



SOCIO-ECONOMIC IMPACT OF ACT EAST POLICY IN NORTHEASTERN REGION

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ABSTRACT

Conducive implementation of Act east Policy rationale on the chain of development scheme, it has the viable economic fertility. However, the impacts of socio-economic disturbance like drug impact, insurgency impact, traded and development impact are the main concern in this paper, the present study is based on secondary data collected from books, journals, website etc, the study showcase the socio-economic impact of Act East Policy, particularly to the North Eastern Region.

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INTRODUCTION

The recent restorations on economic stability and the emerging of socio-economic development ushering by the new BJP led central government establish the hope of fertility of entrepreneurship revival in the northeastern region. Entrepreneur's aspiration multiple with the establishment of South-East Asia corridor trade relation are becoming economic viability which strengthening the prospect of entrepreneurship implication. However, Northeastern is arguably the most troublesome region of the Indian Union, is the zone of operation for 36 major and minor insurgency groups actively involved in various natures. The government of India, on the other hand, has adopted and processing a very method to deal the problems of the Northeast region; it is a matter of regret that North-Eastern Region has not been able to reap the benefit of the policy, i.e. trial and error. India's Northeast Region (NER) policy over the years has been based on certain "misplaced Paradigms". Therefore, the present study will be concerned on the Socio-Economic impact of Act east policy in the Northeastern Region.

The location of NER is such that it shares only 2 percent of its border with the Indian whereas 98 percent is surrounded by various neighbouring countries. In the west and south west, it shares 1880 km with Bangladesh, 1643 km with Myanmar in the east and south east, 1000 km with China in the east and North East and 110 km with Bhutan in the North and North West. This unique location the of region vis-à-vis the neighbouring countries suggest that there are huge geo-economic potentials related with North Eastern Region. But history shows that while dealing with the region, geo-political consideration has always dominated over geo-economic consideration. The partition of the country in 1947 resulted in transforming the North East into a 'territorial trap' whereby traditional social and trade link were suddenly curtailed which had long term implication for the region. This situation is sought to be changed by opening the region to trade, commerce and communication and therefore various policy document and recommended measures should move towards the same direction. But the sad truth is that insurgency has become the most lucrative industry and business in the region.

The blame game played by the policy makers harping on insurgency for non-development or underdevelopment of the region is going to be proved wrong with gradual realization by the multi-brand Indian private retail chain, viz. Future Group and Reliance Retail which are now eyeing growth in the region on the basis of the feedback the retail sector has received from Northeast consumers in the past few years. Future Group, which runs Big Bazar, the country's largest retail chain in value and lifestyle formats, is going big in the region. However, one of the greatest challenges of doing business in the region is poor connectivity. Under such a situation, we wish to take a stock of the existing trade relation of the region with the neighbouring countries during recent years.

India has always taken a paradigmatic view of North Eastern Region and till date the era from more than two decade none of the paradigms have to be a success in improving the economic condition of the region and the paradigm benefit or lion share are directly reflected toward the South Indian. On the other hand the region experience alienation which is manifested in various forms, most important of them is being insurgents around the question of legitimacy of New Delhi's sovereignty. There are many paradigms carried by central government that to shaped India's approach towards north eastern region are like; Culture, security, and politics/representation paradigms etc. taking the consideration of the above discussion the present study will be initiated on the following road map:

Statement of problem

In this stage an attempt is made to determine socio-economic factors with special reference to the Act East Policy. In all dimension of business environment, there is a case where many people internally and from the outside of the regions have a role on creating the socio-economic crisis. Therefore, the present study is initiated to evaluate the factors influence in the region, the study is conducted entitle as Socio-Economic Impact of Act East Policy in Northeastern Region

Objectives of the study

- To study the difference factors involved in the development of socio-economic infrastructures.
- To evaluate the impacts of Act East Policy toward North East India.
- To offer some constructive suggestion from the study.

Delimitation of the study

- The whole study was strictly depends only on the secondary data collected from difference sources like magazines, journal and government annual report.
- There is a potential for a sampling bias due to sampling method, the sample population may not be representative.

RESEARCH METHODOLOGY

In this stage an attempt is made to study and evaluate the necessity role of infrastructure and its implementation of Act East Policy. With the help of Simple Random Sampling Technique Secondary data was collected from difference aspect of publish and un-publish sources like books, journal and website.

