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India-Bangladesh Relations in the Modi Era (2014 - Present): Continuity, Change, and Challenges

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Abstract:

The India–Bangladesh relationship has witnessed significant transformation since the advent of Prime Minister Narendra Modi’s leadership in 2014. This research paper examines the evolution of bilateral relations across political, economic, security, and socio-cultural dimensions, analyzing both continuity and shifts in policy orientation. The study explores India’s Neighbourhood First and Act East policies as key frameworks influencing its engagement with Bangladesh. It highlights major developments such as enhanced connectivity projects, trade expansion, border management cooperation, and joint efforts in counter-terrorism and energy exchange. At the same time, the research identifies persistent challenges including water-sharing disputes, migration issues, and geopolitical pressures from regional powers like China. Employing a qualitative approach based on policy documents, diplomatic statements, and secondary data, the study argues that the Modi era represents a pragmatic blend of strategic assertiveness and cooperative diplomacy. Ultimately, India–Bangladesh relations during this period reflect a nuanced balance between historical ties and emerging regional dynamics, shaping South Asia’s future trajectory of peace and development.

Keywords: India–Bangladesh relations; Modi era; Neighbourhood First policy; connectivity; trade cooperation; border management; regional diplomacy.

Introduction:

Since Narendra Modi assumed office as Prime Minister of India in May 2014, India–Bangladesh relations have undergone a period of both deepened engagement and emergent challenges. The Modi government’s Neighbourhood First policy has placed Bangladesh as a pivotal partner in India’s regional diplomacy, emphasizing connectivity, economic cooperation, and resolution of legacy disputes (IndBiz, Economic Diplomacy Division, 2021). The two countries

have sought to build upon shared history, culture, and mutual strategic interests, while navigating new dynamics in trade, water management, border security, and geopolitical competition. One of the earliest significant developments was the resolution of long-standing boundary issues through the Land Boundary Agreement (LBA) which was fully implemented in 2015, allowing for the exchange of territories and simplification of border administration (**forumIAS, 2022**). Similarly, efforts to enhance physical connectivity have included reopening rail links such as Chilahati-Haldibari and Haldibari-Chilahati after decades of disuse, enhancing trade and people-to-people contacts (**The Daily Star, 2020**). Infrastructure projects like the “Maitri Setu” bridge over the Feni River epitomize symbolic and practical connectivity improvements (**Wikipedia, n.d.**). Economic ties have strengthened under Modi’s tenure: India has emerged as one of Bangladesh’s largest development partners. New Delhi has extended credit lines and development assistance for infrastructure, energy, ports, and transport projects. For example, the Indian government has provided approximately US\$8 billion in credit over several years to support road, railway, and port development in Bangladesh (**IndBiz, Economic Diplomacy Division, 2021; Indian Express, 2021**). The bilateral trade volume has also seen measurable growth, driven by trade facilitation and transit agreements that allow for more efficient movement of goods between Bangladesh, India, and India’s northeastern states (**Indian Express, 2021; The Indian Express, 2021**). However, while significant evidence points to positive transformations, persistent challenges complicate the bilateral relationship. Water sharing remains an emotionally charged and practically unresolved issue. Rivers such as Teesta continue to be a source of contention, as Bangladesh seeks fair and consistent water flow during dry periods. While some new agreements such as the 2022 Kushiara water-sharing agreement represent incremental progress, many stakeholders consider them insufficient in fully addressing Bangladesh’s water security concerns (**Wikipedia, 2022**). Borders and trade too occasionally suffer from policy reversals: recent instances of trade route restrictions or changes in transit facilities have raised questions about continuity and mutual trust (**Reuters, 2025**). Geopolitical considerations have also changed the equation. Bangladesh, while maintaining strong ties with India, is increasingly engaging with extra-regional actors, striking a balancing act in its foreign policy portfolio. Indian policy planners contend with China’s growing influence in South Asia, climate-induced migration challenges, and the implications of domestic political changes in both countries. This paper seeks to explore the themes of continuity, change, and challenges in India–Bangladesh relations during the Modi era. It will first trace the areas of policy and diplomatic continuity such as commitment to Neighbourhood First, historical border and boundary agreements, and sustained economic aid. Next, the study will analyze key changes: in connectivity, trade, infrastructure cooperation, and diplomatic posture. Finally, it will examine the challenges: water sharing, trade disruptions, geopolitical pressures, and domestic political impacts. Drawing on government documents, media reports,

scholarly commentary, and recent diplomatic events, the objective is to provide a nuanced appraisal of how India and Bangladesh have moved together and apart since 2014, and what this may imply for the future of South Asian regional cooperation.

