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## Three Decades of Look East/Act policy Where does Northeast India stand?

### Introduction

Partition of the country critically ruptured the traditional trade and transport links of Northeast India. It left the region landlocked and isolated with only a narrow corridor as a link with the rest of the country. The region came to be surrounded by foreign countries. That gave it a strategic importance. The strategic concerns came largely to govern the Government of India's development initiatives for the geographically isolated region. Look East policy articulated in 1994 by then Prime Minister, Narasimha Rao looked like opening up a new vista for development of the region. It had provided for the first time a development framework for the region: Northeast to get closely linked economically with the Southeast Asia and politically integrated with India. However, it was almost a decade later (2003) that the Look East policy explicitly sought to link the economic interests of the Northeast region with the economically dynamic Southeast Asia and envisaged the region as the gateway and an economic bridgehead to East and Southeast Asia. The Vision NER: 2020 released by the Ministry of DONER in October 2007 saw the 'Look East Policy' as the way "to break the fetters of the geo-political isolation".

A quarter century has elapsed since the articulation of 'Look East– later Act East Policy'. This paper is an attempt to understand how far this policy had reaped in terms of linking the Northeast with the Southeast Asia as also in terms of the preparedness of the region to benefit from this new development paradigm. The paper is divided into six sections. The first section gives the historical evolution of the 'Look East Policy'. The second section contextualises Northeast India in 'Look East Policy'. The next section takes stock of the progress of linking Northeast India with Southeast Asia. The fourth brings out the broad features of Northeast economies. The fourth section discusses the initiatives to unify Northeast economies as a step towards benefitting from the possible integration of the region with Southeast Asia. The final section indicates where the Northeast India stands under this development perspective if and when the envisaged integration is materialized.

### I. Historical evolution of Look/Act East Policy

India's centrality in the Asian region had been well recognized by the British Colonial Powers. It was one of the crucial considerations for the East India Company to develop close trade ties since the Mughal period and subsequently to establish British rule by conquering the Mughal Empire.



India emerged as a major hub for expansion of British interest in China and Southeast Asia. The British Colonial power promoted trade interest with China broadly around tea, silk and opium, and Hong Kong became the major entrepot for trade with China.<sup>1</sup> Annexation of Assam in 1826, gave British Colonial powers the much-needed base for expanding its trade relation in Southeast Asia. Burma was annexed to its colony in 1886<sup>2</sup> after the three Anglo-Burma Wars (1825, 1852 and 1885). The British colonial power used Burma as a buffer zone between India and the rest of Asia. Recognising the strategic centrality of India in Asia it made India a colony of British Crown.<sup>3</sup> Thus, it sustained its dominance “east of Suez”. India's engagement with Southeast Asia and China in the post-independence period has to be construed keeping in view that colonial legacy often persisted in many subtle and diverse ways. This legacy alerts East Asian countries and other major powers to project and even exaggerate India's possible *expansionist* intents even if there may not be any evidence in its support.<sup>4</sup>

In the post-independence period, India recognized that her eastern neighbours constituted one of the priority areas of

engagement to work for Asian resurgence. Nehru as the architect of independent India's foreign policy articulated the rationale and significance of Asian resurgence in India's worldview.<sup>5</sup> Nehru articulated India's engagement with East and South East Asia keeping in view the similarity of historical experiences, cultural identity, economic interests and common strategic concerns. In fact, geography and culture were two important factors, which guided India's initial diplomatic relations in Asia. Accordingly, India called for decolonisation and development of Asian countries; Nehru hosted the Asian Relations Conference in New Delhi on 1947, and was the key person behind Bandung Conference held in 1949. India's call for Asia's resurgence, however, could not be sustained for lack of clear concrete goals and action points in the field of culture, commerce and economy. At another level, the cold war between USA and USSR divided the world into two camps. India tried to maintain its non-aligned status but her proximity to USSR, led to her alienation from Pakistan and several other Asian countries who were closer allies of USA. However, India developed and nurtured economic and cultural ties with Malaysia, Indonesia, Vietnam and Singapore.

It was since the mid-eighties following Rajiv

1. Singapore was a major base to regulate trade with Southeast Asia and British India.
2. Burma became an official colony on January 1, 1886. The British ruled Burma as a part of India from 1919 until 1937.
3. Braun, Dieter (1983), “*The Indian Ocean: Region of Conflict or Peace Indian Ocean*”, C. Hurst: London.
4. Muni, S.D. (2011), “*India's 'Look East' Policy: The Strategic Dimension*”, ISAS Working Paper, No. 121, 1 February 2011.
5. Ibid.



Gandhi, succeeding Indira Gandhi as Prime Minister in 1984 that India actively pursued to strengthen her relations with the countries in Southeast Asia. The Ministry of External Affairs (MEA) in its Annual Report for 1985-86 noted: *'There were hardly any high level contacts between India and ASEAN over the previous five years, but of late, a definite trend has emerged, which indicates that the ASEAN nations are interested in bringing bilateral relations back to the old level with the re-establishment of political dialogue'*.

The China factor (membership on the United Nation's Security Council and deference accorded by major States of the world like the United States) made it essential for India to look within Asia to gain its own ground as an Asian power.<sup>6</sup> This strategic drive for India's renewed engagement was also backed by economic interests as Indian economy was also gradually opening up. India's diplomatic initiatives were supported by Federation of Indian Chamber of Commerce and Industry (FICCI) by way of sending business delegation to ASEAN countries.

The global political development at the end of cold war following dissolution of USSR (December 26, 1991) required a pragmatic assessment and approach in India's Foreign Policy. The balance of payment (BOP) crisis also forced India to shelve its protective economic policies

and liberalize its economy. The eastern neighbours held out a promising area of engagement. The ASEAN, together with Japan, Korea and China was economically the fastest growing region not only in Asia but even globally.<sup>7</sup> Singapore became the focal point in India's overseas investment promotion tours undertaken by Indian Government in 1991. Singapore reciprocated and supported India's effort to join the ASEAN as a dialogue partner. India became a Sectoral Dialogue Partner of ASEAN in 1992; a full ASEAN Dialogue Partner in 1995; and a member of the ASEAN Regional Forum (ARF) in 1996.

The Indian Prime Minister Narasimha Rao during his September 1994 visit to Singapore delivered a lecture titled 'India and the Asia-Pacific: Forging a New Relationship' at the Institute for South Asian Studies Singapore (ISEAS). In this lecture, Prime Minister Rao emphasized India's eagerness to join the future development path in the Asia-Pacific region in the post-cold war period. It is this articulation which is referred as the India's 'Look East Policy'. This catch phrase appeared for the first time in official records of India in the Annual Report of MEA in 1995-96.

Subsequently, the then Prime Minister, A.B. Vajpayee reiterated India's engagement with ASEAN countries on economic and institutional relations while delivering the

7. Choudhury, Saswati (2004), "North east India and the Look East Policy: A Contextual Analysis", *Dialogue Quarterly*, VII/3, New Delhi, 2004.

8. Sarma, Atul & Saswati Choudhury (2018), "Towards a Perspective on Look (Act) East Policy and North East India", in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.



14<sup>th</sup> Singapore lecture in April, 2002. He stated that India being geographically in the immediate neighbourhood of ASEAN, the region was one of the focal points of India's foreign policy, strategic concerns and economic interests (ASEAN: 2002)<sup>8</sup>. Later, Prime Minister Manmohan Singh while delivering his keynote address at Special Leader's Dialogue of ASEAN Business Advisory Council in Kuala Lumpur, Malaysia in December 2005, stated that since 1992, the Government of India had launched 'Look East Policy' which marked a strategic shift in India's envisioned role in the changing global economic scenario and also an attempt to reach out to India's *civilisational neighbours* in South East and East Asia. India's engagement with her eastern neighbours has also been acknowledged by the ASEAN. During the fourth India-ASEAN summit<sup>9</sup> India's support to the CLMV countries (Cambodia, Laos, Myanmar, Vietnam) in areas of service sector viz. English language training, satellite based networking and telemedicine services besides super specialty health care facilities was highly appreciated.

The Indo-ASEAN relation received a major boost under the new regime led by Narendra Modi. At the 12<sup>th</sup> ASEAN-India Summit, Prime Minister, Narendra Modi declared that externally, India's Look East

Policy would be Act East Policy (AEP). He added that the regional engagement of India with the countries in this region would primarily focus on (1) market (liberalization of foreign trade, direct investment, capital accounts, and financial systems, etc.); (2) policy (inter governmental cooperation, development of common institutions, etc.); (3) geopolitics (relationships between political power and geographic space). The regional engagement would contribute to expansion not only of trade and investment frontier but also facilitate the flow of academic and scientific collaboration, technology sharing, service growth and institutional cooperation. He reiterated that along with physical connectivity, cultural and spiritual connectivity would strengthen the bonds between India and the ASEAN.

