

# Mongolia, Northeast Asia and the United States: Seeking the Right Balance

Edgar A. PORTER

*Ritsumeikan Asia Pacific University*

## Abstract

Mongolia stands at yet another great crossroads in its rich and storied history. On the one hand it sits within the region of Northeast Asia, with the two global powers of China and Russia and two additional economic world leaders in South Korea and Japan offering opportunities and challenges over the next several years. On the other hand, Mongolia has aligned itself geo-politically with the United States, sending troops to Iraq and striving to develop a burgeoning democracy that will both improve conditions at home and impress the United States. This article will explore the current relations Mongolia has with its Northeast Asian neighbors and the United States, paying particular attention to the balance it strives to maintain in these early years of the twenty-first century.

**Keywords:** geopolitics, Northeast Asia, Mongolia-China relations, Mongolia-Japan relations, Mongolia-Korea relations, Mongolia-Russia relations, Mongolia-United States relations.

## Mongolia and China

On the whole, relations between China and Mongolia are understood by both sides to be mutually beneficial. Historic distrust of China still exists in the thinking of most Mongolians, and it can be expressed in powerful and personal ways. When I made my first trip to Mongolia ten years ago with my wife, who is Chinese, we were told that it was best not to tell people we met that she was, in fact, Chinese. As we lived at that time in Hawaii, she was advised to say she was from Hawaii, not China. That seemed to work, and she was warmly accepted everywhere she went as Hawaiian.

Despite the long standing distrust of China, however, Mongolians today see the overwhelming need to deal with China as a partner rather than an enemy. There is no question that economic development and political balance now guide Mongolia's relationship with China. Since its separation from Soviet influence and establishment of a democratic political structure in Mongolia in the early 1900s, a new era of cooperation has begun. In 1989, Mongolia's trade with China stood at US\$24.1 million. By 2003, it had reached over \$483 million and continued rising. This now makes China the largest trading partner with Mongolia. That same year almost half of Mongolia's exports were sent to China. There is no doubt that Mongolia, similar to other countries in the Asian region, is highly dependent on China's economy to help stimulate its own growth (Rossabi 2005: 2).

In addition to an increase in trade and investment, Chinese aid to Mongolia has been important to the development of Mongolia's economy. Between 1991 and 1997, China gave Mongolia 42.6 million yuan, and in 1998 aid from China was in the amount of 30 million yuan. This amount dropped dramatically in 2000 and 2001, but resumed for 2002 and 2003 to around 30 million yuan per year. Interestingly, much of this direct aid paid for living quarters for the Mongolian military, perhaps an enjoyable dig at the former Russian big brother who had bankrolled much of the Mongolian armed forces prior to the 1990s. China also came to the support of Mongolia in a relief action during this period, when Mongolia experienced harsh winters that killed off up to one third of its livestock, and Chinese aid helped Mongolia to get through this catastrophe (Rossabi 2005: 3; Campi 2004: 14).

These economic ties have brought with it the exchange of students, scholars and scientists between China and Mongolia. Toward this end China has established an impressive number of fellowships for Mongolian students to study in Chinese universities (Campi 2005: 8). It was early in the establishment of the new era that Mongolians began to see the importance of sending their children to China for higher education and professional training. In 2000, I discussed the educational track of Mongolian students abroad with a professor at a Ulaanbaatar university, who told me that his daughter was in Beijing getting her university degree in education. I asked why Beijing, and he said quite candidly that Mongolia could no longer ignore China's presence and power, and Mongolians now had to establish professional and personal relations with the Chinese, and to learn the language. He acknowledged that he was ambivalent about sending his daughter to China due to his national pride, but now that she was there, he was impressed with the education she received, and with the good will she could garner for Mongolia's benefit in the future.

In addition to the educational opportunities, tens of thousands of Mongolians travel to China each year for medical treatment. The 1999 Medical Treatment Agreement signed between the two countries contributes to this, but even without the agreement, it is understood that Mongolians will enter China, many going to Inner Mongolia, for treatment of serious illnesses. For citizens of a country not allowed to travel to China as recently as 1990, due to strict visa regulations and tense political relations, the change is dramatic. Now a visa is not even required to enter China for a short visit (Campi 2004: 14-15).

As we can see, in the area of economics and cultural exchange, China holds the power, and appears to be using it in a fashion that diminishes, if only slightly, the anxiety Mongolia feels toward China's presence in Mongolia. Many Mongolians still fear that China has designs on their vast land, with some arguing that China hopes to annex Mongolia, or at least to control it through its economic might and military threat. They ask if China will continue to invest in Mongolia at the level it has in the past decade, or will it uproot and take its business elsewhere, to cheaper labor. We have seen this happened globally with industries, especially in developing countries, as rich international corporations move from one cheap labor market to another on short notice. Mongolians have reason to be fearful of these possibilities, but it appears that for the foreseeable future these fears will not be realized. This is due to the role Mongolia plays, and will continue to play, in China's foreign policy.

