



# Asia Pacific Bulletin

EastWestCenter.org/APB

Number 272 | July 22, 2014

## Caveats for the Mongolia-China Strategic Partnership

BY MENDEE JARGALSAIKHAN

**Mendee Jargalsaikhan**, Asia Studies Visiting Fellow at the East-West Center in Washington, explains that “From the Mongolian perspective, the strategic partnership with China is important across a number of areas, but there are caveats, especially concerning the economy, security, and culture.”

China and Mongolia upgraded their bilateral relationship to a Strategic Partnership in 2011. Last year, both countries agreed to the implementation of a detailed action plan to strengthen their strategic partnership in the five specific areas of politics, security, the economy, culture, and multilateral diplomacy. Some may ask the question why China is looking to further strengthen bilateral relations with a small country like Mongolia. China’s relationship with Mongolia dates back for thousands of years and is one reason for the construction of the Great Wall. More recently, Mongolia’s independence was recognized by both the Republic of China (Taiwan) in 1945 and the People’s Republic of China (China) in 1949. China-Mongolia relations were frozen during the Sino-Soviet split in the 1960s, and not normalized again until the end of the Cold War in 1989. The reasons behind upgrading the bilateral relationship from the “good neighborly, mutually trusted partnership” which was the term used in 2003, to the Strategic Partnership of today, differ for both sides. However, the end goal for both is for a long-term and stable relationship.

Since the end of the Cold War, China has prioritized cooperation over confrontation with its neighbors. It has attempted to institutionalize bilateral relations with major regional powers, including former rivals—Japan, India, and Russia. Beginning in 2005, China began to upgrade, at least in joint statements and declarations, its relations with many of its neighbors—with the exceptions of Bhutan, Nepal, and North Korea—to that of Strategic Partnership. In relative terms, the majority of China’s 14 neighbors are small and peripheral given the distinctive demographic, geographic, and economic characteristics of China. However, for China, stability and mutual understanding with peripheral states are just as important as its relationships with other major powers. Over the past decade, this strategic partnership policy has been an evolving key strategy for China with clear political, security, economic, and cultural objectives. China’s newly declared strategic partnership with Mongolia reflects these objectives.

Regarding political objectives, China’s goal is to reassure leaders of neighboring states that it will not intervene in their domestic politics and will treat them as equal, sovereign entities. China, in return, secures reassurances on its own foreign policy objectives regarding Taiwan, Tibet, and Xinjiang. The strategic partnership with Mongolia, for China, is also designed to achieve these same policy goals. Mongolians regard the Dalai Lama as a religious leader. In addition, Mongolia is ethnically connected to Inner Mongolia and Xinjiang and has growing economic and cultural ties with Taiwan. All are issues of concern for China.

The East-West Center promotes better relations and understanding among the people and nations of the United States, Asia, and the Pacific through cooperative study, research, and dialogue. Established by the US Congress in 1960, the Center serves as a resource for information and analysis on critical issues of common concern, bringing people together to exchange views, build expertise, and develop policy options.

China has a long history of external threats destabilizing the country and there has always been a fear of outside forces entering China from Mongolia, especially as the two countries share a 4,700 km border. Historically, Mongolia and other central Asian states have all been used by Russia to maintain strategic pressure on China. Though Chinese fears about Russia have waned, it is still cautious about the possible use of Mongolia by other potential challengers, namely the United States and India. Thus, Mongolia’s commitment to neutrality and non-alignment are important factors for strategic and military planners in Beijing.



Asia Pacific Bulletin | July 22, 2014

“Inevitably, Mongolia’s options are limited by geography, and therefore it seeks other like-minded democratic states to support its democratic future.”

