



A Study of the Foreign Policy of Mongolia With Special Reference to the 'Third Neighbour Policy'

Prof. Ulziit Luvsanjav

Guest Faculty, CKS, SLL&CS, JNU

Ph.D. Researcher, CIAS, SIS, JNU

Executive Director,

University of Language and Civilization of Mongolia

Abstract

Mongolia is a landlocked nation and located between two large countries China and Russia. Historically roots of Mongolian state go back more than 2000 years with origins of Hun's Empire. Chinggis Khan was the real founder of Mongolia. Around 850 years ago, Chinggis Khan created a written law for Mongolia that is called the IH ZASAG, the literal translation of which is GREAT ORDER. Under the Chinggis Khan's rule, Mongolia promoted free trade and open foreign policy. The activities of the Mongolian empire include engaging with neighbouring nations and other Asian, European and Middle East countries.

Introduction

Mongolia declared its independence in 1911 during the Ching Dynasty. But the genuine autonomy was secured because of the crucial revolution of the Mongolian people in 1921. It was proclaimed as a Republic in 1924, which brought its sovereign existence among the other nations of the entire world, although it could be able to fully exercise its sovereign rights in international relations only after the Second World War.

Moreover, Soviet/Russia's foreign policy did not impose a direct threat to Mongolia being an independent nation. On the contrary, the 1945 Yalta Conference led to China's full recognition of Mongolia's independence. Following the Yalta Conference, on October 20, 1945, the Mongolian electorate opted for autonomy with 100% votes went in favour. After three failed attempts, Mongolia became a full-fledged member of the UN on October 27, 1961. Since the development of political pluralism and transition to democracy and market economy, Mongolia has pursued a peaceful, open, independent and multi-pillared foreign policy. Today the country maintains diplomatic relations with 163 countries. The contemporary diplomatic service celebrated its Centennial anniversary and the Golden anniversary of

membership of Mongolia in United Nations Organization in 2011.

The Mongolian Foreign Policy

Mongolia has been developing successfully its friendly relations and collaboration with its two Neighbours, third Neighbours and many western and eastern nations. Ties with UN organisations and other global and regional organisations have deepened. Mongolia's involvement has enlarged in multilateral, local activities, which led to strengthening its status in the international ground. Mongolian foreign policy has been divided into three parts.

1. Blunt relation with two neighbours - China and Russia
2. Third Neighbour policy.
3. Active role in the international arena.

Geographical factors are critical to affecting Mongolian foreign policy as the country is landlocked between Russia and China. This strategic location plays a role in determining the foreign policy. Mongolia heavily depends on the neighbouring countries for economic reasons such as transportation access to import and export of goods, etc. On the other hand, due to geographical factors new opportunities have come up by opening up access to China and Russia which are the two most significant large world markets. Mongolian foreign policies promote direct



and honest relationship with both of its neighbours. At the same time, Mongolian Foreign policy objectives caution against remaining dependent on one of the neighbours or coming under a single state's influence. This caution applies equally to both its political and economic relationships. During the Soviet era, Mongolian Foreign policy was deeply dependent on the ideological control of the Soviet Union. Mongolia misbalanced its relations with neighbours that resulted in dependence on one country.

Since democratic reforms of 1990's Mongolia has actively followed a policy of maintaining a balanced and equal relationship with Russia and China. In its first foreign policy concept, it declared that Mongolia would support the strategic partnership with the Russian Federation and good Neighbour policy with the People's Republic of China. However, the foreign policy concept revised in 2011 determined to uphold a standard unbiased and balanced relationship with both of them. In doing so, the conventional relations as well as unambiguous nature of our financial cooperation with the two counties will be taken into account. In this glow, Mongolia established a strategic partnership with Russia and China.

The Base of Mongolian Foreign Policy

Strengthening its connection with its two instant Neighbours — China and Russia — is the main concern in Mongolia's foreign policy. It is going to align with any one of its Neighbours or any third powerful country. Instead, Mongolia aims to promote, to the extent possible, a balanced relationship with both of its Neighbours. While maintaining a policy of good relations with the two Neighbours, the implementation of the third Neighbour concept was not a de novo approach either. The 1990 democratic revolution modified Mongolia's foreign policy and national security concepts with a neoteric substance yet it remained attentive. Mongolia, concerning its state structure, is unitary State upholding rights, freedoms,

and a free economy, in political and territorial respects; it is a developing and rising country in Asia, landlocked between two great nations. The foreign policy of Mongolia is based on its national and people interests, as defined in its Constitution: the country's specific external and internal situation constitutes the basis for determining its foreign policy objectives, doctrines, principles and priorities.