China's interest in Mongolia is based in large measure on its relationship with Russia and the United States. After years of distrust and disrespect shown between

the governments of China and Mongolia due to historical events and Mongolia's dependence on the Soviet Union for most of the twentieth century, political relations have improved dramatically. Batchimeg (2005: 4) states that after the Sino-Soviet conflict eased in the late twentieth century, Mongolia was allowed to choose its partners more freely:

After this main obstacle disappeared, Beijing and Ulaanbaatar each recognized their shared strategic interest, and consequently decided to reengage one another. While Russia, the former ally, still enjoys certain political and economic influence in Mongolia, it is now the PRC which emerges as the main political and economic partner of Mongolia.

He goes on to argue that "Beijing's strategy is to create a peaceful external environment for its development, to strengthen its relationship with neighboring countries, and to build a positive international image as a responsible power adhering to international norms. This approach has thus far succeeded in creating an environment of trust on which to further develop the current Mongolia-China rapprochement" (Batchimeg 2005: 4). This optimistic view is supported by the 1991 visit to Mongolia of President Yang Shangkun, when he expressed respect for the "independence and sovereignty of Mongolia," and the 1994 visit of Premier Li Peng, when he signed a treaty promoting friendship and cooperation, including the support for Mongolia to develop relations with other countries (Campi 2004: 10-13). In 2003 Hu Jintao visited Ulaanbaatar, showing China's continued interest in Mongolia.

Despite the optimism, however, Batchimeg (2005: 4) understands that this relationship, at least from China's side, is based on Mongolia's importance due to its "crucial geopolitical interest" (quoting Li 2002: 30). China and Mongolia share the longest border held by China with any other country, and matters of security and stability in the minority regions of north China bordering Mongolia, especially Inner Mongolia, are paramount to the continued success of its economic growth and political influence abroad. Recognizing this, Mongolia has agreed to support China's efforts in maintaining harmony in its northern minority regions. Witness the visit to Inner Mongolia by President Bagabande who stated that he was "impressed with China's efforts to protect the culture and education of the Mongolia minority" in China (Rossabi 2005: 3; Batchimeg 2005: 4). This view is interpreted by many as a gesture of accommodation to China's growing role in Mongolia's economic and political landscape, and not reflective of deep-seated historical distrust of China's perceived destruction of Mongolian values and practices over the years.

One final indication of China's interest in staying close to Mongolia's political development is its engagement with the major political parties of Mongolia, including the Mongolian Revolutionary Party and the new democratic parties that have sprung up over the past nineteen years. This shows the interest China has in aligning with those in power and maintaining good relations with potential leaders. With this approach, China is assured allies when Mongolian political winds shift (Batchimeg 2005: 4-5). It also gives China an ear to the ground on Mongolia's democratic politics and what impact this may have on Inner Mongolian intentions (Campi 2005: 6). In 1990, for example, the Mongolian Democratic Party advocated "Uniting the Three Mongolias" of Mongolia, Inner Mongolia, and Mongolian Buryatskaya with a common spoken and written

language and a national identity that linked them closely together (Wang 2005: 10). This does not sit well in Beijing, and the better their intelligence is on Mongolia's political scene, the quicker the Chinese can respond to perceived threats of instability in Inner Mongolia.

To sum up the relations between China and Mongolia, China is in the driver's seat due to its economic and political might, and the influence this has on the long border shared by the two. From China's side, which has used every aspect of soft power available to it, the situation is excellent. Jiang Zeming stated that there are now no unsettled political, legal or historical problems existing between the two countries. That is easy for him to say, as his country holds the major cards in the relationship. From Mongolia's side, the deep-seated distrust of China is still strong in the Mongolian consciousness. Mongolia is right to believe that China is out to protect China's interest first, and to help Mongolia second. But, despite this, there is no indication that there exist fundamental issues that should bring serious tension or conflict in the future. Mongolia, as it has done for centuries, is finding the right path for itself in this new era of a powerful China.

### **Mongolia and Russia**

On my first visit to Mongolia in 2000 I was struck by two realities. First, as a student of modern China, I had not realized that animosity toward China was so deeply rooted. Second, I was surprised to find the depth of affinity and appreciation the Mongolian people felt toward the people of the former Soviet Union. I had visited Romania during the Soviet days, and noticed from Romanian people an abiding, almost personal, disdain for the Russians. I expected to find that in Mongolia too. However, despite the Soviet influence having overriding control of political and military affairs, the educational, medical and economic improvements brought to the Mongolian people during the Soviet era seemed to be genuinely appreciated. The Soviet advisors who came to Mongolia were in the main accepted and, in fact, personally liked. The education received by today's leaders and scholars in Soviet universities is universally praised to this day, and for many was a more meaningful experience educationally than that found in Western classrooms over the past two decades.

