

# Look East Policy

**IMPACT ON  
NORTHEAST INDIA**



*Edited by*

**Charles Reuben Lyngdoh  
Merostar Rani**

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# LOOK EAST POLICY

## Impact on Northeast India



*Edited by*

**Charles Reuben Lyngdoh**  
**Merostar Rani**

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## PREFACE

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Development has been the foremost cry of the Northeast. In this decades' old quest the region has had to confront inevitable surging impressions ranging from the demands for statehood, political autonomy and political independence to global inevitabilities such as liberalization, privatization and globalization. These impressions have given rise to emerging individualism and consumerism while calling upon the region abundant in resources, to keep up with these changing strides. Development comes at a price, balancing the needs of the economy with ability of nature to absorb and sustain such needs.

The Look East Policy is one such proposal initiated by the central government to address Northeast's long standing covet for development. Introduced in the early nineties this policy was intended to direct a major portion of the Northeast's economic and commercial activities towards its eastern international neighbors. This proposal appears geographically viable for all the eight states of the region are cradled amidst five international neighbors — Nepal, Bhutan, the Tibet autonomous region of China, Myanmar and Bangladesh. It is intended that the inauguration of this policy will bring the Northeast tremendous possibility of engagement in various sectors with both the thriving as well as the emerging economies of South and Southeast Asia.

Keeping this objective in focus Synod College invited policy makers, public representatives, administrators, academicians, journalists, professionals and students to a two

day national seminar on "Look East Policy: Impact on Northeast India" on October 19-20, 2006. This volume is the outcome of this seminar, a collection of speeches and papers that were discussed and deliberated upon.

There are a host of people and organizations who have been directly and indirectly involved in the preparation of this book. We would like to put on record our deep appreciation for all the assistance and encouragement that they have rendered. All praise and honor be to the Almighty who has been our guide and our inspiration each step of the way and who makes all things possible. We thank our Principal and our Vice Principal, the driving forces of this publication and for all the encouragement that they provide, the members of the Synod College Internal Quality Assurance Cell (IQAC) who continuously strive to enhance the academic environment of the College and the staff and students who have unfailingly supported all the endeavors of the College. A special thank you to our colleagues P.G. Marbaniang and A.K. Lyngdoh for all the assistance they have rendered. We are indeed grateful and appreciate the efforts of all the contributors who have taken the time to prepare papers on various themes associated with this topic. We also express our appreciation to the North Eastern Council for extending financial assistance towards organizing the seminar and for its continued faith and encouragement to all our programmes. A big thank you to our families who have been seeing less and less of us over the last few months and silently understand our commitments to the preparation of this book.

In ending we express our appreciation to Mr. M.P. Misra of Akansha Publishing House, New Delhi for having taken utmost care and responsibility to publish this book in record time.

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## WELCOME ADDRESS

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—D. Wanswett

*“Great things are not done by impulse but by a series of small things brought together”.*

With immeasurable pleasure I stand before you as the head of this institution to extend a hearty welcome to each and everyone who are expectantly gathered at the inauguration of this two-day National Seminar on “Look East Policy: Impact on Northeast India” and to express my heartfelt thanks to you for this encouraging response to our invitation. Words fail to express my gratitude to the Hon’ble Union Minister of State for Commerce, Shri Jairam Ramesh, who has come all the way from New Delhi not just to inaugurate the seminar and to deliver the keynote address but in the process share his precious thoughts and proficient views with us. Sir, we are greatly privileged and deeply inspired by your presence. Shri Jairam Ramesh has shown his concern and interest for the region by successively visiting four States of the Northeast — Assam, Mizoram, Manipur and now Meghalaya between June and October 2006.

