

India's Act East Policy and Assam: Connectivity, Regional Integration and Emerging Opportunities

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Abstract

India's Act East Policy (AEP), announced in 2014, builds on the Look East Policy initiated in the early 1990s and places greater emphasis on practical connectivity, strategic cooperation and people-to-people engagement with Southeast Asia and the wider Indo-Pacific. This conceptual paper examines the place of Assam and the wider North-Eastern Region (NER) in that policy, with particular attention to transport links, cross-border trade, investment, tourism, financial inclusion and socio-cultural exchange. The study uses a qualitative, descriptive and analytical approach based on secondary sources, including government policy documents and published academic research. The analysis suggests that Assam's location, transport networks, human resources and resource base give it the potential to function as a logistics and services hub connecting mainland India with neighbouring countries. However, geography alone does not guarantee development. Infrastructure gaps, delays in cross-border projects, difficult terrain, security concerns, limited export capacity, skills shortages and uneven access to finance may constrain the benefits of regional integration. The paper argues that the success of the AEP in Assam should be assessed not only by the completion of transport projects but also by local employment, enterprise growth, value addition, inclusive access to markets and environmental safeguards. It recommends coordinated infrastructure planning, stronger trade facilitation, support for micro, small and medium enterprises (MSMEs), skills development, and transparent project monitoring and community participation. As a conceptual study, it does not claim to measure causal impacts; rather, it develops an analytical framework and identifies priorities for future empirical research.

Keywords: Act East Policy; Assam; Northeast India; regional connectivity; ASEAN; cross-border trade; MSMEs; financial inclusion; sustainable development.

1. Introduction

India's economic and diplomatic engagement with Southeast Asia developed significantly after the economic reforms of the early 1990s. The Look East Policy was intended to strengthen India's economic links with East and Southeast Asian economies and to broaden its diplomatic and strategic relationships. In 2014, the Government of India articulated the

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Act East Policy, giving renewed emphasis to implementation, connectivity, strategic cooperation and cultural relations across the Asia-Pacific and Indo-Pacific regions (Ministry of External Affairs, 2015).

The North-Eastern Region of India is central to the domestic dimension of this policy. Its location near Bangladesh, Bhutan, Myanmar and other neighbouring states creates opportunities for cross-border transport, trade, tourism and cultural exchange. Assam is particularly important because it contains major population centers, transport corridors, educational institutions, commercial activity and river systems that connect the wider region. Its tea, petroleum, natural gas, agricultural and horticultural sectors, together with its cultural heritage, may support greater regional trade if production, logistics and market access are improved.

Nevertheless, the presence of a strategic location does not automatically create economic gains. Connectivity must be supported by reliable roads and railways, multimodal logistics, border infrastructure, predictable customs procedures, digital systems, finance, trained workers and productive local enterprises. Without these complementary conditions, transport corridors may move goods through the region without creating enough value or employment within it. Scholars have therefore examined both the promise of regional integration and the barriers that affect its implementation in Northeast India (Srikanth, 2016; Das, 2022; Patgiri & Hazarika, 2023).

This paper studies the relationship between India's Act East Policy and Assam's development prospects. It focuses on the policy's potential contribution to connectivity and regional integration, the constraints that may limit outcomes, and the measures needed to ensure that local communities and businesses benefit. The paper is conceptual and based on secondary sources; it does not present original survey results or estimate the causal impact of the policy.

2. Background: From Look East to Act East

The Look East Policy emerged in the context of India's post-Cold War economic and diplomatic reorientation. Its early emphasis was on economic engagement, trade and investment ties with Southeast Asia. Over time, India's regional engagement broadened to include strategic dialogue, defence cooperation, cultural exchange and participation in multilateral forums.

The Act East Policy represents a more implementation-oriented articulation of this engagement. The Ministry of External Affairs describes the policy as having economic, political, strategic and cultural dimensions, supported by institutional mechanisms and cooperation with ASEAN and other regional partners (Ministry of External Affairs, 2015). Forums such as the East Asia Summit, ASEAN Regional Forum, BIMSTEC and Mekong–Ganga Cooperation provide different platforms for dialogue and cooperation.

For Northeast India, the policy links foreign relations with domestic development. Cross-border roads, waterways, border haats, integrated check posts and logistics infrastructure may reduce the cost of reaching regional markets. The India–Myanmar–Thailand Trilateral Highway and the Kaladan Multi-Modal Transit Transport Project are important examples of

this connectivity agenda. Their expected benefits depend on completion, operational coordination, security, maintenance and the arrangements that allow people and goods to move efficiently across borders. Government project updates should therefore be consulted for current implementation status rather than assuming that a proposed corridor is fully operational (Press Information Bureau, 2019; Government of India, 2026).