When I asked a Mongolian colleague why China was so despised but the Soviet Union, basically an occupying power, was appreciated, his answer was both startling and illuminating. He said that the Soviet Union, unlike China, "never tried to change our culture". When asked about the mass executions and purges of 1937, he stated that it was Mongolians killing and oppressing Mongolians, not Soviet troops killing Mongolians. "We did that to ourselves," he said. In case this statement is assumed to be the opinion of someone detached from that era, he informed me that his own grandfather had been shot during the purges of that time.

As recently as 2005, Mongolian Foreign Minister Tsend Munh-Orgil stated (Azizian 2005):

Mongolians gratefully acknowledge Russia's important role in obtaining national independence from Manchuria and securing breakthrough achievements in the social and economic development. Although never a communist state by ideology, Mongolia was forced to join the socialist camp

as a satellite Soviet state to ensure its national sovereignty and independent existence. The years of cooperation with the then Soviet Union and other socialist states helped Mongolia leap forward towards general literacy, quality public health and education, and succeed in turning a backward nation of half a million nomadic cattle-breeders into a modern social welfare state of 2.5 million in less than 70 years.

This being said, Mongolia is in the midst of making a dramatic turn from dependence and alliances with its longtime supporter and friend, Russia, to its more feared and distrusted southern neighbor. What do we find now? On the economic front we find that Mongolia exports over 47 percent of its goods to China, while the Russian Federation receives about 16 percent (Dugerjav 2005). This stands in stark contrast to the pre-1990s when Mongolia's economy relied on massive Soviet loans, aid and its limited exports. During those years over 720 Soviet projects were built to improve power and transportation infrastructure and mining output. By the mid-1990s these improved structures were falling into disrepair and disuse. One report states that Russia's share in Mongolia's trade has fallen from 72 percent to 20 percent since the early 1990s (Azizian 2005). Campi argues that during the Sino-Soviet conflict of the late 1970s, Mongolia used its "China card" to convince the Soviet Union to pump greater economic assistance into the country in exchange for greater Soviet military presence on the Chinese-Mongolian border (Campi 2004: 9-10). Perhaps during this new era Mongolia once again plays the "China card" to entice Russia to invest more so that China will not be so dominant.

In recent years, Russia has made strides to increase its economic and political activity with Mongolia, seemingly in direct relation to Mongolia's growing dependence on China. In 2000, President Vladimir Putin visited Mongolia on one of his first trips abroad as President. In 2002, Prime Minister Mikhail Kasyanov visited Mongolia, followed by Mongolian Prime Minister Nambaryn Enkhbayar's official visit to Russia in 2003. Putin and Enkhbayar met again in 2005.

These visits, and accompanying business deals growing out of the visits, have created a slow resurgence of Russian presence in Mongolia. There was, for example, a 15.5 percent increase in trade in 2004, and Russian private investment increased in 2005 to around \$USD50 million. Two hundred and sixty-five joint projects in Mongolia, many related to railway development, are ongoing, with plans to develop more. Despite these promising developments, however, the reality may be less than meets the eye. Most of the trade, around 70 percent, is located in the Siberian border regions and does not move south easily. Promising agreements signed to build oil pipelines falter, as Russia moves to more lucrative partners such as Japan (Blagov 2005: 8-9; Azizian 2005).

Russia may not find Mongolia to be a profitable economic ally, but it looks askance at China's move into Mongolia and can do little about it. It views Mongolia's growing relationship and dependence on the US with concern and, like China, is always weary of Pan-Mongolian nationalism raising its head in the minority regions of Russia. In the end, it is probable that the historical alliance between the two will allow trade and political alliances to continue, but at a flat, rather than dynamic rate. Areas of mutual interest that will be explored in the future include energy supplies from Russia to China, transportation links, military and law enforcement cooperation and a continuation of educational opportunities for students going both ways (Azizian 2005).

On Mongolia's side, it no longer sees the need to focus on Russia for its export of natural resources, but shops around for the highest bidder. Japan and Canada are active, but none compare with the interest shown by China. Despite this, Mongolia makes it a point to show Russia that it will not tilt away from that historical friendship to advantage China. A Mongolian Foreign Ministry statement reads (Azizian 2005):

Maintaining friendly relations with the Russian Federation and the People's Republic of China shall be a priority direction of Mongolia's foreign policy activity. It shall not adopt the line of either country but shall maintain in principle a balanced relationship with both of them and shall promote all-around neighborly cooperation. In doing so, the traditional relations as well as the specific nature of our economic cooperation with these two countries will be taken into account.

