

## The Turning Points in Mongolian Policy of External Engagement: Expediency and Outcomes

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### Introduction

More than a quarter century has passed since Mongolia adopted its first independent foreign policy in 1994, which indeed saw an unambiguous departure from what the country's status was during its Soviet past. Such a far-sighted initiative aimed at setting the tone of Mongolia's engagement in world affairs. Initially, much attention was paid on pursuing balanced relations vis-à-vis the two geographic neighbours- China and Russia. But in order to balance off these two neighbours a new idea too stepped to the fore which came to be known as the 'third neighbour' policy, perhaps the most innovative foreign affairs approach in the country's history, although it was not defined in the Foreign Policy Principles and National Security Concept when these documents were first adopted. The first turning point in the Mongolian policy of external engagement, however, was noticed when the foreign policy concept was revised in 2011, taking into consideration the national interests in the face of China threat perception at least

economically. Yet, the 'third neighbour' policy continued to be the focus of attention in the Mongolian foreign policy resulting in identifying such third neighbours who could be purposeful partners in a real sense. While all this was being pursued with the sole aim of safeguarding national interests, another turning point appeared on the scene in 2015. This was a new Mongolian quest for a 'permanent neutrality' status, though it went into oblivion for a simple reason often cited as incompatible to Mongolian conditions. Mongolia could observe yet another turning point in its foreign policy conduct after the idea of the Indo-Pacific geopolitical construct began gaining wide currency since 2010 onwards. The Indo-Pacific strategy of Mongolia's third neighbours, especially the United States, Japan and India propelled Mongolia to upgrade its existing ties with them into a strategic partnership. Such a partnership is now being considered significant for Mongolia's prosperity within the Indo-Pacific security framework.

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It is against this backdrop that this paper seeks to highlight the turning points in the Mongolian policy of external engagement, besides examining the expediency and outcomes of these turning points in the conduct of Mongolian foreign policy. Contextualising the foreign policy concepts of 1994 and 2011 the paper also deals with the efficacy of the country's foreign policy behaviour toward external powers in terms of 'two neighbours' versus 'third neighbour' paradigm. Nevertheless, why did Mongolia need the status of a 'permanent neutrality' is a moot question which has been examined purposely given that if this status were achieved, it would have completely changed the Mongolian policy of engagement with the outside world. Finally, even though

Mongolia's reliance on third neighbours is constrained by its geographic isolation, its strategic partnership with the United States, Japan and India appears to be giving an edge to the Mongolian foreign policy objectives in the face of China's emergent regional and global hegemony. What the ground reality looks like is the basis of analysing Mongolia's strategic partnership with the above three third neighbours and assessing if it is fully coherent with the principles of Mongolian foreign policy within the security framework of the Indo-Pacific construct. Mongolian policy of 'external engagement' in this paper refers to Mongolian foreign-policy strategy which largely depends on positive incentives to achieve its objectives.

### Evolution of Mongolian Policy of External Engagement

Mongolia has set an example of being the most successful democracy among the post-communist states of Inner Asia which points to the fact that optimism towards implementing democratic norms in domestic and foreign policies worked satisfactorily despite varied challenges. In its young democratic history, Mongolia has actively tried to position and re-identify itself more with the democratic values of Europe and North America as well as with the highly developed democracies of East Asia in addition to India, the largest democracy

in the world.<sup>1</sup> It all started with the rapid democratization of Mongolian society and politics in early 1990s that prompted the leaders, policy planners and academics to reformulate state policies and planning with a focus on a speedy shift in priorities at all levels. The idea was to bring out democratic changes in the existing policies so as to ensure national security in terms of political, social, economic and strategic gains. The beginning was made with writing a new constitution and installing the democratically-elected governments.<sup>2</sup>

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1. Daniel Schmücking and Adiyasuren J, "Five Reasons Why Democracy in Mongolia is Working", *Mongolia Focus*, 1 November 2017, Posted by Julian Dierkes at <https://blogs.ubc.ca/mongolia/2017/five-factors-in-functioning-democracy/> (accessed on July 28, 2020).
  2. Ariunsanaa Tunjin, "Mongolia's National Security and Nuclear-Free Policy", *Korean Journal of Defense Analysis*, vol.15, no. 1, 2003, p.102.

Simultaneously, the seven decades old unilateral foreign policy was discarded that was based on ideological relations and “close comprehensive cooperation” with the former Soviet Union and other COMECON countries.<sup>3</sup> The adoption of new constitution in 1992 led Mongolia to redraw its national security and foreign policy, taking into account the reality of globalising post-Cold War world that offered new possibilities for engagement as a foreign-policy option.

What followed next was the adoption of the Mongolian Foreign Policy Concept in 1994 that was described by many quarters as an open foreign policy, free from past ideological constraints. In a previous article of this author published back in 2015, the “third neighbour” approach of Mongolia’s diplomacy of external relations was explored.<sup>4</sup> The current article offers an argument consistent with the earlier one while dealing with the main features of Mongolian policy of external engagement but approaches the problem from a completely different perspective. The Mongolian Foreign Policy Concept provided that the policy priority would focus on “safeguarding of its [Mongolia’s] security and vital national interests by political and diplomatic means, and creating a favourable external environment for its economic, scientific and technological development.”<sup>5</sup> However, Mongolian policy makers kept

in their mind the following assumptions, while framing what is termed as a ‘multi-pillar’ foreign policy:<sup>6</sup>

- past experiences of over-reliance on a single State, the former Soviet Union;
- need of pursuing balanced relations with geographic neighbours- Russia and China;
- put emphasis on expanding relations with industrialized nations, especially those who supported Mongolia’s move towards democracy and market-oriented economy;
- focus attention on growing regional and international interdependence;
- realise the increasing importance of multilateral systems; and
- underline the significance of developing its own economic and trade relations.

