



ECONOMIC COOPERATION AND DEVELOPMENT BETWEEN INDIA AND BANGLADESH: OPPORTUNITIES AND CHALLENGES

Ranajit Mondal

Assistant professor, Department of Political Science,

Banwarilal Bhalotia College Asansol, West Bengal

Abstract

One of the most important aspects of South Asian regional integration is the economic cooperation and growth that has taken place between India and Bangladesh. Throughout the last several decades, the two countries have gradually extended their bilateral commerce, investment, and connectivity activities. This is due to the fact that they share cultural, historical, and geographical connections. While India continues to be one of Bangladesh's most important commercial partners, Bangladesh still provides India with vital access to Southeast Asia as well as a consumer market that is expanding at a rapid rate. Trade in energy, infrastructure projects that span international borders, collaboration in the digital economy, research of the blue economy, and integration of regional value chains are all key areas where chances for cooperation may be found. Initiatives such as border haats, transit agreements, and joint ventures in electricity generation highlight the potential for both parties to experience growth. On the other hand, full-scale collaboration is still hindered by a number of chronic problems, including trade imbalances, non-tariff barriers, infrastructural bottlenecks, water-sharing issues, and political sensitivities. In order to effectively address these difficulties, it will be essential to strengthen institutional structures, improve trust, and promote behaviors that are sustainable. The economic connection between India and Bangladesh has enormous promise for the prosperity of the region as a whole; nevertheless, the success of this partnership is contingent on striking a balance between the interests of both countries and the mechanisms of cooperation that assure equitable growth.

Keywords: Cooperation, Development, India, Bangladesh, relations

Introduction

The cornerstone of India and Bangladesh's bilateral relations is the deep-rooted historical, cultural, and geographical links that they share with one another. Economic cooperation has emerged as one of the most prominent areas of collaboration between the two nations ever since Bangladesh gained its independence in 1971. The two countries have maintained a multidimensional engagement with one another ever since. Because they are geographically close to one another and share a border that is 4,096 kilometers long—the longest border that India has with any other nation—their economic connection is not only natural but also strategically vital. The economies of both India and Bangladesh have witnessed significant shifts over the course of the last three decades. On the other hand, Bangladesh has been recognized as one of the emerging "Asian Tiger" economies, achieving robust GDP growth, social

development, and industrial expansion, particularly in the textile and garment sector. India has consolidated its position as one of the major economies that is growing at the fastest rate in the world. Through this parallel growth trajectory, fertile ground has been laid for stronger economic collaboration between the two countries concerned. Commerce and investment are the two pillars upon which the relationship between India and Bangladesh is built. On the other hand, Bangladesh is becoming an increasingly important export destination for Indian goods and services, and India is one of Bangladesh's most important commercial partners. Connectivity projects, which include rail linkages, road corridors, inland waterways, and energy pipelines, have opened up doors for regional integration. These initiatives have also opened up opportunities for commerce. A pragmatic strategy for improving economic interlinkages is seen in the operationalization of border haats, which are small marketplaces located along the border, as well as transshipment facilities and power trade agreements. There are, however, certain difficulties associated with the collaboration. There have been several factors that have slowed down the rate of growth, including trade imbalances, non-tariff obstacles, limited diversification of exports, bottlenecks in infrastructure, and unsolved conflicts, notably those that are associated with the distribution of water from transboundary rivers. Furthermore, political sensitivities and internal pressures on both sides might occasionally have an effect on the consistency of policies and agreements. In light of this, it is of the utmost importance to conduct an analysis of the potential and difficulties that are associated with economic cooperation and growth between India and Bangladesh. Through a more nuanced knowledge, it is possible to identify potential avenues for enhancing bilateral connections, fostering sustainable development, and making a contribution to the peace and prosperity of the area. The economic connection between India and Bangladesh is a critical pillar for building inclusive prosperity and strategic resilience. This is because global and regional geopolitics are shifting, and South Asia is becoming an increasingly important region in terms of global commerce and the Indo-Pacific strategy.