### **Mongolia and Japan**

Relations with Japan are good. Japan opened its embassy in Ulaanbaatar in 1972. Following this, Japan and Mongolia initiated a series of "firsts" between this former Soviet ally and modern industrial, democratic countries. These include the 1989 visit of the Japanese foreign minister to Ulaanbaatar, the 1990 visit to Japan of Prime Minister Sodnem, the 1991 visit to Mongolia by Japanese Prime Minister Kaifu and 1992 and 1993 visits to Japan by the Mongolian Prime Minister. These visits have continued through the years, with Prime Minister Enkhbold's March 2006 visit to Japan highlighting the continued close relationship between the two countries. During this visit he met with the Emperor and Empress of Japan, as well as holding a summit meeting with then Prime Minister Koizumi.

Mongolia-Japan relations are mutually beneficial, though not in the same categories. As stated by the Japanese Foreign Ministry, "based on Japan's belief that the success of democratization and the transformation to a free-market economy in Mongolia would contribute to peace and stability in the East Asian region, from the outset it has given active assistance to newly democratized Mongolia, and since 1991 has continued to be the largest donor of aid" (Japan's Ministry of Foreign Affairs [MoFA] 2006). During the 1990s, Japan, in cooperation with the World Bank, held seven conferences with multiple international partners to discuss ways to assist Mongolia during its early years of democratic and market economy transition. Six of those were held in Tokyo (MoFA 2006).

Contributions to Japan from Mongolia come in the way of international support for Japan's role in the United Nations and in international negotiations. Mongolia's role in establishing itself as a nuclear free zone, and working toward peaceful resolution to the tensions found in Northeast Asia, are in line with Japan's interests. Mongolia is a strong supporter of Japan's goal to become a member of the United Nations Security Council, and recently backed Japan's position on its right to harvest whales from the world's oceans. This seemingly insignificant action speaks volumes for Mongolia's interest in maintaining good relations with Japan, as it is difficult to see what strategic interest landlocked Mongolia has in the whaling industry.

The importance of Mongolia's relationship with Japan is summed up by comments made in Japan by Mongolian Foreign Minister Tsend Munh-Orgil in March 2005. Speaking

at the Japan Institute of International Affairs in Tokyo, he stated (Munh-Orgil 2005):

Relations with Japan occupy a special and in many ways strategic place in Mongolia's foreign policy thinking. Japan's assistance to Mongolia's transformation to a democracy and market economy remain a crucial factor as Japan alone accounts for close to 70 per cent of ODA [official development assistance] received by Mongolia since 1991. We also recognize that this grateful acknowledgment of Japan's help places a special duty on us, Mongolians, to make a good use of the generous assistance of the people of Japan and deliver better living for our people faster. Mongolia supports Japan's aspirations to occupy a more significant role in regional and global affairs, and in particular its aspirations to become a permanent member of the UN Security Council.

While relations between Mongolia and Japan continue to be positive, this does not mean that there are not small differences. From a robust, relatively unchecked contribution to Mongolia's economy and infrastructure during the 1990s, we now find a reluctance on the part of many in Japan to continue sending substantial funds to Mongolia. This is true not only in government economic assistance, but from private foundations and granting agencies. From a high of over \$USD100 million in 2000, we find that in 2004 the combined contributions dropped to just over \$60 million (Sato 2005). In part this is due to Japan's decision that it could not continue to assist any country at such a high level indefinitely, but it is also indicative of the concern of Japanese government officials and granting agencies that the money has not been well spent, and that corruption has taken an enormous bite out of the potentially good intentions of the aid. Another factor was the failure of Mongolia to take care of outstanding loans to Russia, which was a weight on the country's development. Most of that debt has now been forgiven, and this, coupled with Prime Minister Enkhbold's successful visit to Japan in 2005, has allowed the Japanese government, for the first time in five years, to extend a new loan to Mongolia to assist in the development of small enterprises and protection of the environment.

Relations between Japan and Mongolia show no signs of diminishing. Each should continue to find mutual agreement on most fronts, with economic support provided by Japan to Mongolia and geo-political support offered by Mongolia to Japan.

### **Mongolia and Korea**

Relations between both Koreas and Mongolia are stable, and potentially important for Northeast Asian security. In the field of economics, exports from Mongolia to South Korea are relatively small compared to China, the US, Russia and Japan. South Korea, however, is the fourth largest importer of goods from Mongolia, with 6.0 percent of the market, just slightly less than that of Japan. According to an article in an Institute for Strategic Studies publication, Korea ranks as the second largest investor in Mongolia, a fact appreciated by many Mongolians. As one Mongolian scholar states, "To begin with, we, on the Mongolian side must profoundly acknowledge and deeply cherish the Korean factor in the post-Communist development of the Mongolian polity, society and economy" (Khirghis 2004: 136).