But then, what was the rationale behind using the term ‘multi-pillar’? As this author explained in his previous article, it “refers to a policy that helps develop foreign relations through a framework based on a pragmatic, non-ideological foundation.”<sup>7</sup> Therefore, a multi-pillar foreign policy is motivated by the self-interest strategies chosen by a particular state to maximise benefits of the whole range of policy objectives set on a multi-directional approach.

3. Alan J. K. Sanders, “Foreign Relations and Foreign Policy”, in O. Bruun and Richmond O. Odgaard (eds.), *Mongolia in Transition: Old Patterns, New Challenge*, Surrey: Routledge/Curzon, 1997, p.219.

4. Sharad K Soni, “The ‘Third Neighbor’ Approach of Mongolia’s Diplomacy of External Relations: Effects on Relations between India and Mongolia”, *India Quarterly*, vol. 71, no.1, 2015, pp.37-52.

5. See “Concept of Mongolia’s Foreign Policy”, *Strategic Digest*, vol. 26, no. 2, 1996, p.188.

6. Batbayar Tsedendamba, *The Dynamic Decade: Mongolian Sovereignty and Foreign Policy between East and West, 1990-2000*, Ulaanbaatar, 2019, pp.263-64.

7. Sharad K Soni, “The ‘Third Neighbor’ Approach of Mongolia’s Diplomacy of External Relations”, p.40.

Theoretically, the multi-pillar strategy seems to be compatible with a realist rational model of state behaviour, at least in the sense that self-interest and self-preservation are the primary motivators of interaction. In this vein, the experiences show that national interest has been the prime motivator of Mongolian foreign policy which has tried to safeguard the security and prosperity of the country by forming a network of external relationships built on the interdependence of political, economic and other interests. No wonder then that pragmatism continues to be the core idea of Mongolian foreign policy which also relies on the existing international political reality as well as the trends of international economic development. The foreign policy conduct, henceforth, has taken its course in accordance with the demand of the day.

Initially, during the democratic reforms Mongolia focussed its attention towards developing political and economic cooperation with industrialized democracies both in Asia and the world. But it had to wait for some time for response from the major non-geographic powers who immediately did not assign great significance to the direction of Mongolian foreign policy. China, on the other hand, was quick to respond, perhaps to exploit Mongolia for its own economic and trade benefits in the absence of any major competitor, not even the Russians. At the same time, Mongolia's desire of promoting cooperation with the

countries of Northeast Asia as well as its own integration with this region also evolved to a great extent. It is more so because the Northeast Asian region is considered as a major component of the Asia-Pacific, a term which has now been replaced by the Indo-Pacific as the newest concept for regional order. The global maritime narratives thereupon too have shifted from Asia-Pacific to Indo-Pacific order. As can be noticed, in the mid-1990s when no single nation came forward to be christened in real terms as Mongolia's "third neighbour", Ulaanbaatar's idea took a definite turn to forge a new relationship with Northeast Asia that went beyond economic ties to include political concerns.<sup>8</sup> Subsequently, Northeast Asia also emerged as the obvious choice for post-Soviet Mongolia's search for a new regional identity.<sup>9</sup> Today Mongolia's alignment with Northeast Asia appears to be an important factor reflecting the emerging security dynamics in the Indo-Pacific region.

In the decade of 2000, three major developments influenced the Mongolian policy of external engagement so much so that an urgent need was felt to revise the Foreign Policy Concept. It was the time which saw (i) China becoming the largest investor and also the largest trading partner of Mongolia since 2000, thus stoking fears of security challenges posed by the growing Chinese economic influence; (ii) Russia re-entering on the Mongolian scene after President Putin's visit in 2000 partly described as

8. Alicia Campi, "Mongolia in Northeast Asia-The New Realities", *The Mongolian Journal of International Affairs*, no. 12, 2005, p.51.

9. Sharad K. Soni, "China's Periphery Policy: Implications for Sino-Mongolian Relations", *India Quarterly*, vol. 65, no. 3, 2009, p. 254.

countering China's influence;<sup>10</sup> and (iii) President Bush becoming the first sitting US President to visit Mongolia in 2005, thus enhancing Mongolia's hope for more close cooperation with the US to balance China's influence. These developments resulted in adding economic security component to the existing foreign policy in addition to bringing into focus a complex "balance of influence" element as "an indirect balancing strategy against overdependence on any one state",<sup>11</sup> i.e., China in Mongolian case. With such strategic directions the revised foreign policy came into practice in 2011 which was the first major turning point in the Mongolian policy of external engagement. Reeves describes

the revised foreign policy strategy as a combination of "omni-enmeshment and balance of influence" in contrast to "omni-enmeshment" of original foreign policy concept.<sup>12</sup> According to Goh, the states engaged in omni-enmeshment undertake "neither to pick sides nor to exclude certain great powers, but rather to try to include all the various major powers in the region's strategic affairs".<sup>13</sup> That is how Mongolia's 1994 Foreign Policy Concept was shaped giving more emphasis on balance of power which took a new turn in the revised 2011 Concept that gave top priority to expanding relations with the third neighbours in order to balance the influence of the two neighbours - Russia and China.

