



The Future of India-Bangladesh Cooperation in the Post-Sheikh Hasina Era

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ABSTRACT

India and Bangladesh share deep historical, economic, and strategic ties, which have evolved significantly over the years. The political transition from Sheikh Hasina to Muhammad Yunus introduces uncertainties, impacting trade, security, and regional cooperation. While economic engagements, including connectivity projects and trade partnerships, are expected to continue, political shifts may influence strategic collaborations. Security concerns such as border management, counter-terrorism efforts, and the unresolved Teesta water-sharing dispute remain critical. Additionally, China's growing influence in Bangladesh presents new challenges for India. Regional organizations like SAARC and BIMSTEC will play a key role in shaping future ties. Despite uncertainties, sustained diplomatic dialogue, mutual economic interests, and policy continuity can help maintain stability. This article analyzes potential shifts in India-Bangladesh relations and explores strategies for strengthening cooperation in this evolving political landscape.



I. INTRODUCTION

India and Bangladesh have historically maintained a multifaceted relationship characterized by cooperation in trade, security, and cultural exchanges. Under the leadership of Prime Minister Sheikh Hasina, who governed Bangladesh for 15 years until her resignation in August 2024, these bilateral ties experienced significant growth. Hasina's administration prioritized strengthening connections with India, leading to the re-establishment of key transportation links, such as roads and railways, that had been inactive since 1947. These developments facilitated increased trade and people-to-people interactions between the two nations. Security collaboration also deepened during Hasina's tenure. Her government played a crucial role in assisting India to address insurgencies in its northeastern regions by denying sanctuary to separatist groups within Bangladesh. This cooperation contributed to enhanced stability along the shared border and fostered mutual trust. However, Hasina's resignation amid widespread protests and her subsequent refuge in India have introduced complexities into the bilateral relationship. The ascension of Nobel laureate Muhammad Yunus as the head of Bangladesh's interim government marks a significant political shift. Yunus, renowned for his work in microfinance and social business, has been tasked with navigating Bangladesh through this transitional period.

The change in leadership raises several pivotal questions regarding the future of India-Bangladesh relations:

- i. **Diplomatic Dynamics:** How will Yunus's interim government approach existing agreements and collaborations with India? Will there be a continuation of the policies established during Hasina's tenure, or can we anticipate a strategic realignment?
- ii. **Security Cooperation:** Given the historical collaboration on security matters, particularly concerning border management and counter-terrorism, how will the new administration address these issues? Is there potential for shifts that could impact regional stability?
- iii. **Economic Partnerships:** With ongoing projects and trade agreements in place, what stance will the interim government take on economic engagement with India? Are there opportunities to further enhance trade relations, or might there be obstacles arising from the political transition?
- iv. **Regional Influence:** Considering the evolving geopolitical landscape, how will Bangladesh's internal changes affect its position within regional alliances and its interactions with neighboring countries, including India?

As both nations navigate this period of transition, the answers to these questions will be instrumental in shaping the trajectory of India-Bangladesh cooperation in the post-Hasina era. Continuous dialogue and



a commitment to mutual interests will be essential in maintaining and strengthening the longstanding ties between the two countries.

I. POLITICAL SHIFTS AND THEIR IMPACT ON BILATERAL RELATIONS

The resignation of Prime Minister Sheikh Hasina in August 2024, following extensive student-led protests, marked a pivotal shift in Bangladesh's political landscape. The ensuing dissolution of parliament and the establishment of an interim government under Nobel laureate Muhammad Yunus introduced new dynamics in the nation's governance and foreign policy. Muhammad Yunus, renowned for his pioneering work in microfinance, assumed leadership with a vision centered on social business and economic inclusivity. His interim administration prioritized restoring peace, revitalizing the economy, and laying the groundwork for free and fair elections. In foreign policy, Yunus aimed to balance relationships with major powers, fostering closer ties with China while maintaining dialogue with India. This approach sought to diversify Bangladesh's international partnerships and reduce over-reliance on any single nation. India's response to these developments has been marked by caution and recalibration. The asylum granted to Sheikh Hasina in India strained bilateral relations, leading to diplomatic tensions. India's subsequent reduction in issuing medical visas to Bangladeshi citizens, citing staff shortages and security concerns, further complicated the relationship. Concurrently, China capitalized on these strains by offering medical visas and increasing investments in Bangladesh, signaling a potential shift in regional alliances. As Bangladesh navigates this transitional period, the evolving political dynamics present both challenges and opportunities for its foreign relations, particularly with neighboring India. The interim government's approach to balancing domestic reforms with international diplomacy will be crucial in shaping the future trajectory of Bangladesh-India relations.

