

Why are **India** and **Mongolia** strategic partners?





MONGOLIAN GEOPOLITICS #8

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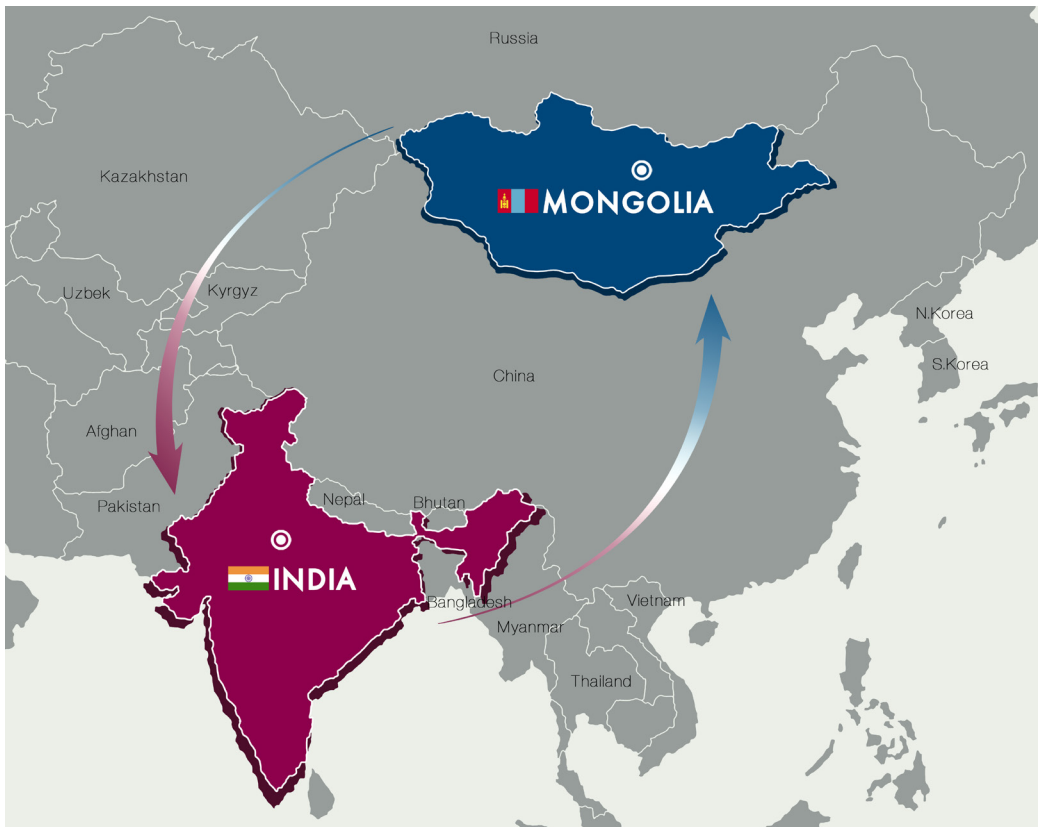
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Since the onset of the COVID-19 pandemic, MIAT Mongolian Airlines has made two special flights to India: one in June 2020 to repatriate 256 monk pupils (lamkhai) and one in February 2021 to pick up 150,000 doses of AstraZeneca vaccine. During the vaccine handover ceremony to the Mongolian government, Indian Ambassador M. P. Singh highlighted that India is “the first nation to provide COVID vaccine to ‘spiritual neighbour’ and ‘strategic partner’ Mongolia”.¹

Indeed, Mongolia was among the first countries receiving the AstraZeneca vaccines, along with Afghanistan, Bangladesh, the Maldives and Nepal—countries located within India’s immediate neighbourhood. When tragedy vaulted within India as the pandemic raged out of control in April and May, Mongolians pressured their politicians, businesses and religious institutions on social media to find ways to help the country. In response, monks prayed for the Indian people,² government officials issued condolence letters, and the government approved US\$1 million in humanitarian assistance.