The past 30 years have been significant concerning Mongolia's development of cooperation in the agricultural and educational sectors. We have a quite large number of US medium and small companies investing in Mongolia. But we have to develop significant defence cooperation between Mongolia and the US by working together in different areas around the world on both the UN and NATO-related missions. We have broad agreement on sharing common values, and the United States has been an outspoken advocate and a supporter of Mongolia in its democracy building and market-related economic reforms.

The Third Neighbour Policy of Mongolia Mongolian foreign policy frequently involves balancing and contemplating diplomatic relations between and beyond the two Neighbours. The third Neighbour phenomenon has become an essential part of Mongolia's subtle expansion through political, economic, and military means. In modernisation of Mongolia's foreign policy and national security objectives, the 2010 National Security Concept and 2011 Foreign Policy Concept played a crucial role in structuring Mongolia's relations with other nations.

The essence of Mongolian foreign policy is to strengthen its position in Asia - especially in Northeast and Central Asia by increasing its participation in the region's political and economic integration. Mongolia has joined the ASEAN Regional Forum since the 1990s, Asia–Europe Meeting and other regional and inter-regional forums for increasing its vibrant participation. It is



currently working to join APEC and use it as a platform to expand and diversify its economic relationships with the rest of the world.

What does third neighbour policy of Mongolia mean? The third neighbour country is the one which does not share the physical border but share common democratic values. In other words, it is an attempt to mitigate the dependence on the neighbours by diversifying foreign policy. The third neighbour concept officially appeared in the 1990's in Mongolia. It refers to have relations with all states beyond the two neighbours and international organisations including financial institutions. They have consistently supported Mongolia's democracy. Among the third neighbour countries, there are United States, UK, Germany, Japan, South Korea, India and other developing countries.

Historically first attempt to look beyond its neighbours took place in 1911 when Mongolia tried to establish its independence. Government officials made several efforts to establish contacts with other countries by sending delegations as well as notes and official letters. Such attempts continued even after the people's revolution of 1921.

I would like to give some examples because from the beginning of 1911 we tried to establish some direct contacts with the United States through General Consulate of United States in Hagan and also through the American embassy in Japan and then after 1921 people's revolution we also sent the special delegation to the western countries and Germany. We sent our delegations to seek to develop some contacts with the American embassy in Germany and even in China and Japan, but such efforts were not very successful. The first successful connection with American officials took place after second world war when the US Vice President Wallace visited Mongolia. It was first successful talks but even after this visit diplomatic relations between Mongolia and the US could not be established.

Mongolia's active role in international organisations and the use of soft power will help broaden the implementation of foreign policy objectives. Mongolia became a member of the World Trade Organisation in 1997, ASEAN Regional Forum in 1998 and the Organisation for Security and Cooperation in Europe in 2012. Working alongside organisations such as the United Nations and Organisation for Security and Cooperation in Europe gave a new impulsion to the third neighbour policy since 1990.

Mongolia has participated in international organisations actively and brilliantly, for instance in the past two decades. Mongolia has actively contributed to the United Nations peacekeeping operations and became one of the highest adds in the world. Talking about peacekeeping operation participation of Mongolia, it is to be noted that it was initiated from the very beginning when the world international community started its struggle against terrorism. Mongolia also actively participated and sent its troops to Iraq and Afghanistan. Still, Mongolia has been participating in the Afghan peacekeeping operation.

Third Neighbour policy aims to combine political interests with economic one by attracting financial investments of foreign countries in Mongolia. In this context, Mongolia also pays attention to India for developing its economy with regional economies as well as developing a free trade environment. Mongolia signed with Japan an economic partnership agreement this year. Mongolia is the first to sign free trade agreements with other foreign countries.

Beyond the great nations- China and Russia, Mongolia is also diversifying its foreign relations and dealings through its 'Third Neighbour Policy, whereby it is attempting to support its benefit with highly developed democratic nations and dominant global organisations. Third Neighbour countries are selected according to their impending contribution to Mongolia's



economic development and mutual values, among them are the United States, Germany and Japan. It also seeks to harmonise and uphold its political interests with economic ones by attracting investment and establishing economic profit and benefit in those countries.