### **Post-2011 Strategy of External Engagement**

The efficacy of Mongolia's strategy of external engagement in the post-2011 period can be gauged through the pattern of foreign policy behaviour that has largely been determined by the 'two neighbours' versus 'third neighbour' paradigm. While maintaining relations with the two neighbours - Russia and China, the policy core has been not to adopt the line of either of these two countries but maintain a balanced relationship with both of them. At the same time, the third neighbour approach to Mongolian policy of external engagement gave

equal weightage to expanding relations with developed countries in the East and West. In fact, Mongolia found itself to be an important entity both within and outside the world owing to its 'third neighbour' policy which is driven by the country's geopolitical, geo-economic and geostrategic concerns. Alan Wachman too has stressed that Mongolia's 'third neighbour' approach to foreign relations "is driven most forcefully by geography."<sup>14</sup> Since the 2011 Foreign Policy Concept clearly identified the United States, Japan, the European Union, India, South Korea

10. Sharad K Soni, "Russian Policy towards Northeast Asia: The Mongolia Factor", *Mongolian Journal of International Affairs*, vol. 19, 2014, p.41.

11. Evelyn Goh, "Great Power and Hierarchy Order in Southeast Asia: Analyzing Regional Security Strategies", *International Security*, vol. 32, no. 3, 2007, pp.140-141.

12. Jeffrey Reeves, "Mongolia's evolving security strategy: omni-enmeshment and balance of influence", *The Pacific Review*, vol. 25, no. 5, 2012, p.589.

13. Evelyn Goh, "Great Power and Hierarchy Order in Southeast Asia", p.121.

14. "Mongolia: Growth, Democracy, and Two Wary Neighbors": An Interview with Alan Wachman, Interview taken by Allen Wagner, The National Bureau of Asian Research, 3 May 2012, <http://www.nbr.org/research/activity.aspx?id=245#Uic9tzb11K0> (accessed on July 30, 2020).

and Turkey as Mongolia's preferred third neighbour partners,<sup>15</sup> the dominant stated theme of Mongolian policy of external engagement has been the 'third neighbour' policy. But, it cannot be an exaggeration to say that the post-2011 foreign policy behaviour followed more or less the same pattern as that of post-2000 period in exhibiting "attempts by successive Mongolian administrations to build closer ties with partners other than Russia and China, its dominant neighbours."<sup>16</sup> The only difference in the pattern of foreign policy behaviour of the two connecting periods was that the perception of 'third neighbour' policy changed to become more forceful after it received focussed attention in the revised Foreign Policy Concept.

Instances of defining the 'third neighbour' policy by the Mongolian policy makers and academics in the post-2000 period but before 2011 was visible concretely. For example, in 2002, Tsendendamba Batbayar, a veteran academician and diplomat, argued the logical reasons behind Mongolia needing a third neighbour. In his opinion, the main logic was/is "political realism" or Mongolian "realpolitik" the manifestation of which lies into the fact that "because of the lack of necessary political and

economic weight to implement its declared national security policy, Mongolia needs a strong third power as a counterweight to balance its relations with the immediate neighbours."<sup>17</sup> A few years later in 2007, while addressing a gathering at the Centre for Strategic and International Studies, Washington DC, the then Mongolian President Nambaryn Enkhbayar further defined the "third neighbour" policy by what it meant that "Mongolia will no longer be dependent only on one neighbour but rather on as many countries and international institutions as possible."<sup>18</sup> He argued that "it brings about the necessity to develop 'neighbourly' relations with such important players at the international arena as the US, Europe, Japan, India, the UN and others, thus securing the independence of the country."<sup>19</sup> Roughly at the same time, Mongolian foreign policy analyst A. Tuvshintugs accentuated that the 'third neighbour' policy easily explains the "multipillarity, complexity and openness of Mongolia's foreign policy."<sup>20</sup>

However, following the implementation of the 2011 revised Foreign Policy Concept Alan Wachman commented that "by linking its security to a roster of states other than Russia and China, Mongolia has made its intention

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15. Jargalsaikhan Mendee, "Mongolia's Quest for Third Neighbors: Why the European Union?", *EUCAM Policy Brief*, no. 25, 2012, p.2.
  16. Julian Dierkes, "Mongolia's 'third neighbor' policy and its impact on foreign investment", 15 February 2011, East Asia Forum, <http://www.eastasiaforum.org/2011/02/15/mongolias-third-neighbor-policy-and-its-impact-on-foreign-investment/> (accessed on July 30, 2020).
  17. Tsendendamba Batbayar, "Mongolia's New Identity and Security Dilemmas", *The Mongolian Journal of International Affairs*, no. 8-9, 2002, pp.9-10.
  18. "Mongolia's Foreign Policy: Efforts Towards Regional Peace and Security", Address by Nambaryn Enkhbayar, President of Mongolia at the Centre for Strategic and International Studies, Washington DC, USA, 23 October 2007.
  19. Ibid.
  20. A.Tuvshintugs, "Mongolia's National Security: Past, Present and Future Perspectives", in K. Warikoo and Sharad K. Soni (eds.), *Mongolia in the 21st Century: Society, Culture and International Relations*, New Delhi and London: Pentagon, 2010, p. 76.