China, furthermore, utilizes the strategic partnership with Mongolia, just as it does with other peripheral states, for natural resources, trade routes, Chinese business interests, and, more importantly, to integrate China’s own bordering provinces into economic prosperity with these countries. In addition, Mongolia, while not rich in natural gas and oil, does possess significant quantities of coal, copper, and uranium, all of which are of value to China. Moreover, Mongolia is the shortest transit route to Russia and Europe for Chinese products, just like Laos to Southeast Asia and Kyrgyzstan to Eurasia.

Mongolia has long enacted a protectionist policy regarding Chinese investment in key economic sectors including mining, banking, and communications. However, as Mongolia’s economic interaction with China continues to grow, there are fears that the country will become too dependent upon China for economic development. Therefore, the strategic partnership with China increases this fear by locking the Mongolian government into long-term investments from China, especially in mining and infrastructure development.

Another goal for China with its strategic partnerships is the promotion of Chinese culture and people-to-people exchanges. In 1990, China enacted a visa-exemption policy and preferential access to medical facilities for Mongolians. More recently, as outlined in the 2013 Strategic Partnership action plan, China will provide 1,000 scholarships annually for the next five years and one-fifth will be for undergraduates. Many of China’s smaller neighbors, however, are cautious about Chinese cultural assimilation. All of China’s neighboring states are proud of their unique and distinctive cultural identities that are separate from China, and this is reflected in their own understanding of their vital interests. In addition, people who grew up in Southeast and Central Asia in the 1960s and 1970s during the era of state-run anti-Chinese propaganda are still fearful of a rising China. This also applies to Mongolia today, which is striving to maintain its own nomadic, Buddhist, and now democratic identity in a region where Chinese influence and stature is increasing.

From the Mongolian perspective, the strategic partnership with China is important across a number of areas, but there are caveats, especially concerning the economy, security, and culture. For Mongolia’s sovereignty, the Chinese endorsement of equal partnership and non-intervention are the most valued. Mongolia needs Chinese endorsement for its foreign policy objectives in order to develop a balanced relationship with its other major neighbor, Russia. Another area of interest to Mongolia is the autonomy to increase its international profile by integrating further with other Central and Northeast Asian neighbors.

Mongolia, as a landlocked country between China and Russia, has limited economic options. Therefore, an economically vibrant China is a natural trading partner which also offers transit infrastructure for economic interaction with other East Asian states, namely Japan and South Korea. China also provides the closest ports for Mongolia’s economy and is an important source for select investment, technology, and labor. As such, Mongolia is highly vulnerable to rising Chinese influence, and this fear is natural taking into consideration China’s expanding role in the region. Therefore, Mongolia established a Strategic Partnership with Russia in 2008 and with Japan in 2010, a Comprehensive Partnership with the United States in 2011, and in 2013 a Partnership and Cooperation Agreement with the European Union. Significantly for Mongolia, none of these partnerships provide substantive security and economic guarantees, though they do help Mongolia consolidate its political sovereignty and most importantly, its distinct identity as a democratic outpost in Inner Asia.

Overall, the China-Mongolia Strategic Partnership is a road map for neighborly cooperation. China is furthering its policy of institutionalizing relations with smaller neighbors, whereas Mongolia secures political recognition, economic benefits, and security assurances. Specifically for Mongolia, it is following its foreign policy of maintaining balanced relations with its two giant neighbors, China and Russia. Inevitably, Mongolia’s options are limited by geography, and therefore it seeks other like-minded democratic states to support its democratic future.

The *Asia Pacific Bulletin* (APB) series is produced by the East-West Center in Washington.

APB Series Editor: Dr. Satu Limaye  
APB Series Coordinator: Damien Tomkins

The views expressed in this publication are those of the author and do not necessarily reflect the policy or position of the East-West Center or any organization with which the author is affiliated.

Mendee Jargalsaikhan is a Ph.D. Student in the Department of Political Science at the University of Vancouver and an Asia Studies Visiting Fellow at the East-West Center in Washington. He can be contacted via email at [JargalsM@EastWestCenter.org](mailto:JargalsM@EastWestCenter.org)