

Land of the Rising Khan: Moving the United States Forward on a Mongolia Action Plan

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Abstract

This article provides an overview of Mongolia's current political and strategic viability and its importance to the United States and international community. The author advocates a five-point Mongolia Action Plan (MAP) and suggests that new administrations in Washington and Ulaanbaatar should forge a vibrant and bold relationship.

Keywords: Mongolia, Northeast Asia, US policy

Introduction

Although a small country in terms of population, Mongolia deserves enhanced US and international recognition after pursuing for almost two decades democracy, a free market economy and an active regional and international role. Despite proliferation and authoritarian challenges elsewhere in the region, Mongolia has quietly and resolutely laid down the foundations of democratic institutions and a process of governance that, despite many challenges, affirms US goals.

Situated between giants Russia and China, this land of blue skies lies at a crossroads of increasing geographic significance. China, Russia and others have expanding interests in mineral and energy resources within Mongolia, with copper mines in southern Mongolia potentially feeding the needs of 80 percent of the Chinese copper market. During the Cold War, Russia used Mongolia as a listening post into China, and the two giants in recent years have pressed Mongolia for support in a multilateral counterterrorism and economic development forum through the Shanghai Cooperation Organization. As both giants have pressed trilateral and other arrangements, Mongolia has sought to counterbalance these external forces through the propagation of its Third Neighbor approach, including good relations with the US and others as an important third spoke. Mongolia has emerged as

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an active proponent for regional institutions and actively encouraged attention from the United States, European Union, and others in fostering aid, foreign direct investment, and military cooperation.

To that end, Mongolia is advancing a regional peacekeeping training center and provided quick support to US campaigns in Afghanistan and Iraq. Among the first of Asian nations to offer condolences post-9/11, Mongolia, despite some internal controversy, afforded swift action over flight rights to US aircraft toward Central Asia, and committed troops to Operations Enduring Freedom and Iraqi Freedom. That participation has emerged as more significant than one might assume of small nation support in several instances, namely in Mongolian troops' unique rapport with Hazara forces in Afghanistan (the Hazara being descendents of the Mongolian Golden Horde and identifying with the Mongolians on ethnic lines); in the skilled marksmanship of a Mongolian soldier in Iraq that prevented a suicide attack; and in the continued rotation of Mongolian troops into the combat theaters, despite some opposition at home and concerns more broadly across Asia.

Mongolia as a Model of Democracy

Well beyond providing support for international efforts in Afghanistan and Iraq, though, Mongolia has a larger, and in the long-term, more strategic role to play: one in US and regional interests. First and foremost, Mongolia, despite challenges to the process, is a potential harbinger of democracy for Central Asia, where autocracy continues to dominate, borne of the Stalinist legacy, and where energy reserves, energy access, and US military action to the south have led to a hands-off approach from Washington. The United States would find ready results in supporting further Mongolia's own democratic consolidation and encouragement of the Mongolian model for the institution-weak States of Central Asia.

Mongolia also acts as an example of a working democratic government and open economy for North Korea, a mere 1800 miles away. Though the regime of Kim Jong-Il has no ready inclination to discuss Mongolia's political model, it has expressed continued interest in how Mongolia had transitioned to free market capitalism and privatized 80 percent of once state-held assets. Beneath the rhetoric, North Korea desperately needs stimulation in its economy and will have to find ways to spur productivity and spin-off state-held economic behemoths of the Stalinist era. Kim Jong-Il has demonstrated willingness in this regard through allowing small markets, Chinese businessmen, and South Korean economic cooperation at Kaesong and elsewhere.

As North Korea scours the region for working models, Mongolia, the first nation outside the Soviet Union to recognize North Korea, presents an attractive model. This has been expressed by North Korean delegations visiting Ulaanbaatar this decade, as delegates note the rapid rate of construction in Mongolia's capital, the prevalence of cell phones, and the colorful swath wrought by Mongolia's dynamic and fashion-forward youth, hovering at hundreds of Internet cafes, and neon and video signage for everything from credit cards to international travel. What a striking thought that the Mongolian urban aesthetic had appeared so similar to that of North Korea two decades ago.

Given Mongolia's continued relations with both North and South Korea, historical ethnic linkages, adoption of Korean War orphans from the North and recent quiet facilitation of North Korean refugees, and its low-key, small nation approach, North

Korea appears to trust Mongolia in unique ways. The two have seen mutual exchanges at the popular levels, attendant discussions of a range of activities—from small joint ventures to arts exchange and farming cooperation—and regular senior-level visits. One senior North Korean official described the Mongolians as “our only true friends” in the region, an area in need of confidence building and where historical issues continue to impede progress.