Objectives:

1. To examine the patterns of continuity and transformation in India–Bangladesh relations during the Modi era (2014–present).
2. To analyze the key areas of bilateral cooperation and emerging challenges in the political, economic, and security domains.
3. To evaluate the impact of regional and global factors on India–Bangladesh relations and propose policy recommendations for sustainable partnership.

Methodology:

This study employs a qualitative research approach to examine India–Bangladesh relations during the Modi era (2014–present). Data has been collected through an extensive review of official government documents, bilateral agreements, scholarly articles, news reports, and policy analyses. Key themes—continuity, transformation, and challenges—have been identified and analysed across political, economic, and security domains. Comparative and thematic analysis was applied to evaluate trends, assess external influences, and propose policy recommendations for sustainable bilateral cooperation.

Analysis of Research Objective-1

The bilateral relationship between India and Bangladesh has undergone significant evolution under Prime Minister Narendra Modi's leadership, reflecting both continuity in traditional diplomatic approaches and transformation through strategic initiatives. This analysis examines how India's foreign policy, particularly the Neighbourhood First and Act East policies, has influenced this dynamic.

1. Continuity in Traditional Diplomatic Approaches:

India and Bangladesh share deep-rooted historical, cultural, and social ties, which have been consistently nurtured through cultural exchanges, people-to-people contact, and mutual respect for shared heritage. These traditional bonds have remained a cornerstone of bilateral relations, fostering goodwill and understanding between the two nations.

2. Transformation through Strategic Initiatives:

- **Neighbourhood First Policy:** Launched in 2014, this policy emphasizes strengthening ties with India's immediate neighbours, including Bangladesh. Under this framework, India has engaged in various diplomatic and developmental initiatives to enhance bilateral relations.
- **Act East Policy:** This policy aims to enhance India's engagement with Southeast Asia and the broader Indo-Pacific region. Bangladesh plays a pivotal role in this strategy, serving as a gateway for connectivity and trade between India and Southeast Asia.

3. Infrastructure and Connectivity Projects:

- **Maitri Setu Bridge (2021):** A 1.9 km bridge connecting Tripura, India, to Bangladesh, facilitating trade and travel between the two countries.
- **Akhaura–Agartala Railway Line (2023):** A 12.24 km railway line connecting Bangladesh and India's northeastern state of Tripura, aimed at reducing travel time and boosting trade.
- **Bangladesh–India Friendship Pipeline (2023):** A 131.5 km pipeline for transporting oil between the two countries, enhancing energy security and economic cooperation.

4. Economic Cooperation:

- **Joint Projects:** India has invested in various infrastructure projects in Bangladesh, including railway links and power plants, to strengthen economic ties and support Bangladesh's development.
- **Trade Agreements:** Both nations have worked towards enhancing bilateral trade through agreements and initiatives aimed at reducing trade barriers and promoting economic collaboration.

5. Challenges and Political Dynamics:

Despite these advancements, recent political developments in Bangladesh have introduced complexities. The transition from Prime Minister Sheikh Hasina's government to an interim administration led by Muhammad Yunus in 2024 has led to strained bilateral relations. India's support for the previous regime and its handling of the transition have been points of contention, affecting the momentum of joint projects and regional cooperation.

The India–Bangladesh relationship during the Modi era reflects a blend of continuity and transformation. Traditional approaches, such as cultural diplomacy and border management cooperation, have been maintained, providing a stable foundation for bilateral ties. Simultaneously, new strategic, economic, and infrastructural initiatives under the Neighbourhood First and Act East policies have been introduced, marking a significant transformation in the relationship. These initiatives have strengthened connectivity, economic cooperation, and regional integration, positioning India and Bangladesh as key partners in South Asia's development and stability.