In area of trade, the India- ASEAN Free Trade Agreement (FTA) for Trade in Goods was signed in August 2009 and came into force in January 2010. The trade increased substantially from 56.23 billion USD in 2010-11 to 76.52 billion USD in 2014-15. The share of bilateral trade with ASEAN is almost 10 percent of India's total trade. Subsequently in November 2014, the India-ASEAN Agreement for trade in Services and India-ASEAN Agreement on investment were signed. It came into force with effect from 1st July, 2015. These agreements are expected to strengthen the business and commercial relations between ASEAN and India. What is more, there are

8. For more see: [https://asean.org/?static\\_post=india-s-perspective-on-asean-and-the-asia-pacific-region-addressed-by-he-shri-atal-bihari-vajpayee-prime-minister-of-india-annual-singapore-lecture-9-april-2002](https://asean.org/?static_post=india-s-perspective-on-asean-and-the-asia-pacific-region-addressed-by-he-shri-atal-bihari-vajpayee-prime-minister-of-india-annual-singapore-lecture-9-april-2002) , accessed on 19.05.2019

9. It was held at Kuala Lumpur in December 2005.



several other plans at bilateral and regional levels to develop and strengthen connectivity of Northeast with the ASEAN region through trade, culture, people-to-people contacts and physical infrastructure (road, airport, telecommunication, power, etc.). Some of the major projects include Kaladan Multi-Modal Transit Transport Project, the India-Myanmar-Thailand Trilateral Highway Project, Rhi-Tiddim Road Project, Border Haats, etc.

However, the point to note is that Indian leaders had spoken of Look or Act East Policy at different forums, but there does not exist yet any policy document which lays down the principles and the objectives of such a policy. The phrase is used to refer or broadly denote India's strategic (political, defence and economic) engagement with ASEAN and the Far Eastern countries (Japan, Australia and Korea). Most of the discussion on the relevance of India's Look/ Act East Policy for the Northeast India centres on opening land connection along the 1643 kilometre international border with Myanmar covering the four states of Mizoram, Manipur, Nagaland and Arunachal Pradesh. It is important to note that the Indo-Myanmar relation, will be largely influencing the pace and progress of such a project providing India access to

the vast landmass through its Northeast corridor.

Indo-Burma relationship in the post independence period remained cordial until the military coup in March 1962. The Sino-Burmese border agreement and the treaty of friendship signed in January 1960 also had repercussions on the Indo-Burma relation.<sup>10</sup>

The nationalization measures undertaken by the Military Junta in Burma in the early part of 1964, led to loss of property for the Indian businessmen and traders in Burma and no compensation was paid to them. Many Indians who wanted to leave Burma had no passage money nor did the Burmese government help them with any passage money. Those who managed to leave Burma were debarred from taking any material possessions. These developments strained Indo-Burma relation. China replaced India as the biggest importer of Burmese rice. To break through the deadlock, a new payment agreement between India and Burma was signed in 1974 which enabled trading of goods like cotton textiles, pharmaceuticals, and electrical hardware imports by Burma and urea and mineral ores by India. The Indo-Burma relation for almost a decade remained stagnant while Sino –Burmese cooperation progressed during the same period. The Indo-Myanmar relation reached its lowest ebb following India's open support to the pro-democracy upsurge in 1988.<sup>11</sup>

10. Choudhury, Saswati (2004), "North east India and the Look East Policy: A Contextual Analysis", *Dialogue Quarterly*, VII/3, New Delhi, 2004.

11. The Indian government's support to the pro-democracy upsurge in 1988 and joining the international fraternity led by USA in isolating Burmese military regime culminated in an all time low in the Indo-Myanmar relation. China's open support to the military junta forged a closer Sino-Burmese relation in political and economic domains. See Choudhury, Saswati (2004).



With India's new initiative in ASEAN and Southeast Asia in the 1980s, India began to engage with Military Junta in Myanmar (Burma renamed) since 1991-1992. There were possibly three reasons for this.<sup>12</sup> *First*, the raging insurgency issues in Northeast India required Myanmar's assistance to tackle this cross border problem; *second*, Indian Government wanted to counterbalance the growing Chinese influence in Myanmar which is situated along its eastern sector, since the Sino-Pak relation along its western border was a major source of discomfort and irritation; and *third*, India's search for new markets after the fall of USSR and the East Europe and the rapid expansion of globalization. India signed the border trade agreement with Myanmar in 1994. Road connectivity was opened in 1995 between Moreh a small town in the state of Manipur to Tamu in Myanmar's Sagaing division. In February 2001, the 144 kilometer Kalay-Kalaywa-Kyiong-Tamu road in Sagaing division of Myanmar which provides connectivity to central Myanmar was inaugurated. The road, which is called the 'Friendship Road', has been built by India and provides access from Indian border to Central Myanmar. Border trade marked the beginning of India's effort to engage with Southeast Asia through its Northeast

frontier.<sup>13</sup>

## II. Contextualising North East India in Look / Act East Policy

India's engagement with Southeast Asian countries since the early nineties also led many development experts to argue that Look East Policy would provide a new development perspective for landlocked Northeast region of India by placing it as a *gateway* to the dynamic East and Southeast Asian economies. Northeast India which stands as India's last mile post on Southeast Asian border shares certain commonalities in respect of economic and social features with Myanmar, the immediate neighbour in Southeast Asia. Recognizing the shared commonalities and the continental access, India built the Friendship road to Myanmar in 1996. The ASEAN Car rally was organized as part of the inauguration of the road. Nothing happened beyond opening of border trade points and carrying on bare minimum trade through the designated border trade points.

The border trade agreement provided for cross-border trade in twenty two products, mostly agricultural/primary commodities produced in India and Myanmar. This cross-border trade as observed by Prabhakara (2004),<sup>14</sup> 'is a feature of daily experience, indeed a necessary condition of the people's

12. Choudhury, Saswati (2004), "North east India and the Look East Policy: A Contextual Analysis", *Dialogue Quarterly*, VII/3, New Delhi.

13. The border trade sanctioned 22 articles for trading of which 12 were actually trades. It allows to sell local agricultural and horticultural products, spices, minor forest products (excluding timber), dairy and poultry products, cottage industry items, wooden furniture, handloom and handicraft items.

14. Prabhakara, M.S. (2004), "Is Northeast India landlocked?", *Economic and Political Weekly*, 39(42), 4606-4608.



existence on both sides of the border and such traffic goes on even in the obscure, almost invisible little settlements that dot the border'. It was believed by scholars that the geographical location and the historical and cultural affinities of the region with its neighbours across the borders with countries like China and Myanmar, Thailand can be taken advantage of as a 'soft power resource' to promote tourism and commercial exchange (Baruah, 2004).<sup>15</sup> India's Look East policy 'envisages the Northeast region not as the periphery of India, but as the centre of a thriving and integrated economic space linking two dynamic regions with a network of highways, railways, pipelines, transmission lines crisscrossing the region (Sikri: 2004).<sup>16</sup> The second phase of the Look East policy, that was launched in 2003 therefore sought to promote partnership with ASEAN countries integrally linked to the economic interests of the Northeast region, and the region is identified as the gateway and an economic bridgehead to East and Southeast Asia.<sup>17</sup> It was emphasized by the Ministry of External affairs (MEA) that an important plank of India's policy has been to work

towards economic development and integration of Northeast India with Western Myanmar by implementing mutually beneficial cross-border projects.<sup>18</sup>

The rationale behind this vision was that the land-locked Northeast will find wider market access with some of the fastest growing countries in South East Asia and this in turn would induce growth and development of the region. Three aspects of this policy have emerged over the years with respect to Northeast India and these are: connectivity and physical infrastructure to facilitate trade; trade and investment protocols and bi-lateral / multi-lateral relationships such as in tourism; and enhanced people to people interaction through sports, culture, academic and medical research etc. Focus on envisioning Northeast India's development within the aegis of Look East policy became more pronounced when North Eastern Council (NEC) under the Ministry of DONER developed the North East perspective to the Look (Act) East Policy in October 2007 and incorporated in the Vision NER: 2020 with the basic objective "to break the fetters of the geo-political isolation".

Literature on new economic geography and regional inequality (Krugman and Livas Elizondo, 1996; Fujita et al, 1999, Monfort

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- 15 Baruah, S. (2004) "Between South and Southeast Asia: Northeast India and the Look East Policy", *CENISEAS Paper No. 4*, OKDISCD, Guwahati.
  16. Sikri, Rajiv (2004), "Northeast India and India's Look East Policy", Lecture delivered at CENISEAS Forum, 'Towards a New Asia: Transnationalism and Northeast India', 10–11 September 2004.
  17. Year End Review 2004', Ministry of External Affairs, Government of India, New Delhi.
  18. Ministry of External Affairs, Annual Report, 2004-05.



and Ypersele, 2003; Bhattacharya et al., 2012)<sup>19</sup> have emphasized on the importance of overall quality of infrastructure. The expansion of connectivity infrastructure has been widely accepted by all the scholars as the basic criterion for promoting growth through trade and regional cooperation in developing regions. It is argued that good and efficient infrastructure services lower down transportation cost and create the momentum for linkages to global production network and supply chains and thus improve profitability gains. As pointed by Aung and Myint<sup>20</sup>, from the first century a trade route was operational from India to China across north central Burma down the Chindwin valley to Bhamo and the border of China. However, the difficult terrains restricted growth of land routes and maritime routes flourished.

At the 12th India-ASEAN Summit at Nay Pyi Taw, Myanmar,<sup>21</sup> Prime Minister Modi's declaration that 'India's Eastern journey begins on the Western boundary

of Myanmar' signifies the relevance of Northeast India as the gateway to Southeast Asia. His emphasis that 'externally Look East Policy has become Act East Policy' focuses not only on economic cooperation but more importantly on people-to people cooperation and strategic cooperation. It is within this new thrust of Act East Policy that the investments in connectivity infrastructure and business meets, cultural exchanges are witnessed in the region.