Economic interaction does not stop with official trade of goods, however. The use of Mongolian contract labor in South Korea is a recent and growing development. I learned this firsthand several years ago when I traveled from Korea to Mongolia on Mongolian Airlines, sitting next to a representative of the Mongolian Ministry of Labor. This official had just been in Seoul negotiating future contracts for Mongolian workers in Korea's construction industry. By 2005 there were over 20,000 Mongolians living and working in Korea, both as contract workers and as immigrant laborers. Likewise, a few thousand Koreans now live in Mongolia, setting up businesses and investing in the country (Syungje 2005). It is obvious that Mongolia also attracts Korean tourists to its niche eco-tourism industry, an opportunity Mongolia should consider exploiting more with a renewed commitment to tourist infrastructure, such as hotel, air, train and bus expansion.

But it is not in the realm of economics that Mongolia plays its most important role in relation to the two Koreas. It is in the arena of Northeast Asian security and harmony that the greatest impact is, and will be, felt. It is clear that Mongolia's relations with North Korea may be the most relaxed of any country in the world. In part this is a historical consequence of the Korean War when Mongolians welcomed North Korean orphans and other children to their country to escape the ravages of war. These children were educated in Mongolia, developed close relations with Mongolian families, and upon their return to North Korea as late as the 1960s, never forgot the kindness of Mongolians (Syungje 2005). There is a history of student exchange between the two countries that developed over the period during the Cold War, establishing personal relations that still continue. This history has allowed the two countries to maintain close relations through to the present day. To balance the exporting of Mongolian labor to South Korea, there are now North Korean laborers working in Mongolia. Periodic trade shows from North Korea are held in Ulaanbaatar, scholars exchange visits and opinions, and government officials are more active now than just a few years ago with the recent re-opening of the North Korean embassy in Ulaanbaatar.

Mongolia uses its relationship with North Korea in one of the most impressive examples of soft power diplomacy to be found in the world. Mongolia is now a democratic nation which has moved swiftly and decisively away from a totalitarian style of government. But it does not preach to North Korea about the values of democracy or the terrors of a totalitarian state. Much to the displeasure of the new friends in the United States, it leaves that to others. Mongolia plays a different role.

I once held a discussion with a Mongolian government official who travels between Mongolia and North Korea, in which the Mongolian style of persuasion was explained to me. "In Mongolia," he said, "we have multiple television stations from all over the world, with programs from the US, Europe, China and, of course, Mongolia. We have freedom of choosing our work and we can move around the world to see different countries. We vote for our leaders. New restaurants open regularly, and entertainment opportunities abound. We want North Koreans to experience these things, and we think by their own experiences in Mongolia we can slowly convince many that there is a better way than what they have now. As old friends, this is how we hope to persuade them to change".

South Korea sees this as a positive and helpful position on the part of Mongolia, and encourages the continuation of this soft diplomacy. Khirghis (2004: 137) argues that because Mongolians have lived under both Communist Party rule and democratic



rule, they have a unique role to play in explaining the strengths and weaknesses of each to parties in the North and South, who have no meaningful experience in the political, economic and cultural life of the other:

Perhaps this factor can be an additional bonus in the role of the ordinary Mongolian people involved in business, academic, etc. (i.e. the public diplomacy), that would help to ease the cultural barriers between the Korean compatriots prior, during and following the hopeful unification.

Mongolians can show the North Koreans that a transition to some form of economic reform and democracy does not have to end in the arrest and executions of the current power elite, such as happened in Romania. It can be relatively peaceful (Khirghis 2004: 137). Results from this type of diplomacy may take a long while, but it is obvious that the hard line approach may take even longer, and is fraught with potentially horrific consequences. And Mongolia continues along this helpful path despite the sour looks from US officials.

### **Mongolia and the United States**

The visit by President George Bush to Mongolia in November 2005 signifies a milestone in U.S.–Mongolia relations, but more importantly provides a signal to the world that Mongolia has placed itself strategically as an ally to the most powerful Western nation in the world. This is a significant, some might say remarkable, turn of events over just the past several years. Khirghis (2004: 82-83) states:

In the contemporary history of world affairs, certain patterns of relations between the two sovereign states represent a range of correlations – from the thoroughly even relations between the two equal powers to the protector-satellite type between the two unequal players. Being a relatively weak player on the international scene, Mongolia throughout the 20<sup>th</sup> century has experienced the latter type of bilateralism, depending on its more powerful neighbor –Russia/Soviet Union. However, since the 1990s the relations between Mongolia and the United States represent a puzzling phenomenon – being neither type of the two above-mentioned relations.

To begin with, the United States offered Mongolia an official diplomatic recognition only in 1987..., yet the bilateral ties intensified more rapidly than between any other two states with the same short period of mutual recognition. Moreover, there is a huge gap in terms of population, overall economic performance, political weight, culture and other factors; still, the relations have developed steadily. In addition, both sides do not consider the other as a priority in its foreign policy...Nevertheless, the state and effect of bilateral relations...retain an intensive pattern. A special part of these relations is the military cooperation, but it is still not an alliance-type partnership, as some sources are quick to describe it.