Data Table: Key Initiatives in India–Bangladesh Relations (2014–Present)

Initiative	Year	Focus Area	Description
Maitri Setu Bridge	2021	Infrastructure	1.9 km bridge connecting Tripura (India) and Bangladesh, enhancing connectivity.
Akhaura–Agartala Railway Line	2023	Infrastructure	12.24 km railway line between Bangladesh and Tripura, reducing travel time.
Bangladesh–India	2023	Energy	131.5 km pipeline for transporting oil,

Friendship Pipeline			improving energy security.
Border Haats	Ongoing	Border Management	Weekly markets promoting local trade and community ties along the border.
Joint Power Plant Projects	Ongoing	Energy	Indian-funded thermal power plants in Bangladesh to support energy needs.
Trade Agreements	Ongoing	Economic Cooperation	Bilateral agreements to enhance trade and economic collaboration.

Analysis of Research Objective-2

The second research objective focuses on examining the major areas of bilateral cooperation and the emerging challenges in India–Bangladesh relations across political, economic, and security domains. Over the past decade, these two neighbouring countries have engaged in numerous collaborative initiatives aimed at fostering mutual growth, regional stability, and socio-economic development, while also addressing long-standing contentious issues that affect trust and cooperation. Political Cooperation has remained a cornerstone of India–Bangladesh relations. Both nations have maintained high-level diplomatic dialogues and exchanged frequent visits by political leaders, which have strengthened mutual understanding and alignment on regional and global platforms. For instance, India has consistently supported Bangladesh's developmental goals and integrated bilateral discussions into broader regional initiatives such as BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and SAARC (South Asian Association for Regional Cooperation). However, political relations have occasionally faced challenges due to domestic political transitions in Bangladesh and periodic tensions regarding cross-border policies (**Reuters, 2024; NDTV, 2023**). Maintaining a balance between sovereignty concerns and bilateral engagement remains an ongoing challenge. Economic Cooperation has been a major success in bilateral relations. Trade between India and Bangladesh has grown substantially over the past decade, with India becoming one of Bangladesh's largest trading partners. Initiatives such as the Akhaura–Agartala railway line, Maitri Setu Bridge, and the Bangladesh–India Friendship Pipeline have significantly enhanced connectivity, reduced transportation costs, and facilitated cross-border trade (**AP News, 2023; Observer Research Foundation, 2022**). Furthermore, both countries have collaborated on joint industrial and power projects, providing mutual economic benefits and reinforcing interdependence. Despite these successes, trade imbalances and tariff disputes occasionally create friction, necessitating continuous negotiation and policy adjustments. Security Cooperation has also deepened, especially in areas of counter-terrorism, border management, and intelligence sharing. The two countries have actively coordinated to combat terrorism and insurgency in border regions, addressing concerns related to smuggling, trafficking, and illegal migration

(Taylor & Francis Online, 2025). Initiatives like joint border patrols and integrated intelligence frameworks have reduced cross-border criminal activities and enhanced regional security. Nonetheless, persistent challenges remain, particularly concerning illegal migration and the management of the extensive India–Bangladesh border, which spans over 4,000 km and includes both riverine and land frontiers. Emerging Challenges primarily revolve around water-sharing disputes, migration issues, and occasional security lapses. The Teesta River water-sharing issue remains a significant point of contention, as equitable distribution of water is critical for agriculture and livelihoods in both countries. Similarly, migration pressures, especially in the northeastern Indian states, create political sensitivities and require nuanced management to balance humanitarian considerations with national security concerns (Le Monde, 2024). Environmental challenges, such as river erosion and climate-induced migration, further complicate bilateral cooperation in these areas. In navigating these domains, India and Bangladesh have largely adopted a pragmatic approach, focusing on collaboration in mutually beneficial sectors while compartmentalizing contentious issues. The combination of high-level diplomacy, economic interdependence, and coordinated security frameworks has contributed to a resilient bilateral relationship, even in the face of challenges. The balance between advancing shared interests and managing disputes remains central to sustaining long-term cooperation.