Mongolia wishes to institutionalise its nuclear-weapon-free position. Mongolia declared itself a nuclear-weapon-free zone in 1992. By doing so, it would not be involved involuntarily in any nuclear disputes or its territory used to harm the vital interests of others. If the status is institutionalised, Mongolia will be contributing some 1.5 million square kilometres of land to the world's emerging nuclear-weapon-free area. The five nuclear-weapons states pledged in 2012 to accept a joint declaration to respect Mongolia's status and promised not to contribute to any act that would violate it. This pledge marks an essential step in institutionalising that status and making sure that no threat will ever come from Mongolia's territory. When aptly standardised, Mongolia will contribute to the region's stability. At the same time, Mongolia will demonstrate that small states can be active players and can make a significant contribution to strengthening regional peace and security.

The Impact of Third Neighbour Policy on Indo-Mongolian relations

The newly elected former President of Mongolia Ts. Elbegdorj visited India in 2009 and signed an agreement on the Civil Nuclear Energy Cooperation between the two countries which was indicative of India's emergence as a "Third Neighbour" of Mongolia. India has been visualized as the fourth alternative for providing security and development in Mongolia. It is essential due to Mongolia's location because North East Asia is likely to play a crucial position in the diversification and expansion of Mongolia's foreign economic activities and growth. This region is rich in natural resources, and it has a vital economic potential to forge a close regional economic cooperation, which would be a crucial factor in establishing peace and

security as well. India and Mongolia are connected with the thread of Buddhism, so the spiritual linkages between both countries make it imperative for the two sides to cooperate not only for mutual benefits but also for the regional integration process.

India has widely accepted and considered in the strategic imagination of Ulaanbaatar as Mongolia's "third neighbour". Given the fact that Mongolia is critical for a rising India's Asian strategy, both the nations upgraded their relationship for a comprehensive partnership. During the Mongolian President's visit to India in September 2009, both sides signed a comprehensive partnership treaty to cooperate in developing Mongolian uranium mining with MoU on the "peaceful use of radioactive minerals and nuclear energy". Nuclear experts believe that under the treaty the supply of uranium from Mongolia is more critical for India than access to enrichment and reprocessing technology, and this would undoubtedly boost and energise India's starving civil nuclear fuel cycle.

Two-sided economic cooperation has been on the gradual increase in the course of last more than ten years since the beginning of Mongolia's transformation to a market economy. Although there are some difficulties in transportation between Mongolia and India, there is some increase in bilateral trade in 2004. Mongolian side exports to India fluorspar washed sheep wool and cashmere, and import medicines as well as medical equipment. This year Mongolia has imported from India machinery and equipment for road construction. It is worth to note that India's development and technical assistance plays an essential role in economic cooperation between the two countries. Solar energy project by the Indian non-refundable aid will be used in Dadalsoum, Khentii aimak and it shows that there is a possibility to cooperate in the field of renewable energy. Intergovernmental Committee on economic, cultural, scientific and technological cooperation was established last year and began functioning.



It is evident that this Committee's role in broadening trade and economic cooperation is significant.

A basis for the Indian investment is being laid down. At present three enterprises set up by the Indian investment of 100000 US dollars are functioning in Mongolia. The Indian companies are playing a positive role by designing, surveying and conducting engineering control in the implementation of such projects as "The millennium road" and "Ulaanbaatar city public service" which are carried out by international organisations and other countries. More opportunities set in motion for widening interaction between the two countries.

Mongolia is a viable country to facilitate economic and energy cooperation in North East Asia. But it continues to be a subject of high tariffs burden on its exports or transportation services. It is essential to say that almost 70 per cent of Mongolian trade depends on North East Asia. Simultaneously Mongolia also has some problems, like its detrimental landlocked situation, very low population density, and an extreme continental climate.

However, the most acute dilemma of Mongolia concerns about not so encouraging its regional cooperation and the repentant transportation system. This situation must be improved by significantly expanding and starting the transportation network, in which India can also join and benefit. Besides, it would always be beneficial for Mongolia if it explores in the right way its worth of being a natural transportation and transit bridge for regional trade and energy supplies. Nevertheless, some large-scale 21st century oriented projects in North East Asia have already undertaken, particularly the construction of main gas and oil pipelines as well as power lines.