When Prime Minister Narendra Modi approved more than \$1 billion in a line of credit to the Mongolian government to construct an oil refinery during a visit to Ulaanbaatar in 2015,³ eyebrows shot up within and outside of India: Why was Mongolia an important country in the Modi-initiated Act East Policy. The most immediate explanation was often geopolitical, and largely that Mongolia seemed to be considered a “geopolitical card” in India’s push against China’s increasing political and economic influence.

This paper considers some of the political, economic and cultural variables in that relationship, along with medical tourism and shared

interests relating to the Mughal Empire, before offering policy recommendations.

Geopolitics

India was the first non-communist state to recognize Mongolia's independence in 1955, when India was promoting the Non-Aligned Movement with two Southeast Asian nations: Burma (now Myanmar) and Indonesia. A year later, Mongolia established bilateral relations with Burma, Indonesia and Yugoslavia-all were seeking ways to stay out of the emerging geopolitical rivalries between the Soviet Union and the United States. But Mongolia's aspiration to be non-aligned was interrupted when it was caught in the geopolitical competition of the neighbouring great powers of China and the Soviet Union. In 1961, India supported Mongolia's membership in the United Nations. Thirty years later, India also helped Mongolia's membership into the Non-Aligned Movement following the Soviet military's withdrawal from Mongolia.⁴

Both nations have an immensely long land border with China, have experienced troubled relations with China in the past and are wary of China's growing economic and military powers. If their previous concerns over Chinese demographic and economic pushes forced them to ally with the Soviet Union in the 1960s and 1970s, they are now both using a similar shared reason to justify their foreign policies towards the Russian Federation and the United States. India appears to be concerned over growing Chinese investment in critical infrastructure projects in South Asia, especially the economic corridor projects through its disputed territories with Pakistan and Chinese maritime expansion into the Indian Ocean.

To countervail China's growing influence, Prime Minister Modi unveiled the Act East Policy in 2014 to increase its partnership with countries of the Association of Southeast Asian Nations (ASEAN) and joined in newly formed security arrangements with Australia, Japan and the United States (known as the Quad) as well as the Free and Open Indo-Pacific.⁵ Surprisingly, Modi's foreign policy experts added Mongolia as one of the important countries for both foreign policy initiatives. This complements Mongolia's foreign policy objectives to (a) strengthen ties with influential countries beyond its two great power neighbours and (b) reduce the economic dependency on China (even though the latter is the most difficult). In 2011, Mongolia officially clarified and named its third neighbours in the revised National Security Concept and Foreign Policy Concept.⁶ The National Security Concept states that Mongolia shall advance political, economic, cultural and humanitarian cooperation with developed democracies as a pursuant of the third neighbour policy. The Foreign Policy Concept names India as a third neighbour along with the European Union, Japan, South Korea, Turkey and the United States.

A strategic partnership serves both India's strategy for balancing against China and Mongolia's strategy of "soft balancing" against its two power neighbours, China and the Russian Federation. The strategic partnership stresses bilateral collaboration at multilateral forums (the United Nations, ASEAN Regional Forum, the Asia-Europe Summit and the Shanghai Cooperation Organization), promotes high-level exchanges and consultation mechanisms such as the India-Mongolia Joint Committee on Cooperation and facilitates bilateral cooperation in the security and defence sectors. Although sensitive to Chinese security planners, both countries conduct a joint military

exercise (Nomadic Elephant), a Joint Working Group Meeting between their defence ministries and all types of defence diplomacy exchanges, ranging from high-level visits to military and language training of Mongolian military personnel.

In response to Mongolia's request, the Indian government is helping establish the Cyber Security Training Centre in Ulaanbaatar. Cyber security is critical infrastructure, for which Mongolia is reluctant to rely on its two neighbours, both of which controlled Mongolia in the past. Mongolia would rather reach out to India, which is a leading country in this expertise. Although the strategic partnership appears to be a balancing act for both nations against China, it has its limitations.