The collected information was shown with the help of tables and further analysed for calculating percentage. Finally conclusion were drawn and suggested for the development.

RESULTS AND DISCUSSION

In this stage an attempt is made on data analysis, presentation and interpretation. The data analysis and interpretation were on the research quires as well as research objectives. The following analyses were presented as follows:

Development impact

The main concept about Northeastern Region as Indian union is considered as showcasing only in the map procession piece of paper, the pragmatic socio-economic development was partially distributed in this region, which is viable the region today as economically backward and politically neglected. China and Myanmar political propagation toward northeastern region on the other hand make major realization in Indian economic policy, the significance started partially in new second reform i.e. but it emerge as only hypothetical strategy not in therealistic features, only after the 2nd phase of Look East Policy, the mainland Indian release as and when only electrocuted by some economic hit from the other part of the neighbouring country. The latest and more convincing dividing paradigm is Development factor. Partially develop the region hoping to submerge the problems of identity, problems of assertion, problems associated with creating a nation out of essentially tribal communities were seem to be not efficient and effective political tools. Given the historical and contemporary circumstances one can only say that there existed only an imagined correlation between these initiatives and the desired results.

For example, 'development initiative' would 'develop' the region, and development would ultimately lead to solution of the problem arising of sub-national assertions. Myanmar joining ASEAN coincided with a paradigmatic shift in New Delhi in it approach toward Northeast Region. The latest in the line of paradigms that New Delhi has followed toward Northeastern Region is the development paradigm. In the newly emerging economic situation, a thought is being articulated that the look east policy needs to be pro-actively followed through the NER in order to facilitate NER's economic integration with the larger Southeast Asian economy through the land gate of Myanmar.

The strategy set up by the Indian government which promised to usher prosperity to Northeast India through positive neighborly relations has yet to see the fruits, and thus needs a review. The policy has hardly made any fruitful impact in region's development through economic and trade revival. The region is yet to gain any tangible benefit through this policy initiative, which was taken by overlooking the demands and overhearing the voice of the people of Northeast. Having the vision of a prosperous Northeast India connected to the economies of Southeast Asia, the Act east policy envisages the growth of communication, industries and trade that would enable the people in the region to significantly improve their quality of life. But people of Northeast are yet to witness any such benefits, and still suffer from her age – old issue of economic isolation. Leaving aside investment, infrastructure, tourism, even the border trade is yet to gain momentum. This widens the scope of igniting anger amongst the youth of

Northeast against such policy, who await opportunities for better living.

Trade impact

The scenario in the neighbourhood of the North East is changing. The setting up of a SARRC Free Trade Area (SAFTA) in the SARRC Region and the removal of quantitative limits on a large number of products under SAPTA agreements augurs well for the North Eastern Region, in terms of large export opportunities. The dramatic expansion of trade with India's eastern neighbours has had little or no impact on the North East. Most of this trade expansion has taken through the sea ports. It would not be incorrect to argue that the North East has once again marginalized. India is Looking East, but not through its borders.

**Table 1.1: values of goods exported:
NE region (in Rs. Crores)**

	1999- 2000	2000- 2001	2001- 2002	2002- 2003
Total Export	393.55	408.23	384.47	409.36
Indo-Bangladesh border	169.81	151.27	186.13	201.99
Indo-Myanmar Border	3.31	5.52	1.23	4.96
ICD-Amingaon	220.37	250.86	195.68	201.15
LBGI-Guwahati	0.06	0.58	1.43	1.26

**Table 1.2: value of goods imported:
NE Region (in Rs.Crores)**

	1999- 2000	2000- 2001	2001- 2002	2002- 2003
Total Import	18.57	19.63	16.91	19.82
Indo-Bangladesh border	9.44	7.19	5.5	6.13
Indo-Myanmar Border	6.68	12.36	7.59	11.83
ICD-Amingaon	2.45	-	3.77	1.66
LBG I-Guwahati	-	0.08	0.05	0.2