We are indebted to the Hon’ble Chief Minister of Meghalaya, Shri J.D. Rymbai, who is also the President of the Synod College Alumni Association for his close association and guiding inspiration to our College. Sir, your presence in our midst is indeed very encouraging. I also extend a warm welcome to Dr. Donkumar Roy, the Deputy Chief Minister of

Meghalaya, Shri R.G. Lyngdoh, the Home Minister, Government of Meghalaya and Dr. D.D. Lapang, the Chairman, Meghalaya Economic Development Council. Shri Purno A. Sangma, Hon'ble Member of Parliament, and former Speaker of the Lok Sabha, our friend, philosopher and guide who has been a driving force to our noble mission and who has encouraged us to scale new heights. There is much that we owe to him in our growth and development as an educational institution of repute. I warmly welcome you, Sir, as I warmly welcome Shri Rajiv Pratap Rudy, former Union Minister of State, Commerce and Civil Aviation (Independent Charge) for his kind-heartedness and spontaneity in accepting our humble invitation to come to Shillong and to be a vital part of this discussion. We expectantly look forward to your highly esteemed views, Sir. At this time I also extend a warm welcome to the National General Secretary of the Nationalist Congress Party, Professor D. P. Tripathi, members of this seminar's Advisory Committee, senior officers of the Government of Meghalaya, members of the Synod College Governing Body, resource persons, invitees, participants and all present.

We are indeed humbled and proud that seldom a galaxy of such eminent persons has converged in Shillong under one roof to participate and to deliberate on a significantly current theme as the Look East Policy and its implications for the Northeast region. In planning the seminar we realized how important it was that this policy be given due focus that it deserves and looked at from new perspectives so that it would acquire new dimensions in the present world where evolution is the key word. The Government of India formulated this policy to explore new possibilities of interacting with its eastern neighbors at various levels thereby reducing its dependency on the West which had all along curtailed India's influence in world affairs. To this end the policy implies a new shift in focus. In place of the old

tendency of the looking west India would now turn towards its eastern neighbors the vibrant economies of the Southeast Asia countries as new potential partners in international trade. The Southeast Asia countries and India are no strangers to one another. Their civilization links stretch thousands of years evident in culture, tradition, heritage, monuments, religion and linguistic influences. India's relationship with its Southeast Asia neighbors has been shaped by the events of time and the changing course of world politics. Today the time is ripe for India to put behind the cold war divisions of Asia and to set the tone for weaving a regional economic fabric with these countries on the lines of an "Asian Union". The Look East Policy is a work in progress, a policy that is continuously evolving. Its economic potential should be the most compelling factor to shift from rhetoric to a realistic approach especially when the momentum and pace of reforms have been set in the Indian economy. Today new security issues of a non-military nature have emerged and need to be addressed in a comprehensive manner. A pro-active approach to our eastern neighbors requires a clear vision for cementing better relationships.

Due to its proximity the northeastern part of India could turn to the South Asian and Southeast Asian countries to harness the benefits of economic development and reduce its over dependence on the centre while at the same time firmly remaining an integral part of the Indian constitutional and political framework. Undoubtedly, the implementation of the Look East Policy will have wide-ranging implications for the Northeast. From a vantage point of view the region is India's gateway to the East. It has been appropriately pointed out that the 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".

The eight states fall within a part of the country which shares 98% of its borders with its South Asian and Southeast Asian neighbors, hence, the unique strategic geo-political importance of this region to the rest of the country. Home to about 250 tribes with 190 spoken languages, it presents a rich tapestry of diverse and unique cultures and ethnic identities. The majority of its vast resources are yet untapped due to lack of basic infrastructure such as road and rail transport, communication network and financial institutions. The region is also known for its oldest democratic systems whose strength are in its indigenous institutions. It would be interesting to deliberate on the extent to which these may be impacted by the implementation of the Look East Policy. It is also a known fact that the region is presently grappling with problems of insurgency and general unrest. Growing population, urbanization and influx have all led to great unemployment problems. The Look East Policy has therefore become an area for animated discussion in debates and seminars such as this. It is in this regard that Synod College, Shillong is organizing the two day National Seminar on "Look East Policy – Impact on Northeast India" to deliberate on key areas associated with the theme.

Mark Twain once said, "*Take your mind out every now and then and dance on it*". That was his way of saying, "Try something new, break new ground". This is a good advice for all of us. Sometimes we need something to jolt us out of a lifeless routine – a bold new thought, a different slant on a familiar subject, or a bit of wisdom from someone who has walked down that road before we have.

There are high expectations from this Seminar, and we promise that nobody will be disappointed but all will be well benefited. I wish everybody prolific and constructive interactions.

Thank You.