Mongolia as Negotiator

Mongolia has floated in recent years the idea of Ulaanbaatar as a site for regional negotiations. Mongolia was not included in the six-party talks, which may provide even more reason to find fresh venues. This works on several levels. First, Mongolia is largely lacking in the realm of historical animosities that plague a number of bilateral relations among China, Japan, South Korea, North Korea, Russia and the United States. Its own historical animosities toward China are relatively muted, given the growing economic and political relations. Nothing by way of the resentments in China-Japan, Korea-Japan, Russia-Japan relations attendant to textbook, territorial claims or other such issues persist. Mongolia is a fairly blank slate for regional planners, who might see benefits in distancing talks from more traditional venues.

Second, Ulaanbaatar’s location is surprisingly convenient in the globalization era. Whereas it was once remote and at a seemingly far-flung corner of Northeast Asia, an increasing number of carriers and routes make it easily accessible, at only ninety minutes to three hours from every major Northeast Asian capital.

Third, Mongolia took the lead in defining human security interests by hosting a United Nations Conference on Human Security earlier this decade. Regionally, natural disasters and food and shelter shortages present new challenges and new suggestions for government responses, institution-building, and military roles and missions. Mongolia, which suffered under its own winter *zud*, which decimated livestock earlier in the decade, seeks to play an important role in hosting discussions meant at identifying common solutions to new security challenges. Interestingly, despite the *zud*, Mongolia quietly airlifted meat and other donations to the eastern part of North Korea after flooding in 2001 – a contribution that went largely without international notice.

Mongolia, with developmental challenges common to rural China, the Russian Far East, and North Korea, also will find itself linked into future talks on regional solutions, so bringing it to the table by meeting at its table makes sense. In the short term, Mongolia can also contribute its development as a nuclear weapons-free zone (NWFZ) as a model for the Korean Peninsula.

But to realize potential on strategic cooperation fronts, the US and international community must find ways to help rectify Mongolia’s political fragility. An observer of Mongolian politics sees many parallels to the personality-led, political upheaval of South Korea in the late 1980s, and the precariousness of the current process, especially in light of its potential role as exemplar, demands enhanced US support. Mongolia’s embracement of the democratic process has been remarkably rapid in historical terms, especially given seven decades of communist rule. Mongolian institutions have evolved with time and appear progressive relative to other parts of Eurasia. Though evolving, Mongolia’s institutions are in desperate need of professionalization support from the United States and others.

Challenges within Mongolia

To its credit, Mongolia has internal proponents of good governance. President Tsakhiagiin Elbegdorj emphasized transparency and equity in his June 2009 inaugural address, and MP Sanjaasürengiin Oyun has for years held a torch for accountability and good governance. From supporting such home-grown initiatives to providing technical resources and encouraging upward adjustment of public service wage levels – thus stemming incentives for corruption – the US and international community can play a critical role in supporting Mongolian democracy in consolidation. Pushes for further professionalization of media – fair and free by regional standards but under heavy political pressures – need to increase as well. Significantly, the all-crucial social contract needs to be fostered in Mongolia, as many citizens grow more vested in democracy. The US Agency for International Development (USAID) and others have made progress on many of these fronts over the years.

In terms of economic growth, investors have recognized Mongolia's high literacy rate and have likened its entrepreneurship and work ethic with that of South Korea a generation ago. Indeed, South Korean small business and investment plays a leading role in Mongolia, and US and Northeast Asian encouragement of education and jobs appears a real way forward. Mongolia's President Elbegdorj, when Prime Minister, called for more computers in schools, the development of a Mongolian technology assistance corridor, support for basic educational reform and enhancements, such as English education, and new technologies.

The very critical area of poverty alleviation remains critical to ensure that Mongolia is best served in meeting new challenges, such as rapid urbanization and the sprawl of *ger* villages on the outskirts of the capital. Many of these *ger* villages function without basic utilities and other services, and health and joblessness issues present tremendous obstacles for growth. Fortunately, the latest package of proposals takes on poverty alleviation and the *ger* village crisis, as well as health care and rail improvements. Compounding the frustrations of extreme poverty in Mongolia – one third of Mongolians live below the poverty line – are perceptions of growing economic and social inequities. Shock therapy and the current economy have seen a very few become extremely wealthy and foodstuffs and fuel have skyrocketed, creating real fissures between the haves and have-nots.