clear to act internationally with as much freedom as it can muster from constraints that Moscow or Beijing might wish to impose”.<sup>21</sup> On the other hand, both Russia and China have remained cautious of external third powers, particularly the United States, setting down roots in states along their borders.<sup>22</sup> Yet, Ulaanbaatar’s hope has not diminished in pursuing the third neighbour policy under the impression that such an approach to security will “encourage those external balancers [third neighbours] to develop interests - economic, ideological, and strategic - in Mongolia that would significantly impede the effort of either Russia or China to trample Mongolia’s independence.”<sup>23</sup> In addition, the third neighbour policy also helped create new strategic alliances abroad without causing economic and commercial issues with the Russians and Chinese largely because of the Mongolian credence that diverse foreign and trade relations are an element of broader stability. The economic stability in terms of growth has, however, seen a down turn, especially since 2012. In 2016, the economic growth went down to as low as 1.1 percent in comparison to a whooping figure of 17.3 percent in 2011 until it started recovery to reach at 5.1 percent in 2019,<sup>24</sup> thanks to a US\$5.5

billion IMF bailout to Mongolia in 2017 amid sluggish trade with China as well as a resurgence in the coal trade in the region.<sup>25</sup>

While the central focus of Mongolia’s ‘third neighbour’ policy has been to develop a partnership, both strategic and comprehensive, with the world’s leading nations, Alicia Campi maintains that “over the years Mongolian policymakers have adjusted the content of the ‘third neighbour’ policy to reflect the realities faced”.<sup>26</sup> Nonetheless, one crucial challenge faced by the Mongolian leadership has always been to achieve a balance of influence between the two neighbours - Russia and China by building on the strong economic and political competition in which they engage in Mongolia. If China, with a market share of more than 70 per cent of Mongolian exports, has indisputably remained the largest economic partner of Mongolia, Russia has not been left behind in rebuilding and strengthening its economic ties there. Russia supplies about 80 percent of Mongolia’s oil market, while trade has risen nearly 40 percent since 2017.<sup>27</sup> In such a scenario, a cause of serious concern appears to be the dependence problem which Mongolia would not like to face anytime in the

21. “Mongolia: Growth, Democracy, and Two Wary Neighbors”: An Interview with Alan Wachman (2012).

22. Vaishali Krishna, “Mongolian Foreign Policy Implications for Russia and China”, *The Mongolian Journal of International Affairs*, vol. 19, 2014, p.75.

23. “Mongolia: Growth, Democracy, and Two Wary Neighbors”: An Interview with Alan Wachman (2012).

24. The World Bank, “GDP growth (annual %) – Mongolia”, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=MN> (accessed on August 10, 2020).

25. Sharad K Soni, “Mongolia’s new President is Mongolia first and China last”, *East Asia Forum*, 11 August 2017, <https://www.eastasiaforum.org/2017/08/11/mongolias-new-president-is-mongolia-first-and-china-last/> (accessed on August 10, 2020).

26. Alicia Campi, “Mongolia and the Dilemmas of Deepening Continentalism”, *Mongolian Journal of International Affairs*, vol. 20, 2018, p.6.

27. Jeff Goodson and Jonathan Addleton, “How Great Power Competition Is Changing the Geopolitics of Mongolia” 29 January 2020, [https://www.realcleardefense.com/articles/2020/01/29/how\\_great\\_power\\_competition\\_is\\_changing\\_the\\_geopolitics\\_of\\_mongolia\\_115003.html](https://www.realcleardefense.com/articles/2020/01/29/how_great_power_competition_is_changing_the_geopolitics_of_mongolia_115003.html) (accessed on August 10, 2020).

future. But huge mineral resources is the redeeming feature attracting the appetite of many other players, and that is where Mongolia could manipulate the third neighbours to balance off Russia and China. Back in 2012, perhaps Robert Bedeski was right when he pointed out that “breaking isolation through economic development facilitated by foreign investment, diplomacy and engagement has paid off in a short time, but requires constant attention and commitment by non-contiguous neighbours.”<sup>28</sup>

As of now while Mongolia has established “Comprehensive Strategic Partnership” with Russia and China, it has also entered into “Strategic Partnership” with the United States of America, Japan and India, “Comprehensive Partnership” with

the Republic of Korea, Germany and Turkey, “Expanded Partnership” with Canada, Australia and Kazakhstan, and “Partnership and Cooperation Agreement” with the European Union. This is an indicative of the fact that the Mongolian foreign policy behavior has been following the pattern of the ‘two neighbours’ versus ‘third neighbour’ paradigm by giving top priority to expanding relations with the third neighbours in order to balance the influence of the two contiguous neighbours.<sup>29</sup> Amid all these developments the second major turning point in Mongolian policy of external engagement was witnessed when the idea of a ‘permanent neutrality’ status was sought, though it was short-lived.

### Ephemeral Quest for ‘Permanent Neutrality’

The idea of a ‘Permanent Neutrality’ status similar to that enjoyed by Switzerland and Turkmenistan was first propounded by the former Mongolian President Ts. Elbegdorj during his speech on September 14, 2015 when he disclosed quite a new dimension of Mongolia’s foreign policy. Explaining at length the meaning of ‘Permanent Neutrality’ he spoke with a conviction that although “Mongolia did not declare herself ‘as a permanently neutral state’, yet in substance, form and action its

foreign policy is fully coherent with the principles of neutral foreign policy.”<sup>30</sup> Two weeks later on September 29, 2015, the idea of ‘Permanent Neutrality’ found its place in Elbegdorj’s speech at the 70<sup>th</sup> Session of the UN General Assembly. Stating that Mongolia’s “national laws and international commitments are consistent with neutrality principles”, he urged the General Assembly for its “sympathy and support for Mongolia’s peaceful, open, neutral and active foreign policy efforts” adding that “Mongolia’s status

28. Robert E. Bedeski, “Asiatica: Sino-Russian heartland and the Mongolian state”, in Robert E. Bedeski and Niklas Swanström (eds.), *Eurasia's Ascent in Energy and Geopolitics: Rivalry or partnership for China, Russia and Central Asia?*, London and New York: Routledge, 2012, p.230.

