

Discoursing Act East Policy and Prospects for Rural Development in North-East India- An Overview

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Abstract:

In, 1990s, India adopted Look East Policy as a means of its economic reform initiatives. In spite of implementation of Look East Policy which interacts only with ASEAN countries, the north-eastern region was still remaining backward. Thus, there need to develop more strategy for the upliftment of the region and extended it ties with Asia-Pacific region. However, under the leadership of Modi Government, for emphasizing a more pro active role for India in this region there stressed the need for an Act East Policy which replaced the earlier Look East Policy. The Act East Policy was launched at the East Asia Summit in Myanmar in November 2014. However, North- East India has more adjacency with other countries than rest of India. Due to the bad road connectivity and poor infrastructure there often face problem to supply manufacturing product to reach North-East and that hampers rural development in the region. Thus, there is a need to become self-reliance by providing ample opportunities. With the introduction of Act East Policy helps in reducing isolation of north-eastern states from Central Government and promote all round connectivity in the region such as road, railway, telecom, power sectors. There is a paradigm shift in the developmental approach of the north-east region in the name of Act East Policy' through the implementation of various schemes to further strengthen the socio-economic growth of the region. Various schemes and unique programmes which are aimed at enhancing the livelihood of the common people are initiated. However, this paper seeks to analysis the role of Act East Policy and its prospects for fostering rural development in the north-eastern region of India.

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Introduction:

Rural development is the process of improving the quality of life which means greater social transformation for economic development, increased participation of people in rural development programmes ,decentralisation of planning, better enforcement of land reform. In a country like India where most of the people live in rural areas are mostly backward due to

underdeveloped agriculture and unskilled labour. Such as North-eastern part of India has been a unfortunate part of the country since the British era as they became relatively isolated from traditional trading partner such as Bhutan and Myanmar. The diversity of the region has been one of its uniqueness. However, this diverseness makes it extremely difficult to formulate a policy that can be followed uniformly throughout the region. Apart from this, Secessionist, insurgency

or separatist activities exist in the region particularly in Manipur, Assam, Nagaland, and Tripura. The Government of India's policy towards its Northeast region has changed over times. Both external as well as internal factors are responsible for the formulation and abandonment of such policies. The policy of "leaving them alone" to the development initiatives based on state-centric security approach has kept the region isolated and underdevelopment.

The current phase of Act East Policy marks the beginning of a vibrant relationship on the economic, political and strategic fronts. The economic potential of this policy emphasizes a link to the economic interests of the Northeastern region as a whole. Thus, with the introduction of Act East Policy helps in reducing isolation of north-eastern states from Central Government and promote all round connectivity in the region such as road, railway, telecom, power sectors etc. It also has the potential of rural development of the region that are mostly suffering from poverty, unemployment, illiteracy, poor health etc. Because, due to the bad road connectivity and poor infrastructure there often face problem to supply manufacturing product to reach North-East and that hampers rural development of the region. Thus, there is a paradigm shift in the developmental approach of the north-east region in the name of Act East Policy' through the implementation of various schemes to further strengthen the socio-economic growth of the region. Various schemes and unique programmes which are aimed at enhancing the livelihood of the common people are initiated. However, this paper seeks to analysis the role of Act East Policy and its prospects for fostering rural development in Northeastern region of India.

Discussions:

As 98% of its borders with China, Myanmar, Bhutan, Bangladesh and Nepal,

Northeast India appears to have a better scope for development in the era of globalization. As no other region in India has international connectivity convenience than Northeast states of the country. Regional integration and India's outward looking economy since early 1990s brought the conception that economic integration with the rest of the world would foster political integration of North-East with the mainland as well as Southeast Asia. Thus, desire to stabilize north eastern states where insurgency were picking up its pace and sustained economic growth, connectivity with ASEAN (Association of Southeast Asian Nations) countries via roads, railways etc. and infrastructure development ;Look East Policy was launched in 1991 during the Prime Minister ship of Narasimha Rao.

Before the adoption of India's Look East Policy, in economic aspect India followed 'Inward Oriented' policy that there was very limited relation with South East Asian countries on political grounds due to its pursuit for NAM and most East Asian Countries closer to USA. But after the collapse of Soviet Union and economic reforms of 1991 India initiated closer ties with East Asia that recognized the importance of Southeast Asia that offered an opportunity for India .The Global Economy was initially dominated by North-North relations and South – South relations were not prominent much. Such as India adopted Look East Policy as a means of its economic reform initiatives. There was also felt the need of securing trade and thereby to invite more foreign investment. In spite of implementation of Look East Policy which interact only with ASEAN countries, i.e., Indonesia, Malaysia, Philippines, Singapore and Thailand, Brunei, Cambodia, Laos, Myanmar and Vietnam) the north-eastern region was still remain backward. Thus, there need to develop more strategy for the upliftment of the region and extended its ties with Asia-Pacific region. India has

now sought to ties with countries that have been neglected in recent years.