II. Economic Cooperation: Continuity or Change

The political transition in Bangladesh, marked by the resignation of Prime Minister Sheikh Hasina and the appointment of an interim government led by Muhammad Yunus, has introduced uncertainties in the economic relations between India and Bangladesh.

Trade Relations and Agreements: Historically, India and Bangladesh have shared robust trade relations, with India being one of Bangladesh's top trading partners. In the fiscal year 2023-24, India's exports to Bangladesh surpassed those to several major economies, including Japan, Germany, and



France. However, the recent socio-political turmoil in Bangladesh has disrupted economic activities, potentially affecting bilateral trade dynamics.

Impact on Connectivity Projects: Connectivity initiatives, such as rail, road, and waterways projects, have been pivotal in enhancing bilateral trade and regional integration. The political unrest following Hasina's resignation led India to temporarily close six major land ports with Bangladesh and bolster security along the border, disrupting these connectivity projects. Such disruptions pose risks to India's strategic interests, particularly concerning the development of its northeastern regions, which rely on these connectivity channels.

Future of Indian Investments: Indian investments in Bangladesh, especially in the energy sector, face challenges amid the political shift. The Adani Group's 1,600 MW Godda coal-fired plant, supplying nearly 10% of Bangladesh's power demand, has encountered payment issues, with Bangladesh owing approximately \$800 million. The interim government, led by Yunus, is reviewing such agreements to ensure transparency and national interest alignment, indicating potential shifts in economic policies.

In summary, while the foundational economic cooperation between India and Bangladesh remains significant, the recent political changes necessitate careful navigation to sustain and enhance bilateral economic ties.

III. Security and Border Management

India and Bangladesh share a 4,096-kilometer border, making effective security and border management crucial for both nations. Over the years, their collaboration has addressed challenges such as cross-border terrorism, insurgency, refugee movements, smuggling, and human trafficking.

Cooperation in Tackling Cross-Border Terrorism and Insurgency: Historically, insurgent groups from India's northeastern states sought refuge in Bangladesh. Under Prime Minister Sheikh Hasina's leadership, Bangladesh took decisive steps to dismantle these networks, enhancing bilateral security cooperation. The political shift in Bangladesh has introduced uncertainties regarding the continuity of



these efforts. A lapse in cooperation could potentially lead to a resurgence of insurgent activities along the border.

Rohingya Refugee Issue and Its Implications: Bangladesh hosts over a million Rohingya refugees who fled persecution in Myanmar. The protracted presence of this population has strained resources and posed security challenges, including the emergence of militant groups within refugee camps. The recent arrest of Ataulah Abu Ammar Jununi, commander of the Arakan Rohingya Salvation Army (ARSA), underscores these concerns. India, sharing concerns over regional stability, has engaged in dialogue with Bangladesh to address the humanitarian and security dimensions of the Rohingya crisis.

Smuggling, Human Trafficking, and Other Border Security Concerns: The porous India-Bangladesh border has been susceptible to smuggling of goods, narcotics, and human trafficking. Both nations have implemented joint border management strategies, including regular meetings between border security forces and the erection of fencing in vulnerable areas. Continued political will and cooperation are essential to combat these transnational crimes effectively.

While India and Bangladesh have made significant strides in enhancing border security and managing shared challenges, the evolving political landscape necessitates sustained collaboration to ensure regional stability and security.