3. Objectives of the Study

The main objective is to examine the potential role of the Act East Policy in improving Assam's connectivity and regional economic opportunities. The specific objectives are:

1. To analyze the strategic and economic role of Assam and Northeast India in the Act East Policy.
2. To compare the broad orientation of the Look East Policy and the Act East Policy.
3. To identify opportunities for cross-border trade, investment, tourism, MSME development and socio-cultural exchange.
4. To discuss infrastructure, governance, financial inclusion, security and environmental challenges affecting implementation.
5. To suggest policy measures and an analytical framework for evaluating whether connectivity produces inclusive and sustainable local development.

4. Research Questions

The study is guided by the following questions:

1. Through which mechanisms can the Act East Policy create economic opportunities for Assam?
2. What infrastructure and institutional conditions are necessary for connectivity to translate into local development?
3. Which constraints may prevent small businesses, workers and communities from benefiting from regional integration?
4. What indicators should be used in future research to evaluate the policy's outcomes in Assam and the wider Northeast?

5. Review of Literature

Research on the Look East/Act East Policy presents both an opportunity-oriented and a critical perspective. The Ministry of External Affairs' policy statement emphasizes economic, political, strategic and cultural cooperation and identifies infrastructure, manufacturing, trade and skills as areas connected to India-ASEAN engagement (Ministry of External Affairs, 2015). This official framing clarifies the policy's stated aims, although policy objectives should not be treated as proof that intended outcomes have already occurred.

Srikanth (2016) examines sub regional connectivity projects and Northeast India, questioning assumptions that infrastructure corridors will automatically resolve regional underdevelopment. This perspective is relevant to Assam because the benefits of a transport

link depend on complementary local institutions, market access and productive capacity. Barua (2020) similarly discusses the development model associated with the Look East/Act East approach and the relationship between connectivity construction and the region's development prospects.

Das (2022) identifies constraints to development through the Act East Policy, including security conditions, governance, entrepreneurial skills, market availability and the willingness of neighbouring countries to cooperate. These constraints suggest that a connectivity strategy needs to be integrated with wider economic and administrative reforms. Patgiri and Hazarika (2023) consider the policy's institutional, physical and social dimensions and discuss the idea of Northeast India as part of a wider cross-border region. Their approach highlights that connectivity is not limited to transport infrastructure: it also involves institutions, social relations and cross-border interaction.

Ghosh (2024) analyses India–ASEAN economic relations and Northeast India, arguing that infrastructure, trade facilities and connectivity improvements could support investment and productive capacity. The potential gains remain conditional on implementation and the ability of regional businesses to participate in trade. Recent debate also cautions against assuming that the Northeast's development agenda is automatically fulfilled by the policy's wider strategic objectives (Mukhia, 2026).

Taken together, the literature points to three themes. First, connectivity is an important enabling condition for regional integration. Second, infrastructure alone is insufficient without governance, skills, enterprise development and effective trade facilitation. Third, assessment should distinguish between announced projects, completed infrastructure, actual utilization and measurable local economic outcomes. This paper builds on these themes by focusing on Assam and by proposing indicators that could guide future empirical assessment.

A limitation of the draft literature supplied for this paper is that several author-year references—including some names dated 2025 and 2026—were not accompanied by full titles, publication venues, page ranges or stable links. Those entries have not been treated as verified sources in the reference list. They should be restored only after the author confirms the exact publications.

6. Research Methodology

This paper adopts a qualitative, descriptive and analytical research design. It is a conceptual study based on secondary information rather than a primary survey or econometric analysis. Sources include official policy statements, government project updates and published academic studies on the Act East Policy and Northeast India.

The analysis follows four steps. First, it outlines the policy background and the strategic position of Assam. Second, it identifies the principal connectivity mechanisms and potential economic channels. Third, it reviews constraints highlighted in the literature. Fourth, it develops a practical framework for assessing policy outcomes.

The study has limitations. Secondary sources may use different time periods and definitions, and official documents generally describe policy objectives and implementation information

rather than independently evaluating social outcomes. No primary data were collected, and no statistical test or causal estimate is claimed. Future research should combine district-level data, trade statistics, project implementation records, enterprise surveys and interviews with businesses, transport operators, local communities and officials.

7. Analytical Framework: How Connectivity May Produce Local Benefits

The relationship between the Act East Policy and regional development can be understood as a sequence rather than an automatic outcome.

Policy and infrastructure inputs: investment in roads, railways, waterways, border facilities, digital systems and logistics services.

Connectivity outputs: reduced travel time, more reliable freight movement, improved access to border markets and more predictable movement of people and goods.

