A STUDY ON CHALLENGES AND OPPORTUNITIES FOR NORTH EAST INDIA UNDER INDIA’S LOOK EAST POLICY

DIGANTA KUMAR MUDOI*

*Assistant Professor of Economics,
D K D College Dergaon.

ABSTRACT

India’s Look East policy was initiated in 1991, which marked a strategic shift in India’s perspective of the world. The essential philosophy of the policy is to increase India’s economic interactions and linkages with South East Asian countries and the rest of the world. The share of developing countries has doubled to about 30 percent of India’s trade, while Asia’s share has doubled to 24.2 percent. In other words about a quarter of India’s foreign trade now comes from its Asian neighbors. The Look East policy is the product of several factors, namely, the end of cold war brought about a fundamental change in the international system, various compulsions, changed perceptions and expectations of India in the changed international environment, increasing economic interdependence among Asian nations, slow progress in multilateralism, increased popularity in regionalism, economic liberalization driven by market mechanism and increasing economic integration with the global economy etc. This policy was developed and enacted during the government of Prime Minister P.V. Narasimha Rao and rigorously pursued by the successive governments of Atal Bihari Vajpayee and Manmohan Singh.

While addressing the India-ASEAN summit a few years ago the Prime Minister, Dr. Manmohan Singh, stated that The Look East policy had led to remarkable rise in ASEAN annual trade volume from 2.3 billion in 1990 to 23 billion in 2005. Of course, the share of North East Region of this volume has been only about 12 percent. This is because of the fact that required facilities and opportunities have not been created with the region even after nearly two decades of the formulation of the Look East policy by the centre. Besides, the North East Region is the closest to Myanmar and the volume of bilateral trade with Myanmar was the order of 470 million in 2004. In spite of this fact, the share of this region was almost negligible.

In this backdrop the paper seeks to analyze the India’s initiatives to its Look East Policy, the opportunities and challenges for North East India under this policy.