## KEYNOTE ADDRESS

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*Jairam Ramesh*

The Principal of Synod College, Dr. D. Wanswett, Shri J.D. Rymbai, the Chief Minister of Meghalaya, other political leaders and dignitaries on the dias, Mr. P.A. Sangma, Dr. D.D. Lapang, Mr. R.G. Lyngdoh, Mr. Rajiv Pratap Rudy, Professor D.P. Tripathi, Ladies and Gentlemen

In the meeting held on October 18, 2006 with the Trade and Commerce Ministers of the eight member states of the North Eastern Council many issues were discussed on trade and infrastructure creation in the Northeast. The topic 'Look East Policy – Impact on Northeast India' has engaged the attention of many people in the Northeast. In fact there is more for "look east" in the Northeast than in the rest of India. This topic has also generated immense interest and enthusiasm and numerous queries have been posed by the young men and women of this region on the Look East Policy. I hope that this enthusiasm is also shared by the rest of India. What India needs is *look Northeast before looking east*. The Northeast is a region comprising of eight states most of which are wrought by problems of militancy and insurgency. When you have peace you do not have the headlines, it is only when you have ethnic violence, insurgency or militancy that you attract the national headlines. It is then that cabinet committees meet and special economic packages are formulated. Unfortunately there is a disadvantage of being peaceful. If you are violent the entire country imagines that

you are up in flames and therefore the need to come up with some kind of development package or the other. Nevertheless, this topic has engaged the attention of many.

It has been the endeavor of successive governments to put in place a Look East Policy. Of course the Look East Policy is nothing new. We have always had a vision of India in a close relationship with the rest of Asia. Before India became independent, the first Asian Relations Conference chaired by Pandit Jawaharlal Nehru was held in 1946. This Conference drew leaders from all over Asia. We are not doing something new by advocating this policy. For many years though we propounded the Look East Policy but we went west. It's only in the last ten years that we are not only saying *look east* but also *go east*. The result of it is that this year Asia is now our largest trading partner. It is not the United States it is not Europe but it is Asia that is India's largest trading partner. This is not a coincidence but a cumulative effect of a set of actions that have been taken over the last ten to fifteen years to increase trade ties between India and the countries of the rest of Asia particularly the ASEAN countries, Japan and those of Northeast Asia. As a result of this increase in trade links and our engagement and investments, Indian companies are now making investments in the rest of the Asian region and Asian countries are also coming to India. This two ways street has been opened up and today Asia occupies a place of pride as far as trade is concerned. India is in the final stages of negotiating a free trade agreement with ASEAN which hopefully will be clinched, negotiated and finalized by the end of the year and this would be a major step forward. India already has a comprehensive economic partnership agreement with Singapore, and has the beginnings of a free trade agreement or rather a framework free trade agreement with Thailand. A free trade agreement with the ten countries of ASEAN to be finalized by the end of the year would hopefully constitute

a significant milestone in India's Look East Policy. In addition, India is planning a large number of infrastructure projects in order to give political, economic and strategic content to its Look East Policy. Critical in this investment is the intensified engagement with Myanmar, a country with whom a State like Mizoram shares almost 1600 kms of its border. India, in the last few months has been talking to the Myanmarese government and it will now take up what constitutes another very significant milestone in its Look East Policy which is the building of the Sittwe port which is on the western coast of Myanmar. India is going to spend about 100 million dollars rebuilding this port and making the Kaladan river navigable. This will completely open a new access not only for the Northeast but also for the rest of India to the rest of Southeast Asia. In many ways what India is doing is to do a bypass surgery on Bangladesh. Bangladesh has been a major stumbling block in the process of regional integration. Until we are able to convince Bangladesh about the benefits of closer economic engagement with India, we have to think of alternatives and one major alternative is this new investment that India is about to make. This project will be launched in early 2007 and will take about three years to complete. There will be a modern port at Sittwe, the Kaladan river at Mizoram will be navigable and Northeast India will then have an alternative route for engagement. The Northeast will also have an alternative route for access to Myanmar and the rest of Asia. In addition to the Sittwe port there are a large number of highway projects that have been planned. In particular is the Asian Trilateral Highway which encompasses Thailand, Myanmar and Northeast India. This will result not only in road integration but integration of the transportation network of Asia and India. This will ultimately lead to a rail link from Kolkata to Hanoi via India's Northeast. This is a broad picture of what the Government of India has been thinking about, that in fostering this

economic engagement with Asia lies not only new trade opportunities for India itself but also opens out new avenues for the development of India's Northeast.