Khirghis is correct to point out military cooperation as one of the keys to this fast developing relationship. The equally important link for the US is Mongolia's commitment to free elections, its repudiation of communist principles and the opening of its markets. In President Bush's comments to members of the Great Hural in 2005, a large portion of his talk focused on the military support given to the Coalition forces in Afghanistan and Iraq and, in his mind, the direct tie to new democratic principles (Bush, 2005b):

Mongolia has made the transition from communism to freedom, and in just 15 years you've become a vibrant democracy and opened up your economy. You're an example of success for this region of the world...This conviction has inspired the Mongolian people to share the hope of freedom with others who have not known it...Your forces are serving alongside US and coalition forces helping to train the Armed Forces of a free Afghanistan. And in September, Mongolia sent its fifth rotation of forces to Iraq and Mongolian soldiers are serving in that country with courage and great distinction...In Iraq, Mongolian forces have helped make possible a stunning transformation.

Getting to the core of his remarks, Bush (2005b) made crystal clear his view of world events, making comparisons some Mongolians might find off the mark. He stated:

Like the ideology of communism, the ideology of Islamic radicalism is led by a self-appointed vanguard that presumes to speak for the masses. Like the ideology of communism, Islamic radicalism...[claims] that men and women who live in liberty are weak and decadent. And like the ideology of communism, the ideology of Islamic radicalism is destined to fail...As you help others secure the blessings of liberty, you continue the work of building a free society at home, and as you travel this path, the United States walks with you.

Bush ended his talk in Ulaanbaatar with the words most Mongolian officials were waiting to hear. How would this support of the US invasion of Iraq prove beneficial in concrete ways for the Mongolian government and people? He did not disappoint. He stated that the United States would provide funds from the new Solidarity Initiative "to nations like Mongolia standing with America in the war on terror. Mongolia will receive \$11 million under this new initiative with funds to help you improve your military forces, so we can continue working together for the cause of peace and freedom." He then continued with a comments related to the eagerly anticipated Millennium Challenge Account. "In recognition of your progress," he stated, "Mongolia is in line to receive funds from this account 'as soon as possible'" (Bush 2005b).

These comments by President Bush state clearly the U.S view of the relationship between these two very different countries. Stay on the path of democracy, a free market and visible support of the war on terror as defined by the United States, and the United States will provide substantial support for the continued development of the economy and military. Stray from this support, and the consequences, while unstated, are understood as a cold shoulder to a weak ally.

The predicament this places upon the Mongolian government is significant. While official pronouncements declare the importance of democracy and anti-terror motives, Mongolians do not show strong support for the war in Iraq, and there are calls to bring their troops home. I have spoken informally to several Mongolian officials about their view of Iraq, and the defense is never couched in terms of protection of democracy or anti-terror activity. It is, rather, a practical response to a practical need. The lingering and frustrating negotiations between US and Mongolian officials on the Millennium Challenge Account is a better gauge of the true sentiments of Mongolians. Such a view was expressed to me in 2005 at an informal gathering, just after the government announced yet another dispatchment of troops to Iraq. A high level government official expressed irritation with the delay in getting the Millennium funds to Mongolia. “What do they want from us?” he asked, “we have just agreed to send more troops to Iraq, and still they won’t provide what was promised”. The connection between support of the US-led invasion of Iraq and expected financial rewards could not have been more clear.

Despite the close and dependent nature of the relationship from both countries, Mongolia has shown impressive independence from the US in strategic areas. The development of the “third neighbor” concept is both creative and on the mark in this era of multiple Asian powers. While using the term generally to describe Japan and Western countries with interests in Northeast Asia, this phrase clearly represents Mongolia’s view of the US as a new and strategic neighbor. The lack of a geographic border is of little importance anymore, as Mongolia recognizes that the US is just next door in every other way, be it militarily, economically or strategically. If there was any doubt who the real “third neighbor” is, President Bush clarified it in an interview with Eagle Television just before his visit to Mongolia when he said, “We kind of consider ourselves – we like the slogan, ‘the third neighbor’” (Bush 2005a).

The concept of a third neighbor has intriguing strategic implications. It sends the message to all, including the US, that Russia and China are still neighbors number one and two. It tells the US that despite the new close relationship, nothing can come before the relations with these two powerful and historic neighbors. It also sends the message that it is not a puppet of the Americans. This is most clearly seen in the disagreement over North Korea. The US has made it clear to Mongolia that its relationship with North Korea is too relaxed, and not judgmental enough on the part of Mongolia. But Mongolia has not altered its approach, and this admonishment falls on suspicious, perhaps deaf, ears. Mongolia engages North Korea, desires North Korea to change toward a more free society, and does what it can in soft diplomacy to show North Korea the advantages of change. In this way it is closer to the Chinese and Russian positions than that of the US.