### III. Linking Northeast with Southeast Asia for Possible payoffs

Mapping an economic landscape with various economic agents of employment, production, and environmental space has become an important approach to development of a region and distribution of the benefits therefrom across the region. The idea of an economic corridor is embedded within the economic geography approach to development. However, an economic corridor is not merely a transport corridor along which goods and people move. They are an integral part of the economic fabric of a region/space where they function as part

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- 19.a. Krugman, P. and Livas Elizondo, R. (1996), "Trade Policy and the Third World Metropolis", *Journal of Development Economics*, 49(1): 137-150.
- b. Fujita, M, Krugman, P. and Anthony J. V. (1999), "*The Spatial Economy: Cities, Regions, and International Trade*", Cambridge, MA: MIT Press.
- c. Monfort, P. and van Ypersele, T. (2003), "Integration, Regional Agglomeration and International Trade", *CEPR Discussion Paper* #3752.
- d. Bhattacharya, B. N., Kawai, M. and Nag, R. M.(eds.), (2012), "*Infrastructure for Asian Connectivity*", A joint publication of the Asian Development Institute and Asian Development Bank with Edward Elgar Publishing, USA.
20. Zaw, Aung et. al. (2001), "*Challenges to Democratization in Burma: Perspectives on multilateral and bilateral responses*" Published by International Institute for Democracy and Electoral Assistance, Stockholm.
21. From the Opening statement of Narendra Modi on November 12, 2014 at the 12th India-ASEAN Summit at Nay Pyi Taw, Myanmar, Ministry of External Affairs



of integrated economic networks such as global and regional value chains and production networks.

There are now important lessons in corridor development from various parts of the world. The European Union's (EU) development of an internal market space shows the significant positive impact of regional integration of hitherto peripheral economic areas, as evident from the case study of the Baltic countries.<sup>22</sup> The development of economic corridors has improved transport links to remote and landlocked locations in the Greater Mekong Sub-region (GMS) and the region has been connected to the Asian value chain networks. The linkage into East Asian production networks has been facilitated by international shipping from the main ports located in the GMS and the land routes serve as feeder services from the production hubs located inland to the ports.

There is now an opportunity to fashion a roadmap for sustainable development in Northeast India including the design of economic corridors. Prime Minister Modi during his visit to Nagaland in 2014 described the Northeast as a “Natural Economic Zone. “While SEZs (Special

Economic Zone) in other parts of the country are man-made, he said, the Northeast is a natural economic zone (NEZ)”. He emphasized on the need to tap this capital of organic agriculture for the benefit of the region. Since Nagaland is “blessed with a rich bio-diversity and English-speaking young population,” the state could develop a tourist industry that draws on these strengths and “capture a part of the global IT outsourcing business”.<sup>23</sup> The surge in forging land routes in this sub-region between Northeast India and Southeast Asia therefore derives its strength from the Act East Policy of the Union Government.

Infrastructure development over the recent years has progressed at a fast pace largely because India felt the need to engage itself more with Myanmar. In fact Northeast India has become a focal point in India's foreign policy because it is believed that opening commercial linkages with ASEAN countries could resolve years of infrastructural neglect of the Northeast that fuelled discontent.<sup>24</sup> The strategic picture in the Asia-Pacific can directly or indirectly impact on the security situation in India's Northeast as the latter shares borders with Bangladesh, Myanmar and China and this would augur well for peace and economic development of the

22. Brunner, Hans-Peter (2013), “What is Economic Corridor Development and What Can It Achieve in Asia's Sub-regions?”, Working Paper Series on Regional Economic Integration No. 117, August 2013.

23. Talukdar, Sushanta (2014), “Northeast will be nurtured, says Modi” *The Hindu*, December 2, 2014.

24. Majumdar, Munmun (2018), “India's Act East Policy Begins in Myanmar”, in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.



Northeast India.<sup>25</sup> The *raison d'être* of engaging and opening the land frontier to Myanmar is essentially to replace India's security centric approach by smart border principle. But as long as the region remains unstable and basic political dilemmas are not resolved, smart border remains as a conceptual articulation only.<sup>26</sup>

A careful analysis of the development intervention in the region reveals two major shortfalls: one, over emphasis on security/strategic considerations rather than a development perspective and two, minimum intervention in the traditional systems and institutions of the hill economy, which contributed towards isolation and non-compatibility of the economy of the region with the growing penetration of market forces.<sup>27</sup> The precursor to this approach can be found in the five I's as argued by Atul Sarma.<sup>28</sup> 1. Initial conditions comprising of (i) disruption of traditional trade and transport links following partition (ii) population influx (iii) colonial pattern of harnessing its natural resources leading to an enclave economy and (iv) monopolistic operation of deeply entrenched trading

interests; 2. Infrastructure; 3. Insurgency; 4. Imperfection or distortion in factor and product markets and 5. Indifferent governance. All of these stood as binding constraints on the economic development of the region even at the end of more than six decades of planning.

The new initiatives and thrust during the current decade has moved away from some of these fetters and the region has seen improvement in its infrastructure development. The East-West (EW) Corridor is one of the GQ<sup>29</sup> projects, which connects Assam with Gujarat. The 3,300 km long four-lane divided highway between Silchar and Porbandar is the major connectivity link for the region developed since independence. The EW corridor forms a key part of the Indian highway network that connects many of its manufacturing and commercial hubs and also cultural centres.

The Trilateral Highway (TH) mooted at a Trilateral Ministerial meeting on transport linkages in Yangon in April 2002 is another major connectivity node for the region. This corridor would connect Moreh, (State of Manipur) in India to Mae Sot, (Tak Province) of Thailand via Myanmar. The 1360 km long

25. Devare, Sudhir (2018), "Look (Act) East Policy and Northeast India: Challenges and Opportunities in Building Strategic Partnerships-Way Forward" in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.

26. Majumdar, Munmun (2018), "India's Act East Policy Begins in Myanmar", in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.

27. Sarma, Atul (2018), "A Unified North-East Economy: Road to Gainful Economic Integration with South East Asia", in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.

28. Ibid.

29. India's national highways developed into four lanes connecting the major metropolitan cities of India, namely, Delhi, Mumbai, Chennai, and Kolkata, is known as the Golden Quadrilateral (GQ) project.



TH connects India with the ASEAN region through the land corridors of Northeast India and Southeast Asia. India is undertaking construction of two sections of the Trilateral Highway in Myanmar namely, (i) construction of 120.74 km Kalewa-Yagyi road section, and (ii) construction of 69 bridges along with the approach road on the 149.70 km Tamu-Kyigone-Kalewa (TKK) road section.<sup>30</sup> In order to make traffic movement free and easy, the Trilateral Motor Vehicle Agreement (MVA) is being negotiated. This Agreement will allow vehicles and passengers to move seamlessly for regional and international trade transportation purpose along the trilateral highway. MVA will provide the transit and transportation rights and obligations through Annexes and Protocols that would facilitate movement of cargo and passengers along the corridors such as operating procedures (OP) for vehicles, customs procedures, etc. and facilitation measures.<sup>31</sup> This Agreement therefore would play a pivotal

role in opening up the land corridor of India to Southeast through Northeast India using geography as an opportunity to assist Northeast India to come out from its state of remoteness and underdevelopment.<sup>32</sup> The third most important corridor link for Northeast India is the Kaladan Multi Modal Transit Project that had been jointly identified by India and Myanmar<sup>33</sup> for cargo movement from the eastern ports of India to Myanmar and to Mizoram in Northeast India through Myanmar. It would open connectivity between Indian ports and the Sittwe port in Myanmar and road and inland waterway connectivity from Sittwe to the states in Northeast India through Mizoram. The project anticipates cargo going to Northeast via road from rest of the India to be accumulated at Kolkata from where it is to be transported to Sittwe in sea-going vessels. There are two major components in the project- one, development of the port and IWT development between Sittwe and Kaletwa in Myanmar along Kaladan River, and second, building a 129 km highway from Kaletwa to the India–Myanmar border in

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30. Myanmar has completed the upgrading of the Yagyi to Monywa stretch of the highway. Tamu and Kalewa Friendship Road of 132 km has been constructed by India and handed over to Myanmar. India has also announced the extension of the Trilateral Highway to Cambodia, the Lao People's Democratic Republic (Lao PDR) and Viet Nam.
  31. De, Prabir, Sunetra Ghatak Durairaj, Kumarasamy (2018) *"Assessing Economic Impacts of Connectivity Corridors: An Empirical Investigation"*, RIS and AIC: New Delhi.
  32. Historical evidence clearly reveals that Burmese rice, teak and cigar were in high demand in pre-independent India and later in the post independence period till the early 1960's. In fact rice composed more than 80 percent of her imports from Burma during 1930s to 1950s.
  33. The Ministry of External Affairs (MEA), Government of India signed the Framework Agreement with Government of Myanmar in April 2008 to facilitate implementation of the Kaladan Multi-modal Transit Transport Project.



Mizoram.<sup>34</sup> The Framework Agreement and the Protocol on Transit Transport and Protocol on maintenance were signed by India and Myanmar on 2 April 2008.