As far as the Northeast is concerned we must accept the fact that in the years to come the future of the region lies in retaining its own unique cultural identity, in political integration with India and in economic integration with the rest of Asia. It is difficult to visualize such a model - a compartmentalized model, retaining your own cultural identity which is unique in many respects, political integration with the larger democratic system of India and economic integration with the larger economic body of ASEAN and the rest of Asia. This will call for a very creative political response both on the part of the decision makers of the Northeast and New Delhi and for this a lot of cobwebs that were built over the years, such as the Restricted Area Permit, limited telecommunication services and tight security regulations have to be removed. It is imperative to accept this model which is a three pronged model- a cultural identity of your own, political integration within the larger democratic framework of India but economic and commercial integration with Southeast Asia. This is a model that has been advocated for quite sometime and the Ministry of Commerce, Government of India has given it some operational content. It has been my endeavor to focus on key issues which I think are going to be very important in determining the pace and nature of this economic integration of India's Northeast to the rest of Asia. There is absolutely no doubt in my mind that the single most important requirement is infrastructure. Presently there is an enormous infrastructure deficit in India's Northeast and this is preventing paced economic integration. We must address this problem of infrastructure deficit in a very bold and business like fashion than we have been able to do in the past. This infrastructure covers roads, trading centers, land custom stations, power - it covers the

entire gamut of physical infrastructure that is required in order to stimulate economic activity and promote trade integration. I have been impressing upon my colleagues in the state governments that we should work in a partnership mode in order to identify some of these key infrastructural bottlenecks and improve connectivity as part of this programme of development of the Northeast and its integration as part of India's Look East Policy.

The second major requirement is to make investments in economic activities that create surpluses for trade. Today the region can supply only a limited number of anthurium flowers and cannot meet the required demand. The region does not have the volume and quantity of pineapple, ginger and passion fruit that are required in the international market. Though Meghalaya is producing high quality tea it is unable to supply the quantity required. Similarly Manipur is growing high quality passion fruit and oranges. The question is, can the State produce the exportable and tradable surpluses required to be credible suppliers to the international markets? There is potential but having potential alone is inadequate. What is required is to have surpluses and the production capacity. Whether it is in the area of handicrafts or horticulture we need to make massive investments in creating production capacities which will create the surpluses that will be required for infrastructure. In the field of horticulture we have started a large number of projects. In Meghalaya we are looking at major investments in cultivating organic ginger and organic turmeric. Similarly in Manipur we have made major investments in mulberry silk, in Tripura it is rubber while in Assam it is tea. Each state has a unique resource endowment and it does not make sense for each state to compete with the others. Each state must specialize in something that is of unique characteristic to that state. Sikkim for example today has developed an international reputation for orchids. It does not make sense

for other states of the Northeast to make major investments and try to cut in to the international markets for orchids. India this year has emerged as the second largest exporter of roses to the Japanese market. India has taken over Holland which used to be the second largest supplier of roses and today it is number two after South Korea. If adequate investments are made Meghalaya can be one of the most important exporters of cut flowers and roses to Japan. As a collective entity other state governments, other central government departments and institutions that have been created for the Northeast like the North Eastern Council must identify for each state a couple of unique projects which are suited to the resource endowments of that particular state and make major investments in creating production capacity, in creating the type of volumes that are required to create an international market presence. The Look East Policy will not be meaningful if we only keep looking. Looking east is for a purpose, to invest and generate revenue from the east. To fulfill this task India has to develop to be in a position to create those surpluses and those capacities which will make it a market power and strengthen its market presence. The Northeast cannot be a small supplier of anthuriums, citreous fruits, tea, ginger and retain the notion that the region has arrived on the international trading scale. The Asian Development Bank has recently completed a study of trade infrastructure in India's Northeast. It has identified three products available in the Northeast which can convert India's Look East Policy into product opportunity. They are pineapple, bamboo and rubber. The Government of India is in the process of looking at this report to identify the key areas of investment in these commodities to enable the Northeast to emerge as a major centre of production for the rest of Asia. This is essential so that the region can participate in the process of economic growth and economic prosperity that trade itself will bring.