Moreover, LEP has yielded mixed results for the Northeast. It has benefitted traders, industrialized but not the poor people. Thus, under the leadership of NDA Government, for emphasizing a more proactive role for India in this region there stressed the need for an Act East Policy which replaced the earlier Look East Policy. The Act East Policy was launched at the East Asia Summit in Myanmar in November 2014. The foundation, objective remains the same but to provide impetus and increase its importance and focus on it, the policy was upgraded. It is realized that AEP try to establish a comprehensive and result driven policy that includes assuming leadership position by reinvigorating platforms such as BIMSTEC and working actively on infrastructure, land connectivity issues with Southeast Asia. It will help in diversifying our trade, secure our strategic interest, improve people to people contact and in overall development of the south east Asia. However, Act East Policy is pursuing these objectives with a new sense of urgency.

According to National Institute of Rural Development (NIRD), although the number of people below the poverty line is lower than the national average, the intensity of poverty in Northeast India is higher. Poverty in Northeast is more a rural phenomena than urban as 11.6 million people of the 12.8 million below the poverty line are rural areas. In the 1980s, the Government of India initiated a new policy for the North-Eastern region i.e., development paradigm which assumes that by connecting with other countries underdevelopment of the region can be reduced. and more investment of money in the region will be abated .In 1996 the then Prime Minister of India H.D DedeGowda announced an economic package of Rs 6,100 crore . In October 1996, under the “New Initiatives for North-

Eastern Region”, it is stipulated that at least 10% of the budgets of the Central Government should be allotted for the development of North-Eastern States. Between 1990-91 and 2002-03, the region received about Rupees 1,08,504crores (Sachdeva, 2006). Moreover, to address the regions development challenges, the Central Government created the Ministry of Development of North Eastern Region in 2004 and IT allocated Rs2, 362 crore in 2015-16. But inspite of the earmarked of large sum of money as development funds the region still has the problems of rural underdevelopment.

Some of the basic reasons that led to rural underdevelopment of Northeast India are-

- The development packages being left largely unimplemented because of poor-monitoring, lack of accountability for the specific time frame for project implementation.
- Leakage of funds at various levels of government machinery. Moreover, development funds making their way into the coffers of the insurgent groups.
- Lack of capacity by the northeastern states to absorb the huge quality of funds in the absence of training and expertise to successfully come up with implementable location-specific projects.
- The main hinder for economic development of rural areas of northeastern India is the disadvantageous geographical location.
- Lack of sufficient infrastructure facility is another major problem by the indogeneous industries of rural areas. There is no a separate room or houses to run their industries. Generally , household within their own residing houses runs most of the industries.

As an important outcome of Act East Policy is the ASEAN-India Plan of Action for the period of 2016-2020 has been adopted in August 2015 promotes areas of cooperation such as political-security, economic and socio-cultural. India continues to effort closer partnership with regional and multilateral organization such as ASEAN (Association of South- East Asian Countries), ARF, EAS, BISSTEC, ACD, MCG and IORA. As an effort to connect ASEAN with North-Eastern states many initiatives already taken such as building transport infrastructure, encouraging airlines to enhance connectivity in the region, cooperation between academic and cultural institution etc. The ASEAN –India Agreement on Trade in Service and Investments has come to force for India and seven Asian countries from 1 July, 2015. There also introduced a ASEAN-India Trade Negotiating Committee to review ASEAN-India Trade in Goods Agreement. India has also invited ASEAN member states to participate in the International Solar Alliance that has co-launched with France on 30 November 2015 at COP-21. Moreover, closer co-operation in combating terrorism, promotion of maritime security based on international laws are being pursued.

Moreover, the Asian railway which will run from Dhaka to Tokyo via Meghalaya, Assam, Nagaland, Manipur, Myanmar, Laos, Cambodia, Thailand, Singapore and Japan. Bhutan's southern and eastern border roads will also be connected via the Assam Highway. For the purpose of Burmese gas transfer through the northeast, India is investing \$100 million in improving the old colonial Burmese port of Sittwe on the west Burmese coast. Prime Minister Modi coined a new term for the region, i.e., Natural Economic Zone (NEZ) as to be developed through economic corridors to Southeast Asia.

