

Water, Trade and Borders : The Complex Web of India - Bangladesh Relations.

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Abstract-

The relationship between India and Bangladesh is shaped by a complex interplay of shared history, geography, and mutual dependence. Three key areas water sharing, trade, and border management have been central to their bilateral engagement. The transboundary rivers, particularly the Ganges, Teesta, and Brahmaputra, remain sources of both cooperation and contention, as equitable water distribution is vital for agriculture and livelihoods in both countries. In terms of trade, Bangladesh and India have deepened economic ties through regional connectivity projects and trade agreements, though issues such as tariff barriers and non-tariff restrictions continue to hinder balanced economic integration. Border disputes, once marked by enclaves and illegal migration concerns, have largely been resolved through the 2015 Land Boundary Agreement, yet challenges persist regarding cross-border crime and management. Overall, while tensions occasionally surface, the India - Bangladesh relationship demonstrates a gradual shift from conflict to cooperation, emphasizing dialogue, interdependence, and regional stability.

Main Discussion

Introduction :-

The relationship between India and Bangladesh is one of the most complex and multifaceted in South Asia, shaped by shared geography, culture, and history. Since Bangladesh's independence in 1971, the two neighbors have maintained a dynamic relationship marked by cooperation, competition, and at times, contention. Three interlinked issues - water sharing, trade relations, and border management - form the cornerstone of their bilateral interactions. Together, they reflect not only the challenges of regional diplomacy but also the potential for deeper economic and geopolitical collaboration. India and Bangladesh share one of the world's largest networks of transboundary rivers. Over 54 rivers flow across the borders of the two nations, including major ones such as the Ganges (Padma), Teesta, Brahmaputra (Jamuna), and Meghna. These rivers are vital for agriculture, livelihoods, and ecology in both countries. However, the equitable sharing and management of these water resources have been a persistent issue, shaping the dynamics of India- Bangladesh relations.

Objectives of the Study

1. To analyze the multidimensional nature of India–Bangladesh relations, focusing on water-sharing, trade, and border management.
2. To understand how historical, political, and economic factors shape bilateral interactions between the two countries.
3. To assess the progress, challenges, and opportunities in strengthening cooperative mechanisms for sustainable regional development.
4. To explore the role of diplomacy and regional organizations (such as SAARC and BIMSTEC) in mitigating conflicts and promoting mutual benefits.
5. To examine the key transboundary river issues, with emphasis on the Ganges, Teesta, and Brahmaputra water-sharing disputes.
6. To evaluate the trends and patterns in bilateral trade, including trade imbalances, border trade, and connectivity projects.
7. To discuss the social and security implications of the India–Bangladesh border, including migration, border fencing, and cross-border crimes.
8. To identify policy measures and cooperative frameworks that can enhance water diplomacy, equitable trade, and peaceful border management.
9. To highlight the impact of domestic politics, environmental concerns, and regional geopolitics on the evolution of India–Bangladesh relations.

Research Methodology:

The proposed article are completely depend on secondary data method which are books, article, journal, periodicals, internet, website etc. and it's also base on the theoretical framework and emperical study.

Historical Background

The relationship between India and Bangladesh is deeply rooted in shared history, culture, and geography. The origins trace back to the 1947 Partition of British India, when Bengal was divided into West Bengal (India) and East Pakistan (later Bangladesh). This division created complex political and ethnic tensions, disrupting long-standing trade routes and shared river systems. India played a decisive role in Bangladesh's independence during the



1971 Liberation War, providing military, diplomatic, and humanitarian support. Following Bangladesh's creation, early relations were characterized by warmth and cooperation, symbolized by treaties on friendship and shared resources. However, over time, new challenges emerged around water sharing, border management, and trade imbalances.

The Ganges Water Treaty (1996) marked a key milestone in managing transboundary rivers, but disputes over the Teesta River remain unresolved. Similarly, despite progress in border demarcation such as the 2015 Land Boundary Agreement - issues of migration, cross-border smuggling, and security persist. On the economic front, India is one of Bangladesh's largest trading partners, yet trade remains asymmetrical, and non-tariff barriers continue to cause friction. Thus, India - Bangladesh relations reflect a complex mix of cooperation and contention - shaped by shared rivers, intertwined economies, and a border that is both a link and a line of division. The roots of the water-sharing dispute trace back to the partition of British India in 1947, which divided the river systems between India and what was then East Pakistan (now Bangladesh). The construction of dams and barrages by India after independence, particularly the Farakka Barrage (completed in 1975) on the Ganges River, led to tensions with Bangladesh over reduced water flow, affecting agriculture and fisheries downstream.