The port town of Sittwe is about 539 km from Kolkata through sea route, while Paletwa is about 158 km upstream of Sittwe on the river Kaladan and is used for import of local consumer goods, beverages, onions and export of fish, prawns and rice products. The Paletwa facility is situated about 158 km upstream of Sittwe on the east bank of Kaladan River. The construction of Sittwe's seaport and the inland-water terminal in Paletwa has been completed. In April 2017, India handed over the operation of completed Sittwe port and Inland Water Terminal at Paletwa to Myanmar. In June 2017, India handed six gas tanker cargo vessels worth US\$81.29 million (K110.08 billion) to the Myanmar government to transport gas to Northeast India via Manipur.<sup>35</sup> Integrated Customs & Immigration Checkpost at Zorinpui in Lawngtlai district, is already operational since 2017.

The 100 km 4-lane Aizawal-Zurinpui highway within India and 2 km Zorinpui-Paletwa 2-lane highway within Myanmar

will be completed by the early part of 2020. The 90 km 2-lane route from Indo-Myanmar border at Zorinpui to Tuipang is almost complete. From Tuipang the national highway is being further upgraded from 2-lane to all-weather 4-lane from NH 54 Lawngtlai to Aizawl in Mizoram. Zokhawthar- Rikhwadar-Kalemyo Highway provides the second connectivity to India Myanmar Thailand Trilateral Highway. The Paletwa Chikha road also connects Paletwa to Zochachhuah in Lawngtlai district in Mizoram state in India and Kheman in Myanmar and Behiang border in Churachandpur district of Manipur in India. In early 2018, visa agreement was signed for citizens of India and Myanmar to travel by road for education, medical treatment, tourism and other purposes and this became operational since August 9, 2018. Indian and Myanmar citizens with valid passports can enter through the designated land border crossings at Moreh (in Manipur state) in India and Tamu (in Sagaing Division) in Myanmar and Zokhawthor (in Mizoram state) in India and Rikhwadar (In Chin State) of Myanmar.

The fourth corridor is the Bangladesh China India Myanmar (BCIM) corridor that is expected to boost connectivity of Northeast to Southeast Asia and forge strong cultural

34. The components of this project include (a) construction of an integrated Port and Inland Water Transport (IWT) terminal at Sittwe including dredging; (b) development of navigational channel along river Kaladan from Sittwe to Paletwa (158 km); (c) construction of an IWT — Highway transshipment terminal at Paletwa; (d) construction of six IWT barges (each with a capacity of 300 tonnes) for transportation of cargo between Sittwe and Paletwa; and (e) building a highway (109 km) from Paletwa to the India-Myanmar border (Zorinouri) in Mizoram. For details see Prabir De, RIS and AIC, 2018.

35. For more details see: [https://dir.md/wiki/Kaladan\\_Multi-Modal\\_Transit\\_Transport\\_Project?host](https://dir.md/wiki/Kaladan_Multi-Modal_Transit_Transport_Project?host)



relation among communities living across the two sides of the border. The corridor which is 2800 km long covers an estimated 440 million people of Yunnan Province in China, Bangladesh, Myanmar, and West Bengal and Northeast region in India. The corridor is a combination of road, rail, water and air linkages in the region. BCIM-Economic Corridor runs via Kolkata – Dhaka – Silchar – Imphal – Mandalay – Tengchong – Kunming. A large part of this route overlaps with the Trilateral Highway (TH), and follows AH-1 (Asian Highway) up to Mandalay and AH 14 from Mandalay to Kunming. The intra region road network among the major towns of Northeast would connect to the BCIM corridor.

While development experts and economists tend to focus on changes in key economic variables (forexample, welfare, exports, price changes, or consumption) when assessing the economic implications of integration through corridor developments, for policy makers and people in general there are many more aspects that need to be taken into account from a social perspective.<sup>36</sup> In fact, social and political dimensions of these developments often

are more important than the economic effects and many Free Trade Agreements exist that have important political implications but very little to do with economics, and virtually no FTA exists solely for economic reasons.<sup>37</sup> The corridor developments through Northeast India with Southeast Asia have to be assessed more from socio- political perspectives of closer engagement across borders with people of similar racial stock rather than an assessment of economic payoffs only.

#### IV. Understanding Northeast Economies: Broad Features

Despite its rich endowments of natural and human resources potentials, the states of Northeast India suffer from high logistics and transaction cost owing to its geographical features and this has contributed in deprivation of economic development in core sectors.<sup>38</sup> The shared border and cultural space nevertheless provides a strong basis for developing Northeast India as a supporting base for India's growing economic links, not only with Southeast Asia but also with Bangladesh and China.

Northeast Indian states are heterogeneous in terms of their basic socio-economic features. While Assam, Manipur and Tripura

36. Asian Development Bank Institute (2015), "Connecting South Asia and Southeast Asia", Asian Development Bank Institute.

37. Ibid.

38. Cappellari, L., & S.P. Jenkins (2006), "Summarizing Multiple Deprivation Indicators", ISER Working Paper 2006-40. Colchester: University of Essex.



are the three valley states with highest share of population and population density, the hill states are sparsely populated. Within the region, there are a few select towns, usually state capitals and a few business hubs that have witnessed fast growth of population. The decadal population (2001-2011) growth were high in Guwahati (18.3 p.c), Silchar (22 p.c), Dibrugarh (11.9 p.c), Jorhat (9.3 p.c), Nagaoan (22 p.c.), Tinsukia (16 p.c) and Dhubri (24.4 p.c.) in Assam; Agartala (33.6 p.c.) in Tripura, Imphal (67.3 p.c.) in Manipur, Dimapur (25.2 p.c) and Kohima (28.6 p.c) in Nagaland, Shillong (32.5 p.c) in Meghalaya, Gangtok (129.4 p.c) in Sikkim and Itanagar (69.9 p.c) in Arunachal Pradesh. Therefore urban centres in the region have largely grown in response to administrative requirements.

This is corroborated by the fact that public administration has a relatively higher share in the state domestic product.

Industrial and manufacturing activities have not led to the growth of urban centres in the region. Tea and other resource-based modern industries like match factory that were established during colonial period had little linkage with the state's domestic commodity, factor and money markets.<sup>39</sup> For example, the tea industry that largely catered to the international market induced little investment in forward and backward linkage based industries in the state while the surplus accruing to the industry was ploughed back in the industry or siphoned off elsewhere and consequently investment, consumption, output and employment multipliers did not work to the advantage of the domestic economy.<sup>40</sup>

39. Sarma, Atul (2018), "Integrating North-East With South-East Asia: Great Expectations And Ground Realities", in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.

40 Ibid.



## OCCASIONAL PAPER No.3

**Table: 1-Socio-Economic Profile of the States of Northeast India**

| Indicators                | Arunachal Pradesh | Assam   | Manipur | Meghalaya | Mizoram | Nagaland | Sikkim  | Tripura | NER   |
|---------------------------|-------------------|---------|---------|-----------|---------|----------|---------|---------|-------|
| Population (million)      | 1.38              | 31.17   | 2.72    | 2.96      | 1.09    | 1.98     | 0.60    | 3.67    | 45.59 |
| Population(R) (million)   | 1.07              | 26.78   | 1.89    | 2.37      | 0.53    | 1.42     | 0.45    | 2.71    | 37.21 |
| Population(U) (million)   | 0.31              | 4.38    | 0.83    | 0.59      | 0.56    | 0.57     | 0.15    | 0.96    | 8.35  |
| Pop.Density (per sq. km.) | 17                | 397     | 122     | 132       | 52      | 119      | 86      | 350     | 174   |
| Sex ratio '000 males      | 938               | 958     | 992     | 989       | 976     | 931      | 890     | 960     | 956   |
| Literacy Rate (p.c)       | 65.38             | 72.19   | 79.21   | 74.43     | 91.33   | 79.55    | 81.42   | 87.22   | 74.48 |
| BPL (p.c.)                | 34.67             | 31.98   | 36.89   | 11.87     | 20.40   | 18.88    | 8.19    | 14.05   | --    |
| Unemp. Rate               | 3.9               | 4.0     | 3.4     | 4.0       | 1.5     | 5.6      | 8.9     | 10      | --    |
| (UPSS) <sup>e</sup>       |                   |         |         |           |         |          |         |         |       |
| NSDP-1994-95              | 8.73              | 156.15  | 12.21   | 14.32     | 6.72    | 14.57    | 3.56    | 16.88   | --    |
| NSDP-2004-05              | 31.88             | 471.81  | 46.03   | 58.46     | 24.00   | 54.21    | 15.11   | 81.70   |       |
| NSDP-2014-15              | 147.1             | 1543.04 | 137.18  | 180.43    | 98.60   | 201.99   | 109.76  | 292.18  | --    |
| CAGR'95-'05               | 12.5              | 10.6    | 12.8    | 13.6      | 12.3    | 12.7     | 14.0    | 15.4    | --    |
| CAGR '05-15               | 14.9              | 11.4    | 10.4    | 10.8      | 13.7    | 12.7     | 19.7    | 12.3    |       |
| PCNSDP 1994-95            | 9148              | 6493    | 6105    | 7349      | 8739    | 10175    | 7696    | 5656    | --    |
| PCNSDP 2004-05            | 26721             | 16782   | 18547   | 23078     | 24662   | 30441    | 26690   | 24394   |       |
| PCNSDP 2014-15            | 96,199            | 49,480  | 41,573  | 69,516    | 76,120  | 85,544   | 176,491 | 69,705  | --    |
| CAGR'94-05                | 10.2              | 9.0     | 10.6    | 11.0      | 9.8     | 10.5     | 12.0    | 14.2    | --    |
| CAGR'05-15                | 12.4              | 10.3    | 7.6     | 10.5      | 10.8    | 9.8      | 18.7    | 10.0    |       |

Source: Demographic data are taken from Census 2011, Unemployment Principal and Subsidiary Status is from Periodic Labour Force Survey (PLFS), NSSO, 2017-18 of the National Sample Survey Office (NSSO), NSDP data from Basic Statistics of NER published by NEC, 2015

Note: \* rupees in billion. \*\* in rupees only; <sup>e</sup>UPSS- Usual principal subsidiary status

The political reorganization of the region in the post-independence period and a host of issues related to protection of tribal and ethnic communities and their traditional rights to resources put on hold any long term plan for resource based development model for the region. The

region continued with special category status mainly in respect of central fiscal transfers and little to do with development paradigm for the region.