A big stumbling block for getting new investment into the region is the reluctance of investors to come and invest in the Northeast. It is always a paradox- here is a region where the literacy is very high, the people are familiar with the English language and young men and women are noted for their enthusiastic embrace of new ideas. Yet somehow India's Northeast has not derived the benefits of increased investments. Today the government is not the sole investor in a region's investment. There is need to create a conducive atmosphere where private investment can be harnessed whether it is in information technology, education, horticulture or any other area. Unfortunately for a number of political reasons and for reasons having to do with the perception of violence, militancy and insurgency, private investments that should have come into the Northeast have not. The only exception is the cement industry in Meghalaya because of the tax incentives that are being offered. Meghalaya has suddenly become a major centre for the manufacture of cement including Assam. In fact 92% of all the investment that has taken place in the Northeast in the last fifteen years is only in the States of Assam and Meghalaya. However it is that small region in both these states that has been able to attract private investment which is largely concentrated in the mineral sector and in the cement industry. The ability of state governments to sell their states as investment destinations is going to be critical and part of this is going to depend on the states' ability to convince the investment community, for investment will ultimately be driven by sentiment. If the prevailing sentiment is that it is not a safe place to invest in the Northeast then no investor will be willing to take the risk. This is a Herculean task, it requires the central government's role and it requires the state governments to also play a pro-active role. It is imperative to make a determined effort to leverage on the unique strengths of the Northeast. The unique strengths of

the Northeast are the ability to speak English, a youthful population and a population that is highly literate. These are the ingredients of success in a modern environment. If the central government were to make major investments in improving connectivity and infrastructure these initiatives will send a clear signal to investors to come and invest in the region. It will be the endeavor of the Ministry of Commerce, Government of India to work with all the state governments to convey this message to the larger investment community that while you may have instances of ethnic unrest such disturbances should not dissuade you from investing in the Northeast. There is no place in India which is free from violence. To develop the Northeast requires a close coordinated effort between the state governments and the central government. Investment summits for the Northeast should be held in the region. Such initiatives will be a systematic effort to sell the Northeast as an investment destination to investors from across India and from across the world particularly in those areas which have a comparable advantage- horticulture, handicrafts and information technology in particular.

It is of concern to note that the region suffers from a basic structural malaise. Every year the central government sends about fifteen thousand crores of rupees to the eight northeastern states for a population of about 30 million. This amounts to about five thousand rupees per person. If bank accounts were to be opened in the name of every poor person and the central government sends a cheque to each person, poverty would have been abolished in the region. The real question that needs to be addressed is where is this money going? It is common knowledge as to where this money finally parks. Money is not a constraint in the Northeast, the central government has ample funds to invest in the region's development. What is really lacking in the region is the ability to spend money in a manner that brings benefit to the people

of the Northeast. All those involved in this chain of investment are benefited (including those who operate outside the region) except the people of the Northeast. Today the Right to Information has been put into operation. It is a very powerful right. One unique feature of the Northeast is that civil society is very powerful. It is important for people especially the youth and college students to use the right to information in demanding accountability from their political representatives. Ask them where is the fifteen thousand crores of rupees going? Where are the projects, where are the roads? Though money has been sanctioned yet the projects do not see the light of day. Such anomalies continue and there is a very simple explanation for this: people in Delhi do not have the time to get involved in the complexities of the Northeast, their conscience is salvaged by putting in more money. Whenever there is a problem in the Northeast, New Delhi comes up with a new package. There have been four Prime Minister's packages for the Northeast in the last ten years. Until we create infrastructure in the Northeast, unless we see public expenditure benefiting the people of the Northeast, unless we begin to see power, roads, transportation, markets (as these are some of the basic ingredients of trade infrastructure) we will not see the progress and development of the region. The single most important area of reform is accountability on public expenditure. If civil society, if educational institutions, if faith based organizations are able to use the right to information to demand from the political class and political establishment accountability and responsiveness then the people of the region will begin to see the emergence of a new Northeast.