The Ganges (Padma) Dispute :-

The landmark Ganges Water Sharing Treaty of 1996 was a milestone in India–Bangladesh relations. It established a 30-year agreement on the distribution of Ganges waters at the Farakka Barrage, addressing Bangladesh's concerns about reduced dry-season flows. While the treaty demonstrated India's willingness to cooperate, it also exposed the inherent difficulties of balancing upstream and downstream needs. The Farakka Barrage was built by India to divert water to the port of Kolkata for navigational purposes. Bangladesh has long argued that this diversion reduces dry-season flows, causing salinity intrusion, reduced crop yields, and ecological damage. The 1996 Ganges Treaty attempted to ensure equitable sharing, but disputes occasionally arise over implementation, especially during low-rainfall years.

The Teesta River Dispute

The Teesta River, flowing from Sikkim through West Bengal into Bangladesh, is the most contentious unresolved water issue. Bangladesh demands at least 50% of the river's flow, claiming that India's upstream withdrawals drastically reduce dry-season water availability for its northern districts. Despite several rounds of talks and a draft Teesta agreement in 2011, it remains unsigned due to opposition from the West Bengal state government, making it a key irritant in bilateral ties. The unresolved Teesta River issue remains a major obstacle. Bangladesh seeks a fair share of Teesta waters to support its northern agricultural regions, while India's state of West Bengal fears adverse impacts on its own irrigation needs. Despite multiple rounds of negotiations, a final agreement has been stalled, largely due to political sensitivities within India's federal structure. The deadlock symbolizes the broader challenge of translating regional goodwill into tangible outcomes.

Environmental and Climate Challenges

India and Bangladesh share a long border and several transboundary rivers, making them

highly interconnected in terms of environmental and climate challenges. Both countries face severe impacts of climate change, including rising temperatures, erratic monsoons, cyclones, floods, and droughts. The Sundarbans, the world's largest mangrove forest shared by the two nations, is under threat from sea-level rise, coastal erosion, and salinity intrusion, endangering biodiversity and livelihoods. Disputes over water sharing of rivers like the Ganges and Teesta add to the stress on shared resources, while deforestation, industrial pollution, and population pressures worsen environmental degradation. Addressing these challenges requires stronger regional cooperation, sustainable water management, and joint climate adaptation strategies to protect ecosystems and vulnerable communities across the India-Bangladesh border. Both nations face the effects of climate change, including erratic rainfall, glacier melt, and rising sea levels, which alter river flows and exacerbate disputes. Joint management has become more urgent as both countries depend heavily on these rivers for agriculture and livelihoods.

Geo - Political Situation

Despite differences, India and Bangladesh have made progress in cooperative water management. Regular meetings of the Joint Rivers Commission. Data sharing during monsoon floods and cooperation on early warning systems. Recent discussions on joint river basin management and environmental protection. Initiatives under the BIMSTEC and BBIN (Bangladesh-Bhutan-India-Nepal) frameworks promoting regional water cooperation. Water disputes have broader political implications. Bangladesh often views India's water policies as unilateral, while India worries about Chinese upstream activities on the Brahmaputra. The unresolved Teesta issue also provides an opening for external powers, like China, to expand influence through water and infrastructure diplomacy.

1. Finalize the Teesta Agreement through a federal consensus involving West Bengal.
 2. Strengthen data sharing and transparency on river flows.
 3. Adopt basin-wide management rather than river-specific negotiations.
 4. Promote joint projects on irrigation, flood control, and hydropower.
 5. Engage local communities in water governance to ensure sustainable and equitable use.
- The India–Bangladesh water dispute reflects the challenges of managing shared natural resources in a densely populated region. While historical grievances persist, both nations have shown a willingness to cooperate. Sustainable water diplomacy, grounded in equity, transparency, and environmental sensitivity, can transform water from a source of contention into a foundation for enduring partnership.