The consequent result has been low economic base of the states which over the years have also resulted in lower growth of



state income. The NSDP during the two decades (1994-05 to 2014-15) grew at the rate of 13.7 percent at current prices at the country level while the same for the region showed wide variations. During the first half of the decade, except Assam (10.6 p.c.) all the states of the region had higher growth rates than the country average (11.3 p.c.). However, the scene changed drastically during the second half of the decade. Except Sikkim (20 p.c.), which had higher growth rate than the national average, the growth rates in case of Assam, Manipur, Meghalaya, Nagaland and Tripura actually were much below the all-India average and Arunachal Pradesh and Mizoram barely continued with growth rates at par with the national average (14 p.c.). A similar situation emerged in respect of PCNSDP as well. During the decade of 1994-95 to 2004-05, the PCI in the region grew at a rate higher than the all India average (10 p.c.0 for all the states) except Assam (9 p.c.) which had a lower growth rate. However in the decade of 2004-05 to 2014-15, other than Sikkim (19 p.c.) all the states in the region registered lower growth rate in PCI than the national average (12 p.c.). It is, therefore, not difficult to understand why the states have witnessed high unemployment rate. It is interesting to note that even though Sikkim and Tripura have high unemployment rate, their

poverty level is low compared to the other states of the region; and this is largely because both the states implemented several social security measures.

The socio-economic processes and outcomes are dependent on the performance of the various sectors in the economy. During the decade of 2004-15, one can see the rapid growth of service sector in all the states of the region contributing higher than agriculture and industry to the NSDP in all the states except Sikkim. In fact, the region's income growth has been driven by the growth of service sector contributing almost 54 percent of the region's income, followed by manufacturing and industry at approximately 24 percent and agriculture at 23 percent of the total income of the states in the region.

What is noteworthy is that the growth of income in the service sector is mostly due to public administration, trade and other service related activities in hotel and tourism. A careful study of the ASI data over the years reveal that there has not been much increase in number of factories, the number of workers and net value added (NVA) over the years. Examining the three year period, 2014-15 to 2016-17 one can observe that three basic indicators, viz. factories, employment and net value added have indicated only a marginal increase and the region's share in the industrial sector of the country is negligible.



## OCCASIONAL PAPER No.3

**Table: 2-Sectoral Share in Economy of Northeast States**

| State             | Agriculture |         |      | Industry |         |      | Service |         |      | Total |
|-------------------|-------------|---------|------|----------|---------|------|---------|---------|------|-------|
|                   | 2004-05     | 2014-15 | CAGR | 2004-05  | 2014-15 | CAGR | 2004-05 | 2014-15 | CAGR | CAGR  |
| Arunachal Pradesh | 35.1        | 45.4    | 21.5 | 31.9     | 24.4    | 14.6 | 33      | 30.2    | 16.9 | 18.1  |
| Assam             | 25.6        | 22.7    | 13.2 | 27.5     | 21.8    | 11.8 | 46.9    | 55.6    | 16.9 | 14.7  |
| Manipur           | 24.7        | 16.4    | 6.6  | 36.7     | 22.9    | 5.9  | 38.6    | 60.7    | 17.4 | 11.6  |
| Meghalaya         | 23.3        | 15.1    | 10.7 | 26.1     | 30.7    | 18.3 | 50.6    | 54.3    | 17.1 | 16.2  |
| Mizoram           | 23.5        | 18.5    | 13.1 | 16.6     | 22.7    | 20.3 | 59.9    | 58.8    | 16   | 16.2  |
| Nagaland          | 34.8        | 26.5    | 11.3 | 12.9     | 13.9    | 15.7 | 52.4    | 59.6    | 16.4 | 14.7  |
| Sikkim            | 18.6        | 12.3    | 18.3 | 28.8     | 55.8    | 33.4 | 52.6    | 32      | 17.3 | 23.9  |
| Tripura           | 25.1        | 19.2    | 10.9 | 24.3     | 25      | 14.6 | 50.7    | 55.8    | 15.5 | 14.2  |
| NER Total         | 26.1        | 22.3    | 13.1 | 26.5     | 23.8    | 13.7 | 47.4    | 53.9    | 16.7 | 15.1  |

*Source: Basic Statistics of NER published by NEC, 2015*

However, since 2016-17 there has been rapid increase in NVA in Sikkim. Merchandise exports from Sikkim have increased from US\$ 3.91 million in 2014-15 to US\$ 13.96 million in 2017-18. Another sector which has grown rapidly is pharmaceutical factories which have responded to tax incentives offered by the state government as well as low manufacturing and labour costs.<sup>41</sup>

A desegregated analysis of industrial production across the states of the region reveal that the industries of the NER states include coke and refined petroleum products, food products, other non-metallic mineral products, basic metals, beverages, wood and products of wood

chemicals and chemical products, textiles, electrical equipment, other transport equipment, fabricated metal products, except machinery and equipment, rubber and plastics products. The manufacturing activities are based on locally available resources with small plant size. Despite the fact that the region is a rich source of the basic raw materials, large-scale industries such as cement industry using such basic raw materials have not come up. For instance, with an abundance of limestone in Meghalaya and Assam, large scale cement factories should be feasible. Even so, the region exports these basic materials to Bangladesh and imports cement from Bangladesh.

41. Sikkim is home to 14 major pharma companies, which have significant investments in the state. These include Cipla, Sun Pharma, ZydusCadila, Alembic, IPCA, Alkem Lab, Intas Pharma, Torrent Pharma and Unichem. Available at: <https://www.ibef.org/archives/state/sikkim-reports/industrial-dev-economic-growth-march-2018> accessed on 31.8.2019.



Table: 3- Characteristics of Industries in states of Northeast India

| State              | Factories (Numbers) |         |         | Workers (Numbers) |          |          | Net Value added (Rs. in lakhs) |           |          |
|--------------------|---------------------|---------|---------|-------------------|----------|----------|--------------------------------|-----------|----------|
|                    | 2014-15             | 2015-16 | 2016-17 | 2014-15           | 2015-16  | 2016-17  | 2014-15                        | 2015-16   | 2016-17  |
| Assam              | 3717                | 3890    | 4154    | 163348            | 173328   | 181078   | 818613                         | 994758    | 1282165  |
| Arunachal Pradesh  | 124                 | 120     | 125     | 2925              | 2660     | 2569     | 33964                          | 24789     | 20203    |
| Manipur            | 160                 | 173     | 188     | 6568              | 6982     | 6942     | 6976                           | 7127      | 7383     |
| Meghalaya          | 109                 | 102     | 120     | 11870             | 10812    | 10517    | 62697                          | 60160     | 28578    |
| Nagaland           | 197                 | 185     | 192     | 4843              | 4867     | 5109     | 12225                          | 11817     | 12540    |
| Sikkim             | 67                  | 68      | 71      | 11100             | 9158     | 13372    | 442439                         | 528194    | 965582   |
| Tripura            | 548                 | 558     | 585     | 26256             | 23677    | 23956    | 47161                          | 28542     | 33840    |
| India              | 230435              | 233116  | 234865  | 10755288          | 11136133 | 11662947 | 97516172                       | 107248509 | 14591911 |
| Share of NE States | 2.14                | 2.19    | 2.31    | 2.11              | 2.08     | 2.09     | 1.46                           | 1.54      | 16.11    |

Source: Annual Survey of Industries 2012-13, 2013-14, 2014-15, CSO, Government of India.

Myanmar has rich deposits of natural gas and currently ONGC is involved in the exploration of natural gas in Myanmar. If pipelines are laid through the NE region, gas supply from Myanmar and also from Tripura gas reserves could be used for thermal power generation as well as other gas based industries in the region. It could also be possible to export to other regions/states of India. The North East Gas Grid project of laying a 1,656 km long pipeline is being implemented by Indra Dhanush Gas Grid Limited (IGGL), a Joint Venture company of five CPSEs (GAIL, IOCL, ONGC, OIL and NRL). The total estimated cost of the project is Rs. 9,265 crore (including interest during construction) and it will cover all the eight states of the region viz., Arunachal Pradesh, Assam, Manipur,

Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. The North East Gas Grid will get the natural gas supply from GAIL's Barauni - Guwahati pipeline, which is a part of Jagdishpur – Haldia and Bokaro – Dhamra Natural Gas Pipeline Project, popularly known as 'Pradhan Mantri Urja Ganga'.<sup>42</sup> Once commissioned, it will ensure uninterrupted availability of natural gas across the region which in turn is expected to boost industrial growth in the region.<sup>43</sup> There is also a proposal to build 1,575 km long Sittwe-Aizawl-Silchar-Guwahati-Siliguri-Gaya gas pipeline to transport gas from Sittwe gas field in Myanmar where ONGC and GAIL hold 30 percent stake in oil and gas exploration. As of now, the region continues to be net importer of finished products and supplier of raw material. Exploring new market

42. For details see, [http:// economic times, India times.com/article show/71621266.cms?from=mdr&utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economic-times.com/article/show/71621266.cms?from=mdr&utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst). January, 08, 2020.