The third neighbor concept plays another role in Mongolian independence in that it sends the message to the first two neighbors that there is a new powerful player Mongolia can depend on, and China and Russia must factor that in when viewing relations with Mongolia. Russia’s influence has diminished, though not evaporated, and China’s has increased dramatically. Both oppose the US-led action in Iraq, but Mongolia goes its own path there regardless. Each views with concern the new and growing US influence in Mongolia. Wang Wei-fang argues, “The Chinese government... regards the US as a ‘potential foe’ which is threatening to deploy an encirclement strategy connecting from Central Asia on up to Mongolia. In future this will make China feel more restricted and less secure. Therefore, from now on, Beijing cannot afford to overlook the importance of developing relations with Mongolia to counter the US

encirclement strategy” (Wang 2005: 12). Mongolia is well aware of this, and walks a fine line between China and the US as it protects its own self-interests. It is an old tactic, and a tried and true one.

The future of Mongolian-US relations will continue to improve if both sides find they have something to gain from the relationship. For Mongolia, the future must be driven by strategic and economic relations, but in the long term it has placed major importance in the field of education. Mongolia now patterns much of its educational innovations on US concepts, acknowledges English as the most important foreign language to study (surpassing English usage in the countries of Japan and Korea) and welcomes American Peace Corp volunteers in the classroom. Babaar states that it is through culture as much as through diplomacy and strategic relations that countries change. He represents many in Mongolia when he says, “Mongolians want to prove that real seeds of freedom are planted not through technology, but through culture... [and] these cultural relations [should be] the main foundation. Mongolians need culture through American-style knowledge and education. If thousands of Mongolian young people go to America, study there and return home with knowledge, then the foundation of an exemplifying castle of freedom and democracy in the Asian continent will be built” (Babaar 2005).

Finally, the US, which dominates the relationship financially and militarily, must follow up on its commitments to Mongolia by showing more respect for the integrity of the government and the contributions it has made to US interests internationally. One way to show this is to upgrade Mongolia’s diplomatic profile, which is currently handled by a junior level officer attached to the China desk. It is time for the State Department to open a fully-fledged Mongolia desk. Another is to come to a swift resolution on the lingering Millennium Challenge Account and support Mongolia’s infrastructure needs, especially in education. Third would be to increase US trade with Mongolia, and to push for Mongolia to be included in regional and international trade associations so it can expand its own economy (Noerper 2005).

## **Conclusion**

The balancing act Mongolia must perform to maintain its political cultural autonomy is challenged from both its northern and southern neighbors. A historic distrust of China, coupled with a modern dependency on Chinese investment and trade, forces Mongolia to check its historic concerns about China’s intentions, and forge a new relationship based on mutual interests. A historically friendly relationship with Russia is challenged by the diminishing importance of economic trade and investment from Russia into Mongolia, especially in comparison to the growing Chinese presence.

Relations with Korea and Japan are more distant, but continue to move in a healthy and productive direction. Japan has provided large sums of aid to Mongolia through the government of Japan and non-profit foundations, though there is a troubling downturn in Japanese support for Mongolia in the past few years. The fact that Japan is a close ally of the United States assures that Japan and Mongolia will cooperate on geo-political issues for some time to come. The Korean peninsula offers an intriguing set of challenges to Mongolia. As a burgeoning democracy with a free market economy Mongolia and South Korea have no real contradictions ideologically. At the same time, due to historic ties, Mongolia and North Korea are on friendly terms. This coziness with

North Korea does not sit well with the United States, but shows Mongolia's balanced and proud response to political pressure from a new friend and powerful supporter.

The United States does not have a physical border with Mongolia, but in today's globalized world that is not so important. Mongolia has chosen to align itself with the United States, but knows that on a day-to-day basis the relationship with its Northeast Asian neighbors is of equal, if not more, importance in the building of a secure and dynamic society. The balancing act between traditional hostilities and new economic realities, between a traditional nomadic culture and the demands of a free market economy, and the balancing act of maintaining positive relations with old, yet weak friends, such as North Korea, and new, immensely powerful friends, such as the United States, will continue to play itself out for a very long time.

Mongolia has made great progress in the past twenty-one years. Through brilliant international diplomacy that offends almost no one, Mongolia has secured a special place in international affairs as it walks a fine and creative line between competing competitive powers. Old friends from the Soviet days are still friends, and new friends from the western democracies are equally good friends. It has developed new and still experimental democratic structures and free market economics that are watched by other developing nations around the world, especially, one hopes, North Korea. While fighting poverty and corruption, not unlike many other former socialist countries, it stands out as a success story to the world.