Compounding these economic and social costs are commodity and energy hikes associated with the global economic crisis. Notably, when China or Russia sneezes, Mongolia catches a cold. That may literally be the case as Mongolia confronts a range of non-traditional security threats, from pandemics like swine and avian flu to the HIV/AIDs, which are on the rise in neighboring China and Russia. Migratory flocks that pass through could impact Mongolia in a manner that the culling of poultry may not check. Foot-and-mouth disease at times has led to Russian and other European blocks on Mongolian exports. The economic impacts of quarantines might compound state responses to the very real public health risks.

Mongolia Action Plan

This evaluation of contemporary Mongolia, and its challenges and offerings to the region, underscore the need for the United States to adopt a comprehensive Mongolia Action

Plan (MAP). Critical aspects of the MAP include:

1) *A significant upgrade in the status of Mongolia-US relations.* The Obama Administration should recognize Mongolia's political, economic and social transitions. Mongolia, with relatively minimal political support – aside from economic aid from the international community – has managed its own process, and the US should applaud Mongolia's gains, especially as it seeks to expand democracy's global reach. Mongolia has not seen regular, senior US executive-level visits, senior Congress-Parliamentary exchanges or others. In the course of daily management of relations, Mongolia merits higher levels of consideration. For example, at the Department of State, Mongolia has been under the charge of junior and mid-level officers also overseeing work on China's economic relations. Mongolia needs to separate from the China desk and be either grouped with Korea, with which it shares some commonalities and where it might be useful relative to the North Korea impetus, or left on its own. Stronger outward support needs to accompany structural approaches in the relationship.

2) *Upgrade in economic support, educational exchange and institution building.* It is critical to identify a few of the more creditable Mongolian entities that should receive the lion's share of US economic support; the Zorig Foundation stands as one such necessary recipient. The Open Society Institute (OSI) – borne of Soros Foundation efforts in Mongolia – represents a spin-off of outside-initiated programs into Mongolian hands.

3) *Support for Mongolia's abilities to meet its new strategic realities.* Mongolia needs friends to help address its security realities in new and creative ways. Robert D. Kaplan's work *Imperial Grunts: The American Military on the Ground* described the contribution of former US Defense Attaché Colonel Thomas Wilhelm in helping Mongolia define essential, new missions to: secure Mongolia's borders not against a Chinese military invasion, which would be impossible, but against migration from that country and infiltration by Central Asian terrorists; improve its ability to respond to natural disasters; and train peacekeeping forces, which would raise the country's profile and provide diplomatic protection from Russia and China.

4) *Support for Mongolia in regional security fora and contributions relative to approaches on North Korea and Central Asia.* Despite support for Northeast Asian cooperation, some proponents have left Mongolia off the slate for track 1.5 (semi-official) and track 2 (unofficial) *fora*, such as the Northeast Asia Cooperation Dialogue (NEACD). This needs to be corrected in light of new security realities and potential contributions. This would include identifying Mongolia as a central location for dialogue on Central Asian Development – prominent Mongolian strategists have called for a defining leadership role to the countries to its west – and encouragement of Mongolian exchanges and confidence building with North Korea. As the heady development challenges of infrastructure, energy, environment and poverty alleviation emerge, that process may expand or see spin-offs in the forms of expanded multilateral organizations or initiatives; or minilaterals – more defined, mission-oriented, ad-hoc small groupings that should include Mongolia. Koreans in Mongolia have suggested that there should be Mongolian-hosted agricultural collectives employing North Korean labor and with South Korean investment. The argument is that this type of approach would benefit Mongolia and provide test cases for inter-Korean cooperation. These trends need to be encouraged in official, semi-official and unofficial processes.

5) *Support for new economic initiatives, including enhanced foreign direct investment.* Mongolia needs to be included in and encouraged forward in its continued

economic opening. The establishment of a Northeast Asia Free Trade Association with the United States, Japan and Korea would further enhance Mongolia's Third Neighbor options and reinforce the Mongolia-Korea-Japan natural economic territory. Japan has been Mongolia's largest aid provider, and South Korea plays a significant role as well. That territory could see US, Korean and Japanese banks and investors active in Mongolia and benefiting from Mongolian resources. A greater US commitment should realize a boom in Mongolian imports to the US and enhanced US tourism and investment in Mongolia, beyond mining, airlines (Boeing, US carriers), information services and such. So too, the US might push forward the realization of the Tumen River Development Zone, which Mongolia earlier supported but which has seen minimal growth; a comprehensive package for North Korea might entail an active role for Mongolia in the Tumen River development. These types of economic options are critical for a Mongolia that sees itself as highly dependent on China's economic boom. China has emerged as the obvious regional economic leader. Though this may have immediate benefit in terms of increased demand for Mongolian resources, it also leaves Mongolia, like other small states in the region, in a bind due to economic security concerns, ranging from the influx of illegal Chinese labor into a state with a weak social safety net, to broader geostrategic concerns about the protection of vital resources and boundaries.