43. IBEF, available at: <https://www.ibef.org/news/assam-will-be-transformed-into-an-oil-and-natural-gas-hub-says-pm>, accessed on 8.8.2019.



opportunities in line with Govt. of India's Act East Policy, as a trial run, supply of two tank lorry of high speed diesel (HSD) was sent to Myanmar by road via the Numaligarh- Imphal- Moreh highway route. The energy trade is one of the most promising areas for Northeast India to engage with Southeast Asia.

Over the years, tourism has been one of the emerging sectors in the region and there has been a steady increase in both domestic and foreign tourists' arrival. From industrial development angle, tourism promotion ideally follows a marketing-oriented approach, so that it can stand as a productive sector amidst the competitive tourism market environment.<sup>44</sup> Seasonality and cultural festivities are two prime determinants of tourism in Indian states.

The cultural tourism promoted by state governments across the states in India has been one of the drivers of tourist inflow. The Northeast states too have adopted strategies to promote tourism during festivals and cultural events among the different communities in the region. The local festivities like the Tea festival, Brahmaputra Beach festival, Ambubuchi Mela and Bihu festival of Assam, Losar, Nyokum, Namdapha, Dree Eco-Cultural festivals of Arunachal Pradesh, Sangai, Lui-nga-ni, Kut, Shanghai festivals of

Manipur, Shad Suk Mynsiem, Nongkrem Festival, Behdeinkhlam Festival, Shad Sukra, Wangala festivals of Meghalaya, MitKut, ThalfavangKut, ChapcharKut and Anthurium festivals of Mizoram, Moatsu Mong, Sekreyni and Hornbill festivals of Nagaland, Karcha Puja, Garja Puja and Orange Tourism of Tripura, Saga Dawa, Guru Rimpoche's Trugkar Tshechu festivals in Sikkim are some of the important festivities that have attracted tourists to the region. Special tourism packages during festivals are promoted by the tourism departments of respective state governments to showcase the cultural traditions of the states. These efforts have been major drivers of tourist inflow to the region.

The cultural and ethnic links of the communities in Northeast India and Southeast Asia are found in the festivals of Rongali (Bohag) Bihu in Assam, Pi Mai in Lao PDR, Songkran in Thailand and Sangken in Arunachal Pradesh. These festivals are rooted in same cultural and traditional practices and can be used for reviving cultural tourism in the sub-region. Likewise the Buddhist pagodas and monasteries spread across Arunachal Pradesh, the communities in the Northeast states living along the bordering countries have common cultural traits and features which can be strong sources for building cultural relation and strengthening bonds.

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44. Available at: [http://himalaya.socanth.cam.ac.uk/collections/journals/ebhr/pdf/EBHR\\_32\\_07.pdf](http://himalaya.socanth.cam.ac.uk/collections/journals/ebhr/pdf/EBHR_32_07.pdf).



Table: 4- Tourist arrivals across states of Northeast India

| State             | 2014 (nos) |          | 2015 (nos) |          | 2016 (nos) |          | 2017 (nos) |          |
|-------------------|------------|----------|------------|----------|------------|----------|------------|----------|
|                   | Domestic   | Foreign  | Domestic   | Foreign  | Domestic   | Foreign  | Domestic   | Foreign  |
| Arunachal Pradesh | 335974     | 5204     | 352067     | 5705     | 385875     | 6598     | 444005     | 7147     |
| Assam             | 4826702    | 21537    | 5491845    | 24720    | 5160599    | 19456    | 6052667    | 21760    |
| Manipur           | 115499     | 2769     | 146169     | 3260     | 150638     | 3064     | 153454     | 3497     |
| Meghalaya         | 716469     | 8664     | 751165     | 8027     | 830887     | 8476     | 990856     | 12051    |
| Mizoram           | 68203      | 921      | 66605      | 798      | 67238      | 942      | 67772      | 1155     |
| Nagaland          | 58507      | 2585     | 64616      | 2769     | 58178      | 3260     | 63362      | 4166     |
| Sikkim            | 562418     | 49175    | 705023     | 38479    | 747343     | 66012    | 1375854    | 49111    |
| Tripura           | 361247     | 26688    | 363172     | 34886    | 370618     | 36780    | 398669     | 69899    |
| NER Total         | 7045019    | 117543   | 7940662    | 118644   | 7771376    | 144588   | 9546639    | 168786   |
| India             | 1282801629 | 22334031 | 1431973794 | 23326163 | 1615388619 | 24714503 | 1652485357 | 26886638 |
| Ner Share         | 0.55       | 0.53     | 0.55       | 0.51     | 0.48       | 0.59     | 0.58       | 0.63     |
| Growth rate       | -          | -        | 12.71      | 0.94     | -2.13      | 21.87    | 22.84      | 16.74    |

Source: India Tourism Statistics, Ministry of Tourism, Government of India; (various issues).

Overemphasis on trade and commerce has obliterated the strength of ethno cultural proximity which could be important drivers of confidence building for India with its neighbouring countries and promote regional tourism hubs and clusters through Northeast India.

Tourism has the potential to create downstream linkages for other sectors like handicrafts and handloom in the region. The One Village One Product movement that was initiated in Japan in the late 1970s or the One Tambon One Product (OTOP) promoted by Thailand in recent past where village communities are encouraged to improve the quality and marketing of the locally made products, including handicrafts, cotton and silk garments, pottery, fashion accessories, household items, and foods could provide

a model to be adopted for villages and areas specializing in particular craft or trade in the states of Northeast India. The OTOP programme in particular could be suitably adopted by the states of Northeast India to promote local products linking to tourism as in Thailand and Japan.<sup>45</sup>

## V. Towards a Unified Northeast Economies

Except Assam, all other states are small in population size and each of them individually has a small market. What is more, the hill economies of the region are of subsistence nature with rigidities that have hindered development of commodity, factor and money markets. That makes them individually incompatible with the market economy. Such rigidities can be overcome through the development of an integrated market, which enables the states of the

45. Expansion of North East India's Trade and Investment with Bangladesh and Myanmar, An Assessment of the Opportunities and Constraints, *RIS Research and Information System for Developing Countries Ministry of DONER*, 2011.



region to develop their economies according to their comparative advantage and thus enjoy the gains from economies of scale and specialization. With more than 45 million people together, the Northeast India has a large market.<sup>46</sup> Inter-state and intra-state connectivity is a huge impediment to developing a unified market in Northeast India.

The recent initiatives undertaken in the Northeast Region to break through transport bottleneck inter alia include Special Accelerated Road Development Programme for North East (SARDP-NE), Bharatmala Pariyojana (BMP), Greenfield airports and upgradation of airport infrastructure at various airports including Guwahati, Imphal and Agartala, railway connectivity especially Agartala-Akhaura rail-link to connect the existing Agartala station in Tripura to Akhaura Station of Bangladesh Railways, and development of waterways in Brahmaputra and Bark with and 19 new waterways with 100% subsidy under Central Sector Scheme for development of IWT infrastructure in Northeast States etc. Besides these initiatives, Ministry of Development of North Eastern Region (MDONER) has also taken up infrastructure development projects under its various schemes such as NLCPR-State, North East Road Sector

Development Scheme (NERSDS), Schemes of North Eastern Council (NEC) and North East Special Infrastructure Development Scheme (NESIDS).

For improvement of connectivity and road infrastructure in the North Eastern Region, under Special Accelerated Road Development Programme for North East (SARDP-NE) a length of 6418 km have been approved and about 5273 km road has been sanctioned for execution at an estimated cost of Rs.57,518 crore. Out of total length of 5723 km sanctioned, a length of 3029 km (as on 31.3.2019) has been completed against total expenditure of Rs.30,315 crore. Under Pradhan Mantri Gram Sadak Yojana (PMGSY), a length of 23093.39 km of rural roads has been constructed in the states of northeast India in last five years with an expenditure of Rs.10731.99 crore. In order to expedite road construction, Ministry of Road Transport and Highways has set up a company named 'National Highways and Infrastructure Development Corporation Ltd' (NHIDCL) for construction, upgradation and widening of National Highways in the Region. In addition, the Ministry has also taken up road infrastructure gap filling projects under NLCPR-State (624 nos. of road and bridge projects for Rs.6474.00 crore with approximate road length of 8400 km), under NERSDS (13 projects having total length of

46. For further elaboration, see, Sarma, Atul (2018), "A Unified Northeast Economy: The Road to Gainful Economic Integration with South East Asia, in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan, pp. 267-279.



329.72 km of road worth Rs.1120.41 crore), under schemes of NEC (180 projects having a total length of 11000 km of road worth Rs.6580.00 crore).<sup>47</sup>

It would be important to refer that during the last decade the region has seen rapid expansion of railway and air connectivity to the states of the region. The railways which provide the cheapest mode of transport has a total route length of 3753 km with Assam alone accounting for 89 percent of the route length.<sup>48</sup> While Guwahati, Agartala and Itanagar are already connected to the national network, the capital towns of Mizoram, Manipur, Nagaland and Meghalaya have now been taken up for linkages. Manipur will be connected through a 111-km-long line from Jiribam to Imphal with 37 tunnels and 22 bridges; the capital city of Mizoram will be on the railways' map through a 52-km new line between Sairang near Aizawl and Bairabi bordering

Assam. In Nagaland, Northeast Frontier Railway (NFR) is building the Dhansiri-Sukhobi-Zubza 91.75 km line with 90 bridges and around 26 km of tunnels connecting it to Assam; and Meghalaya will be connected to railway network by connectivity through Byrnihat with a route length of 108.4 km.