Opportunities in Economic Cooperation and Development between India and Bangladesh

The collaboration between India and Bangladesh presents both countries with considerable prospects to boost their economies, facilitate greater regional integration, and make a contribution to the advancement of sustainable development. A number of prominent locations stand out:

Trade and Market Expansion

At this point in time, Bangladesh has become India's most important commercial partner in South Asia. There has been a consistent increase in bilateral commerce, which now exceeds billions of dollars yearly. India has the opportunity to develop its exports thanks to the rapidly expanding middle class and consumer base in Bangladesh. At the same time, India is an essential market for Bangladeshi textiles, apparel, and agro-based products. It is possible that bilateral commerce may see exponential development if tariffs were further liberalized and non-tariff obstacles were reduced.

Connectivity and Infrastructure Development

Improving connection is one of the most promising areas in which collaboration may be implemented. Road, rail, and waterway connections between the two countries are being restored. These connections include initiatives that are being carried out in accordance with the BBIN (Bangladesh–Bhutan–India–Nepal) Motor Vehicles Agreement, which makes it easier for people and products to move freely between the countries. Inland waterways, such as the India–Bangladesh Protocol Routes, allow for the opening of

new commerce routes while simultaneously lowering the costs of logistics. Trade facilitation will be further improved by the creation of multimodal transport hubs and integrated check posts (ICPs), which are now in the planning stages.

Energy Cooperation

Trade in energy has been an essential component of bilateral cooperation in recent years. Grid links allow India to export electricity to Bangladesh, and cooperative ventures in power generation, notably projects involving renewable energy, promise to be beneficial in the long run. Greater energy security may be achieved through the India–Bangladesh Friendship Pipeline, which transports petroleum goods, as well as through the cooperation of natural gas over international borders. This presents an opportunity for collaborative study, development, and deployment of renewable energy sources, notably solar and wind power.

Investment and Industrial Collaboration

While Bangladesh has garnered a lot of attention as a center for the garment and textile industries, India is known for its skill in the fields of information technology, medicines, and manufacturing. In Bangladesh's special economic zones (SEZs), opportunities for Indian investment have the potential to contribute to the creation of employment and the strengthening of value chains. In a same vein, Bangladeshi business owners may reap the benefits of India's startup environment, technological parks, and digital infrastructure. Both economies have the potential to become complementary partners rather than rivals through the implementation of such an industrial alliance.

Digital Economy and Technology Cooperation

There is a great deal of potential for collaboration in the areas of technology, fintech, e-commerce, and digital governance. Bangladesh's information technology outsourcing sector is thriving, and India has established itself as a leader in software and digital innovation. In the areas of cybersecurity, artificial intelligence, and digital payments, the transfer of knowledge, the implementation of training programs, and the formation of collaborative enterprises might pave the way for a shared digital future.

Blue Economy and Maritime Cooperation

Opportunities for collaborative research and the environmentally responsible utilization of marine resources in the Bay of Bengal have been made available as a result of the resolution of maritime border disputes. It is possible that India and Bangladesh might enhance their position in regional maritime commerce through cooperation in the areas of fisheries, shipping, port development, and offshore renewable energy. This would add to the prosperity of coastal populations within the region.

Regional and Global Integration

It is important to note that the economic cooperation between India and Bangladesh is not restricted to only achieving bilateral benefits; rather, it also makes a contribution to broader regional frameworks such as SAARC, BIMSTEC, and the Indo-Pacific strategy. By increasing their level of engagement, both countries have the potential to improve South Asia's integration into global supply chains, therefore transforming the area into a trading, transit, and investment hub.

Overview and historical trajectory

From the time of India's independence in 1971 till the present day, a number of recent studies and working papers have traced the history of India-Bangladesh relations. These works have highlighted the ways in which historical-political relationships impact economic cooperation. These studies highlight the fact that although bilateral commerce, investment, and connectivity have significantly increased throughout the 1990s, further integration has been periodically restricted by political and institutional frictions. Contemporary overviews highlight the fact that unresolved bilateral issues continue to have an impact on economic outcomes, despite the fact that there has been a trend away from ad hoc cooperation and toward more organized methods (treaties, memorandums of understanding, and connection protocols).