Data Table: Key Areas of Cooperation and Challenges (2014–Present)

Domain	Key Initiatives / Cooperation	Emerging Challenges / Issues
Political	BIMSTEC & SAARC cooperation, high-level visits	Domestic political transitions, policy alignment issues
Economic	Trade growth, Maitri Setu Bridge, Akhaura–Agartala railway, Friendship Pipeline, joint power projects	Trade imbalance, tariff disputes
Security	Counter-terrorism collaboration, joint border patrols, intelligence sharing	Illegal migration, border security breaches
Water & Environment	Teesta River water-sharing agreements, disaster management	Disputes over equitable water distribution, climate-induced displacement
Migration	Cross-border migration management frameworks	Rising migrant influx, political sensitivity

India–Bangladesh relations exhibit a complex interplay between cooperation and challenge. Political, economic, and security domains reveal sustained collaboration, highlighting successes in trade, infrastructure, energy, and counter-terrorism. Concurrently, water-sharing, migration, and

border management remain sensitive issues requiring ongoing negotiation and strategic management. By leveraging diplomacy, mutual economic interests, and coordinated security mechanisms, both nations have managed to advance bilateral relations while addressing disputes pragmatically, ensuring a stable and constructive partnership in South Asia.

Analysis of Research Objective-3

The third research objective focuses on understanding how regional and global factors influence India–Bangladesh relations and providing policy recommendations for sustaining a strong bilateral partnership. While India and Bangladesh have historically enjoyed close political, economic, and cultural ties, their bilateral dynamics are increasingly shaped by external geopolitical developments, global economic trends, and domestic political realities. Evaluating these influences is crucial for identifying strategies that can sustain and deepen the partnership. Regional Geopolitics and Strategic Competition have become significant determinants of bilateral engagement. China’s growing presence in South Asia, particularly through its Belt and Road Initiative (BRI) and investments in Bangladesh, has introduced both opportunities and challenges. While Chinese-funded infrastructure projects, such as ports and industrial zones in Bangladesh, support economic growth, they also create strategic competition with India for influence in the Bay of Bengal and South Asian region (**Observer Research Foundation, 2022**). India has responded by emphasizing its own connectivity and development initiatives, such as the Maitri Setu Bridge, the Akhaura–Agartala railway line, and joint energy projects, aiming to maintain strategic balance and counter excessive reliance on China. Global Economic Trends also affect bilateral relations. International commodity prices, trade disruptions, and supply chain shifts influence India–Bangladesh trade and investment flows. For example, fluctuations in global energy prices impact bilateral energy cooperation, such as the Bangladesh–India Friendship Pipeline, which ensures energy security and mitigates price volatility risks (**AP News, 2023**). Furthermore, global economic pressures, such as the COVID-19 pandemic, highlighted the interdependence of supply chains and underscored the need for resilient trade mechanisms between the two nations. Domestic Political Dynamics play a critical role in shaping bilateral engagement. In Bangladesh, leadership transitions, electoral politics, and governance challenges occasionally affect policy continuity in international partnerships. India’s approach has been to maintain a consistent diplomatic engagement, providing development assistance and infrastructural collaboration irrespective of internal political shifts, thereby fostering long-term stability in relations (**Le Monde, 2024**). In India, domestic political priorities, such as the “Act East” policy, regional security, and economic growth, also guide engagement strategies with Bangladesh. Security and Regional Stability are another key factor. Maritime security in the Bay of Bengal, counter-terrorism cooperation, and border management require coordination not only bilaterally but also regionally, involving stakeholders such as Myanmar, Sri Lanka, and ASEAN

nations. Emerging threats, including climate-induced migration and maritime disputes, necessitate multilateral approaches alongside bilateral mechanisms. India and Bangladesh have increasingly collaborated on security frameworks, joint exercises, and intelligence-sharing protocols, recognizing that regional stability is a precondition for sustained economic growth and cooperation. Policy Recommendations for Sustainable Partnership emerge from these analyses. First, India should continue to expand economic and infrastructural connectivity with Bangladesh, focusing on trade facilitation, digital infrastructure, and energy projects. Second, both countries should engage in multilateral forums to address regional security, climate change, and maritime governance collectively, thereby reducing the influence of external strategic competitors. Third, institutionalizing regular high-level dialogues can mitigate disruptions caused by domestic political changes, ensuring continuity in cooperation. Finally, enhancing people-to-people exchanges, cultural diplomacy, and academic collaborations can reinforce trust and mutual understanding, making bilateral relations more resilient to external shocks.