29. Sharad K Soni, “Geopolitical Dilemma of Small States in External Relations: Mongolia’s Tryst with ‘Immediate’ and ‘Third’ Neighbours”, *Mongolian Journal of International Affairs*, vol. 20, 2018, p.28. For more details, read pp.33-43.

30. “President Speech: Mongolia - Neutrality”, 14 September 2015, <https://news.mn/en/222154/> (accessed on September 16, 2020).



of permanent neutrality will contribute to the strengthening of peace, security, and development in our region and the world at large.”<sup>31</sup> Soon after Mongolian policy makers started campaigning, both internally and externally, for institutionalizing a ‘permanent neutrality’ status, though intensive debates among the country’s political elite on whether or not Mongolia should endorse such a policy, came to the fore beyond imagination of friends abroad. They remained firm in their opinion that since the collapse of the former Soviet Union, the country has been genuinely neutral, despite close relations with the U.S. that resulted in sending Mongolian troops and instructors to Iraq and Afghanistan.

However, the debate on the issue of permanent neutrality at that point of time took note of the “changing geopolitical dynamics in Inner Asia,”<sup>32</sup> particularly in the wake of commitments made by Beijing and Moscow to carry forward their respective strategic partnership and broader economic cooperation with Mongolia. The deftness with which Mongolia managed its post-communist foreign policy then appeared to have removed the dilemma of whether or not

Mongolia would have to choose to align politically and militarily with China, Russia or the West.<sup>33</sup> While Elbegdorj asserted that Mongolia had essentially been neutral in all but name, analysts like Viktor Samoylenko of the Moscow State Institute of International Relations drew attention to a point that “neutrality can only be successful if a country enjoys a sound economic standing and is not overly dependent on other countries for financing and investment.”<sup>34</sup> Defending neutrality Choinkhor Jalbuu, Director of the Mongolian Geopolitical Institute and former Ambassador to the U.S. was quoted as saying that “having permanent neutrality doesn’t mean isolation from international community, in simple words it is a position that Mongolia will not join any side against any country.”<sup>35</sup> Another viewpoint was that neutrality seemed to be “a logical extension of the ‘third neighbour’ policy rather than a real departure from this.”<sup>36</sup> In his interpretation Julien Dierkes emphasised that “permanent neutrality takes one of the main motivations for the ‘Third Neighbour Policy’... to a next step by permanently declaring Mongolia to remain *in between* the two neighbours [Russia and China], not siding with one

31. “Statement by His Excellency Tsakhiagiin Elbegdorj, President of Mongolia, at the General Debate of the 70th Session of the United Nations General Assembly, New York, 29 September 2015, p.6, [https://gadebate.un.org/sites/default/files/gastatements/70/70\\_MN\\_en.pdf](https://gadebate.un.org/sites/default/files/gastatements/70/70_MN_en.pdf) (accessed on September 16, 2020).

32. Mendee Jargalsaikhan, “Permanent Neutrality Debate in Mongolia”, *Asia Pacific Memo*, 355, 7 December 2015, <https://apm.iar.ubc.ca/permanent-neutrality-debate-in-mongolia/> (accessed on September 16, 2020).

33. Anthony Rinna, “Why Mongolian neutrality is significant for Russian security”, *Russia Direct*, 5 May 2016, [http://rbth.com/opinion/2016/05/05/why-is-mongolian-neutrality-significant-for-russian-security\\_590127](http://rbth.com/opinion/2016/05/05/why-is-mongolian-neutrality-significant-for-russian-security_590127) (accessed on September 16, 2020).

34. Cited in Morris Rossabi, “Mongolia’s Mangled Politics: How the Parliamentary Election will Play Out”, *Foreign Affairs*, 30 May 2016, <https://www.foreignaffairs.com/articles/mongolia/2016-05-30/mongolias-mangled-politics> (accessed on September 20, 2020).

35. Ganbat Namjilsangarav, “Mongolia, between big neighbors, seeks permanent neutrality”, *AP News*, 2 November, 2015, <https://apnews.com/article/b2914143bda3481680539687899db471> (accessed on September 21, 2020).

36. Julian Dierkes, “Permanent Neutrality of Mongolian Foreign Policy”, *IndraStra Global*, 8 January 2020, <http://www.indrastra.com/2016/01/OPINION-Permanent-Neutrality-of-Mongolian-Foreign-Policy-002-01-2016-0022.html> (accessed on September 21, 2020).

or the other, *and* not aligning militarily with any outside party to neutralize any... notion of threats against these neighbours emanating from Mongolia.”<sup>37</sup>

Mongolian foreign policy experts too asserted that permanent neutrality would not change the fundamental course of country’s foreign policy, such as Mongolia’s ability to balance between China and Russia as well as the “third neighbour” aspect of country’s external relations. Yet, the move towards neutrality status was of “little value”, stressed Enkhsaikhan Jargalsaikhan, Mongolia’s former representative to the OSCE, “unless China and Russia rein in their diplomatic and economic pressure on Mongolia, raising doubts about the significance of the exercise.”<sup>38</sup> Notwithstanding the diverse opinion emanating from the debates, neutrality basically permeates a country with protection for its territory and people as long as it avoids involvement in armed conflict. In the Mongolian case, declaring a permanent neutrality status was conceived to be a simple procedure but maintaining that status, especially in the defence and security sector, would not have been an easy task. The ground reality points to the fact that due to its location and geo-strategic situation, neutrality might have caused Mongolia to be disconnected from international politics and the political-economic interests of cooperating countries including

neighbours. It is more so because in the contemporary security environments, most countries including the small states prefer to settle the disputes through peaceful and diplomatic means by close coordination with regional and international organizations in order to maintain global and regional peace and security.<sup>39</sup>