Trade dynamics and economic complementarities

The continuous rise of bilateral trade is supported by empirical research and policy papers, which also point to significant complementarities between the two countries. These complementarities include Bangladesh's success in the garment and labor-intensive manufacturing industries, and India's diverse industrial and services base. Researchers highlight the possibility for increased two-way trade if non-tariff barriers (NTBs), transport costs, and customs inefficiencies are decreased because of the potential for expanded commerce. Trade-data analysis, which includes gravity models and time-series trade statistics, is utilized in a number of articles to demonstrate that despite the fact that trade volumes have increased, problems over trade balances and inadequate product diversity continue to exist. The growth pattern has been confirmed by recent country-level evaluations (2021–2024), which also urge for policy levers to be used in order to decrease non-tariff barriers and encourage investment.

Connectivity, logistics and regional integration (BBIN / Transport)

The research on Bangladesh–Bhutan–India–Nepal (BBIN) and the BBIN Motor Vehicles Agreement (MVA) emphasizes transport facilitation as the key to cutting transaction costs and facilitating regional value chains. Connectivity is a prevalent subject in this literature. According to policy papers and project evaluations, inland waterways, rail lines (such as Khulna–Mongla), integrated check posts, and multimodal corridors have the potential to significantly increase commerce provided they are developed in accordance with consistent customs and sanitary requirements. Numerous research make use of case-study and cost–benefit frameworks in order to evaluate the benefits that unique undertakings will bring about. On the other hand, practical issues, such as political will, harmonised regulation, and finance, are frequently brought up.

Energy cooperation and power trade

Energy cooperation is viewed by academics and policy experts as both an opportunity and a source of friction from their perspective. Trade in electricity across international borders, joint generating projects, and pipelines for petroleum are all examples of sectors that are considered to be win-win situations since they increase energy security for Bangladesh and provide market possibilities for Indian companies. While this is going on, high-profile conflicts (such as difficulties around huge power-supply contracts and payment arrears) have gotten attention in business and policy reporting. This serves as an illustration of how commercial disputes and governance issues may swiftly politicize energy links. This section

contains a wide range of literature, including investigative reporting, project case studies, and technical energy sector analysis.

Water sharing, environmental issues and transboundary resources

Publications in the fields of political science and environmental policy devote a significant amount of space to discussing transboundary water issues, particularly the Teesta River conflict. River sharing is framed in academic discourse not just as a resource management issue, but also as a diplomatic litmus test that might have an effect on the level of confidence between the two countries. An examination of past treaties, hydrological modeling, and institutional design views are utilized in the analysis process in order to suggest mechanisms (such as joint river commissions and adaptive water-sharing agreements) while also realizing the significant domestic political restrictions that exist on both sides.

Strategic, political economy and implementation constraints

There are a number of studies that highlight the fact that politics, including local election pressures, regional geopolitics (particularly China's expanding involvement), and bureaucratic silos, are the factors that determine whether or not economic prospects are fulfilled. Policy papers (written by the Asian Development Bank and think tanks) explore the finance strategies, public-private partnerships, and governance reforms that are necessary to transform infrastructure plans into functional corridors. For example, policy analysis, interviews with stakeholders, and scenario planning are all examples of methodologies.

Methodological approaches in the literature

A variety of methodologies, including quantitative trade models, cost-benefit and feasibility studies at the project level, hydrological and energy-system modeling, qualitative political economics and case study analyses, and so on, are utilized in the research literature. It is becoming increasingly common to employ mixed approaches, which involve integrating econometrics with interviews with stakeholders, in order to identify both the quantitative improvements and the governance issues that are the root cause of implementation shortcomings.

Gaps, debates and future research avenues

The following are some of the key gaps that still exist: (a) longitudinal assessments of whether or not investments in connectivity actually reduce trade costs for small and medium-sized enterprises (SMEs); (b) micro-level studies on distributional impacts (who benefits within Bangladesh and India); (c) integrated climate-risk assessments for cross-border infrastructure and water agreements; (d) rigorous evaluation of institutional reforms that can mitigate non-tariff barriers; and (e) more transparent and independent studies of large energy contracts and their fiscal impacts. It is recommended in the research that more detailed, up-to-date data as well as independent effect evaluations be utilized in order to transition from policy promises to verifiable outcomes.

