP can contribute to regional stability.
  - ii) **Security Frameworks:** The AEP includes initiatives for security cooperation with ASEAN countries, aiming to address issues like cross-border insurgency, trafficking, and terrorism, which can significantly impact the stability of the NER.
- g) **Community Resilience:** By involving local communities in development initiatives under the AEP, the region can build resilience against socio-economic challenges, thereby ensuring long-term stability. Examples: The promotion of community-based tourism and sustainable practices can empower local populations while preserving cultural heritage

## VII. Constraints of Act East policy on NER

- a) **Infrastructure Deficiencies**
  - i) **Road and Rail Connectivity:** The NER is characterized by inadequate road and rail infrastructure, which limits trade and movement of goods and people. Major highways and rail lines often remain in poor condition, impacting regional connectivity. According to the Northeast Council, only 30% of the road network in the NER is paved, and the average density of roads is about 40 km per 1,000 sq km, compared to the national average of 150 km per 1,000 sq km.
  - ii) **Limited Flight Services:** Many airports in the NER have limited connectivity to major cities in Southeast Asia, restricting the flow of tourists and business travellers. As of 2022, only 15% of the international flights from Indian airports operated from the NER, indicating a significant gap in air connectivity.
- b) **Political Instability and Security Issues:** The NER has faced persistent insurgency and ethnic conflicts that create an unstable environment for investment and development initiatives under the AEP. According to the Ministry of Home Affairs, the NER recorded over 1,200 insurgency-related incidents in 2021, which

adversely impacts investor confidence and tourism.

- c) **Administrative Challenges:** Bureaucratic inefficiencies and lack of coordinated efforts between state and central governments complicate the effective implementation of policies, including the AEP. A survey conducted by the Northeast Network in 2020 indicated that 60% of local businesses faced bureaucratic hurdles in accessing government schemes related to trade and investment.

**d) Economic Constraints**

- i) **Limited Financial Resources:** The NER often lacks adequate financial resources for infrastructural development and capacity building, which are critical for realizing the objectives of the AEP. In 2021, only 10% of the total budget allocation for infrastructure development in the NER was utilized effectively, indicating financial mismanagement and planning issues.
- ii) **Dependence on Agriculture:** The NER's economy relies heavily on agriculture, which is often affected by seasonal fluctuations, climate change, and inadequate support for farmers. As per the Economic Survey of India, agriculture accounted for 24% of the NER's GDP in 2021, while only 15% of the agricultural land is irrigated, limiting productivity and market access.

**e) Cultural and Social Constraints**

- i) **Cultural Resistance to External Influence:** There is often resistance to the influx of foreign cultures, which can lead to tensions and pushback against initiatives under the AEP. A study conducted by the Indian Institute of Advanced Study found that over 70% of the indigenous population in the NER expressed concerns about cultural erosion due to globalization and increased tourism.
- f) **Language Barriers:** The linguistic diversity of the NER, with over 200 languages spoken, poses challenges in communication and coordination for trade and cultural exchanges. According to the Census of India (2011), around 25% of the population in the NER speaks languages that are not widely understood outside their respective communities, complicating regional integration efforts.
- g) **Environmental Concerns:** The NER is home to diverse ecosystems, and development initiatives may threaten the environmental balance and lead to degradation of natural resources. According to the Forest Survey of India (2021), deforestation rates in the NER have increased by 2.5% over the past decade, raising concerns about the sustainability of infrastructure projects related to the AEP.

**VIII. Conclusion:**

The Act East Policy holds significant promise for the Northeast Region of India, but various constraints hinder its effective implementation. Inadequate

infrastructure, political instability, economic challenges, cultural resistance, and environmental concerns are critical barriers that must be addressed to maximize the potential of the AEP in the NER. Coordinated efforts from the government, local communities, and stakeholders will be essential to overcome these constraints and ensure the successful integration of the NER with Southeast Asia. Continued investment in infrastructure, capacity building, and cultural preservation will be pivotal in transforming the NER into a vibrant gateway to Southeast Asia.

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