

## MONGOLIA'S "THIRD NEIGHBOR POLICY"

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**Abstract.** Geographically Mongolia has two neighbors. Mongolia's existence today depends largely on mutually friendly relationships with two big neighbors.

The main pillars of Mongolia's new international strategy were incorporated in Mongolia's National Security Concept adopted on June 30, 1994. This document, approved by the Mongolian Parliament, emphasizes a balanced policy towards the country's two giant neighbors, underlines the importance of economic security in protecting Mongolia's national integrity, and warns about too much dependence on any one country for trade.

In today's world of globalization and interdependence, Mongolia has to engage with other countries beyond these two neighbors, Russia and China. This is fundamental thing of the Mongolia's searching third neighbor.

Mongolia needs more friends to ensure its national security interests and achieve economic prosperity its 'Third Neighbor Policy'<sup>1</sup> is a policy of extending its friends all around the world. Two immediate neighbors of Mongolia, Russia and China, remain the foreign policy priority and this priority is not contradictory to the policy of having more friends.

Mongolia is becoming an arena of clashes of economic interests of developed countries, multinational corporations due its rich mining deposits. Mongolia's Third Neighbor Policy is aimed to leverage the influence of neighboring countries in the national security issues of Mongolia.

In contrast with other satellite states of the former Soviet Union, Mongolia concurrently instituted a democratic political system, a market-driven economy, and a foreign policy based on balancing relations with Russia and China while expanding relations with the West and East. Mongolia is now pursuing a foreign policy that will facilitate global engagement, allow the nation to maintain its sovereignty, and provide diplomatic freedom of maneuver through a "third neighbor" policy.<sup>2</sup>

This policy is very much alive today but there is no reason to claim that its implementation is satisfactory. Mongolia has major investors from the US, Japan, Germany and France from the EU, for example. There are many universal conventions related to landlocked country. For Mongolia, access to sea via our two neighbors, means promoting economic ties with the third neighbors, as an important factor conducive to reinforcing the material foundations of Mongolia's third neighbor policy.

**Introduction.** Mongolia is geographically isolated. It is landlocked country with huge territory, between two giant powers Russia and China. Mongolia is sharing a 3,485 sq. km, frontier with Russia to the north and a 4,673 sq. km, with China to the south, east, and west. It encompasses a territory of about 1,564,116 sq. km, with a population of 3.3 million. The capital city is Ulaanbaatar, and the Mongolia's political system is a parliamentary republic.

Historically in 1206, Genghis Khan founded the Mongol Empire, the largest empire in history. The Mongol Empire's territory extended from present-day Poland in the west to the Korean peninsula in the east, from Siberia in the north to the Arab peninsula and Vietnam in the south, covering approximately 33 million square kilometers. In 1227, after Genghis Khan's death, the Mongol Empire was subdivided into four kingdoms. In 1260, Genghis Khan's grandson, Kublai Khan, ascended the

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<sup>1</sup> Third neighbor policy is Mongolia builds relations with other countries beyond two neighbors, Russia and China.

<sup>2</sup> The term "third neighbor" is used to describe the concept of Mongolia looking beyond its two immediate geographic neighbors (Russia and China) to develop strong relations with the world's democratic nations, including the United States, Japan, South Korea, India, Canada, Australia, and various European countries.

throne of one of the four kingdoms that encompassed present-day Mongolia and China. In 1271, Kublai Khan formally established the Yuan Dynasty. The Yuan Dynasty was the first foreign dynasty to rule all of China until it was overthrown by the Chinese Ming Dynasty in 1368.<sup>1</sup>

The Mongol court returned to its native land, however, centuries of internal conflict, expansion and contraction brought them fall into Manchu Qing dynasty. They conquered Inner Mongolia in 1636. Outer Mongolia was submitted in 1691. For the next two hundred years Mongolia was ruled by the Qing Dynasty until 1911. Mongolia declared its independence in 1911 under the Bogd Khan, the spiritual leader of Mongolia's Tibetan Buddhism. However, the Chinese government still considered "Outer Mongolia" as part of it and invaded the country in 1919. In 1921, People's Revolution won in Mongolia with the help of the Russian Red Army and thus Mongolia became the second socialist country in the world. November 26, 1924 was the day that Mongolia declared itself as an independent country and the Mongolian People's Republic was proclaimed and the first Constitution was adopted.<sup>2</sup>

For the next 70 years Mongolia was a satellite country to the Soviet Union.<sup>3</sup>

The Mongolian People's Republic (MPR), a communist state, under the rule of the Mongolian People's Revolutionary Party (MPRP), lasted until 1990.<sup>4</sup>

**Mongolia during the twentieth century.** In 1920s, after the death of the Bogda Khaan, Mongolia had a real alternative to repressions and executions which followed the revolutionary events. The idea of development along the path of national democracy was extremely popular among many leaders of the Mongolian People's Party (MPP) and government. However, the influence on the part of Komintern and Bolshevik government in Russia was overwhelming.

