



India's Act East Policy and its Impact on Assam: A Conceptual Study

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ABSTRACT

India's Act East Policy (AEP), launched in 2014 as an upgraded version of the Look East Policy, aims to strengthen ties with Southeast and East Asian countries. Assam, situated at the heart of India's Northeast, plays a pivotal role in the success of this policy due to its strategic location, rich cultural heritage, and economic potential. This paper examines the goals of the Act East Policy and provides a detailed analysis of its impact on Assam, considering infrastructural development, trade, security, cultural exchange, and regional integration. It also identifies challenges that hinder the realization of the policy's full potential and suggests strategic recommendations.

Keywords: Act East Policy, Development, Strategic, Global, Tourism.

Introduction

The collapse of the Soviet Union in 1991 led to a global economic shift, with the United States emerging as a dominant power. India responded by embracing economic globalization through the launch of the Look East Policy under Prime Minister P. V. Narasimha Rao in 1991, aimed at strengthening economic ties with neighboring and ASEAN countries. In 2008, the North Eastern Region (NER), including Assam, was integrated into this policy through the NER Vision Document 2020.

Under Prime Minister Narendra Modi in 2014, the policy was rebranded as the Act East Policy, receiving renewed focus. The NER, especially Assam, has since been positioned as a strategic bridge connecting India with ASEAN nations, Japan, South Korea, and Australia. Given its geographic proximity and historical trade routes—such as the Stilwell Road linking Assam to China's Yunnan province via Myanmar—the region holds significant potential for enhancing connectivity and economic integration with Southeast Asia.

India's Northeast region has long been marginalized in national development discourse, often considered a periphery in both geographic and policy terms. However, the launch of the Act East Policy in 2014 marked a strategic shift, positioning the region—especially Assam—as a critical corridor for India's engagement with ASEAN and East Asian nations. Assam shares borders with Bhutan and Bangladesh and is proximate to Myanmar and China. Its unique geostrategic location positions it as a gateway for India's engagement with Southeast Asia through the India-Myanmar-Thailand Trilateral Highway and Kaladan Multimodal Transit Transport Project.

Review of Literature

Rajiv Sikri (2009) describes that economic, Strategic, and domestic consideration has led India to pay greater attention to its eastern neighbors since the 1990s. India's steadily growing ties with East and South Asian countries have become an increasingly important element of India's foreign policy. India is working with these countries bilaterally as well as through regional frameworks like the EAS, ASEM, and ASEAN, and sub-regional organizations like BIMSTEC and Mekong-Ganga Cooperation. The main driver remains economic, and India has many ongoing and planned FTAs with the countries of this region of late, defence and security ties to have grown. However, India's relations with China remain tense and troubled, with persisting differences over the border, Tibet, and China's patronage of India's South Asian neighbors, particularly Pakistan. Asia's major player will have to overcome internal rivalries and consciously evolve a cooperative paradigm for Asia security and cooperation to enable Asia to play a leading global role.

Javid Ahmad Mir (2017) in his study points out that the look East Policy has emerged as an important foreign policy initiative of India in the post-Cold War period. It was launched in 1991 by the then Rao

government with the aim of developing political contacts, increasing economic integration and foreign security cooperation with countries of South East Asia. The policy marked a shift in India's perspective of the world, where the strategic and economic importance of South East Asia to India's national interest is being recognized.

Sanghamitra Kalita (2018) in the study discussed the Look East Policy is pivotal in India's effort towards globalization and economic reform agenda, which was launched in 1991. It is an important foreign policy initiative with respect to South East Asian countries and under the regime of Narendra Modi which came to power in 2014, the policy received immense priority. Terming it Act East, India was able to sense the change in the locus of the world economic power from the west to the east as necessitated by the evolving geo-politics and trends in the Asia-Pacific. In context on India's growing and evolving relations with South East Asia, it is but inevitable that its North Eastern region would be the fulcrum of the overall Look East Policy given its geographic proximity and socio-cultural and historic ties with the South East Asia region.