It would be pertinent to mention that the expansion of route length has also increased passenger and freight movement in the region. The gauge conversion and double lane has helped in faster movement of both goods and passenger trains while at the same time overcoming the post partition bottleneck of poor connectivity with the rest of the country. The expansion in road and railway connectivity among the states of the region has helped in developing the back end connectivity within the region which had been one of the major challenges until recent past.

**Table: 5- Ongoing Railway projects in Northeast India**

| Project Head     | No. of projects | Total length (km) | Commissioned (Nov' 16) (km) | Planning for commissioning up to 2020-21 (units in km) |         |         |
|------------------|-----------------|-------------------|-----------------------------|--------------------------------------------------------|---------|---------|
|                  |                 |                   |                             | 2018-19                                                | 2019-20 | 2020-21 |
| New Lines        | 18              | 1355.80           | 339.46                      | 192.20                                                 | 152.89  | 184.15  |
| Gauge Conversion | 5               | 2197.00           | 2197.00                     | -                                                      | -       | -       |
| Double Line      | 7               | 512.00            | 50.00                       | 96.19                                                  | 102.05  | 140.52  |
| Total            | 30              | 4065              | 2587                        | 288.39                                                 | 254.89  | 324.67  |

Source: NFR Railway Annual Statistics, 2016-17.

47. Press Information Bureau, Government of India, Ministry for Development of North-East Region 4.7.2019, Road network for development of North Eastern Region.

48. Assam has highest railway route length in the region (3450 km) followed by Tripura (256 km), , Arunachal Pradesh (26 km), Manipur (18km), Meghalaya (13km), Nagaland (12 km), Mizoram (6 km) and.



The air connectivity within the region has also improved over the last decade and is networked through 22 airports of which 12 are currently operational. The region has two international flight operations<sup>49</sup> and regional flight network in the region has been augmented since September 2015 with Guwahati as the major air hub.

Although the region is endowed with two major river systems viz. Barak and Brahmaputra, water transport system is yet to be tapped to its potential for water transportation. In order to facilitate seamless travel during the day and night, IWAI is working on providing necessary navigational aids. It has set up terminal facilities for loading and unloading at strategic locations like Dhubri, Pandu, and temporary facilities at Jogighopa, Silghat, Neamati and Dibrugarh. Pandu (Guwahati) is being developed as a multi modal transport hub which can serve the entire North East region. A permanent terminal at Dhubri, constructed with an approximate cost of Rs. 46 Cr is fully operational now. The existing Inland Water Transport (IWT) terminal at Jogighopa is proposed to be upgraded to a bulk cargo handling terminal for products like Meghalaya coal, with rail connectivity up to the terminal. The potential cargo movements through NW2 include coal from Meghalaya, fly ash from Farakka to various destinations in the Northeast,

limestone for cement plants, petroleum products from Numaligarh refinery, bitumen from Haldia, food grains from Kolkata, fertilisers, building material and bamboo.

All these initiatives taken are works in progress. Once completed, they would go a long way towards physically integrating the market in Northeast India and these connectivity developments would facilitate seamless movement of goods. For seamless flow of goods, labour and capital, many more initiatives such as policy harmonization concerning tax, transport, trade, investment and joint action for promoting positive externalities and redressing negative externalities would be called for. However, the extended use of “inner line” notified under the Bengal Eastern Frontier Regulation 1873 covering tribal area of Assam, Meghalaya, Mizoram or Tripura in addition to Arunachal Pradesh, Manipur and Nagaland will be a severe setback to the process of market integration of Northeast India. For, this will reinforce market segmentation in the region, which is not conducive to the gainful integration of North East with South East Asian economies.

## VI. Where does Northeast stand after a Quarter Century

Success of connectivity corridors depends on border infrastructure to facilitate trade and investment at the border region. The

49. It is operated by Druk Air with two flights a week Paro- Guwahati-Bangkok and four flights a week Paro-Bagdogra-Bangkok. The much hyped Guwahati Bangkok direct flight operated by Indian Airlines was grounded on April 23, 2003 citing reasons of low seat occupancy in the flight and high cost of operation. Guwahati Dhaka flight operation has commenced from 1<sup>st</sup> July with Spicejet operating direct flight to Dhaka.



Northeast region today has as many as 42<sup>50</sup> notified land customs stations (LCS) of which only 26 are functional but the infrastructure and facilities available at these LCS are abysmally low. In fact, most of the border trade points (LCS) suffer from inadequate infrastructure and other facilities which prevent conducting high volumes of trade (RIS, 2011). Bare minimum border trade has continued to be Northeast India's only engagement with Myanmar in Southeast Asia and Bangladesh in South Asia. The low trade volume of Northeast India through these border points and the low functional status of the Land Customs Stations (LCS) are not difficult to understand when one delves into the current economic scenario in the region.<sup>51</sup> The Indo-Myanmar trade has a balance in favour of Myanmar and India has emerged as the major export market for Myanmar. Along the border trade point at Moreh, some 22 items have been listed for trade of which only 12 items are actually traded. Abolition of barter trade by the Reserve Bank of India (RBI)<sup>52</sup> and shift to normal trade and border trade to normal trade implies that trade transactions at the

border through the LCS takes place in permitted currencies in addition to taking recourse to the Asian Clearing Union (ACU).<sup>53</sup> However, due to lack of clarity on implications of these two aspects at the field level, the DGFT had annulled all the previous documents related to India-Myanmar border trade including the India-Myanmar Border Trade Agreement. The trade through Moreh is currently guided by the recent RBI circulars, though informal channels of trade continue to thrive. The exports to Myanmar from the border point at Moreh include cumin seed, cotton yarn, auto parts, soya bean meal, wheat flour and pharmaceuticals, whereas imports through Moreh and Zokhawthar include betel nuts, dry ginger, green mung beans, black maple beans, turmeric roots, resin and medicinal herbs. However, trade between Northeast region and Myanmar have been carried out extensively through head load and some of the Indian products traded include food items, cosmetics, wood and timber products, construction materials, garments, gas cylinder, medicines, plastics and materials, rubber products, solar and electrical items, betel nuts, auto parts, petroleum products, etc.

50. Of these 42 LCS, 33 are with Bangladesh, 5 are with Myanmar, 3 are with Bhutan and one with China. Of the 26 functional LCS, 21 are with Bangladesh, 2 each with Myanmar and Bhutan and one with China.

51. Choudhury, Saswati (2018), "Locating North East India in the Look (Act) East Policy of India" in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.

52. RBI/2015-16/230 dated November 05, 2015.

53. Barter trade was initially permitted to facilitate exchange of locally produced commodities along the Indo-Myanmar border. As such, these transactions were not captured in the banking system or reflected in the trade statistics. However, over a period of time the trade basket has diversified and adequate banking presence is in place to support normal trade with Myanmar' (RBI, 2015)



Table: 6- Trade with Myanmar through Northeast border trade points

| Year    | NER's Export to Myanmar<br>(in US\$ million) | NER's Import from<br>Myanmar (in US\$ million) | Total Trade NER with<br>Myanmar (in US\$ million) |
|---------|----------------------------------------------|------------------------------------------------|---------------------------------------------------|
| 2010-11 | 4.5                                          | 8.3                                            | 12.8                                              |
| 2011-12 | 6.54                                         | 8.87                                           | 15.41                                             |
| 2012-13 | 11.67                                        | 26.96                                          | 38.63                                             |
| 2013-14 | 17.71                                        | 30.92                                          | 48.63                                             |
| 2014-15 | 18.11                                        | 42.61                                          | 60.72                                             |
| 2015-16 | 18.62                                        | 53.02                                          | 71.64                                             |

Source: Prabir De, Sunetra Ghatak Durairaj Kumarasamy; *Assessing Economic Impacts of Connectivity Corridors: An Empirical Investigation*, RIS and AIC, 2018. p.37

The border trade facilities at Northeast region remain inadequate to support the rising trade volume. As argued by Ghosal, formal trade through this region cannot grow much because, “in contrast with the rich base provided by Myanmar's rapidly developing Chinese neighbouring province of Yunnan, the States on both sides of the Myanmar-India border are among the poorest in each country. So Myanmar-India border trade cannot be expected to be a foundation for large growth in bilateral trade and investment. Moreover, the trade routes to the more dynamic domestic markets in both countries are longer and much less developed along the India-Myanmar border, making other markets more attractive.”<sup>54</sup>

Moving beyond border trade points, there are attempts to understand and assess the payoffs from Corridor developments. A recent study<sup>55</sup> identified the role of corridors in the economy of the states of Northeast India. The study identified that the states in the Northeast region are likely to gain more in terms of growth in freight from Kaladan corridor, Trilateral Highway and BCIM-EC, respectively.<sup>56</sup> The study showed that GDP and road density are the two important determinants of freight flow and for every one percent increase in GDP, total freight in the region is expected to increase by 0.5 per cent over time. The positive relationship between road density and the freight implies that higher the road density, higher would be the flow of freight between and within the states. The corridors especially Kaladan

54. Ghosal, Baladas (2014), “A Critical Evaluation of India's Engagement with Myanmar,” *Report of the Conference on the Look East Policy: India and Myanmar Pitching for Greater Connectivity*, New Delhi: Burma Centre Delhi and Institute for Social Sciences, August 4, pp. 20-27.