Data Table: Regional and Global Factors Impacting India–Bangladesh Relations

Factor	Impact on Bilateral Relations	Policy/Strategic Response
China's growing influence	Strategic competition, infrastructure funding	Strengthen India-funded connectivity & energy projects
Regional geopolitics (Bay of Bengal)	Maritime security, trade routes, port access	Joint exercises, regional forums participation
Global economic trends	Trade disruptions, energy price volatility	Diversified trade mechanisms, energy pipelines
Domestic politics (Bangladesh & India)	Policy continuity, governance challenges	High-level dialogue, development assistance
Security threats & climate challenges	Migration, terrorism, maritime disputes	Joint intelligence, disaster management, regional cooperation

India–Bangladesh relations are increasingly influenced by external regional and global factors. China's presence, regional geopolitical dynamics in the Bay of Bengal, global economic shifts, and domestic political changes in both countries shape opportunities and challenges for bilateral engagement. By strategically expanding economic connectivity, institutionalizing diplomatic dialogue, engaging in multilateral security and development frameworks, and reinforcing people-to-people ties, both nations can ensure a sustainable partnership. These measures will not only enhance bilateral cooperation but also strengthen regional stability and long-term developmental prospects.

Findings:

The analysis of India–Bangladesh relations during the Modi era (2014–present) reveals a complex interplay of continuity, change, and emerging challenges. In terms of continuity, traditional diplomatic approaches—such as cultural diplomacy, border management cooperation, and historical people-to-people ties—have remained central to bilateral engagement. Initiatives like the Border Haats, joint cultural programs, and collaborative frameworks for border security exemplify these enduring strategies. Simultaneously, the Modi era introduced transformative measures that strengthened strategic, economic, and infrastructural cooperation. Projects such as the Maitri Setu Bridge, Akhaura–Agartala railway line, and Bangladesh–India Friendship Pipeline have improved connectivity, facilitated trade, and enhanced energy security. Bilateral trade has grown, with India becoming one of Bangladesh’s largest trading partners, while joint initiatives in power, transport, and connectivity highlight increasing interdependence. Security cooperation has also deepened, particularly in counter-terrorism, intelligence sharing, and maritime security in the Bay of Bengal. However, challenges persist, including water-sharing disputes (notably the Teesta River), migration pressures, trade imbalances, and occasional political tensions due to domestic political transitions in both countries. External influences, such as China’s growing presence in Bangladesh and regional geopolitical dynamics, also shape policy decisions, emphasizing the need for careful strategic balancing to maintain a stable partnership.

Conclusion:

India–Bangladesh relations in the Modi era reflect a nuanced balance between continuity and transformation. Traditional approaches, rooted in cultural diplomacy and border cooperation, have provided a stable foundation for bilateral ties, while new strategic, economic, and infrastructural initiatives have catalysed deeper engagement and regional integration. The combined effect of these policies has enhanced connectivity, facilitated trade, promoted energy security, and strengthened regional stability. Despite these achievements, challenges remain that require sustained attention and diplomacy. Water-sharing disputes, migration issues, border management concerns, and domestic political transitions continue to test bilateral resilience. Furthermore, external regional and global factors, including China’s expanding influence in South Asia and shifts in regional geopolitics, demand a strategic, forward-looking approach. Policy measures such as institutionalizing high-level diplomatic dialogue, expanding joint economic and infrastructural projects, promoting regional multilateral cooperation, and reinforcing people-to-people ties are essential to sustaining the partnership. Overall, the Modi era demonstrates that while India–Bangladesh relations have undergone significant transformation, their long-term stability depends on careful balancing of domestic, bilateral, and regional considerations, ensuring a mutually beneficial and sustainable partnership in South Asia.

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