IV. **Water Disputes and Resource Sharing**

The management of transboundary water resources remains a pivotal aspect of India-Bangladesh relations, with the Teesta River water-sharing agreement at the forefront of discussions.

Status of the Teesta River Water-Sharing Agreement and Its Future Prospects: The Teesta River, originating in the Indian state of Sikkim and flowing through West Bengal before entering Bangladesh, is vital for the agrarian communities in both countries. In 1983, an ad hoc agreement allocated 39% of the Teesta's waters to India and 36% to Bangladesh; however, this arrangement was never formalized into a permanent treaty. Subsequent negotiations, including a proposed agreement in 2011, have faced obstacles, notably opposition from West Bengal's leadership, citing concerns over water availability for local use. The political transition in Bangladesh, with the interim government under Muhammad Yunus,



has renewed efforts to address this longstanding issue. Bangladesh's interim water resources adviser, Syeda Rizwana Hasan, emphasized the nation's commitment to advancing the Teesta water-sharing agreement, signaling a potential shift towards resolution.

Other Transboundary River Issues and Possible Resolutions: Beyond the Teesta, India and Bangladesh share 54 rivers, making comprehensive water management a complex endeavor. The 1996 Ganges Water Treaty stands as a notable example of successful collaboration, providing a framework for water sharing during the dry season. However, challenges persist with other rivers, such as the Brahmaputra, where upstream activities, including dam construction, have raised concerns about downstream impacts. Effective resolution of these issues necessitates robust bilateral mechanisms, such as the Joint Rivers Commission, to facilitate continuous dialogue and equitable resource management.

Role of Regional Diplomacy in Managing Water-Sharing Concerns: Regional diplomacy plays a crucial role in managing water-sharing concerns between India and Bangladesh. The Joint Rivers Commission, established in 1972, serves as a platform for dialogue and cooperation on transboundary water issues. Reactivating and empowering such institutions can lead to more effective management strategies, fostering trust and collaboration. Additionally, involving regional organizations and adhering to international water-sharing principles can provide frameworks for equitable and sustainable solutions.

Finally, while challenges in water resource management persist, renewed diplomatic efforts and adherence to cooperative frameworks offer pathways to sustainable and equitable solutions for both nations.

V. Strategic and Regional Cooperation

Bangladesh plays a pivotal role in regional organizations such as the South Asian Association for Regional Cooperation (SAARC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). As a founding member of both, Bangladesh actively promotes regional integration and economic collaboration. Notably, it hosts the BIMSTEC Secretariat in Dhaka, underscoring its commitment to fostering cooperation among member states. In recent years, China's expanding influence in South Asia has prompted India to deepen its engagement with neighboring countries, including Bangladesh. This strategic approach aims to balance regional power dynamics and



ensure stability. For instance, India has bolstered defense ties with Bangladesh through agreements enhancing cooperation in maritime security, the ocean economy, space, and telecommunications sectors. Defense collaboration between India and Bangladesh has been a cornerstone of their bilateral relationship. Despite Bangladesh's procurement of military equipment from China, it maintains a robust defense partnership with India, including regular joint military exercises and training programs. This multifaceted engagement reflects Bangladesh's balanced foreign policy approach, navigating relationships with major regional powers to safeguard its national interests.

VI. People-To-People and Cultural Relations

People-to-people and cultural relations have historically been a cornerstone of India-Bangladesh ties, encompassing visa policies, tourism, academic exchanges, and the influential role of the diaspora.

Visa Policies, Tourism, and Academic Exchanges: Traditionally, both nations have facilitated cross-border interactions through favorable visa regimes, promoting tourism and academic collaborations. For instance, India extended e-Medical Visa facilities to Bangladeshi citizens seeking medical treatment, underscoring the emphasis on people-to-people connectivity. However, recent political shifts have strained these arrangements. Following the exile of former Bangladeshi premier Sheikh Hasina, India significantly reduced visa services for Bangladeshi nationals, citing security concerns. This reduction has adversely impacted individuals seeking medical treatment and students pursuing education in India.

