

<u> Date –16-April 2025</u>

NER: HUB OF ECONOMIC GROWTH FOR INDIA

WHY IN THE NEWS?

In a major step to boost global investment and cooperation in India's North Eastern Region (NER), the Ministry of Development of North Eastern Region (MDoNER) organized an Ambassadors' Meet in New Delhi on April 15, 2025. Over 80 countries participated to explore the region's vast economic and strategic potential. Hon'ble Minister Jyotiraditya M. Scindia highlighted the government's vision to transform the NER into a hub of trade, connectivity, and innovation. He emphasized the unique strengths of each of the eight North Eastern states and invited countries to invest in the region, which serves as a vital gateway to Southeast Asia under India's Act East Policy.



BRIEF ABOUT NER INDIA

The NER comprises 8 states – Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura, and Sikkim – covering 7.98% of India's area and 3.76% of its population (Census 2011). Sharing over 5,300 km of international borders with Bhutan, China, Myanmar, and Bangladesh, it holds strategic importance under India's Act East Policy.

Security & Peace Initiatives:

- 1. 80% drop in insurgency incidents (2014–2020); 99% fall in civilian casualties.
- 2. 6,000+ militants surrendered since 2014.
- 3. AFSPA significantly reduced across Assam, Manipur, Nagaland, and Arunachal Pradesh.

Key peace agreements:

- 1. Bodo Accord (2020) 1,615 cadres surrendered.
- 2. Bru-Reang Agreement (2020) 37,000 displaced resettled.
- **3. Karbi Anglong Accord (2021)** 1,000+ militants joined the mainstream.
- 4. Assam-Meghalaya Boundary Pact (2022) resolved 65% of disputes.

Development Push:

- 1. Budgetary allocation doubled: ₹36,108 crore (2014–15) → ₹76,040 crore (2022–23).
- 2. PM-DevINE scheme launched with ₹1,500 crores to accelerate regional development.
- 3. Emphasis on infrastructure, connectivity, investment, and border trade.

Strategic Vision:

The NER is now being positioned as India's gateway to Southeast Asia, focusing on connectivity through the India-Myanmar-Thailand Trilateral Highway and integration with ASEAN markets, aligned with the Act East Policy.



GOVT SCHEME FOR NER DEVELOPMENT

Category	Name	Key Features / Purpose
Schemes	PM-DevINE (2022)	₹1,500 crore scheme for infra, livelihood,

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		entrepreneurship, and social development in NER.
	NESIDS (North East Special Infra Dev Scheme)	100% centrally funded for sectors like water, education, health, and power.
	NERSDS (Road Sector Scheme)	Develops inter-state & intra-state road infrastructure.
	NEIDS, 2017 (Industrial Scheme)	Industrial incentives for GST, transport, and employment – boost private investment.
	NLCPR Scheme (DoNER)	Funds priority infrastructure not covered under other schemes.
	North Eastern Council (NEC) Grants	Regional planning and project funding through the statutory NEC body.
	Digital North East Vision 2022	Focus on e-governance, digital infra, skill development, e-health, etc.
	Mission Organic Value Chain Development (MOVCDNER)	Promotes organic farming and value chain integration.
	Vibrant Villages Programme	Infrastructure and livelihood support in border villages of Arunachal Pradesh and other NE states.
Acts & Accords	North Eastern Council Act, 1971	Established NEC as a statutory body for regional coordination & development.
	AFSPA, 1958 (Partially withdrawn)	Gradually removed from many districts due to improved security.
	Bodo Accord (2020)	Resolved 5-decade-old Bodo issue; 1,615 cadres surrendered.
	Bru-Reang Agreement (2020)	Resettlement of 37,000 displaced Bru-Reang people in Tripura.
	NLFT Agreement (2019)	88 cadres surrendered; aimed at peace in Tripura.
	Karbi Anglong Accord (2021)	1,000+ militants surrendered in Assam's Karbi region.
	Assam-Meghalaya Border Pact (2022)	Resolved 65% of long-pending interstate border disputes.
Policies	Act East Policy (2014)	Enhances connectivity & economic ties with ASEAN; NER as India's gateway to Southeast Asia.

Category	Name	Key Features / Purpose
	Tourism Promotion Policy for NER	Eco-tourism, cultural circuits, adventure tourism.
	Startup India & Stand-Up India – NER Focus	Boosts youth entrepreneurship, MSMEs and innovation.

NEI AS A PILLAR OF INDIA ECONOMIC GROWTH

1. Strategic Location & Connectivity Potential: NER shares over 5,300 km of international borders with Bhutan, Bangladesh, Myanmar, and China. Acts as a vital gateway for India's Act East Policy, boosting trade with ASEAN and East Asia.

2. Natural Resource Richness: The region is rich in oil, natural gas, coal, limestone, forest produce, and hydropower potential (over 58,000 MW estimated). Abundant bamboo and medicinal plants offer sustainable economic avenues.

3. Organic Farming Hub: With minimal chemical use, NER is ideal for organic agriculture. Government schemes like MOVCDNER support export-oriented organic value chains.