Sources: Customs Office, Government of India, Guwahati

It needs to be emphasized that the physical infrastructure for facilitating trade and Economic links between the North East and the neighbouring countries is largely absent. Indeed, one can argue that the links are weaker today than they were in 1947. The Stilwell Road is now a mere muddy track and the rail links with Bangladesh stand severed. Infrastructure bottlenecks and delays at border points add substantially to the transaction cost in International trade. It is hardly surprising that with closed Border and open ports, the North East is not part of India's trade expansion strategy with eastern neighbours. Hence, in all probability the bulk of trade with the Greater Mekong Sub region, Bangladesh and ASEAN is likely to move through the international sea lanes, completely by passing the North East Region. The regions gaining so far are the hinterlands of Chennai, Vizag and the Kolkata port on the Eastern flank. It would be reasonable to argue that given the state of infrastructure and the poor state of road, rail and air links with the neighbouring countries in the North East, the bulk of trade is likely to move through the sea ports of India. The close and cooperative relationship that India and Myanmar have come to share for long and the strengthening of Economic ties with Myanmar would certainly boost trade in the North East Region which could develop the backward nature of its Economy. It is not only that the plywood industry which has already died down in Assam could revive with Myanmar's raw materials, but the joint venture could also give a new direction to the development of energy, transport and communication, bamboo products and science and technology sectors.

It is important to note that the two countries share a 1600 km long border and people residing on both sides will certainly find their life much easier with cross border trade and commerce since marketability will be least costly as compared to the respective main-land alternatives in their own countries. It is important to note that until 1960, India was a major trading partner of Myanmar. There is no reason why the countries could not regain the lost trade relation. Though the trade between the North East and Myanmar still exists one has to note the fact that the unofficial volume or simply smuggling is much larger than the formal volume of trade. Many economists pointed out that Indo-Myanmar Trade can play a vital role in promoting speedy development of North East region. With the liberalization of the border trade, the activities like trade and commerce, banking and insurance services transport and communication, warehousing facilities, etc., would be increased in North Eastern Region which in turn would accelerate the economic activities of the region. Border trade can also create external economies which could be reaped by the state.

Blaming game between Myanmar and Indian governments and its impact

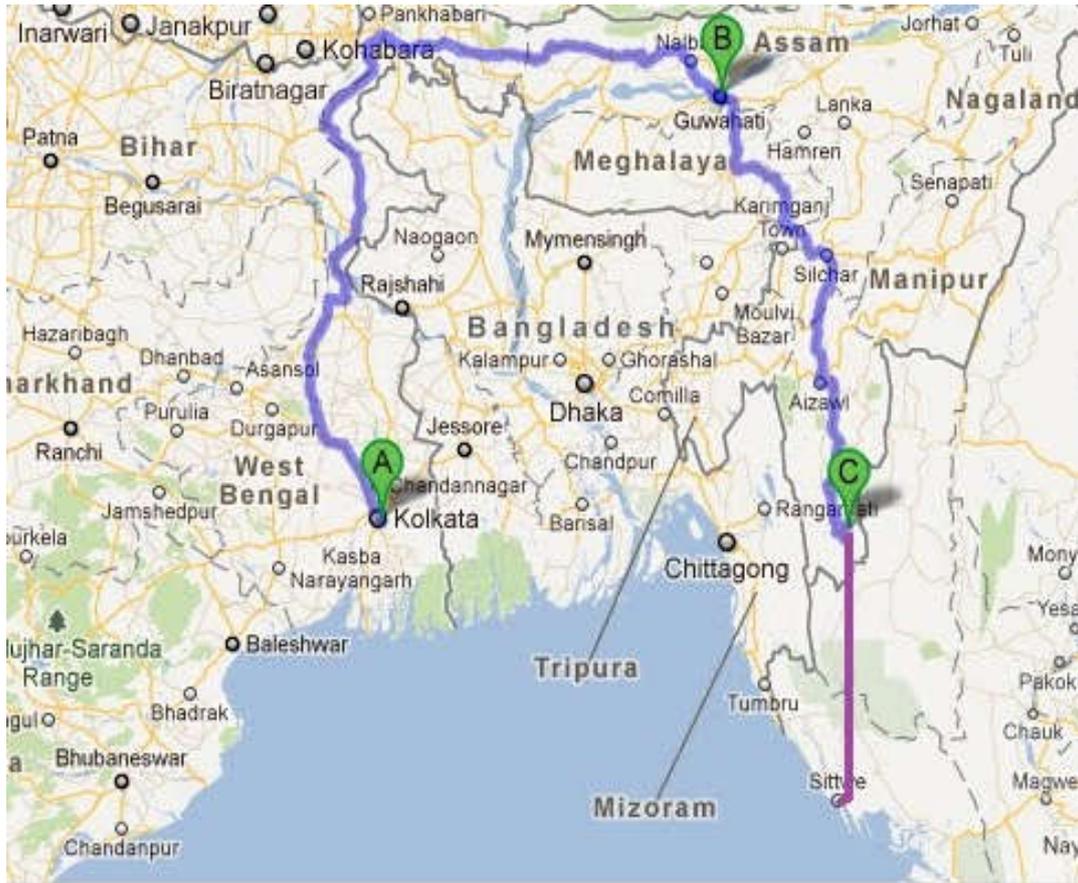
In this juncture of India's policy aiming at denouncing the military regime, Egrateau delineates a 'blame game' between India and Myanmar which arose due to border tension between the two countries and interfering respective internal affairs and suspicious to one another. In the recent border dispute acclaim to be India (Manipur) soil where the Myanmar Army has set up its base camp at Holenphai village in the Indian side of the border as there is huge and cried in the Indian side. The 'after consolidation of military rule in Myanmar, the military junta set up an elite military and paramilitary unit to fight against the ethnic insurrections and also to hunt down the political opposition under the 'Counter-Insurgencies Operations' in Myanmar. In this pretext of hunting down the insurgency, the Tatmadaw penetrated into India territory in small Mizo village in Mizoram state which is beyond the official state-controlled border and hunted down some Burmese students who took refuge. Hence, the incursion of Burmese military into Indian Territory exacerbated tension between New Delhi and Yangon.