The Look East Policy is a venture in which the entire civil society has a stake. Unless civil society begins to build a partnership on this model, unless we begin to create space for each other, unless we begin to recognize what is our individual responsibility we will not be able to do full justice

to the Northeast. It is equally essential that we need not just the Look East Policy but also and more importantly we need the Look Northeast Policy so that we are able to harness the undoubted economic potential of this region and give to the people of this region the vision, the prospect of a better future.

Thank you.

## CHAIRPERSON'S ADDRESS

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*J.D. Rymbai*

Hon'ble Union Minister of State for Commerce, Shri Jairam Ramesh, former Speaker of the Lok Sabha and Member of Parliament Shri P.A. Sangma, former Union Minister of State for Commerce and Civil Aviation (Independent charge) Shri Rajiv Pratap Rudy, Professor D.P. Tripathi, National General Secretary, Nationalist Congress Party, Dr. D. Wanswett, Principal, Synod College, Dr. Merostar Rani, Coordinator, I.Q.A.C., distinguished dignitaries, delegates and all present

I am deeply humbled by this awesome experience of addressing this gathering of intellectuals who have traversed great distances, braving the onset of winter to converge in this august house, urged on by a keen interest in and a deep concern for the economic development of Northeast India in particular which concurrently has been given a fillip by the Look East Policy initiated by the Government of India to examine fresh avenues for trade and commerce with our Southeast Asian neighbors.

On behalf of the State of Meghalaya, I warmly welcome all outstation resource persons and participants to this land of many hues of nature and assure you all of our celebrated hospitality. I must congratulate Synod College for taking on this challenging venture of organizing a national level seminar on a theme that will determine not only the economic

future of east India, particularly the Northeast because of its unique strategic geo-political importance to the rest of the country, but also the policy's growing implications in the political and other impressed areas. As you are aware the Look East Policy launched in 1992 had its origin in the end of the Cold War, following the disintegration of the Soviet Union and the emergence of the USA as a super power. In the aftermath of India's liberalization it was more than just a foreign policy alternative as it provided a development alternative as well, in synchronization with globalization and resurgence of Asia as an economic powerhouse. To quote the Hon'ble Prime Minister of India, Manmohan Singh, "*it was also a strategic shift in India's vision of the world and India's place in the evolving global economy*". Though the policy was given an initial thrust with the then Prime Minister (Late) Narasimha Rao visiting China, Japan, South Korea, Vietnam and Singapore, and India becoming a sectoral dialogue partner with the Association of South East Asian Nations (ASEAN) in 1992, the policy was pursued in good earnest till only recently. I appreciate this endeavor of Synod College to redraw our attention to this policy and step on the pedal for it to be carried forward in an effective manner. It is only in the beginning of the twenty-first century that India has given a big push to this policy when it became a summit-level partner of ASEAN in 2002 and was simultaneously involved in regional initiatives such as the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and the Mekong-Ganga Cooperation (MGC), and now finally becoming a member of the East Asia Summit in December 2005.

A close look at the policy reveals that it was not meant only to improve relations with Southeast Asia but there were a number of dimensions too. The post-Cold War political atmosphere offered an opportunity to frame a policy initiative by expanding the scope considerably to include political as

well as economic aspects which came to be known as the Look East Policy. Since then it has become a multi-faceted policy with a multi-pronged approach to establish strategic links with as many countries as possible, establish institutional linkages with ASEAN, and develop strong economic bonds with eastern neighbors. The policy was also meant to be an attempt to carve a place for India in the larger Asia Pacific region, economically the most vibrant region. Yet another intention was to highlight India's economic potential for investment and trade. The best aspect of renewed engagement between India and ASEAN is that now both recognize that each has something to offer to the other. The ASEAN region has an abundance of natural resources, manufacturing abilities and technological skills that can provide a natural base for the growth of synergies and integration between ASEAN and India. The policy has acquired new dimensions and expanded to include new key areas that have led the organizers of this Seminar to invite learned experts and scholars to look at it afresh and discover new meaning and implications.

While wishing all fruitful deliberations at the Seminar and pleasant stay in Shillong, I express my confidence that at the end of the day, the policy will have been given a new thrust and new approaches and new areas identified for it to be increasingly important and beneficial to all impacted by it.