Climate Change and Future Pressure

Climate change poses a significant challenge to the relationship between India and Bangladesh, as both countries are highly vulnerable to its impacts, including rising sea levels, increased cyclones, floods, and droughts. These environmental pressures exacerbate existing resource and migration issues, particularly concerning water sharing from transboundary rivers like the Ganges and Brahmaputra. While India's upstream activities can affect Bangladesh's agriculture and livelihoods, extreme weather events often drive cross-border displacement, creating humanitarian and political pressures. At the same time, climate-induced challenges offer opportunities for collaboration on disaster management, sustainable water management, and joint climate adaptation strategies. The future trajectory of their relationship will increasingly depend on how effectively both nations manage these shared environmental risks while balancing developmental and security interests.



Climate change adds a new layer of complexity. Rising sea levels, unpredictable monsoons, and glacial melt threaten to alter river flows dramatically. Both nations face

mounting pressure to adopt ****joint river basin management****, invest in flood control, and share hydrological data transparently. Cooperation in water management could transform a

source of tension into a foundation for regional resilience.

Trade :-

Trade has emerged as one of the most dynamic and stabilizing pillars of India -Bangladesh relations, reflecting both economic interdependence and strategic cooperation. Over the past two decades, bilateral trade has expanded significantly, driven by policy reforms, infrastructural connectivity, and regional integration efforts. India is one of Bangladesh's largest trading partners, while Bangladesh remains South Asia's second-largest trade partner for India. Bilateral trade has crossed USD 15 billion in recent years, with both formal trade through land and sea ports and a significant amount of informal cross-border commerce.

India's exports to Bangladesh- mainly raw materials, machinery, food grains, and petroleum- support Bangladesh's industrial and consumer sectors, while Bangladesh's exports to India (especially garments, jute, and agricultural products) have steadily increased after duty-free and quota-free access was granted in 2011 under SAFTA.

Multiple Integrated Check Posts (ICPs) and border haats (local markets) have been established to facilitate small-scale trade and people-to-people contact. The revival of historical transport links—railways, inland waterways, and road corridors—has improved trade logistics and reduced costs. Connectivity projects under initiatives like BBIN and BIMSTEC aim to turn the region into a transnational trade hub. Despite growth, Bangladesh runs a significant trade deficit with India, a recurring source of political and economic concern in Dhaka. Non-tariff barriers (NTBs), complex customs procedures, and infrastructure bottlenecks continue to impede smoother trade flows. Efforts are ongoing to diversify trade by promoting investments, joint ventures, and cross-border industrial zones—such as the Bharampur and Tripura SEZ collaborations. Trade cooperation complements wider regional goals: energy trade (e.g., electricity exports from India to Bangladesh), digital connectivity, and integration into global value chains. Economic interdependence serves as a buffer against political tensions over water sharing or border management, underscoring trade's role in stabilizing bilateral ties. India's support for Bangladesh's infrastructure and energy projects has deepened trust and contributed to a shared vision of regional prosperity. Trade functions as both an economic lifeline and a diplomatic bridge between India and Bangladesh. While asymmetries and logistical challenges persist, the growing network of cross-border trade, infrastructure, and energy cooperation continues to anchor a relationship that is as pragmatic as it is strategic. India and Bangladesh share one of the closest and most dynamic relationships in South Asia, built on historical, cultural, linguistic, and economic linkages. Since Bangladesh's independence in 1971, trade and economic cooperation have formed a crucial pillar of bilateral relations. Over the decades, the two nations have transformed their relationship from basic border trade to a deep partnership encompassing goods, services, energy, and connectivity. The formal trade relationship between India and Bangladesh began with the signing of the Trade Agreement

in 1972, which provided a framework for commerce and economic cooperation. Since then, both countries have worked to strengthen bilateral trade through various protocols and regional initiatives. India played a pivotal role in rebuilding post-independence Bangladesh, providing essential goods and credit lines, and the partnership has steadily expanded since then. Regional and Multilateral Engagements. Both nations are active members of regional organizations such as SAARC, BIMSTEC, BBIN Initiative, and APTA (Asia-Pacific Trade Agreement) - all of which aim to promote regional economic

integration and connectivity. Connectivity and Infrastructure Cooperation enhanced connectivity has been at the heart of India -Bangladesh trade relations. Key initiatives are include below;

1. There are more than 10 operational Integrated Check Posts, with Petrapole Benapole being the busiest land port in South Asia.
2. Several pre-1965 routes have been reopened, such as Haldibari–Chilahati, and more are being revived.
3. Inland Waterways: Under the PIWTT, river routes such as Kolkata–Dhaka–Assam have boosted trade efficiency.
4. Road Connectivity: The BBIN Motor Vehicle Agreement aims to facilitate seamless regional road transport.
5. Digital and Energy Links: The two sides are also collaborating on digital payment systems, customs digitalization, and power grid interconnections.