Historical Background

Relationships between nations across the Indian subcontinent are highly influenced by a number of factors, including the legacy of colonialism, profound religious and ethnic links and differences,

permeable borders, and disputes over resource-sharing. One reason for this is that the internal politics of both India and Bangladesh have a significant impact on the way in which they interact with one another. When it comes to the India-Bangladesh dyad, foreign policy is a direct extension of domestic politics. This is a pretty graphic description of the situation. 1971 was the year that saw the birth of the modern state of Bangladesh, which was brought about by a singular collection of events. As a consequence of the dictatorship in West Pakistan employing force to repress a popular Bengali nationalist movement in East Pakistan, a significant number of people fled to India. This led to a large number of refugees entering India. As a result of a preemptive strike carried out by the Pakistani air force, the Indian state ultimately joined militarily in the conflict in the beginning of December, after West Pakistani troops had been responsible for over ten months of deadly carnage. Following the short battle that transpired, Bangladesh was established as a secular state under a new constitution. This was the consequence of the conflict.

The state-to-state ties between India and Bangladesh were profoundly influenced by this turbulent formative process that took place between the two countries. Under the leadership of Indira Gandhi and Sheikh Mujibur Rahman, the initial state-to-state amicability that existed between India and Bangladesh did not endure for very long. Mujib, who took over as leader of the country following the first elections held in 1973, had personally endeavored to restore a sense of equilibrium with Pakistan. Mujib attended a session of the Organization of Islamic Cooperation (OIC) in Lahore in 1974. At the same time, the Awami League administration in Bangladesh lifted prohibitions against pro-Pakistan organizations. The recognition of Bangladesh by Pakistan was made possible as a result of these measures. The killing of Mujib in 1975 not only resulted in the rise of new political forces to power, but it also accelerated the trend of diversification in Bangladesh's foreign policy. Under the leadership of General Ziaur Rahman, who established the Bangladesh Nationalist Party (BNP), economic links with India remained limited during the late 1970s. At the same time, difficulties to border security continued to exist. During the year 1981, the killing of General Ziaur Rahman led to further unrest and the establishment of military government. However, despite the establishment of SAARC, ties between Bangladesh and India did not make any significant development under the tenure of General Hussain Muhammad Ershad. Ershad, who was often referred to as "the dictator," sought democratic legitimacy by founding the Jatiya Party and holding parliamentary and presidential elections in 1986. This was done in response to the pressure that was exerted by opposition groupings led by the Awami League (AL) and the BNP. In the years that followed, in 1988, he enacted a constitutional amendment that established Islam as the official religion of the state. The fact that Bangladesh looks to be a secular country even today, but also appears to have official religion, is evidence that this has been a persistent faultline within Bangladeshi politics. This is clear from the fact that Bangladesh appears to have state religion.

Ershad's new administration did not survive its entire term in office; it was overthrown by mass demonstrations in the latter half of the 1990s. In the aftermath of the democratic transition that took place in Bangladesh, the Bangladesh National Party (BNP) led by Khaleda Zia, who is married to Ziaur Rahman, and the Awami League led by Sheikh Hasina, who is the daughter of Sheikh Mujibur Rahman, came to dominate national politics. Each of these parties brought together minor coalition partners. Immediately following the election in 2008, the pattern of each of them alternating electoral triumphs came to an abrupt standstill. Since then, Hasina has maintained her position as prime minister until August 2024, when she was removed from office as a result of yet another public revolt and fled to India.

Current State of Affairs

The economic, social, and political stability of Bangladesh is under jeopardy due to recent political events. For India, this is a major worry as a prosperous and peaceful Bangladesh has been its most reliable neighbour. India-Bangladesh ties are already strained due to the strong anti-India attitude in certain parts of society and the political elite. Economically, militarily, and politically, this is bad for India.