Economy and business

Unlike amicable political interactions, the economic cooperation between the two countries remains insignificant. Even bilateral trade turnover has shrunk over the past few years, both in value and volume.⁷ Although India's major state-owned and private entities have sought investment and market opportunities in Mongolia, they have not been successful due mostly to transportation barriers. To address this challenge, Mongolia and India signed an Air Service Agreement to boost the exchange of passengers, tourism and trade. Direct flights have not yet been officially launched. Only a charter flight is allowed for Mongolian pilgrims attending the public teachings of the Dalai Lama since 2011. Transit flight options (via Hong Kong, Beijing and Seoul) are available but less attractive for business entrepreneurs.

India is interested in the development and import of mineral deposits,

especially coking coal, copper, rare earth and uranium. Since 2007, Indian companies have competed in the most complicated, unsuccessful bidding process of the mining developer companies for the large coking coal deposit at Tavan Tolgoi. In 2009, India signed a memorandum of understanding with Mongolia on the peaceful use of radioactive minerals and nuclear energy in hope of involvement in uranium development in Mongolia. India's interests in coking coal are closely tied to its recent rapid economic growth and high demand for steel. Despite the lack of direct sea or rail lines, India's major state-owned and private steelmakers have continuously expressed interest to import coking coal from Mongolia for years. Options are limited: One is to use Russian Far Eastern railways and ports or Chinese seaports. Due to a long-pending construction of a direct rail link connecting major mining sites in Mongolia's southern region with Chinese railways, the latter option remains unavailable.

At the moment, the most significant Indian investment is the oil refinery project. India provided the line of credit for the construction of a \$1.2 billion oil refinery project capable of producing 1.5 million tons per annum (MTA) of oil (which is equal to three quarters of domestic consumption).⁸ This soft loan was announced during the visit of Prime Minister Modi in 2015, even though he was harshly criticized back in India by his largest opposition faction, the Indian National Congress party.⁹ According to the Ministry of External Affairs of India, Mongolia is the fourth-largest recipient of a credit line among 64 countries.¹⁰ The support to reduce Mongolia's fuel dependency on the Russian Federation indicates that India considers the country one of its closest allies and highly values the relationship.¹¹ Despite the pandemic, the Mongolian oil refinery state-owned company signed a contract with

an Indian company to construct the first phase of the refinery. The Mongolian company has constructed 27 km of railway and 17.2 km of industrial road as well as a 110 kW power transmission line. According to the Mineral Resources and Petroleum Authority of Mongolia, the oil refinery is expected to reduce dependence on fuel imports and foreign exchange outflows by about 20 per cent and to increase Mongolia's budget revenues by \$150 million.¹²

In addition, many small-scale projects, programmes, agreements and memoranda of understanding have been concluded between Mongolia and India. But many other projects have been delayed due to multiple factors, particularly political instability, sudden policy changes and long bureaucratic processes in Mongolia. Two significant projects—the Centre of Excellence for IT, Communication and Outsourcing and the Joint India–Mongolia Friendship School—are many years behind schedule. These two projects would make an important contribution for bilateral relations by promoting educational and technical exchanges and collaboration.

Cultural ties

Religion has an important role in Mongolia's relationship with India. The two countries have cultural ties with more than 2,500 years of history. Mongolian monks used to visit the Indian university at Nalanda by camel and yak through the Himalayas to study Buddhism during the seventh and eighth centuries. This religious tie continued as Buddhism flourished during the Great Mongolian Empire in the thirteenth and fourteenth centuries and also during the Manchu Empire, in which Mongolia was part of the dominant Lamaism, a Tibetan form of Bud-

dhism. In the twentieth century, the religion was suppressed during the 70 years of the socialist period. In 1970, the communist government permitted establishment of the Asian Buddhist Conference for Peace in Ulaanbaatar. This provided opportunity to revive the Mongolian and Indian religious ties, although under close control. Interestingly again, India was involved in the resurgence of Buddhism in Mongolia when religious freedom was restored as a result of the 1990 democratic revolution.