6. Energy and Power Cooperation

Energy trade has emerged as a cornerstone of bilateral cooperation. India currently exports over 1,100 MW of electricity to Bangladesh through grid interconnections.

In 2023, Adani Power began supplying 1,496 MW of electricity from Jharkhand to Bangladesh. The India–Bangladesh Friendship Pipeline from Siliguri (India) to Parbatipur (Bangladesh) facilitates the supply of diesel, deepening energy cooperation.

Joint initiatives are expanding in renewable energy, especially solar and hydropower.

Trade Imbalance and Challenges

Despite the growing trade volume, there remains a significant trade imbalance in India’s favor. Bangladesh imports far more from India than it exports, resulting in a trade deficit of around USD 9–10 billion.

Key Challenges

1. Non-Tariff Barriers (NTBs): Complex customs procedures, quality certifications, and standards compliance.
2. Infrastructural Bottlenecks: Congestion at land ports, limited warehousing facilities, and slow border processing.
3. Logistics and Connectivity Issues: Despite improvements, transport costs remain relatively high.
4. Limited Export Diversification: Bangladesh’s exports to India are dominated by a few products like RMGs and jute.
5. To address these, both sides are emphasizing:
6. Simplifying customs and standards procedures.
7. Expanding border haats and trade facilitation measures.
8. Promoting Bangladeshi investment and industrial collaboration in India’s northeastern

states.

9. Investment and Industrial Cooperation

India is one of the largest investors in Bangladesh, with cumulative investments exceeding USD 3 billion, particularly in

Bangladesh has also encouraged Indian investors through the creation of Special Economic Zones (SEZs) in Mongla, Bheramara, and Kushtia dedicated to Indian companies. Conversely, Bangladeshi investors are exploring opportunities in India's northeast, particularly in textiles, food processing, and logistics.

Future Prospects

Comprehensive Economic Partnership Agreement (CEPA), has under negotiation, is expected to be a game changer. It will address tariff and non-tariff barriers, promote services trade, attract investments, and integrate value chains in sectors like textiles, IT, pharmaceuticals, and agriculture. Bangladesh plays a central role in India's "Act East Policy", linking India's northeast with Southeast Asia. Enhanced road, rail, and river connectivity will turn Bangladesh into a strategic hub for regional trade. Both countries are exploring cooperation in the blue economy, focusing on sustainable use of marine resources, coastal shipping, and renewable energy development in the Bay of Bengal region. Trade has emerged as a key pillar of India–Bangladesh relations, gradually shifting the focus from political disputes to economic pragmatism. India is one of Bangladesh's largest trading partners, and bilateral trade has grown significantly over the last two decades. Bangladesh exports ready-made garments, jute goods, and seafood, while importing Indian cotton, machinery, and food products. India's concessional lines of credit (LOCs) and investments in infrastructure have further boosted economic ties. Despite the progress, trade remains asymmetrical. Bangladesh runs a persistent trade deficit with India, leading to periodic calls for greater market access for Bangladeshi products. India's decision to grant duty-free and quota-free access to nearly all Bangladeshi exports (under SAFTA and bilateral agreements) has helped ease tensions, but non-tariff barriers and logistical bottlenecks continue to hamper full potential. Connectivity is a game-changer. Projects like the BBIN (Bangladesh-Bhutan-India-Nepal) Motor Vehicles Agreement, railway revitalization, and the inland waterway networks are redefining regional trade dynamics. Bangladesh's ports, especially Chittagong and Mongla, now serve as crucial gateways for India's northeastern states, deepening interdependence. Such initiatives not only stimulate commerce but also foster trust and stability in a historically fragile neighborhood.