Both economically and in terms of national security, the past fifteen years have seen remarkable progress under the AL administration. The connection with India was strengthened by the government's diverse approach. Among subcontinental countries, Bangladesh ranks first in trade with India, whereas India ranks second in Asia for Bangladesh. In fiscal year 2023–24, the two countries' combined commerce was \$14.01 billion, with \$1.97 billion going to Bangladeshi imports. In terms of total exports, Bangladesh ranks fourth for India. Indian exporters may suffer as a result of the ongoing unrest in the nation, which compounds the effects of the currency scarcity on exports. Bangladesh joined eighteen other nations in signing a rupee trade settlement agreement with India last year. In addition to only recently agreeing to begin discussions on the Comprehensive Economic Partnership Agreement shortly, Bangladesh and India have also decided to operationalize two Special Economic Zones (SEZs) in Mirsharai and Mongla. To further facilitate international money transfers, the two nations also inked memorandums of understanding in 2023.

Indian tourism and healthcare are the two main draws for Bangladeshis. Due to a very liberalized procedure that is exclusive to Bangladesh, medical visas from India are in the greatest demand. For people from Bangladesh, India is the most popular tourist destination.

Another important area of collaboration has been the electricity and energy industry. The grid of Bangladesh has been receiving power from the Maitree Super Thermal Power Plant. Offshore oil drilling and the India-Bangladesh Friendship Pipeline, which carries diesel, are two other examples of the nations' economic cooperation. Bangladesh receives 11,650 MW of power from India. In 2016, Chittagong became home to a Liquefied Petroleum Gas (LPG) terminal that benefits both Bangladesh and the northeastern provinces of India.

For infrastructural development, India has also granted \$8 billion in Lines of Credit (LOC) to Bangladesh. Inaugurated on November 1, 2023, the sixth cross-border train link connects Agartala, India, to Akhaura, Bangladesh. In 2021, the restored train link between Haldibari (India) and Chilahati (Bangladesh) became active. There has also been a lot of action on connecting interior waterways and roads. The agreement for the use of Chittagong and Mongla Ports in 2023 has also been operationalized by India. All of this matters for trade and for better connection with northeastern India, since it lessens reliance on the lengthy, narrow, and crowded Siliguri Corridor.

India is also helping Bangladesh construct the Matarbari deep-sea port with funding from Japan. The counter-influence of China in this area might be aided by this effort. A pair of Chinese submarines and frigates were just bought by Bangladesh. China is the largest supplier of arms to Bangladesh. Additionally, it exported more than \$22 billion to China in 2023 and invested more than \$7 billion in Bangladesh. Participation in the Teesta River conservation effort has been shown by China. When it comes to infrastructure, disaster and climate change resilience, and economic growth in the southern deltaic area, China—Bangladesh's second-largest donor—has demonstrated a great deal of interest. Thus,

geopolitically, it is critical for India to maintain and strengthen its ties with Bangladesh. This is also the way to look at the pact that Russia, India, and Bangladesh signed in order to build Bangladesh's first nuclear power plant.

Hasina oversaw the successful resolution of long-standing border and territorial water disputes between India and Bangladesh. But getting everyone to agree on the Teesta river is no easy feat.

Because of the porous land border, India's security depends on a stable Bangladesh. Under Hasina's leadership, a receptive administration in Dhaka was essential in bringing down terrorist and insurgent groups while also bringing people together over the contentious subject of illegal immigration. Some estimates put the number of Bangladeshis illegally migrating to India at more than 15 million. The neighboring states in India's northeast have seen societal unrest as a result of this.

India's Interests

Having a peaceful and developed neighborhood is in India's interest as the largest country on the Indian subcontinent. As a result, India strives to maintain excellent and productive relationships with its neighbours.

When it comes to Bangladesh, India has geopolitical, security, and economic interests.

In areas like the garment industry, where India is a major supplier of raw materials to Bangladesh, strengthening their mutually beneficial economic partnership will benefit both nations. Connectivity and collaboration in the region will benefit all parties involved. In that regard, it is equally critical to resolve water-sharing arrangements. India has the opportunity to benefit from Bangladesh's rapid economic development and its target of becoming a prosperous nation by the year 2041. India could take advantage of the proposed special economic zones as entry points for Indian companies and boost the low level of foreign direct investment (FDI) into Bangladesh, which is currently at around \$16 million out of a total of \$3.5 billion in 2022.