It was not a surprise that the nineteenth Kushok Bakula Rinpoche, a well-known Buddhist lama, was appointed and served as Indian Ambassador to Mongolia from 1990 to 2003. During his decade-long tenure as ambassador and influential lama in India, Bakula Rinpoche assisted in revitalizing Buddhist knowledge, rebuilding more than 100 temples, establishing the Pethub Monastery and religious school in Ulaanbaatar, training hundreds of Mongolian monks in India and welcoming Buddhist teachers, including His Holiness the Dalai Lama. According to a prominent Mongolian political leader, "It was due to our Buddhist heritage and Rinpoche's presence in the country that the transition to democracy in Mongolia, unlike in other socialist countries, was so peaceful."¹³

The interesting connection is the increase of Mongolian pilgrims to India for spiritual learning. For example, the Mongol sunchoi started at the request of Lamiin Gegeen to the Dalai Lama in 2011 for the devotees of Buddhism. Since then, 250–1,000 pilgrims travel to India every year to attend the Dalai Lama's sermons during the winter season. They also visit spiritual places in India related to Buddha, such as Bodh Gaya village, where he attained enlightenment; his birthplace in

Lumbini Province in Nepal; Varanasi city in Uttar Pradesh State, where he first taught the Dharma; and the Kushinagar town (also in Uttar Pradesh State) where he attained nirvana.

Hundreds of monks study Buddhist philosophy for up to 24 years at Drepung Gomang Monastic University, the Sera Jey Monastic University, the Buddhist School in Dharamshala and other schools. At any given time, around 300 Mongolian monks study in India, reaching to more than 800 at peak time. They start these studies from the age of 6 years. Mongolia even built its own temple in Bodh Gaya and in the Monastic School in Gomang Monastery. From the late seventeenth century, the highest-ranking Mongolian lamas—the first Bogd Jebtsundamba of Khalkha Mongols, Choinzad Lama Danbidonme, Jedor's Khamba Agvaankhaidav, Saint Zaya Pandita and Lamiin Gegeen—as well as many other prominent religious scholars have studied in India. For centuries, Mongolians have considered India to be an especially spiritual place, partly because it is where Buddha found enlightenment.

All these facts demonstrate the strong religious ties between Mongolia and India. In addition, many Mongolian students, scholars and government officials travel to India to study modern sciences. The Indian government offers various short- and long-term training and scholarships for Mongolians under the Indian Technical and Economic Cooperation Programme and the Indian Council for Culture Relations. According to the Embassy of India to Mongolia, Mongolia has been one of the largest partners of technical and economic cooperation since 1987 and receives 150 slots for civilian training programmes and 40 slots for group training for professionals, engineers and technicians. The Council for Culture Relations offers 50 scholarships for Mongolian students per year for academic studies.

Additional factors

There are two interesting little-explored ties between Mongolia and India. One is medical and the other is a historical link in Mughal history. Because of the reasonable pricing and quality of medical treatment, more and more Mongolians travel to India for medical care. Most of the patients receive oncological treatment, liver transplants, eye Lasik and other important treatments or surgery that are not available in Mongolia. Collaboration and exchanges between the two health sectors, including public and private hospitals, have increased. Between 2017 and 2019, Indian doctors organized annual medical missions to Mongolia and conducted around 300 neurosurgery, microsurgery, anaesthesiology, audiology and plastic surgery procedures, donated medical equipment and medicines worth \$42,000 and trained Mongolian doctors.¹⁴ During his 2015 visit, Prime Minister Modi handed over \$1.5 million of Bhabhatron equipment to the National Cancer Centre. Also, as in many other countries, India is one of the larger pharmaceutical providers to Mongolia, which imports medicines, human and animal blood, vaccines, toxins and appliances used in medical, surgical, dental or veterinary services from India.

The Mughal emperors built and ruled the Mughal Empire from 1526 until 1850. According to historical accounts, the founder of the empire, Babur, was descended on his mother's side from Genghis Khan and on his father's side from Tamerlane.¹⁵ One of the most-visited sites for Mongolians in India has become the Taj Mahal monument in Agra. This is also a well-known cultural legacy for many Indians, who have little knowledge of Mongolia yet are interested in the ancient ties.