Therefore, as Mendee Jargalsaikhan speculated that, “the most logical and pragmatic way to survive in this complicated and rapidly changing landscape, and [to] balance multiple political and economic aims is not to freeze the country’s [Mongolia’s] pragmatic foreign policy via permanent neutrality, but instead strengthen its links to global, regional and bilateral structures.”<sup>40</sup> Many would agree that it was not clear what the real benefits for declaring a permanent neutral status would be and, hence, following the departure of Elbegdorj it was no longer considered to be the realistic foreign policy choice for Mongolia whose two powerful neighbours - Russia and China are “enjoying a more friendly relations than at any point in history.”<sup>41</sup> Moreover, since the current Mongolian President Khaltmaa Battulga has tried to strike a pragmatic tone in the foreign policy conduct, the issue of permanent neutrality does no longer seem to be a serious matter for discussion in public debates.

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37. Ibid.

38. Ganbat Namjilsangarav, “Mongolia, between big neighbors, seeks permanent neutrality”.

39. Jessica L. Beyer, and Stephanie C. Hofmann, “Varieties of Neutrality Norm Revision and Decline,” *Cooperation and Conflict*, vol. 46, no. 3, 2011, pp.285–311.

40. Mendee Jargalsaikhan, “Permanent Neutrality Debate in Mongolia”.

41. T.Bayarbat, “Does Mongolia Need Permanent Neutrality?”, *The UB Post*, 12 January 2018, <https://www.pressreader.com/mongolia/the-ub-post/20180112/281685435244816> (accessed September 25, 2020).

## Strategic Partnership with Third Neighbours of Indo-Pacific

One of the major developments the world has witnessed in the current decade has been the wider acceptance of the concept of 'Indo-Pacific' among the policy-makers, analysts and academics in Asia and beyond. The Indo-Pacific as a newer geopolitical construct has now replaced the term 'Asia-Pacific' which has, in recent years, undergone unprecedented developments in the regional order with varied opportunities and challenges for the stakeholders. Both the cooperation and competition have become prominent in the region, though the idea has been "to connect countries that lie between Indian Ocean and Pacific Ocean into an integrated and interconnected Indo-Pacific."<sup>42</sup> As such new initiatives in the foreign policies of the countries belonging to the region have been taken to suit the Indo-Pacific security framework. Mongolian foreign policy or the policy of its external engagement too has been witnessing positive adjustments to fit into the Indo-Pacific strategy of its third neighbours, especially the United States, Japan and India. All three are influential democracies with common strategic interests in the Indo-Pacific because of the region's enormous geo-economic opportunities on the one hand and on the other, China's increasing politico-military assertiveness that poses formidable security challenges, not only for Asia but also for the rest of

the world. In such a challenging regional security environment, Mongolia's relationship with these third neighbours have undergone a remarkable turnaround.

To begin with, Mongolia's entry into 'Strategic Partnership' with the U.S., Japan and India can well be described as a significant step given that Ulaanbaatar "needs a balance-of-power strategy and preventive diplomacy to avoid being victimised by its powerful neighbours."<sup>43</sup> But what does strategic partnership mean? In an interview with *The UB Post*, Mongolian researcher D. Bayarkhuu describes it as "the highest step of bilateral relations and cooperation" which "can't be valued with money" as "it is the foundation to deepen mutual trust and cooperation."<sup>44</sup> According to him, becoming higher than a strategic partnership means reaching "alliance" level which Mongolia will probably not want to do as it could go against the interests of its partner countries including Russia and China. As of now Mongolia has signed a strategic partnership agreement with five countries, i.e., Russia (2006), Japan (2010), China (2014), India (2015) and the U.S. (2019). In this scenario, Mongolia's 'third neighbour' policy appears to be becoming truly effective despite growing Chinese and Russian presence, especially in the economic and trade fields. A strategic

42. Angel Damayanti, "Indo-Pacific Connectivity: Toward Competition or Cooperation?", *Asian Studies International Journal*, vol. 1, no.1, December 2019, p.1.

43. Patrick Mendis and Itgelt Bat-ochir, "Mongolia's 'Eternal' Neighbors and the Two New 'Strategic' Neighbors of the Indo-Pacific", *China US Focus*, 12 December 2019, at [www.chinausfocus.com/foreign-policy/mongolias-eternal-neighbors-and-the-two-new-strategic-neighbors-of-the-indo-pacific/](http://www.chinausfocus.com/foreign-policy/mongolias-eternal-neighbors-and-the-two-new-strategic-neighbors-of-the-indo-pacific/) (accessed on September 28, 2020).

44. Dulguun, "Researcher D. Bayarkhuu delves into Mongolia-US strategic partnership", 9 August 2019, <https://theubposts.com/researcher-d-bayarkhuu-delves-into-mongolia-us-strategic-partnership/> (accessed on September 30, 2020).

partnership with China and Russia is indeed a balancing act on the part of Mongolia which gives a guarantee that neither Moscow nor Beijing could dominate Mongolia outrightly. However, strategic partnership agreements with the U.S., Japan and India have altogether different connotation from those signed with China and Russia.