Affording Mongolia alternatives is in the vital US interest – as well as that of Mongolia – and it is crucial for enhanced regional development and security for the United States to move forward on the MAP.

Conclusion

With the June 2009 inauguration of President Elbegdorj and visit to Washington by Mongolia's Foreign Minister, it is time for the United States to re-evaluate and expand its relationship with this democratic stalwart bridging East and West. Mongolia has emerged in less than two decades as a vibrant, if not complicated, democracy, and stands worthy of enhanced United States and international attention and support. With its rich cultural and historical legacy, literate population and abundant natural resources, Mongolia has achieved steady economic growth and stands as a model of reform.

In its own right, Mongolia offers the international community a view of how a successful, relatively young democracy should appear. Compared to many other nations, Mongolia has progressed remarkably well. Yet too, its fragility in consolidation, highlighted by a need for governmental capacity, institutional and media reinforcement, reminds us of the responsibility of the United States and international community to better assist Mongolia and advance it on a path it deserves high praise for pursuing.

Mongolia has seen vibrant elections since its transition in 1990. These have been notable for high voter turnout, remarkable for the vast distances that some travel to cast ballots. The system is not without flaws, with accusations of too much personality politics and corruption, but for the United States and the international community, such concerns shine a spotlight on the need to support judicial reform and the effective emergence of a system of checks and balances and heightened institutional capacity. The international community has been slow to realize the complexity within the two major parties and to play toward the reformers in both and beyond. The US and international community should also consider the role of shock therapy measures introduced in the 1990s; those measures resulted in a lack of transparency in sell-offs and land reform, weakened institutions and

the emergence of a foundation for a system whereby a small elite controls disproportionate resources, while a large population of poor remain without basic services. The social implications for the growing rich-poor gap are enormous.

Yet for all the fears of democratic rollback in Russia, Central Asia and elsewhere in post-socialist systems, Mongolians have embraced choice; an active, vocal, and sensible civil society has emerged, and Mongolians value democracy.

Mongolia too is increasingly active in the regional and global economies and is increasingly interconnected. With a young, literate and polyglot population, Mongolia sometimes feels less like a Northeast Asian outpost and more like the Netherlands, Belgium or a Chinese or Korean small city. In spite of these pluses, Americans have been less than steady investors. Post-transition, Mongolians expected heady US investment, but Russia, China, the European Union, Japan and Korea are more dominant investors in Mongolia. It is time to open necessary doors to stimulate the Mongolian-US economic relationship.

In June 2009, Foreign Minister Batbold had the unfortunate task in Washington of informing US Secretary of State Hillary Clinton that Mongolia would need to re-direct \$188 million in US infrastructure development aid aimed at rail improvement due to Russian objections. Russia has a 50 percent stake in the railway.

This should concern Americans, as Mongolia finds itself more vulnerable to the influence associated with foreign moneys, especially from Russia and China, which jockey to secure preferential controls in vital extractive industries and within joint ventures. Mongolia struggles with these trade-offs, and to this end the US and its foreign business community could do well by assisting Mongolia in its strategic diversification.

We should remember this as Mongolia continues on its democratic path under President Tsakhiagiin Elbegdorj, who studied at Harvard's John F. Kennedy School of Government and in Colorado. President Elbegdorj rode into office on an Obama-like pledge to provide Mongolians change they can believe in and improvement to their living standards.

The Obama Administration should offer a frank but positive assessment of developments in Mongolia. In his addresses in Egypt and Turkey, and having studied as a boy in Indonesia, President Obama shows an inclination toward understanding "straddle" countries and their roles in building bridges between East and West. As a refreshing alternative to tussles with a bellicose North Korea, oft labeled a hermit, the United States should applaud Mongolia, the horseman of North Asia. Mongolia has listened to international requests, embraced its responsibilities and developed itself as one of the region's more vibrant locales. Such a move by Washington would be a most fitting response to the forces of despotism, hostility and nuclear proliferation that have challenged the international arena of late.