The landmark event in relations between India and Mongolia took place during the visit by Prime Minister of India Narendra Modi to Ulaanbaatar in May 2015 and his announcement of giving Government of

India's US dollar 1 billion flexible credit line. It was the most massive credit line ever offered by any country to Mongolia at that point of time, for the development of Mongolian economy including its infrastructure which has opened a new chapter in the contemporary history of India-Mongolia ties. The visit also helped elevate the bilateral relationship to the Strategic Partnership level. The proposed Oil Refinery after its construction will emerge as the first highly visible symbol of civilizational ties between the two countries.

On June 22, 2018 groundbreaking for the oil refinery was launched in the southern part of Mongolia. This GOI funded first ever refinery project in Mongolia is expected to initiate the next industrialisation wave in the country. Rajnath Singh, the Home Minister of India, attended the ground-breaking ceremony. The oil refinery in the southern part of Mongolia at Altan-Shiree soum of Dornogovi province will occupy 150 hectares of land. Mongolia's search for local individuality came to the forefront in the 1990s when Mongolia's survival as a sovereign state was the primary issue for the country. During the cold war time, Mongolia belonged to the Soviet Union security system that provided essential security support. The Soviet Union's collapse in 1990 led Mongolia to face the security impasse. Now Central Asia is identified as an area to which the great nation Mongolia belonged physically, historically, ethnically and culturally. But it is the North East Asia that has finally emerged as the understandable choice for Mongolia's new regional uniqueness and identity.

Reference

- Batbayar, Ts. and Soni, Sharad K. (2007), *Modern Mongolia: A Concise History* New Delhi: Pentagon Press.
- Bayarkhuu, D. (2001), "Mongolia and its Third Neighbours", *Himalayan and Central Asian Studies*, 5(1): 80-90.
- Chuluundorj, B. D. (1990). *Mongolia's Foreign Policy: New Challenges and Trends*. *India Quarterly*, 46(2-3), 127-133. <https://doi.org/10.1177/097492849004600202> (Access date 11.10.2018, 2.30 pm)



- <http://mongolianembassy.us/about-mongolia/foreign-relations-of-mongolia/#.W8hT-RMza1u> (Access date 5.10.2018, 10.20 am)
- J., Kh. Bayasakh. (2000). *Mongolia and Russia-China on the Eve of the New Millennium*. *China Report*, 36(1), 73–81. <https://doi.org/10.1177/000944550003600104> (Access date 9.10.2018, 2.30 pm)
- Jargalsaikhan Enkhsaikhan & Blue Banner. (2014). *Mongolian foreign policy: a small state with big aspirations*. *EASTASIAFORUM Economics, Politics and Public Policy in East Asia and the Pacific*, retrieved from <http://www.eastasiaforum.org/2014/04/02/mongolian-foreign-policy-a-small-state-with-big-aspirations/> (Access date 8.10.2018, 12.30 pm)
- Sharad K. Soni, *Mongolia Today: Internal Changes and External Linkages*, New Delhi: Pentagon Press.
- Soni, Sharad K. (2009). *India-Mongolia relations in regional Perspective and India: A Strategic Partnership in the Making*. SIS Monthly faculty meeting report, retrieved from <https://www.jnu.ac.in/sites/default/files/Indo-Mongolia%20Relations.Sharad%20Soni.%201%20October%202009.pdf> (Access date 11.10.2018, 2.30 pm)
- Soni, Sharad K. (2012), "Looking beyond Geographic Neighbours: Post-Soviet Mongolia's "Third Neighbour Policy", in Suchandana Chatterjee, Anita Sengupta and Sushmita Bhattacharya (eds.), *Eurasia: Twenty Years After*, Delhi: Shipra Publications, 486-503.
- Soni, Sharad K. (2016), "Emerging Dimensions of India's Relations with Mongolia", *Indian Foreign Affairs Journal*, 11 (1):51-62.
- Soni, Sharad K. (2016), "Security Dimension of Mongolia's Foreign Policy: Relevance for India", in Henrik Berglund, Mondira Dutta and Per Hilding (eds.), *Development and Regional Cooperation in Central Asia and South Asia*, New Delhi: Pentagon Press, pp. 56-72.
- Stobdan, P. (1998), "Mongolia and the U.S.: Redefining Inner Asia", *Strategic Analysis*, 22(1):198-252.
- Tumurchulum, G. (2006), *Mongolia's Foreign Policy*, *The Mongolian Journal of International Affairs*, (13) 88-94 *India Empire*, September 2108, Vol. 14 No. 4