Borders: From Conflict to Cooperation

With a 4,096 km shared boundary, the India–Bangladesh border is the longest India shares with any neighbor. It has long been a site of contention, involving migration, smuggling, and security challenges, but recent years have seen a gradual shift toward cooperative management. The 2015 Land Boundary Agreement was a landmark moment, resolving a decades-old humanitarian and territorial issue involving enclaves and adverse possessions. Over 50,000 people were granted citizenship of their chosen country, and the border was finally demarcated in a spirit of compromise and goodwill. The LBA showcased how patient diplomacy can yield historic outcomes. However, the border remains a sensitive zone. Issues such as illegal migration, human trafficking, cattle smuggling, and border



killings occasionally strain relations. The Border Security Force (BSF) of India and the Border Guard Bangladesh (BGB) now conduct joint patrols and flag meetings to mitigate tensions, signaling a move from confrontation to collaboration. Beyond official mechanisms, the border is also a zone of intense cultural and familial connections. Millions of people share language, kinship, and economic exchanges that defy political boundaries. Initiatives like border haats (markets) and visa liberalization for medical and educational purposes have deepened grassroots linkages, reinforcing the notion that strong human ties can underpin political stability. India–Bangladesh relations are also influenced by larger geopolitical shifts. China’s growing presence in Bangladesh through infrastructure projects under the Belt and Road Initiative (BRI) adds a strategic dimension. While Dhaka seeks balanced relations with both Asian powers, India views close engagement with Bangladesh as vital to maintaining its Act East Policy and ensuring stability in the Bay of Bengal region. Regional organizations like SAARC and BIMSTEC provide additional frameworks for collaboration, though progress has been uneven. Both countries increasingly recognize that regional prosperity depends on mutual trust and shared growth.

Conclusion

The relationship between India and Bangladesh represents one of South Asia’s most intricate and interdependent bilateral dynamics, shaped by shared history, geography, culture, and resources. Water, trade, and borders three vital elements form the core of this complex web, influencing not only political relations but also the socio-economic well-being of millions living along the boundary lines and river basins. While cooperation and connectivity have deepened over the decades, enduring challenges continue to test the resilience and trust between the two nations. Water sharing remains one of the most sensitive and strategically important aspects of India–Bangladesh relations. As both countries share more than 50 transboundary rivers, disputes over the equitable distribution of river waters particularly the Teesta and Ganges have periodically strained ties. India’s upstream position and Bangladesh’s downstream dependency create asymmetrical vulnerabilities, often leading to political friction. Yet, despite these challenges, successful agreements like the 1996 Ganges Water Treaty and collaborative frameworks under the Joint Rivers Commission highlight both nations’ capacity for dialogue and compromise. As climate change intensifies floods, droughts, and salinity intrusion, the need for sustainable, basin-wide water management and data-sharing has become more pressing than ever. Trade and economic cooperation serve as stabilizing forces that have strengthened the bilateral relationship over the past two decades. Border management encapsulates both the promise and peril of India–Bangladesh relations. In 2015 Land Boundary Agreement marked a historic resolution to a decades-long dispute over enclaves and un-demarcated territories, setting a precedent for peaceful border settlements. Yet, issues such as cross-border migration, security concerns, and sporadic border violence continue to complicate relations. The humanitarian dimensions of border management rooted in poverty, livelihood challenges, and cultural continuity demand a more people-centric approach emphasizing development and trust rather than militarization and suspicion. Collectively, water, trade, and border issues reflect both the fragility and potential of India–Bangladesh relations. The two countries’ ability to navigate these interconnected challenges will determine the future stability and prosperity of the broader South Asian region. Cooperation, rather than competition, offers the most sustainable path forward through



shared river basin management, balanced trade policies, and humane border governance. As both nations aspire toward greater regional connectivity, energy collaboration, and climate resilience, their relationship stands as a crucial test case for how neighboring states can transform historical complexities into frameworks of mutual benefit. Ultimately, India and Bangladesh are bound not just by geography but by destiny. The success of their

partnership will depend on sustained political will, inclusive policymaking, and the recognition that shared resources and intertwined futures require shared responsibilities. In embracing cooperation over confrontation, both nations have the opportunity to turn their complex web of interdependencies into a model of regional harmony and sustainable development.

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