Pema Tseten Lachungpa (2018) in the study points out that India has been working progressively to not only 'Look' at its eastern neighbors but also to 'Act' dynamically. As such the Act East set a new imperative from its predecessor, the Look East in promoting India's interests in the realm of strategic, security, economic and cultural spheres in the region and beyond. In this perspective, North East Region provides the crucial meaning to the Act East as it serves the only physical gateway to Southeast Asian states. However, within this context there emerge many challenges that cripple the very progress of the policy in building closer relationships with India's partners. The article examines the progress of India's Look East to Act-East and the role that North East can play a significant part in it. The paper shall also look into the challenges and obstacles that emerge in the North East Region that paralyzes the flow of the policy.

Chiranjeeb Biswas (2019) in his study signifies that Assam holds significant promise under the Act East Policy, success depends on coordinated efforts in infrastructure, investment facilitation, tourism promotion, and rural development, all of which require sustained policy focus and implementation efficiency.

Objectives of the study

1. To study the different prospects of Act East policy from the point of Assam.
2. To study the favorable outcomes of Act East policy from the point of Assam.

Prospects of the Act East Policy in Assam

The Act East Policy envisions strengthening India's engagement with Southeast Asian and East Asian nations, and Assam—being the gateway to the North Eastern Region (NER)—emerges as a strategic fulcrum for this policy's implementation. Assam holds immense economic, cultural, and geopolitical potential, which, if harnessed effectively, can transform not only the state but also the wider Northeastern region into a powerful economic corridor linking India with ASEAN countries.

Strategic Location and Connectivity

Assam's geographic location places it at the heart of India's connectivity vision. As the central state of the NER and the entry point for any infrastructural development project connecting Southeast Asia (via Myanmar) with India, Assam holds a key position in linking ASEAN with the Indian mainland. Assam is directly linked to South Asia and Southeast Asia through road and potential railway corridors (e.g., the Stilwell Road and India-Myanmar-Thailand Trilateral Highway). The development of roads, bridges, and trade routes under the Act East Policy is already showing multiple effects:

- Employment generation in construction.
- Economic benefits for local businesses.
- Improved market access for rural producers and farmers in remote areas.

Natural Resource Utilization

Assam is rich in natural resources, including Petroleum and natural gas (accounting for ~15% of India's crude oil and 50% of natural gas production), Forests, biodiversity, water bodies, and fertile land and a variety of agricultural and horticultural products suitable for agro-based industries.

However, poor infrastructure, inadequate investment, and lack of value-addition industries mean that these resources remain underutilized. The Look East/Act East Policy offers an opportunity to:

- Mobilize and channel these resources effectively.
- Invite foreign direct investment (FDI), especially from ASEAN countries in oil exploration, gas technology, agro-processing, and environment-friendly industries.

Cultural and People-to-People Exchange

Assam, with its rich cultural diversity—tribes, languages, customs, and festivals—shares historical and cultural ties with several Southeast Asian regions. The Look East Policy can revive and promote cultural diplomacy, helping:

- Exchange cultural practices, traditional knowledge, and heritage.
- Build soft power through tourism, educational collaboration, and art.

Tourism Development

Assam is blessed with exceptional natural and cultural tourism assets:

- Natural attractions: Brahmaputra river, blue hills, tea gardens, lush valleys.
- Wildlife: Kaziranga National Park (home to the one-horned rhino), Manas, Dibru-Saikhowa.
- Cultural and religious sites: Kamakhya Temple, Umananda Temple.
- Festivals and traditions unique to the Assamese culture.

In 2017, over 6 million tourists visited Assam—a significant number, with the potential for further growth. To unlock this sector's potentials Assam must enhance rural tourism infrastructure, particularly to empower women entrepreneurs, Focus on eco-tourism, spiritual tourism, and cultural circuits linked with Southeast Asian religious heritage (e.g., Buddhism) and Active participation in tourism expos and fairs such as TTF, IITF, Surajkund Mela can increase visibility and attract investment. Tourism development also supports local crafts, hospitality, and transportation services, creating a multiplier effect on the state's economy.