On the other side, India has perceived and objected to Myanmar's support to the Northeast India insurgent groups; accusing that a number of separatist groups like the National Socialist Council of Nagalim (NSCN-IM & K) the United Liberation Front of Assam (ULFA) and Militant outfit in Manipur held sanctuary and sheltered in the Burmese Sagaing Division and assisted them with arms, ammunition by some Myanmar regional military generals. In response, India purportedly financed and supported militarily one of the most important insurgent groups in the North Myanmar- the Kachins (Kachins Independence Army) fighting against the military junta. Therefore, in early 1990s, both Myanmar and India had ample means at their disposal to cause a nuisance by supporting their neighbour's ethnic insurrections through clandestine means and they involve themselves in 'blame game'.

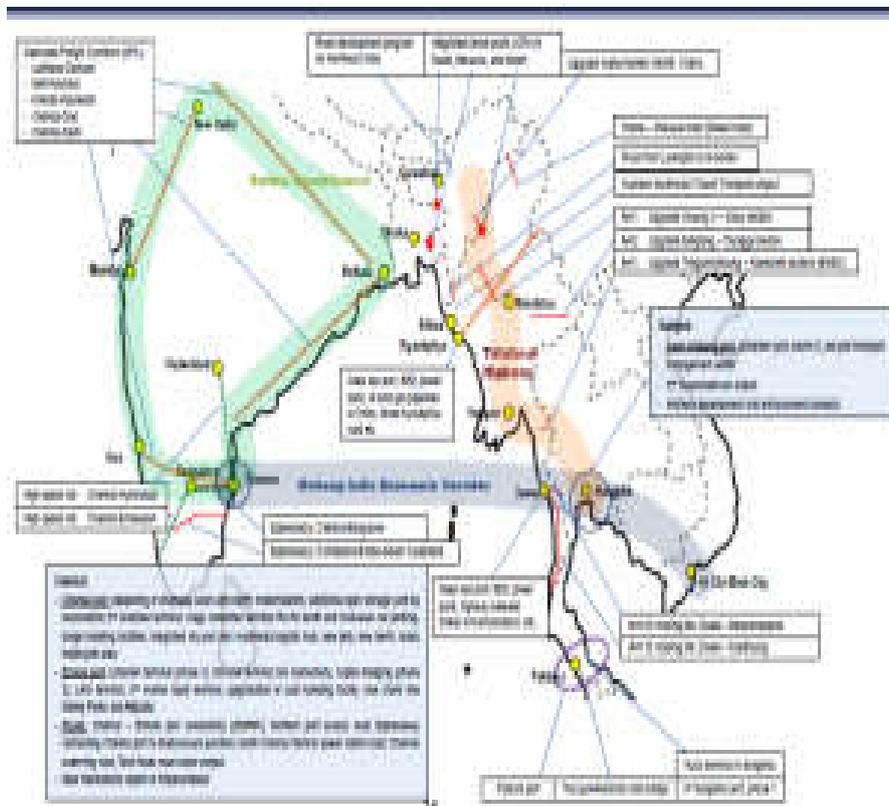
Drug impact

Look East Policy is very sensitive issues in Northeast Region and the country as well; the number of illegal trade practices likes; drug, arms, insurgency and other illegal trade are in increasing trend.