The future, however, is still not clear, and it is important for Mongolia to parley this new found respect into a greater role in Northeast Asia. It is, in large measure, respect that Mongolia strives to attain as a recognized player in the region despite the size of its population and the weakness of its economy. The challenges were stated well by Foreign Minister Munh-Orgil in March, 2005 before an audience in Japan when he said (Munh-Orgil 2005):

Mongolia is not afraid of the regional integration because it has a strong national identity, a proud history and a unique culture. Mongolia's regional identity is far less certain and the search for it shall be an important foreign policy and developmental goal for the country. Mongolia is not and cannot be satisfied with its present limited participation in the regional multilateral dialogue. Not involved in the Six Party Talks, not a party to APEC or ASEM or the on-going talks on the modalities for the future East Asian Community, Mongolia will continue its efforts for greater regional cooperation.

Mongolia should not be in this position. Its diplomatic skills, strategic and geographic importance, political direction and global connections are proven. It is the responsibility of Mongolia's friends and partners from Russia, Korea, Japan, the United States and now China to acknowledge the important contributions Mongolia has taken in international affairs in such a short time and to step up and support Mongolia in its goal to be a full and respected player in regional and global affairs.

## References

- Azizian, Rouben. 2005. "Mongolia and Russia: From Common Ideology to Mutual Interest," paper presented at conference, *Northeast Asia and Mongolia: Opportunities and Challenges* (8–10 November 2005) in Honolulu, Hawaii.
- Babaar, Batbayar B. 2005. "Culture is the Main Carrier of Vision of Democracy and Freedom," in *A Comprehensive US-Mongolia Partnership: Challenges and Opportunities, Regional Security Issues and Mongolia* 26: 102-107, Washington D.C.: The Institute for Strategic Studies.
- Batchimeg, Migeedorj. 2005. "Future Challenges for the PRC and Mongolia: A Mongolian Perspective," *China Brief* 5(10), May 5, The Jamestown Foundation.
- Blagov, Sergei. 2005. "Mongolia Drifts Away from Russia Toward China," *China Brief*, 5(10), May 5, The Jamestown Foundation.
- Bush, George W. 2005. Interview with President Bush by Eagle Television, 8 November, Washington DC: The White House, Office of the Press Secretary.
- Bush, George W. 2005. "President Discusses Freedom and Democracy in Ulaanbaatar, Mongolia," The White House Press Release of talk by President George W. Bush, Conference Hall, Government House, Ulaanbaatar, Mongolia, 21 November. Washington DC: The White House, Office of the Press Secretary.
- Campi, Alicia J. 2004. "Modern Mongolian-Chinese Strategic Relations: Challenges for the New Century," *Regional Security Issues and Mongolia* 21, Institute for Strategic Studies.
- Campi, Alicia J. 2005. "Sino-Mongolian Relations from Beijing's Viewpoint," *China Brief*, 5(10), May 5, The Jamestown Foundation.
- Gotov, Dugerjav. 2005. "Northeast Asia and Mongolia: Infrastructure Network Development Issues," paper presented at conference, *Northeast Asia and Mongolia: Opportunities and Challenges* (8 – 10 November 2005) in Honolulu, Hawaii.
- Khirghis, Munh-Ochir D. 2004. "Essays on Security (Retrospectives and Perspectives)," *Regional Security Issues and Mongolia*, 22, Ulaanbaatar, Institute for Strategic Studies.
- Li, Dongyan. 2002. "The Interaction between Northeast Asian Cooperation and Chinese Development Strategy. P 30 in *Political, Security, Economic and Infrastructure Factors of Economic Cooperation in Northeast Asia*, Lhamsurengiin Nyamtseren (ed), Ulaanbaatar: Mongolian Development Research Center. Quoted in Batchimeg 2005: 4.
- Ministry of Foreign Affairs (Japan). 2006. "Japan-Mongolia Relations," statement issued by The Ministry of Foreign Affairs of Japan (June) in Tokyo, Japan.
- Munh-Orgil, Tsend. 2005. "Regional Integration Processes and Mongolia," remarks made to The Japan Institute of International Affairs (22 March) in Tokyo, Japan.
- Noerper, Stephen E. 2005. "Land of the Rising Khan: Moving the US Forward on a Mongolia Action Plan," paper presented at conference, *Northeast Asia and Mongolia: Opportunities and Challenges* (8 – 10 November 2005) in Honolulu, Hawaii.
- Rossabi, Morris. 2005. "Beijing's Growing Politico-Economic Leverage Over Ulaanbaatar," *China Brief*, 5(10), The Jamestown Foundation.
- Sato, Yoichiro. 2005. "Japan and Economic Integration in Northeast Asia," paper

presented at conference, *Northeast Asia and Mongolia: Opportunities and Challenges* (8 – 10 November 2005) in Honolulu, Hawaii.

Syungje Park, “Northeast Asia Security Between Mongolia and Korea”, paper presented at conference, *Northeast Asia and Mongolia: Opportunities and Challenges* (8 – 10 November 2005) Honolulu, Hawaii.

Wang, Wei-fang. 2005. “Pan Mongolism and US- China-Mongolia Relations,” *China Brief*, 5 (10), May 5, The Jamestown Foundation.