Industrial Growth and Gas Exploration

The natural gas reserves of Assam represent a strategic sector for ASEAN investment. Countries like Thailand, Vietnam, and Malaysia, with advanced technologies in offshore and onshore gas extraction, could be invited for:

- Joint ventures in gas and oil.
- Technology transfer in environmentally sustainable methods.
- Setting up of refineries and petrochemical plants.

Assam's existing industrial zones can be expanded with government support to facilitate industrial growth linked to energy, petrochemicals, and renewable energy.

Favorable Outcomes of the Act East Policy in Assam

The implementation of the Act East Policy has yielded significant positive outcomes for the state of Assam, transforming it into a key strategic and economic hub in the Northeast region of India. Notable achievements include:

- 1. Increased Foreign Investments:** Active engagement with ASEAN countries has led to investment inflows from nations such as Thailand and Singapore, enhancing the state's industrial and economic landscape.
- 2. Dedicated Institutional Mechanisms:** The Assam government has proposed the establishment of a dedicated department to manage Act East-related initiatives and facilitate stronger ties with Southeast Asian nations.
- 3. World Trade Centre in Guwahati:** Plans to set up a World Trade Centre in Guwahati, equipped with domestic offices and banks, aim to strengthen Assam's role in international trade.
- 4. Policy Support for Industry and Investment:** Adoption of policies such as the North East Industrial Investment Promotion Policy and provision of fiscal incentives and concessions have created a favorable business climate for investors.
- 5. Leadership in Sericulture:** Assam continues to dominate globally in Muga silk production (95% of global output) and significantly contributes to Eri silk production, making it a global leader in the silk industry.
- 6. Air Connectivity Expansion:** Assam has improved air connectivity with international routes, including new flights from Dhaka and Bangkok to Guwahati, and announced plans for new airports in Ledo and Rupsi, aiming to connect with six countries.
- 7. Strategic Infrastructure Development:**
 - Reopening of the Stillwell Road linking Assam to China via Myanmar is underway, which will significantly enhance regional trade.
 - Upgrades to major national highways such as NH-153, NH-38, and NH-37 are being undertaken, facilitating improved trade routes to Bangladesh and Southeast Asia.
- 8. Enhanced Trade Routes with Bangladesh:** Development of three major road corridors connecting Guwahati to Dhaka (via Sylhet and other towns) provides strategic access to Bangladeshi markets, promoting regional commerce.
- 9. Gateway to Southeast Asia:** Assam's geographic location positions it as a gateway to an 800-million-strong market in Southeast Asia, making it a crucial node for cross-border economic activities.

Conclusion

The Act East Policy has emerged as a pivotal strategic and economic initiative that has significantly influenced the developmental trajectory of Assam. By transforming the state from a peripheral frontier into a gateway to Southeast Asia, the policy has brought new opportunities for trade, investment, infrastructure development, and international cooperation.

Assam's strategic location, abundant natural resources, and cultural connectivity with ASEAN countries have been effectively leveraged under this policy. The government's proactive efforts—such as enhancing air and road connectivity, establishing the World Trade Centre in Guwahati, and promoting industrial investment—are gradually turning Assam into a regional hub for commerce and diplomacy.

Moreover, Assam's traditional strengths, including its dominance in Muga and Eri silk production, are gaining international recognition, further boosting the local economy and employment. The improved connectivity with neighboring countries, especially Bangladesh, Myanmar, and Thailand, has created new corridors of economic and people-to-people exchange.

While the outcomes so far are promising, continued commitment to infrastructure development, policy consistency, and regional cooperation is essential for sustaining the momentum. In essence, the Act East Policy has not only strengthened Assam's economic profile but also enhanced its strategic relevance in India's engagement with Southeast Asia, setting the foundation for a more prosperous and globally integrated Northeast India.

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