This project will reduce distance from Kolkata to Sittwe by approximately 1328 km



The Project is scheduled for completion



Kaladan Multi-Modal Transit Transport Project is a project that will connect the eastern Indian seaport of Kolkata with Sittwe port in Myanmar by sea; it will then link Sittwe to Mizoram via river and road transport

Nevertheless, the present paper is initiated to reflect on illegal drug practices. India is bracketed by two of the world's three largest narcotics producing-exporting regions namely: Afghanistan and Myanmar. There are indications that the narcotics traffic, from what is euphemistically referred to as the 'Golden Triangle' encompassing Myanmar-Thailand-Loas, constitutes the major source of illicit heroin and opium, although it has shown a decline in recent years. India has become both a passage country (directly and via Nepal) as well as a market for drugs produced in the Golden Triangle. Some, if not most, of the crime and violence in our Northeast region is linked to this factor. There was accusation of involvement of Myanmar officials in the drug trade. But Myanmar vouches to have taken serious and significant measures to control the menace with noticeable success even beyond the liquidation of the activities of the notorious drug baron, KhunSA.

The area under opium cultivation in Myanmar came down from 161,012 hectares in 1991 to 130,300 hectares in 1998 although this itself represents nearly 90% of the production of opium in Southeast Asia. There are distributing facts about the drug situation in Myanmar and its impact on India, particularly Northeastern Region. Poppy is being openly cultivated in the Kachin state. Of late, Myanmar has started producing synthetic drug called (amphetamines, and the more potent Methamphetamines) which are flooding international market including India. Myanmar continues to be the main Amphetamines producer in Southeast Asia and second largest opium producer in the world. Amphetamines use is rising faster in Asia than in any other region of the world. It is home to 62% of the world's Amphetamines and Methamphetamines user with the predominance being in east and Southeast Asia. A sharp increase in production and export of synthetic drug is threatening to turn the Golden Triangle into an 'Ice Triangle' Myanmar plays a leading role in the regional traffic of amphetamines. The situation is getting worse considering the number of seizures by the Chinese for the year 2006 was 435% more than that of the previous year and addition to this, the Thai official seized 924 Kg of heroin in 2005 which is alarming. The trade in Amphetamines is a multilateral issue. Being a synthetic drug, it needs chemicals, which are not available in Myanmar. Thus, it requires trade of such chemicals from either India or China to Myanmar where amphetamines is produced and distributed back to India, China and other parts of Asia and the world.

The number of Drug addicts is steadily increasing in the Northeastern Region. The number of addicts increase as the proximity to the border closes. Few facts would suffice the imminent dangers arising out of drug use in the India states bordering Myanmar. Singpho, tribe of Arunachal Pradesh is on the verge of extinction. The process of annihilation is being accentuated by the switch over of 60 percent of its population who are opium to the No. 4 or heroin brought from Myanmar. In Manipur the situation is gaining crisis proportions. Nearly a lakh are presently addicted to the new synthetic drug. Mizoram having 510 KM of border with Myanmar has a good supply of drug. There is no proper survey to determine the exact number of addicts, but according to Young Mizo Association (YMA) sources, 730 villages are affected by the abuse of drugs. The story is no different in Nagaland. The official commitment of Myanmar of making Myanmar free from drugs seems to be lopsided.

It began its 15-year drug eradication programme in 1999 with the declared objectives of meeting the ASEAN-wide deadline of 2015 earlier by one year. But the programme cannot be effective as it does not include amphetamine, the emerging primary menace, in its programme and concentrates only on opium. The number of amphetamine laboratories destroyed in Myanmar is much below the desired level to meet the official target, the role of state peace and development council (SPDC) has come under criticism for not doing enough to curb the drug menace. It is even alleged that the SPDC, in order to use one ethnic force against the other, has granted a free hand to the UWSA in cultivating and distributing various kinds of drug including amphetamine.