In August of 1924, the third Congress of the MPP adopted a communist type program, thus condemning the country to many years of political terrorism and later on stagnation and political inertia. The first Deputy Prime Minister S. Danzan and others, who stood in opposition to the majority's views, were executed. This marked the beginning of witch hunting in Mongolia.

Many prominent leaders, including the Prime Minister B. Tserendorj, Deputy Prime Minister A. Amar, Chairman of the MPP's Central Committee, and T. Tseveen fell victims to Stalinist type repressions. Repressions against religion and lamas were especially severe. "Between" 1937-1939, over 700 temples and monasteries were destroyed, and over 17,000 lamas and monks executed. Political massacre continued up to 1941.<sup>5</sup>

In 1930s, when fascism in Europe and Asia became a real threat, Mongolia signed a Protocol with the Soviet Union, on rendering military assistance in case of insult by a third country. Undeclared war started on 28 May 1939, when Japanese troops attacked Mongolia's borders in the area of the Khakhyn-Gol. Pursuant to the provisions of the Protocol, Soviet troops were brought up to the border, and Mongolian-Soviet joint forces stopped the invader in August, 1939. The tripartite negotiations held between Mongolia, Soviet Union and Japan in 1940, settled the border disputes. When in June 1941 the Nazist Germany invaded the Soviet Union, Mongolia offered a helping hand to the Soviet people. Domestic resources were mobilized and sent as aid to the Soviet Red Army. At the Yalta conference held in February, 1945, the leaders of the Soviet Union, USA and UK agreed to the existing status quo with regards to the Outer Mongolia.

Under the 1945 Chinese-Russian Treaty, China agreed to give up Outer Mongolia, which, after a plebiscite, became a nominally independent country. A 20-year treaty of friendship and cooperation, signed in 1966, entitled Mongolia to call on the USSR for military aid in the event of invasion. Thus allied with the USSR in a dispute with China, Mongolia began mobilizing troops along its borders in 1968 when the two powers became involved in border clashes on the Kazakh-Sinkiang frontier to the west and at the Amur and Ussuri rivers.<sup>6</sup>

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<sup>1</sup> Mongolian history, Accessed 14, October, 2015, <http://mongolianembassy.us/about-mongolia/history/#.VkgF17Jiddg>

<sup>2</sup> Embassy of Mongolia in U.S.A, accessed, August, 24, 2015, <http://mongolianembassy.us/about-mongolia/history/#>.

<sup>3</sup> Accessed, May, 12, 2015, <http://www.mongolian-ways.com/history.htm>

<sup>4</sup> Accessed, October, 15, 2015, <http://fellowsblog.kiva.org/fellowsblog/2010/11/29/mongolian-independenceconstitution-day-a-short-history-lesson>

<sup>5</sup> Mongolia History, Accessed September, 9, 2015, <http://www.legendtour.ru/eng/mongolia/history/history.shtml>

<sup>6</sup> "Info please" accessed, September, 12, 2015, <http://www.infoplease.com/country/mongolia.html?page=2>

After the II World War, Mongolia adopted the Soviet five-year-plan pattern in the economic policy. In 1958, 99.7 percent of the country's total livestock was nationalized. In 1960, the Constitution was revised to proclaim a single political party monopoly, single form of property and communist ideology.

Mongolia remained one of the most closed countries in the world up until 1990s. Politically, the country was a satellite of the Soviet system. Economically, Mongolia was heavily dependent on Russian subsidies. Distortions in the economy and inefficient governance brought the country to social, economic and political stagnation.