Once again, I wish the Seminar success in all its aspects.

Thank you

# 1

## INTRODUCTION

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*Editors*

### I

Northeast India has received abundant attention over many decades the reasons for which are numerous. The progression of development and its bearing on the people of the region have been a recurrent theme in the consideration of the government, non-governmental organizations and professionals. Initiatives have been set in motion to realize the myriad sentiments and aspirations of the people of the region. Much remains to be accomplished if the region and its people are to savor the resources and endowments that they so abundantly enjoy.

Southeast Asia did not escape the wrath of intervening external powers and gory ideological wars. Regional security witnessed a transformation at the fag end of the cold war with the disintegration of the former USSR. The closure of the first Soviet military bases in Vietnam and later those of the United States of America in the Philippines in the early 1990's could be construed as the beginnings of a new Southeast Asia. Regional players emerged to vie for influence in an atmosphere of transition from a bipolar to a multi polar world. The Look East Policy emerged under such conditions

when India decided to look within Asia to establish itself as a formidable economic Asian power. This policy was also the effect of India's attempt to deregulate its economy by ushering in a climate of liberalization. Thus the Look East Policy was simultaneously launched with India's liberalization policy following a thaw in Southeast Asia's ideological orientations. It was initiated as a development strategy aimed at accelerating India's engagement with its eastern international neighbors. Under the then Prime Minister Narasimha Rao India took a decision to significantly engage with ASEAN. At the fourth ASEAN Summit held in Singapore in January 1992, ASEAN Heads of Government agreed to establish sectoral dialogue on trade, investment and tourism with India. Since then there has been no looking back and sub-regional cooperation between India and its neighbors has paved the way even for multi-lateral relations. A crucial aspect of the Look East Policy will be India's ability to engage with its neighbors through its eastern land bridge along the international borders with Nepal, Bhutan, the autonomous region of Tibet in China, Myanmar and Bangladesh. The Northeast is significantly placed in the focal point of this policy.

The Northeast region comprises of the eight states of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura. It covers an area of 2,55,000 sq. kms. which constitutes about 7.9% of the total geographical area of the sub-continent. This region is richly endowed with natural and mineral resources and has been identified as one of the world's biodiversity hotspots. It is home to a population of 39 million (2001 census) diverse and remarkable in culture and tradition, with 80% of this population living in the countryside. Yet this diverse composition has also been a bane to unity and prosperity with demands ranging from ethnic assertion to political independence. Verghese has aptly described the region as a

*“rainbow country: extraordinarily diverse and colourful, mysterious when seen through parted clouds, a distant and troubled frontier for all too many”.*<sup>1</sup>

The implementation of the Look East Policy has inevitable implications for the northeast region. The policy has been envisaged to achieve growth and development for the region. It is intended to initiate industrial development in an industrially deficient region, diversification of industrial activity, employment generation and trade and market expansion in accordance with the potentials of the region. To be inclusive the realities must match the objectives to be achieved. A number of pertinent questions arise: Will the northeast gear itself to develop exportable surpluses in commodities that are in demand in the international market? Is the region willing to engage itself in resolute economic association with Southeast Asia or will it remain only a “corridor”? These are questions that have no immediate answers. The Look East Policy is an initiative in motion, its results will not immediately be visible especially in a region that has been weighed down by numerous concerns. Jairam Ramesh has appropriately remarked that cobwebs need to be cleared if the Look East Policy is to benefit the Northeast.

It should be the endeavor of the Look East Policy to harness the huge human resource of the northeast where ‘employability’ rather than employment generation should be the key focus. Similarly if the policy is to take concrete shape good governance should be a key element of the northeastern states. Transparency, accountability and timely execution of projects should reflect their commitment to implementing the policy. They should demonstrate the qualities of responsive administration, administration that is corruption free, continuously in touch with people’s needs and accessible at all times. If development is to flow to the citizens it should be people centric, gender neutral,

participatory and adopt a 'bottom-up' planning approach. The Look East Policy should stimulate the Northeast to the path of economic well being and prosperity. It should strive to eliminate the perpetual dependency syndrome that has been engendered in the region. It should usher in an impression of self confidence to shape the region's destiny in the face of emerging opportunities.