Economic transmission mechanisms: lower transaction costs, wider markets, tourism flows, supply-chain links, investment, access to inputs and opportunities for firms to specialise.

Local development outcomes: growth in enterprise sales, employment, wages, value addition, export participation and access to services.

Conditions and safeguards: stable cross-border arrangements, transparent procurement, maintenance, security, environmental protection, community participation, affordable finance and skills development.

This framework highlights a key distinction: the construction of infrastructure is an output, while improved livelihoods and inclusive growth are outcomes. Evaluation should therefore track both the delivery of projects and their use by local businesses and communities.

8. Assam's Strategic Position and Connectivity Opportunities

Assam is a major transport and commercial centre within Northeast India. Its road, rail, air and river connections link the state with other parts of the region and with the wider Indian market. Its proximity to Bangladesh and its position within the broader Northeast give it a potential role in logistics, warehousing, processing, tourism and services. However, Assam's international connectivity is mediated by routes, border arrangements and infrastructure that cross more than one jurisdiction; it should not be described as sharing a direct international border with every neighbouring country in the region.

Cross-border connectivity projects may provide alternative routes and improve the movement of goods. The Kaladan Multi-Modal Transit Transport Project is designed to connect the eastern seaboard of India with Sittwe Port in Myanmar and onward routes toward the Northeast. The India–Myanmar–Thailand Trilateral Highway is intended to improve land connectivity between the three countries. These projects are strategically relevant, but their economic contribution depends on the operational condition of each component, border procedures and the reliability of onward transport. The latest project status should be verified against official updates before any time-sensitive claim is made (Press Information Bureau, 2019; Government of India, 2026).

Assam may benefit from stronger regional logistics through warehousing, cold chains, cargo handling, repair services, transport enterprises and value-added processing. Agricultural and horticultural products may gain from better access to markets if producers can meet quality standards, maintain consistent supply and obtain affordable logistics. Tea and other established sectors may also benefit from branding, processing and market diversification. These possibilities require investment in storage, packaging, testing, certification, digital marketing and market intelligence rather than transport infrastructure alone.

9. Emerging Economic and Social Opportunities

9.1 Trade and MSME development. Improved transport and border procedures may reduce the time and cost involved in moving goods. Small firms could benefit from access to regional customers, suppliers and business networks. To realise this potential, MSMEs need information on export rules, product standards, documentation, payment systems, packaging and cross-border demand. Shared testing facilities, export help desks, digital marketplaces and trade fairs could help smaller firms participate.

9.2 Agriculture and value addition. Assam's agricultural and horticultural output may create opportunities in food processing, packaging, cold storage and distribution. Rather than exporting only raw products, local enterprises could retain more value through grading, processing and branding. This requires reliable electricity, water, food-safety systems, producer organisations and links between farmers and processors.

9.3 Tourism and cultural exchange. The region's cultural diversity, festivals, landscapes, wildlife and historical sites provide opportunities for responsible tourism. Better connectivity may make travel easier, but tourism development should respect local communities, protect sensitive ecosystems and ensure that income reaches local guides, home stays, transport providers and craftspeople.

9.4 Investment and employment. Regional integration may encourage investment in logistics, hospitality, food processing, light manufacturing and business services. Investment promotion should be accompanied by transparent land processes, predictable regulation, local hiring and training arrangements. Job creation should be assessed by quality and durability, not only by announced investment values.

9.5 Financial inclusion and digital readiness. Access to affordable credit, insurance, digital payments and business banking can help small firms take advantage of new markets. Financial inclusion is not simply the availability of a bank account; it also includes suitable credit, financial literacy, payment reliability and the capacity to manage risk. Targeted support for women-owned enterprises, rural businesses and first-time exporters may widen participation.

9.6 Skills, education and research. Colleges, universities and training institutions can support language skills, logistics, tourism management, customs documentation, digital commerce, food technology and entrepreneurship. Collaboration between educational institutions, industry and government can help ensure that training matches emerging employment needs.

10. Major Challenges and Risks

Infrastructure and maintenance gaps. Poor last-mile roads, congestion, limited logistics facilities, unreliable utilities and high freight costs can weaken the commercial value of major corridors. Infrastructure planning must include maintenance budgets and connections to production centres.

Project delays and cross-border coordination. International corridors depend on cooperation among multiple governments and agencies. Delays in one segment, inconsistent procedures or limited operating arrangements can reduce the usefulness of the entire route. Announced and completed components must be distinguished from fully functioning end-to-end services.

Market and enterprise constraints. Local firms may lack scale, working capital, product certification, export knowledge or consistent production. Without support for these constraints, corridor traffic may rise without a corresponding increase in local value addition.