Major Policy Initiatives:

Rural development can be achieved through eradication of poverty in rural areas. Some of the programmes which are aimed at enhancing the livelihood of the common people of Northeast India are:

Swadesh Darshan Scheme:

Ministry of Tourism initiated Swadesh Darshan Scheme in 2015. For the rural development of Northeast India under this scheme, thirteen thematic circuits have been identified for development, namely: North-East India Circuit, Buddhist Circuit, Himalayan Circuit, Coastal Circuit, Krishna Circuit, Desert Circuit, Tribal Circuit, Eco Circuit, Wildlife Circuit, Rural Circuit, Spiritual Circuit, Ramayana Circuit and Heritage Circuit.

UJALA Scheme (Unnat Jeevan by Affordable LEDs and Appliances for All):

The UJALA scheme was launched on January 5th, 2015 by Minister for Energy & Power and Labour, Dorjee Dazom Bhutia with a target of replacing 77 crore inefficient bulbs with Energy Efficiency LED Bulbs. In Sikkim, the government will distribute 14.5 lakh 9W LED tube lights in the state at a discount rate of Rs. 70 and LED tube lights at Rs 230 each on an upfront basis. Under the scheme. It is estimated that over 1.45 lakh consumers will benefit from the scheme. It is implemented by Energy Efficiency Services Limited (EESL), a public sector undertaking of Ministry of Power. EESL provides free of cost replacement for all technical faults for 3 years for LED bulbs and LED tube lights. During the distribution, replacement can be done through any of the distribution counters that would be operating within the city. Through the scheme the estimated cumulative cost reduction in bills of consumers, per day is Rs 29.7 crore and 60,173 t of CO₂ reduction per day. It also help the

government to meet the demand of electricity during peak hours.

The North Eastern Region Community Resource Management Program (NERCORMP):

It was a great initiative for livelihood and rural development project aimed to transform the lives of the poor and marginalized tribal families in North East India. It is a joint development initiative of North Eastern Council, Ministry of DONER, Govt. of India and International Fund for Agricultural Development (IFAD). Its main aim is to improve the livelihoods of vulnerable groups in a sustainable manner through improved management of their resource base in a way that contributes to the preservation and restoration of the environment.

It started its first phase in 1999, second phase in July 2010 and third phase in Jan, 2014. Physical achievements under NERCORMP –II (2010-2016) in Assam, Manipur, Meghalaya are of 460 villages, 20826 households, NaRM-G 494, Self Help Group-1600. Moreover, its III phase was launched in 2014 and its proposed targets are- 1177 villages, 58,850 households, total project fund 540.00 cr. And budget allocation FY 2015-16 of Rs. 92.26 crore.

North East Rural Livelihood Project:

NERLP was launched in 2013 for a period of 5 years to improve rural livelihood especially that of women, unemployed youth etc. It is implemented in 4 North Eastern States of Mizoram, Nagaland, Sikkim and Tripura (two districts from each of these 4 states only). Its aiding agency is World Bank and implemented by the Ministry Of DONER. It covers nearly 3, 00,000 households in 1645 villages of 62 blocks. Its main objectives are: to create sustainable community institutions

around women Self-Help Groups (SHGs), Community Development Groups (CDG). And to increase economic and livelihood opportunities by -

- Managing natural resources and improving agriculture for food security and income enhancement from farming and allied activities
- Skill development of youth for employability and establishment of self and or group managed enterprises
- Establishing backward and forward linkages for economic enterprises
- Creating access to finance through linkages with banks and other financial institutions
- Creating critical infrastructures and develop partnership of community institutions for natural resource management, microfinance, market linkages, and sectoral economic services.

Vision 2020:

Prime Minister Manmohan Singh unveiled the "Peace Progress and Prosperity in the North Eastern Region: Vision 2020" document on 2 July 2008 in New Delhi. It highlights issues pertaining to capacity-building, people's participation in governance, creation of economic opportunities, and use of resources for the benefit of the local population. It outlines a vision for a green revolution in the region with crop-diversification, promotion of agro-based products, promotion of horticulture and floriculture, rural credit and banking, land reforms etc. as agriculture remains the primary occupation of the northeastern states' population. The important role of Small and Medium Enterprises (SMEs) industries in reducing poverty and unemployment has also been acknowledged with a special focus on the role of Khadi and Village Industries (KVI) in the region.