## II

This book is a collected work of the deliberations and papers that were presented at the national seminar "Look East Policy: Impact on Northeast India". The deliberations were interesting as they did not strictly adhere to an academic or intellectual milieu but also embraced field observations of those who were or have been engaged in carrying this policy forward. The first set of presentations address wide-ranging issues that are pertinent to the Northeast. In his paper *The Face of the Northeast*, D.P. Tripathi firmly calls for the need to remove prejudices that have been associated with the Northeast. He observes that a new class of young professionals with a new idiom of life has emerged in the region. It is this class, he firmly believes, that will play a decisive role in societal transformation. P.A. Sangma in his paper *Initiating Transformation in Northeast India* observes that concrete measures and initiatives will enable the region to stand on its own and shed the dependency syndrome. He stresses on the importance of establishing a single think tank and single funding agency to streamline the development process. He also calls upon the young, educated and dedicated people to participate in the political process. In *An Agenda for the Northeast* R.P. Rudy inquires into the contributions that have been made by the Northeast. He suggests giving the region an alternative nomenclature to inculcate in the

people a sense of belongingness. He also suggests with conviction that if given the opportunity the Northeast will definitely be able to perform and achieve in the various indicators to economic prosperity.

The second set of presentations address issues significant to trade, commerce and the role of financial institutions. In their joint paper *India's Look East Policy: Economic Possibilities for the Northeast* Amiya Sarma and Bhupen Kumar Sarma examine initiatives that have been undertaken under the Look East Policy. This paper makes suggestions to harness the potential benefits that will accrue from an improved economy of the Northeast. B.P. Muktieh's paper *Role of Financial Institutions and Banks* briefly examines the emergence of the Look East Policy initiative and its implications for the Northeast. The paper also suggests measures through which financial institutions can play an effective role in implementing the policy. In her paper *Border Trade of Northeast India with Bangladesh: Impacts and Potential* I. Wanswett examines the reasons that facilitate border trade. The paper suggests ways to enhance the economic relations between the Northeast and her international neighbors especially Bangladesh. It also examines the impact of informal trade on the region's economy. Lambodar Rout's paper on *Look East Policy: Meghalaya's Coal Trade with Bangladesh* examines the emergence of coal trade between Meghalaya and Bangladesh. It discusses the export procedures and examines the bottlenecks that arise in facilitating trade along the Indo-Bangladesh border with special focus on the Dawki land custom station. The paper *Regional Economic Cooperation between India and ASEAN: Trade Opportunities for the Northeast Region* jointly presented Ratul Mahanta and Daisy Das discusses the initiatives that have been taken to promote regional cooperation between India and ASEAN. The paper

makes a plea for development of physical linkages to enhance trade between the two.

The third set of presentations address issues significant to promoting tourism. In *Endorsing Tourism: A Resource for the Northeast* Charles Reuben Lyngdoh briefly discusses the meaning of the term 'tourism'. The paper highlights key areas of tourism which can be promoted in the Northeast – rural tourism, medical and health tourism, MICE tourism and Christmas tourism. He suggests the need for states to come forward with world record breaking events in order to attract visitors to the region. Mousumi Borah in her paper *Look East Policy: Promoting Tourism in the Northeast* emphasizes on the need to encourage the promotion of tourism in the Northeast through an integrated tourism policy involving all stakeholders of the region. The paper highlights the importance of tourism as an instrument to economic development while suggesting measures to improve the present scenario. In her paper *Sustaining Tourism through the Look East Policy* Sangita Kakoty discusses India's paced economic engagement with its eastern neighbors. The paper stresses on the importance of promoting tourism to show case the region's natural endowments. The paper adequately highlights the probable dangers of promoting tourism in the absence of a careful assessment of its probable impact on resources and communities.

The presentations are attempts to reexamine the Northeast through the Look East Policy and offer suggestions as to the best possible ways of engaging the region through this nascent and emerging development strategy.

#### REFERENCE

1. Verghese, B.G.: *India's Northeast Resurgent* (4th edn.), Konark Publishers, New Delhi, 2004 cited in *NIPFP Vision Document 2020*.