Security and political uncertainty. Instability, border restrictions and changes in neighbouring countries' conditions may disrupt transport and investment. Resilience planning requires alternative routes, transparent risk communication and coordination among relevant authorities.

Environmental and social concerns. Roads, ports, industrial activity and tourism can affect forests, river systems, biodiversity and local livelihoods. Environmental assessment, consultation and monitoring should be built into project planning, not treated as a late-stage formality.

Unequal distribution of benefits. Larger firms may be better positioned than micro-enterprises to capture new market opportunities. Women, remote communities and informal workers may face barriers related to finance, information, skills and mobility. Policies should measure who benefits and who bears the costs.

Governance and implementation. Coordination across central, state and local agencies is essential. Delays, fragmented responsibilities, weak monitoring and limited public information can reduce confidence. Publicly accessible progress indicators and grievance mechanisms can strengthen accountability.

11. Policy Recommendations

1. ****Adopt an integrated connectivity plan.**** Coordinate roads, railways, waterways, border facilities, logistics parks and last-mile connections around actual trade and passenger demand.
2. ****Strengthen trade facilitation.**** Improve customs information, digital documentation, border operating procedures, testing and certification facilities, and access to reliable information for first-time exporters.

3. ****Support MSMEs and local value addition.**** Establish export support services, common packaging and testing facilities, business mentoring, market intelligence and links with regional buyers.
4. ****Expand affordable finance.**** Improve access to working capital, credit guarantees, insurance and digital payment systems for small firms, producer groups and tourism operators.
5. ****Invest in skills.**** Develop training in logistics, warehousing, food processing, tourism, language skills, digital commerce and export documentation in partnership with employers and educational institutions.
6. ****Build transparent project monitoring.**** Publish clear updates on cost, timelines, operational readiness, freight volumes and local benefits. Distinguish construction progress from actual service availability.
7. ****Ensure environmental and social safeguards.**** Conduct credible assessments, consult affected communities and monitor effects on biodiversity, land use and livelihoods.
8. ****Promote cross-border institutional cooperation.**** Use appropriate bilateral and regional forums to improve information exchange, transport coordination and predictable procedures.
9. ****Measure inclusion.**** Track participation by micro-enterprises, women-owned firms, rural producers and remote districts, not only aggregate trade or investment.
10. ****Encourage independent evaluation.**** Commission periodic studies using comparable data, transparent methods and public reporting.

12. Suggested Indicators for Future Empirical Research

A future empirical study could evaluate the policy using a baseline and follow-up design. Potential indicators include:

- ****Connectivity:**** freight travel time, transport cost per unit, road reliability, frequency of services and distance to functioning logistics facilities.
- ****Trade:**** value and composition of exports, number of active exporting firms, border clearance time and use of formal trade channels.
- ****Enterprise outcomes:**** MSME sales, productivity, employment, wages, access to credit and survival rates.
- ****Inclusion:**** participation by women-owned firms, rural producers, small suppliers and disadvantaged districts.
- ****Tourism:**** visitor numbers, length of stay, local employment and the share of tourism expenditure retained locally.
- ****Environmental and social outcomes:**** land-use change, community consultation, grievances resolved and compliance with environmental conditions.

- ****Governance:**** project completion against published milestones, maintenance spending and public availability of performance data.

Where feasible, researchers should compare districts or sectors with different levels of exposure to improved connectivity while accounting for other factors that affect development. Any causal claim should be supported by an appropriate research design and data rather than inferred from the timing of a project alone.

13. Conclusion

India's Act East Policy creates a strategic framework through which Assam and Northeast India may strengthen their links with neighbouring countries and Southeast Asian markets. Assam's transport networks, commercial base, natural resources and cultural assets provide a foundation for logistics, trade, tourism, investment and value-added production. Yet the development impact of connectivity is conditional. A road, port or border facility can improve access, but it does not by itself ensure that local firms become competitive or that benefits are distributed fairly.

The central implication of this conceptual study is that the Act East Policy should be assessed as a combined programme of physical connectivity, institutional coordination and local economic capacity-building. Timely and reliable infrastructure must be complemented by trade facilitation, affordable finance, skills, enterprise support, environmental safeguards and public accountability. For Assam, success should be measured through observable outcomes such as reduced transaction costs, stronger MSME participation, increased local value addition, sustainable employment and wider access to markets.

Because this paper relies on secondary sources, it does not establish a causal relationship between the policy and economic growth. Future research should test the proposed framework using district-level data, enterprise surveys and project performance indicators. Such evidence would help determine which interventions generate the greatest inclusive and sustainable benefits for Assam and the wider Northeast.

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