From a geopolitical standpoint, the Bay of Bengal is crucial due to its commerce routes, military significance, and huge hydrocarbon resources; a strong relationship with Bangladesh helps limit China's influence over Bangladesh and may help keep it away from the region. Thus, from a geopolitical perspective, India's "Neighbourhood First" strategy, "Act East" policy, SAGAR doctrine, and the Indo-Pacific vision are all well-aligned with a strong engagement with Bangladesh. This furthers India's aspirations to become a global and regional power. To ensure a long-term strategic relationship, India should engage with Bangladesh as a country, not simply with the ruling party.

When looking at national security, there are a number of areas where both countries have an interest, including information sharing, border control, maritime security, and counter-terrorism cooperation. Keep in mind that religious tensions and internal strife in Bangladesh might affect India indirectly.

The best way for India to improve its reputation in Bangladesh would be to take advantage of the shared cultural values between the two countries to deepen bilateral relations and enhance people-to-people interactions.

Each country stands to benefit from a partnership based on norms rather than a politically expedient one.

Framework Application

Through the perspective of a tri-axis framework, which includes state-to-state ties, state-to-people connections, and people-to-people relations, we will investigate the relationship between India and Bangladesh in this section. The following image provides an illustration of the many components that make up this framework.

State-to-State Relations:

All of this points to the fact that state-to-state ties between India and Bangladesh flourished during Sheikh Hasina's leadership. This persisted even after the Indian government changed. During Hasina's tenure, the two parties maintained an active and ongoing high-level discussion. When it came to international relations, India was a key ally for Bangladesh. But New Delhi was on board with Dhaka playing a larger role on the international stage. For example, in 2023, when India had the G20 Presidency, Bangladesh was invited as a guest nation to participate in the many debates. Development cooperation initiatives also saw a sharp increase. Indeed, with a plethora of high-impact initiatives, Bangladesh became India's leading development partner. India has provided \$8 billion in infrastructure development funding to Bangladesh over the last decade through three Lines of Credit. Along the 4,096-kilometer border, the two countries were able to sign a historic Land Boundary Agreement and have a more in-depth discussion about security, especially with the suppression of anti-India rebel groups.

The main problem with this strategy, though, is that it hasn't allowed India to include more diverse political players in Bangladesh. Following what happened in August of 2024, this became clear. Many in the aftermath of Hasina's dismissal criticized New Delhi for continuing to support the AL administration in spite of its increasingly authoritarian policies and crackdown on opposition groups. Although this argument has some validity, one may argue that it overlooks the complexities of the political history of India-Bangladesh relations and India's encounters with previous BNP administrations. To rephrase, did New Delhi think it could find accommodating allies on the other side of the political spectrum in Dhaka? Obviously, the response was negative. It is now conceivable that India would have to deal with the BNP and its partners when the present caretaker government's mandate ends, due to recent developments. In contrast, the student demonstrations might give rise to new political forces. In the future, New Delhi may benefit from dealing with the powerful in Dhaka while also fostering connections with a variety of stakeholders, no matter how shaky those ties may be.

The administration of India's subnational stakeholders has also been a problem for New Delhi. The Union Government and the governments of the states bordering Bangladesh have been embroiled in political tension, which has hindered some outcomes. Examples include the ongoing talks over the Teesta river treaty and the possible obstacles to renewing the Ganga water sharing pact.

State-to-People Relations

It would appear that this aspect of the India-Bangladesh relationship is considerably more complicated. Opposition groups and influential Bangladeshis on social media launched a loud "India Out" campaign in the months leading up to Hasina's departure. This campaign exemplified how regional political parties and citizens may learn from one another and from other nations. The Maldives' opposition, headed by Mohamed Muizzu, came to power in November 2023 thanks to the India Out movement. The campaign united the people of Bangladesh who shared many grievances with the Indian government, including those over water sharing, border security, immigration, and the policies of the Bharatiya Janata Party (BJP) in relation to neighboring Muslim majority countries. Many also believed that India had a significant impact on Bangladeshi domestic politics. For example, according to a book written by Touhid Hossain, a former foreign secretary of Bangladesh, "no one can ascend to the throne of Bangladesh without India's approval." The perception that New Delhi was close to Hasina's Awami League administration and continued to support it despite obvious democratic abuses or overreach just added fuel to the fire.