Vision 2030:

The Minister of State for Petroleum and Natural Gas Sri Dharmendra Pradhan released the Hydrocarbon vision 2030 for north-eastern states of India. It is a tool to enable social and economic development of north east India. The objectives of the plan are to doubling the region's hydrocarbon potential, enhance access to clean fuels, improve availability of petroleum products, facilitate economic development and to link common people to the economic activities in this sector by 2030. It vision rests on five pillars: People, Policy, Partnership, Projects and Production. It also include exploring hydrocarbon linkages and trade opportunities with Bangladesh, Myanmar, Nepal & Bhutan and implementation of "Make In India" in the region; development of health & medical facilities; industrial policy & infrastructure related action points; focus on skill development as well as employment generation requirement in the region.

Scheme for North East Handloom and Handicrafts (SNEHH) :

The objective of the scheme is to promote enterprises in handloom and handicrafts sector and to provide a platform for sustainable economic growth by promoting the local artisans. The scheme is designed to help the manufacturers/designers/exporters of handloom and handicrafts products from the North-East India.

In perspective of the Act East Policy in Northeast India there are various agendas which are helpful for future prosperity of rural development in Northeast India.

- **Security (political and social)** - Security issues are very critical in the region as terrorism and insurgency led to the underdevelopment of the entire region

which also cause an impediment in the path of rural upliftment also. So with the initiation of AEP terrorism problem can be decreased by committing various agreement with South Asian countries. This would lead to the social as well as political development of the rural areas along with the entire region.

- **Eco Tourism:** Ecotourism is a form of tourism that purpose is to educate the traveler, to provide funds for ecological conservation, to benefit the economic development and political empowerment of local communities and to foster respect for different culture and for human rights. As North East India is a very rich in natural beauty and resources, better transport system and non polluting revolutionary transport system helps in the development of the rural areas. It also provide a value to the cultural as well as historical heritage. As we know that transportation is the root means of development of region. Without proper communication facility there cannot be possibility of any upgradation of any aspect.
- **Tribal Affairs (empowerment):** As most of the people of Northeast India are tribal they need special attention from the Government for the preservation of their culture. Self sustaining, equal opportunity which will upgrade the human development factor and standard of living in rural areas.
- **Education and Skill Development:** In a country like India, literacy is the main foundation of social and economic growth. Education helps in innovating new ideas, create awareness about superstitions and all round development. The level of education has certainly risen in the region. With the initiation of AEP

various researches from other country started much research work in the region as it is rich in biodiversity and multicultural people live here. By encouraging training, organize workshops, skill development and capacity building can be possible which helps in self independent of young youth in rural areas of the region. There are also proposals for establishing an Indian Institute of Science, Education and Research centre in Nagaland, a research based hospital like All India Institute for Medical Sciences (AIIMS) in Assam.

- Infrastructure and Investment- Implementation of rural development projects with the help of Public-Private Partnership the poverty eradication of rural areas is possible. By investing more money for infrastructure development as well as promoting small scale industries marginalized communities get employed . The Prime Minister has taken a serious initiative of developing organic farming making the region as a major hub for organic farming. To initiate a “Make in North East” in the model of ‘Make in India’ project, promoting tea processing, food processing, develop cultural tourism and strengthen the bond of region with the rest of India.

Suggestion:

There are some suggestions that help in fostering rural development in northeast India. These are:

While everyone in the region wants to enjoy the benefits of globalization which is partly intended to be implemented in the form of the Act East Policy there is an urgent need for proper utilization of funds and not just announcement of the development packages.

As agriculture is the dominant employment provider in the region (2001). Cultivators and agricultural labour both constitute the majority of the workforce. Thus, Government should take necessary steps in agricultural development and provide advance technology that lead to rural upliftment of the people of this region.

Creating opportunities for the establishment of technical, management and business school in all states in the region that provide ample opportunities for local young youth to build a dynamic career and thus producing human resource for the region.

In the coming years, India must continue to focus on further strengthening collaboration with ASEAN Countries to promote economic revival, seek strategic cooperation to fight terrorism and enhance defense cooperation. Apart from, soft powers such as tourism, people to people contacts, and cultural ties with the region must continue to harness.

We need to prepare with great convictions of being a skilled human resource and technically sound community and thus being able to protect the vital indigenous culture, practices and land which is both agrarian rich and mineral rich.

Conclusion:

Northeast India is the gateway to the East and Southeast Asia. Act East Policy is one of the major initiatives undertaken by the government of India . The proposed development of the Northeastern region is to be brought in through increased trade and investment as well as engaging the people of the region in productive and profitable activities to end their alienation. Thus it is evident that Act East Policy has the potential to eradicate rural backwardness of the Northeast India as it provides ample opportunities

for economic development, reduce poverty, employment facility of the local people.

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