Japan is credited with being the first third neighbour of Mongolia to have signed a strategic partnership agreement in 2010. Although it has been the poster child for Mongolia's third neighbour policy, until 2010 Japanese support to Mongolia was just confined to providing grants and financial aid, thus not reaping many tangible benefits. However, increasing Chinese influence in the region, Northeast Asia in particular and Indo-Pacific in general, forced Japan to seek new levels of partnerships in economic and security fields, thus opening the door for Mongolia and Japan to upgrade their ties to the level of a strategic partnership. The two sides are now committed to promote concrete cooperation to realize the Japanese vision of a "free and open Indo-Pacific".<sup>45</sup> The second third neighbour that entered into a strategic partnership agreement with Mongolia is India, known for a long time now as a 'spiritual neighbour' for the Mongols. As India's own approach toward the Indo-Pacific is shaped by a

new strategic and security environment coinciding with China's rising ambitions, especially in the Indian Ocean region and South Asia,<sup>46</sup> New Delhi has adopted an Indo-Pacific strategy for "a free, open, and inclusive region - one that includes all nations within this geography as well as others beyond with a stake in it."<sup>47</sup> In order to manage the Chinese ambitions and secure its own strategic interests in the Indo-Pacific region, India needed to cultivate good relations in China's neighbourhood, and hence willing to upgrade its ties with Mongolia who was equally interested to do so for securing herself from China threat perception. It was the time when India under Prime Minister Narendra Modi began revamping its foreign policy which in the case of Mongolia suited under 'Act East' policy within the larger Indo-Pacific strategy. Since both India and Mongolia offer a newer opportunity and strategic leverage for each other in dealing with China, Modi's visit to Mongolia in 2015 can be termed as "more of a strategic step" that culminated in signing a strategic partnership agreement.<sup>48</sup> Further, during Mongolian President Battulga's visit to India in 2019, Mongolian side expressed commitment to continue to deepen and broaden their strategic partnership besides extending support to India's "Indo-Pacific Vision" by actively participating in

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45. Ministry of Foreign Affairs of Japan, "Japan-Mongolia Foreign Ministers' Meeting", 16 June 2019, [https://www.mofa.go.jp/a\\_o/c\\_ml/page3e\\_001030.html](https://www.mofa.go.jp/a_o/c_ml/page3e_001030.html) (accessed on September 28, 2020).

46. Darshana M. Baruah, "India in the Indo-Pacific: New Delhi's Theater of Opportunity", Working Paper, Washington DC: Carnegie Endowment for International Peace, June 2020, p.3, [https://carnegieendowment.org/files/Baruah\\_UnderstandingIndia\\_final1.pdf](https://carnegieendowment.org/files/Baruah_UnderstandingIndia_final1.pdf) (accessed on September 28, 2020).

47. Saurabh Todi, "India Gets Serious About the Indo-Pacific: Can India walk the talk on the Indo-Pacific?", *The Diplomat*, 18 December, 2019, <https://thediplomat.com/2019/12/india-gets-serious-about-the-indo-pacific/> (accessed on September 28, 2020).

48. Sharad K Soni, "Emerging Dimensions of India-Mongolia Relations", *Indian Foreign Affairs Journal*, vol. 11, no. 1, January-March 2016, p.54.

evolving regional integration in the Indo-Pacific region.<sup>49</sup>

The latest among the third neighbour countries which has inked a strategic partnership agreement with Mongolia is the United States. It was done in late 2019 during President Battulga's first state visit to the United States, thereby reinforcing the U.S. Department of Defence's Indo-Pacific Strategy report. The report released on June 1, 2019 described Mongolia as one of the "democracies in Indo-Pacific," that are "reliable, capable, and natural partners of the United States."<sup>50</sup> Battulga too pointed out that the strength of Mongolia's contemporary foreign policy is based on three factors: (a) continuing good neighbour relations with Russia and China; (b) gaining a strategic place in the Asia-Pacific by contributing to security and peace dialogues; and (c) being an active member of both global and regional economic groupings, particularly the U.S. Indo-Pacific Strategy.<sup>51</sup> One may think that perhaps at first glance on the world map Mongolia doesn't seem to be a country of strategic importance outside Russia and China, then why is Mongolia being considered as strategically important to the US. According to

Robert Kaplan, "we live in an era when 'anyplace can turn out to be strategic' and after 9/11 Central Asia, including Mongolia, became 'strategic' to the US."<sup>52</sup> Since Mongolia is now a declared strategic U.S. ally in the Indo-Pacific, it is committed to pursue its policy of external engagement along the Indo-Pacific order. The U.S. vision for a "free and open Indo-Pacific" was announced by President Donald Trump in 2017 at the APEC Summit in Vietnam, where "commitment was made to a safe, secure, prosperous, and free region that benefits all nations."<sup>53</sup>

However, the Indo-Pacific is in many respects closely linked to various aspects of the Sino-American rivalry. The relations between the two sides are at the lowest point in decades, with the world's top two economies at odds over issues ranging from China's handling of the Covid-19 pandemic to trade rivalries, new national security legislation in Hong Kong and tensions in the South China Sea.<sup>54</sup> In such a scenario, different cooperative mechanisms in the form of democratic trilateral as well as quadrilateral relationships have emerged. The U.S.-Japan-Mongolia trilateral relationship is connected to the Indo-Pacific strategy,

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49. Ministry of External Affairs, Government of India, "Joint Statement on Strengthening the Strategic Partnership between India and Mongolia", 20 September 2019, [https://www.mea.gov.in/bilateral-documents.htm?dtl/31841/Joint\\_Statement\\_on\\_Strengthening\\_the\\_Strategic\\_Partnership\\_between\\_India\\_and\\_Mongolia](https://www.mea.gov.in/bilateral-documents.htm?dtl/31841/Joint_Statement_on_Strengthening_the_Strategic_Partnership_between_India_and_Mongolia) (accessed on September 30, 2020).