However, looking at the bright side, 57% of Bangladeshis have a positive impression of India, according to a recent PEW poll. Among those who took the survey, just 19% said they had a negative impression. Nearly half of those who did not back Hasina's AL party also think highly of India, according to the poll. Citizens of Bangladesh who wish to enter India lawfully have found a surprisingly receptive Indian government. Visas given by Indian authorities in Bangladesh are the most numerous visa procedures that India does globally, according to the MEA. This pertains to the amount of applications that are received daily and the quantity of visas that are processed and granted. Additionally, medical visas are the most frequently granted to people of Bangladesh by India. Also, more scholarships are now accessible to students from Bangladesh thanks to the Indian government. According to reports, the country is home to the third-largest group of international students in India. There may be some Bangladeshi students in India, but they make up a tiny fraction of the country's overall student population.

People-to-People Relations

People from both nations have strong religious, cultural, and historical links to one another. A growing number of Bangladeshi visitors have been flocking to India over the last 15 years. About a quarter of all visitors visiting India come from Bangladesh. Meanwhile, in 2023, little less than half of all international tourists to Bangladesh would be from India, making them an essential demographic for the country's tourism industry. There has been an expansion of educational exchanges throughout time, as we have already said. Even though private investment from India has more room to grow, several major Indian corporations have operations in Bangladesh. The partnership has been detrimental to media and popular culture overall. In 1972, the distribution of Indian films in theaters was outright forbidden in Bangladesh. Since then, anti-India elites' lobbying and disputes with film workers, distributors, and theater owners over cultural hegemony in India have led to limitations on Hindi films. A 2010 pilot program to lift the prohibition was swiftly scrapped. The first Hindi film to open in Bangladeshi cinemas in half a century was Pathaan, which debuted in 2023. The involvement of the media, on the other hand, has been very little. There is no regular correspondent or presence for reporting from India at large newspapers or big English or Hindi TV networks. On top of that, it's frustrating that the Indian news media is so focused on

itself and doesn't care about matters pertaining to Bangladesh. Opportunities to strengthen bonds and fortify resistance are here.

Conclusion

Because of their close proximity, common history, and the ever-changing dynamics of the area, the economic relationship between Bangladesh and India is at a crossroads. The two countries' increased collaboration in recent decades shows that they are well-positioned to become economic drivers in South Asia, particularly in the fields of commerce, connectivity, energy, and investment. A strong dedication to promoting integration and mutual prosperity is shown in the growth of cross-border projects, such as power-sharing agreements, inland canal routes, and multimodal transport corridors. There are a lot of possibilities. There are opportunities for mutually beneficial economic cooperation between India and Bangladesh, given that India is a regional power and Bangladesh is one of the fastest-growing economies. Strengthening bilateral interdependence may be achieved by increasing trade in textiles, technology, and agricultural goods, as well as investments in digital and blue economies. The strategic relevance of India-Bangladesh cooperation is amplified by growing integration into regional frameworks like as BIMSTEC, BBIN, and the Indo-Pacific strategy. This integration extends the advantages of bilateral gains to the stability and development of the region. Still, problems remain. Troublesome issues persist, including trade deficits, non-tariff hurdles, infrastructural bottlenecks, and unresolved transboundary water conflicts (such as the one involving the Teesta River). Another obstacle to the successful execution of agreements is the presence of political sensitivities and concerns about governance. Economic cooperation will continue at an uneven pace, preventing prospects from being fully realized, until these political and institutional obstacles are removed. The alliance can only reach its full potential if the two countries work together and build trust. Important steps include coordinating policies, strengthening institutions, and establishing channels for dispute resolution. Bilateral relations may be strengthened by initiatives to encourage sustainable behaviors, guarantee fair distribution of water and resources, and provide opportunities for people to interact with one another. Equally important is the fact that diversified investment and trade, with a focus on SMEs, may promote equitable growth. In conclusion, the economic partnership between India and Bangladesh presents a once-in-a-generation chance for the two countries to set an example of collaboration in the region. Sustainable growth, regional integration, and long-term prosperity may be achieved by both nations by utilizing their complementarities and constructively tackling difficulties. The economic landscape of South Asia will be transformed and their positions as major actors in an increasingly interdependent global economy will be solidified via their alliance.

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