4. Cultural and Ecotourism Potential: Unique cultural heritage, biodiversity, and scenic landscapes make NER a hub for ecotourism and cultural tourism. Helps generate local employment and promotes sustainable development.

5. Connectivity Infrastructure Boom: Major investments in roads, railways, airways, and digital connectivity are reducing isolation. Projects like the India-Myanmar-Thailand Highway, Kaladan Project, and new railway lines enhance logistics.

6. Industrial and Startup Ecosystem Support: Policies like NEIDS 2017 and Startup India focus on promoting industries and youth entrepreneurship in NER. Sectors like agro-processing, IT, handicrafts, and textiles are being encouraged.

7. Improved Security & Peace Initiatives: Reduction in insurgency and signing of peace accords have created a stable environment for investment. Partial withdrawal of AFSPA signals enhanced law and order.

8. Central Government Focus & Funding Support: Over ₹76,000 crore earmarked (2022–23) from 54 ministries under the 10% GBS allocation rule. Special schemes like PM-DevINE and NESIDS are tailored for region-specific development.

CHALLENGES IN EXPLORING NEI POTENTIAL

1. Geographical Isolation: The narrow Siliguri Corridor (Chicken's Neck) limits easy access, affecting the movement of goods and people.

2 Inadequate Infrastructure: Poor road, rail, power, and digital infrastructure hamper industrialization and economic growth.

3. Security Concerns & Insurgency Legacy: Although improving, remnants of past insurgency and inter-ethnic conflicts still create investment hesitancy.

4. Frequent Natural Disasters: The region is prone to floods, landslides, and earthquakes, which disrupt connectivity and livelihoods.

5. Border Disputes & Governance Issues: Inter-state and international border tensions (e.g., Assam-Meghalaya, Assam-Mizoram) hinder cohesive planning.

6. Limited Private Investment: Perceived risks, high logistics costs, and lack of industrial ecosystem discourage private sector participation.

7. Lack of Awareness & Market Access: Poor branding and limited access to national and global markets for local produce and handicrafts stifle economic opportunities.

8. Skill Gaps & Migration: Despite high literacy, lack of vocational training leads to youth migration in search of jobs, draining local talent.

WAY FORWARD

1. Enhance Physical and Digital Connectivity: Accelerate completion of highways, railways, airports, and broadband infrastructure. Strengthen cross-border connectivity under the Act East Policy to integrate NER with ASEAN markets.

2. Strengthen Peace and Security Measures: Deepen peace-building through continued dialogue and implementation of signed accords. Strengthen law enforcement and community participation for lasting stability.

3. Promote Organic and Sustainable Agriculture: Expand initiatives like MOVCDNER and provide better access to organic markets and cold storage facilities. Encourage value addition and export of local produce.

4. Industrial and Entrepreneurship Promotion: Develop region-specific industrial corridors and clusters. Empower youth through skill development and support for startups and micro-enterprises.

5. Leverage Tourism and Cultural Heritage: Develop ecotourism circuits and cultural festivals to promote sustainable tourism. Improve hospitality infrastructure and promote local crafts.

6. Resolve Inter-State and Border Disputes: Continue dialogue and diplomatic engagement for peaceful settlement of lingering border issues. Use autonomous councils for inclusive governance.

7. Foster Human Capital Development: Improve access to quality education, vocational training, and healthcare services. Set up centres of excellence and digital skill hubs.

8. Boost Investment through Incentives and Partnerships: Attract private investment via tax incentives, ease of doing business, and public-private partnerships (PPPs). Strengthen collaboration with Southeast Asian nations in trade, tourism, and technology.

CONCLUSION

The North Eastern Region (NER) is emerging as a critical pillar of India's strategic, economic, and cultural resurgence. Once considered a remote and conflict-prone frontier, it is now being actively integrated into the national mainstream through sustained peace-building, infrastructure expansion, and development-focused governance. Its strategic location as a gateway to Southeast Asia, coupled with rich natural resources, organic farming potential, vibrant cultural heritage, and improving security, makes it central to India's Act East Policy and regional cooperation agenda. However, unlocking its full potential requires addressing deeprooted challenges such as geographical isolation, infrastructure deficits, and limited private investment. A balanced approach that prioritizes inclusive development, regional integration, ecological sustainability, and community empowerment is essential.

PRELIMS QUESTIONS

Q. Consider the following statements regarding the North Eastern Region (NER) of India:

- 1. It shares borders with only two countries Bangladesh and Myanmar.
- 2. The Act East Policy positions the NER as India's gateway to Southeast Asia.
- 3. The PM-DevINE scheme focuses exclusively on promoting tourism in the region.

Which of the statements is/are correct?

- A. 1 and 2 only
- B. 2 only
- C. 2 and 3 only
- D. 1, 2 and 3

Answer: B

MAINS QUESTIONS

Q. The North Eastern Region (NER) of India is no longer a periphery but a pivotal pillar of India's Act East Policy and economic transformation." Discuss the strategic, economic, and developmental significance of the NER and suggest a way forward for harnessing its full potential.

(250 words, 15marks)