Impact of Political Changes on Cultural Diplomacy: The political transition in Bangladesh has introduced challenges to cultural diplomacy efforts. Incidents such as the arrest of Hindu leader Krishna Das Prabhu have heightened communal tensions, leading to protests and strained diplomatic relations. These developments have hindered cultural exchanges and collaborations, affecting the historically rich cultural ties between the two nations.

Role of the Diaspora in Strengthening Ties: The diaspora has traditionally played a pivotal role in fostering bilateral relations, acting as cultural ambassadors and facilitating economic and educational linkages. However, the current geopolitical climate has complicated these dynamics. Reports indicate that India has revoked visa privileges of diaspora critics, reflecting a broader trend of leveraging visa



policies to influence political discourse. In summary, while people-to-people and cultural relations have been instrumental in strengthening India-Bangladesh ties, recent political developments have posed significant challenges, necessitating renewed diplomatic efforts to restore and enhance these vital connections.

VII. Challenges and Opportunities Ahead

The evolving political landscape in Bangladesh presents both challenges and opportunities for India-Bangladesh relations.

Potential Hurdles in Maintaining Strong Bilateral Ties

The recent political transition in Bangladesh, marked by the ousting of Prime Minister Sheikh Hasina and the establishment of an interim government led by Muhammad Yunus, has introduced uncertainties in bilateral relations. India's prior support for Hasina has led to perceptions of favoritism, potentially straining diplomatic ties. Additionally, India's reduction in medical visas for Bangladeshi citizens has created openings for other regional players, such as China, to increase their influence in Bangladesh.

Opportunities for Strengthening Cooperation in Trade, Security, and Connectivity: Despite these challenges, there are avenues to bolster cooperation. Reopening and enhancing connectivity projects, such as land ports and rail links, can facilitate trade and people-to-people interactions. Collaborative efforts in security, particularly in managing border concerns and addressing insurgency threats, remain vital. Furthermore, joint initiatives in energy and infrastructure development can promote mutual economic growth.

The Need for Sustained Diplomatic Engagement and Strategic Collaboration: To navigate the complexities of the current political scenario, sustained diplomatic engagement is essential. India must adopt a balanced approach, respecting Bangladesh's internal dynamics while fostering strategic collaboration. Emphasizing shared cultural ties, historical connections, and mutual interests can pave the way for a resilient and forward-looking partnership.



While the political shifts in Bangladesh pose certain challenges, they also offer opportunities for India and Bangladesh to redefine and strengthen their bilateral relationship through proactive engagement and cooperation.

VIII. Conclusion

The political transition in Bangladesh, marked by the departure of Prime Minister Sheikh Hasina and the ascent of an interim government led by Muhammad Yunus, has introduced complexities into India-Bangladesh relations. Historically, under Hasina's leadership, the two nations enjoyed robust cooperation in trade, security, and connectivity. However, recent developments have strained these ties, necessitating a reevaluation of bilateral strategies.

Recommendations for Ensuring a Stable and Cooperative Relationship

To navigate this evolving landscape, both nations should prioritize open diplomatic channels, fostering dialogue that addresses mutual concerns and aspirations. Revisiting and renegotiating agreements, such as the Teesta River water-sharing treaty, can serve as confidence-building measures, demonstrating commitment to equitable resource distribution. Additionally, enhancing people-to-people connections through cultural exchanges, academic collaborations, and streamlined visa processes can strengthen societal bonds and mitigate misunderstandings.

The Road Ahead for India-Bangladesh Relations in the Post-Hasina Era

The path forward requires a balanced approach, acknowledging past collaborations while adapting to new political realities. India must engage with Bangladesh's interim leadership with respect and pragmatism, recognizing the nation's sovereignty and the aspirations of its populace. Simultaneously, Bangladesh should strive for internal stability, ensuring that minority rights are protected and that democratic processes are upheld. By embracing mutual respect, continuous dialogue, and collaborative initiatives, India and Bangladesh can navigate the post-Hasina era, fostering a relationship that promotes regional stability and shared prosperity.



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