Concluding thoughts

Despite the pandemic, both countries are striving to further their bilateral relationship. On 16 April 2021 during the tenth and virtual Joint Working Group Meeting, or Defence Consultative Talk, as the Mongolians call it, the two defence ministries agreed to pursue a co-operative agenda, including peacekeeping exercises and military exchanges. Later in the month, Mongolian authorities allowed 60 Indian citizens into the country to work on the construction of the oil refinery project during the most difficult COVID pandemic situation in India, even though, many countries refused to receive people from India. For Mongolia, the construction of the oil refinery is of great importance. The party's leadership rallied on an agenda of reducing fuel dependency from the Russian Federation in the 2020 parliamentary election as well as in the presidential election in June. The successful implementation of the project is also takes an important place in Modi's geopolitical agenda.

As in the past, the Mongolia–India strategic partnership will remain firm in the international arena, such as the United Nations, the Non-Aligned Movement, the Asia–Europe Summit and the Shanghai Cooperation Organization. If Sino–Indian relations worsen, Mongolia will encounter new challenges. Yet, Mongolia's strategic partnership will be spiritually high but practically challenged by the ongoing pandemic impacts, lack of interconnectivity and complicated domestic politics.

Endnotes

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- 2 News.MN, "Provision of 1 million USD humanitarian assistance to India," [In Mongolian] 30 April 2021. Available at <https://news.mn/r/2427184/>.
- 3 *Hindustan Times*, "Modi Visit: India to open 1 bn credit line to Mongolia," 17 May 2015. Available at <https://www.hindustan-times.com/india/modi-visit-india-to-open-1bn-credit-line-to-mongolia/story-QDTktEn4mV09OLqGGAdp4O.html>.
- 4 Embassy of India in Mongolia, "Brief on India-Mongolia Bilateral Relations," February 2021. Available at <https://eoi.gov.in/ulaan-baatar/?pdf4346?000>.
- 5 Danielle Rajendram, *India's New Asia-Pacific strategy: Modi Acts East* (Lowy Institute Analysis, December 2014). Available at <https://www.lowyinstitute.org/sites/default/files/india-as-new-asia-pacific-strategy-modi-acts-east.pdf>.
- 6 The third neighbour policy was further elaborated by the Ministry of Foreign Affairs of Mongolia, especially around 2003–2005, and became a key strategy. However, Mongolian officials and their Western counterparts continued to avoid stressing or investing into the security and military cooperation and instead prioritized political, economic and cultural collaborations.
- 7 In 2020, the total value of imports and exports between the two countries was around \$ 35,350 million.
- 8 Embassy of India in Mongolia, "Brief on India-Mongolia bilateral relations," February 2021. Available at <https://eoi.gov.in/ulaan-baatar/?pdf4346?000>.
- 9 The Indian National Congress party criticized in Parliament that

"Modi extended the US\$1 billion soft loans to Mongolia while farmers in Vidarbha and Andhra are committing suicide". See DNA, "Farmers in Vidarbha killing themselves, but Modi is concerned about Mongolia: Kapil Sibal," 28 May 2015. Available at <https://www.dnaindia.com/india/report-farmers-in-vidarbha-killing-themselves-but-modi-is-concerned-about-mongolia-kapil-sibal-2089801>.

- 10 Ministry of External Affairs of India, "Lines of credit for development projects," n.d. Available at <https://mea.gov.in/Lines-of-Credit-for-Development-Projects.htm>.
- 11 Today, Mongolia imports 100 per cent of its fuel needs. Over the past five years, the country has purchased an average of 1.25 million tons of fuel products a year from China and the Russian Federation, spending about \$1 billion on what amounts to 25–30 per cent of total imports. The Mongolian Refinery website, February 2021. Available at <http://mongolrefinery.mn/about/80.html>.
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- 13 Vesna A. Wallace, "Bakula Arhat's journeys to the North, Buddhist" in Todd Lewis, ed., *Buddhists Understanding Buddhism Through the Lives of Practitioners* (Hoboken, NJ, Wiley Blackwell, 2014), pp. 218–227.
- 14 Embassy of India in Mongolia, "Brief on India-Mongolia bilateral relations," February 2021. Available at <https://eoi.gov.in/ulaanbaatar/?pdf4346?000>.
- 15 John Keay, *India: A History from the Earliest civilizations to the Boom of the Twenty-First Century* (New York, Grove Press, 2010).

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