55. De, Prabir, Sunetra Ghatak and Durairaj Kumarasamy (2018), “*Assessing Economic Impacts of Connectivity Corridors: An Empirical Investigation*”, RIS and AIC, 2018. The analysis does not talk about causal direction neither relations between freight and development.

56. The analysis does not talk about causal direction neither relations between freight and development.



Multi Modal corridor and the Trilateral Highway would benefit the states of Northeast India more than rest of the Indian states. The freight movement in Northeast will also increase and would be far cheaper. The benefits of such advantage can be augmented in two ways: *one*, through cheaper imports and *two*, expanding the basket of export items in so far as trade in goods and services are concerned.

To cite an example, agriculture engages almost 70 percent of the workforce in the Northeast region, yet the region has deficit in the production of rice (major cereal) and pulses and depends on imports from north-west India which have high transport costs. At the same time Myanmar is traditionally exporter of pulses and rice, the freight movement through corridors would have less transaction cost and would be cost effective to import these items from Myanmar. Besides, Northeast India can import at a much cheaper rate other essential vegetables like onions, potatoes from Myanmar rather than procuring the same from elsewhere in northwest India. Coal, tea, limestone and other minerals form the key export based commodities from the region. Most of the exports (with tea as an exception) are to countries such as Bangladesh, Myanmar, Bhutan

and Nepal. A study by FICCI on Gateway to the ASEAN India's North East Frontier in November 2014 identified that there are strong prospects for developing export potential of the region in edible fruits and nuts, apparels, beverages, lime and cement, fish and aquatic products, salt and stone. There are high potentials as the primary demand for such products exists in the neighbouring countries which at present are met by other states from India.<sup>57</sup> The industries for these items if located in the region will also have high logistic cost advantage vis-à-vis other regions. Besides, value chain network within the region can be developed by exporting semi-finished and finished products rather than exporting raw materials.<sup>58</sup> Guwahati is central to the connectivity node in Northeast region. Urban towns like Nagaon, Jorhat, Dibrugarh, Guwahati, Tinsukia, Dhubri, Imphal, Gangtok, Itanagar, Agartala, Shillong and Aizawl are fast emerging as economic nodes in the region. These cities perform secondary (manufacturing), tertiary (services) or quaternary (management, research, education) function of economic significance.

The agro climatic condition has endowed the region suitably for horticultural products, plantation crops, vegetables, spices rare herbs and medicinal herbs. The region holds the potential for developing into an export

57. Choudhury, Saswati (2018), "Locating North East India in the Look (Act) East Policy of India in Atul Sarma and Saswati Choudhury" in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.

58. Ibid.



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hub for agro processed industrial sector. Most of the horticultural products are low in value addition within a value chain as an intermediate input or product. The major potential products can be utilized gainfully as part of value chains in terms of intra-industry production network with the Asian economies. The different primary products of the states can be used as intermediate products of a supply chain

for value addition of a particular product chain. After identification of the products, value addition can be made through a series of processes including product development, market identification, packaging, marketing etc. There is likelihood of developing product competitiveness and market as well. Table 7 shows the potential sectors that can be taken up for value addition process.

**Table: 7-Potential Sectors of the North Eastern States of India**

| <b>States of Northeast India</b> | <b>Major Products</b>                                                                                                                                                    | <b>Highest Comparative Advantage for Products</b> |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Arunachal Pradesh                | Food grain and vegetable items, Tea, Garlic, Onion, Mushroom, Spices, Fodder for Cattle, Medicinal Plants, Bamboo and bamboo products, Chillies, Handicrafts, Kiwi, etc. | Small millet, maize, ginger, pineapple            |
| Assam                            | Tea, Ginger, Coal, Perfumery compound, Stainless steel, Incense stick powder, Marble slabs, Quicklime, Orange, Fish, Motor sprit, Chillies, etc.                         | Tea, rapeseed and mustard, sugarcane              |
| Manipur                          | Cement, Engineering goods, Transport equipment, motor cycles, Iron and steels, Medicinal plants, Chemicals and allied products, Cotton yarn etc.                         | Chillies, rice, ginger, pineapple                 |
| Meghalaya                        | Limestone, Coal, Cement, Boulder Stone, Ginger, Crushed stone, Stone chips and Orange                                                                                    | Ginger, potatoes, sesamum, pineapple              |
| Mizoram                          | Fruits of various types, Ginger, Mushroom, Medicinal Plants, etc.                                                                                                        | Ginger, maize and sesamum                         |
| Nagaland                         | Forest products, Chillies, Cotton, Jute, etc.                                                                                                                            | Small millet, maize                               |
| Sikkim                           | Tea, Medicinal plants, Cardamom, Ginger, Honey, Handicrafts, etc.                                                                                                        | Ginger                                            |
| Tripura                          | Fresh fruit, Fish, Ginger, Bamboo, Rubber, Potatoes, Raw hides and skin and other local agricultural goods                                                               | Natural rubber, coconut, bananas, pineapple       |

Source: Asish Nath (2018).<sup>59</sup>

59. Nath, Asish (2018), "Integration with Regional Blocks Through Intra-Industry Production Network: Boosting The Growth Prospects of North East India" in Atul Sarma and Saswati Choudhury (eds.), *Mainstreaming the Northeast in India's Look (Act) East Policy*, Palgrave Macmillan.



Establishing manufacturing units for production of commodities required in Southeast Asian market could be a formidable challenge at present because the current basket of goods traded does not have production units in the region. There are but service related activities in education, healthcare and tourism where Northeast can play a pivotal role in establishing people to people linkages. Augmenting the capacity of existing healthcare and education services and facilities in the states of the region can be one of the prime focuses which could not only lead to development of ancillary services but also help in improving service quality of the facilities in the region. Tourism is the other sector which has large potential. The Mekong Ganga region CLMV countries (Cambodia, Laos, Myanmar and Vietnam) have strong ethnic and cultural relations with the people of Northeast which can be one of the strong features for developing cultural tourism e.g. a Buddhist tourism circuit through Arunachal Pradesh and Sikkim for the Buddhists living in CLMV countries and Thailand and China. Corridor development, if managed properly, would lead to reduced cost of national, regional, and global trade, thereby enhancing the competitiveness of national and regional production

networks, and promoting higher investments. It could also facilitate faster, cheaper, and easier modes for people and goods to move within and across borders. Northeast as pivot to Southeast Asia is undoubtedly the main corridor to link the countries in Southeast Asia with India.

The vision of corridor development through Northeast is a step towards breaking free of the fetters of geographical isolation. To reap the dividends of corridor development, there is need for developing inter-state framework of production and value chain network to overcome the market rigidities in trade in goods and services. This strategy would bring down high transaction cost of doing business in the Northeast region and would yield higher growth in the future while ensuring better preparedness to take full advantage of regional networks and collaborations.

To conclude, Look/Act East Policy announced in 1994 has set in motion a dream for the development of North East economies. A new development framework for its economic development linking the region with dynamic South East Asian economies has been shaped and articulated. Several critical initiatives beyond the border and within the region have indeed been taken towards physically linking the NE region with the South East Asian countries. Prospects and potential of the region from



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such economic integration have been speculated and worked out. A quarter century has elapsed since the articulation of Look/Act policy. Yet this remains a work in progress while at the same time fragmentation/segmentation of North East markets has been further reinforced via the recently passed Citizenship

Amendment Act (CAA), 2019. That has led to a new apprehension: even if all the physical infrastructures both beyond the borders and within the region was put in place as envisaged, would the Northeast serve as a gateway to South East Asia or acts as a flyover?



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## About the Centre for South East Asian Studies, Gauhati University

The Centre for South East Asian Studies, which was established in 2017 under the annual budget (2016-2017) of Government of Assam in the Gauhati University and currently being located in the Department of Political science, is the first of its kind in North East India. The North East India region has assumed crucial significance with regard to India's emerging relationship with South East Asian countries particularly in the context of India's Act East Policy. Against this backdrop the Centre for South-East Asian Studies has been designed to further dialogue and generate knowledge network to understand the challenges and opportunities faced by the India and particularly North-East India in relation to East and South East Asia. In order to act as a knowledge hub for promoting India's relation with South East Asia, the Centre has proposed to undertake number of academic activities which includes organizing regular seminars and symposia, publication of peer reviewed books, monograph and journals by research scholars and faculty members, liaison with scholars and students in various universities of North-eastern region, promoting inter university research programme on themes of trans-border challenges and opportunities.

### Objectives of CSEAS

The CSEAS strives to achieve the following objectives:

1. To generate knowledge and develop understanding about East and South East Asian region.
2. To produce insights on India's relation with East and South East Asian nations and provide policy inputs for deepening and strengthening their mutual relations.
3. To understand the significance and concerns of North East India in the context of emerging relationship between India and South East Asia and the need to integrate the interests of the region in this evolving pattern of relationship between them.
4. To facilitate the track I and track II diplomacy between India and East and South East Asian nations for a more engaged and sustained mutual relationship between them by establishing and developing contacts/networks of their institutions, academicians, students, civil society etc. through mechanism like students exchange programme.

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