Infrastructure impact

The relevance description of development and its impact are mentioned above, in this argument effort are given to elaborate more detail in physical connectivity infrastructure development and the insight vision of Look East Policy. Improvement in the physical connectivity between the Northeast and Myanmar is a must for better realization of India's Look East Policy. Why? This is so as the Northeast was gateway to South-east Asia through Myanmar. Arunachal Pradesh and Nagaland on the north-west and Manipur and Mizoram on the south-west have borders with Myanmar, the nation which will take over the chairmanship of the 10-member regional block from Thailand in 2014. Myanmar has 93,000 hectares of untapped tea gardens and the biggest opportunity for Indian business lies in the infrastructure sector. India must take an active part in Myanmarese nation-building for its own benefit. Easy accessibility to this country shall immensely benefit the Indian unemployed youths especially in the educational industry that may pave the way as the flagship of the Indian business community in ASEAN through Myanmar.

The National Transport Development Policy Committee has estimated that Rs 1, 55,000 crore would be required for development of transport infrastructure in Northeast and the need for transport planning at three levels, viz. intra-regional, the rest of India with neighbouring countries and beyond to Southeast Asia and China, were highlighted in their report. But the irony is that, at present there is hardly any inter-sectoral planning amongst the five infrastructure sectors, namely, road, civil aviation, rail, inland waterways and telecommunication.

The completion of the Trilateral Highway connected in the Mekong region country will forge greater connectivity between Indian and Southeast Asia and the positives will outweigh the negatives in every sense. Connectivity will bring its share of problem but will certainly open up avenues for cooperation with the neighbouring states and provide effective mechanisms for dealing with cross border problem which hitherto have remained unresolved. Additionally, the Trilateral Highway will connect India to the Asian Highway Network and trade between India and ASEAN will receive a further boost which is already predicted to touch US\$100 billion in the next years and also boost trade potential of India, Myanmar and Thailand that is largely carried out through sea routes at present, adding to the substantial cost. Moreover, India Northeast region will be repositioned as a regional trading hub. It is evident that the Trilateral Highway is crucial for the realisation of the LEP and its failure might shake the very foundations of this quest upon which India has embarked.

Conclusion and suggestion

As the argument mentioned in the above can be concluded, Northeastern Region yields different optimistic/pessimistic shape and aspect from the looking east policy. The policy depleted economic crisis and improve economic health care of the region. However, as per our present paper is concerned, its reason the wide and mouth role of the government. The government of India should be sincere enough to utilize proper definition of development for the equal distribution of regional benefit to the people of the country; development should not be means of manufacture salt for the wound of the people but the efficient production of medicine which cure and life extending prospect by recognizing social value and their aspiration. On the other hand Look East Policy transforms the Northeastern region to better platform into international arena; government of India gives tireless effort with an outmost care, to motivate the economically hit zone for premium benefit from the set of system.

Upgrading the trade policy, government has taken different infrastructure development projects both National and International level for better physical connectivity development. All the preventive measure should be effectively implemented, there are sizeable border illegal trade practices are frequently witnesses in border area at the hand of insatiable and greed business men, all the law enforce for illegal trades practices items like; drug, arm smuggling etc. should be make properly channelize to prevent anti socio-economic activities Today, Look East Policy is very sensitive issue in Northeastern Region especially in Manipur. The policies as well as people of this region are not well prepared. Ignorance is one of the prominent factors to be considered. The people of the region have to participate and involve in different aspect so that as and when The 'Look East Policy' is successfully implemented will make Myanmar the gateway of India to Asian countries. It is a fact that once trade with Myanmar is in full swing, it could enter the South East Asian market. Since all goods from and to India have to pass through the north eastern region, the latter will certainly develop commercially through the 'Look East Policy' of the Government. With Myanmar an ASEAN member and likely to take the chairmanship from Thailand after 2014, common markets as many as 500 million consumers are at the door step North Eastern region for which Myanmar will be the entry point to South East Asian market.

However to achieve the end, it is not only that the development, trade relation and preventive measurement of illegal trade have to be speed up but also that the already experienced frequent disruption of transport due to agitations and militant activities of insurgent groups have to be brought under control. The most urgent need at this moment is to develop Special Economic Zones at the appropriate places of the region to start with the trade ventures.

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