50. **Bolor Lkhaajav**, "US Becomes Mongolia's 5th Strategic Partner", *The Diplomat*, 5 August 2019, <https://thediplomat.com/2019/08/us-becomes-mongolias-5th-strategic-partner/> (accessed on September 30, 2020).

51. Ibid.

52. Robert D. Kaplan, "Supremacy by Stealth", *The Atlantic Monthly*, July/August 2003, <http://www.theatlantic.com/issues/2003/07/kaplan.htm> (accessed on September 28, 2020).

53. The U.S. Department of Defense, "Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region", 1 June 2019, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF> (accessed on September 30, 2020).

54. "Pompeo to visit Japan, South Korea and Mongolia next week", *Nikkei Asia*, 30 September 2020, <https://asia.nikkei.com/Politics/International-relations/Pompeo-to-visit-Japan-South-Korea-and-Mongolia-next-week> (accessed on September 30, 2020).

but in no way it can be described as an alternative to Mongolia-Russia-China Economic Corridor initiated as part of China's Belt and Road Initiative (BRI). At a trilateral meeting of the United States, Japan, and Mongolia held in Washington on January 10, 2020, both the U.S. and Japan "reaffirmed their commitment to strengthening their bilateral relationships with Mongolia in line with Mongolia's 'third neighbour' policy and the three sides' visions for a free and open Indo-Pacific."<sup>55</sup> The Quadrilateral Group (or Quad) of Australia, India, Japan, and the United States has been quite active in recent times due to growing concerns about Chinese foreign policy and its

assertive regional influence. Such concerns gave way to holding a Ministerial-level meeting of the Quad in 2019 to have "consultations on collective efforts to advance a free, open, and inclusive Indo-Pacific."<sup>56</sup> Nevertheless, looking at Modi's 2018 Shangri-La speech that interlaced the importance of partnerships in India's Indo-Pacific approach, Mongolia should explore the strategic and diplomatic opportunities to initiate a quadrilateral cooperation with the U.S., Japan and India. It would help Mongolia utilise the full potential of its strategic partnership with these three third neighbours for regional peace within the Indo-Pacific security framework.

## Conclusion

Since the main purpose of a country's policy of external engagement is to conduct foreign relations to the best possible advantage to its national interests, Mongolia too has been following the same agenda with relevant adjustments in the existing policy as per the situational demands. The expediency and outcomes of the turning points in Mongolian policy of external engagement, however, reveal that the core principles of Mongolia's 'Multi-Pillar' foreign policy have never been compromised in order to ensure the country's security and independent existence in the multi-polar world. The

foreign policy with regard to the two geographic neighbours-Russia and China, has been to balance each of them, while in order to balance both of them a new strategy styled as the 'third neighbour' policy was implemented. And there is no denying that Mongolian foreign policy, irrespective of adjustments made in it, has actually been focussing on developing friendly and mutually beneficial ties mostly with democratic states beyond its powerful immediate neighbours. Faced with growing security concerns, especially Chinese economic pressure, Mongolia tried to look for viable third neighbours to be long

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55. U.S. Department of State, "Joint Statement on U.S.-Japan-Mongolia Trilateral Meeting", 10 January 2020, <https://www.state.gov/joint-statement-on-the-u-s-japan-mongolia-trilateral-meeting/> (accessed on September 30, 2020).

56. Ankit Panda, "US, India, Australia, Japan 'Quad' Holds Senior Officials Meetings in Bangkok," *Diplomat*, November 5, 2019, <https://thediplomat.com/2019/11/us-india-australia-japan-quad-holds-senior-officials-meeting-in-bangkok/> (accessed on September 30, 2020).

term partners. This helped Mongolia to overcome geopolitical dilemma and diversify its external engagements to reduce overwhelming dependence on 'two' immediate neighbours. The third neighbours, especially the U.S., Japan and India figured prominently in Mongolia's pragmatic foreign policy to strengthen its links to global, regional and bilateral structures through cooperative partnerships. Amid all these developments the issue of 'permanent neutrality' did make its headway, though it proved to be ephemeral.

With the Indo-Pacific emerging as a newer geopolitical construct, Mongolia's individual strategic partnership with the United States, Japan and India has enhanced the scope of Mongolia's reliance on third neighbours for its participation in evolving regional integration in the Indo-Pacific region. As of now, the common factor that could bind all the four countries bilaterally and multilaterally in the Indo-Pacific is

how to cooperate in containing Chinese hegemonic behaviour and ensuring a prosperous and peaceful future for a region of sovereign, independent, and democratic states. The strategic partnership agreements with the three third neighbours, thus, appear to be fully coherent with the principles of Mongolian policy of external engagement being carried out within the security framework of Indo-Pacific construct. These agreements also show significant progress in Mongolia's regional outlook, besides demonstrating the strategic significance of the third neighbour policy. Yet, one must not ignore the fact that in the fast changing global and regional political and security environment, Mongolia's political stability, economic developments, feasible security surroundings, and forward-looking foreign policy strategies are crucial for not only keeping its democratic credential intact but also keeping pace with new developments in the Indo-Pacific.