Mongolia was under a Soviet-dominated Communist regime for almost 70 years, from 1921 to 1990. In the fall of 1989 and the spring of 1990, new currents of political thought began to emerge in Mongolia, inspired by the glasnost and perestroika in the Soviet Union and the collapse of the Communist regimes in Eastern Europe. In March 1990, a democratic revolution that started with hunger strikes to overthrow the Government led to the peaceful enunciation of communism. Mongolia's renouncement of communism led to a multi-party system, a new constitution and a transition to a market economy.<sup>1</sup>

With the brake-up of the socialist system, deep political and economic reforms were launched in Mongolia and adopted democratic norms and principles through introduction of multi-party, parliamentary system. In 1990s, for the first time in the country's history, democratically elected government approved the program for transition towards the market. Privatization of the state-owned property and the policy of liberalization were launched. Mongolia declared the policy of open doors. Since 1991, the government of Mongolia's, has been pursuing on a program of economic stabilization.<sup>2</sup>

The collapse of the communist system brought two significant changes to Mongolia the end of Russian subsidies and funding for development, and the transition to a market economy. Mongolia went into economic recession, followed by a collapse in the banking system in 1995. In the elections of 1996 the Democratic Party won, establishing the first ever democratic government. In the 2000, 2008, 2016, 2020 elections the MPP won again, and in the 2004, 2012 elections the Democratic Party won. The transition to a Democratic Republic has brought about relatively stable government, and peaceful transfers of power, while election results reflect a struggle between the desire for the stability and state support of the past and an equally deep desire for a free economy and liberal business policies. Mongolia has been experiencing economic growth and increased prosperity, largely due to the inflow of foreign investment and the exploitation of mineral resources. As educated Mongolians, business people, and younger people find jobs in the cities and new industries of Mongolia, nomadic herders find it increasingly necessary to participate in the market economy and are becoming less reliant on government promises to provide services in a system where social subsidies have become meaninglessly small.<sup>3</sup>

Throughout the twentieth century Russian and Soviet influence over Mongolia has been predominant factor in its national development. The post-Cold War era has changed Mongolia's external environment and Mongolia will depend not only on well-established relationships with its two neighbors on the vertical level but also on its relations with the outside world on the horizontal level: Germany and other West European countries in the west, and Japan, Korea, USA, and whole of the Pacific rim in the east. It will provide some kind of balance to Mongolia's relationship with its two nuclear neighbors.<sup>4</sup>

### **Mongolia's third neighbor policy<sup>5</sup>.**

From 1921 to 1990, when Mongolia was engulfed in the socialist system, there was neither need nor opportunity to seek 'third neighbors' due to the Soviet Union's undivided dominance in Mongolia's domestic and foreign policy. The 'third neighbor' policy has been both a political and economic success. In the early 1990s, when Mongolia began political reforms, the support of Western countries was crucial to its democratic transition. Also, donor countries helped Mongolia overcome its economic hardships after the sudden end of Soviet aid.

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<sup>1</sup> Embassy of Mongolia in U.S.A, accessed, August, 24, 2015, <http://mongolianembassy.us/about-mongolia/history/#>.

<sup>2</sup> Accessed, November, 01, 2015, [http://www.selenatravel.com/162/mongolia\\_history](http://www.selenatravel.com/162/mongolia_history)

<sup>3</sup> <http://www.mongolian-ways.com/history.htm>

<sup>4</sup> Dr. Bayasakh, Mongolia and Russia-China in the new millennium, SMHRIC, Accessed, September, 16, 2015, [http://www.smhric.org/SMW\\_16.htm](http://www.smhric.org/SMW_16.htm)

<sup>5</sup> Beyond Russia and China, third neighbor countries play a crucial role in Mongolia

Russian troop withdrawal was completed on September 15, 1992. Mongolian leaders recognized that it was necessary to declare their intention to pursue a new foreign policy of balanced relations with Russia and the PRC.

The top priority in Mongolia's next diplomacy was to fill the vacuum in its foreign relations created by the Soviet Union's disintegration."<sup>1</sup> Thus, in this climate of crisis and uncertainty began a debate, which continues to the present, of devising a new approach to economic and strategic security for the Mongolian nation.

Mongolia's search for a Third Neighbor - a concept attributed to U.S. Secretary of State James Baker, who noted that Mongolia has two good neighbors, but, if it needed a third, the U.S. would be happy to be it. While Russia and China are the giant neighbors that Mongolia shared borders with, the idea of a third neighbor refers to countries other than Russia and China that Mongolia has built relationships with. The term 'third neighbor' was first mentioned by U.S. Secretary of State James Baker during a meeting with Mongolian leaders during his visit in August 1990. "Baker said that referring to the U.S. as a third neighbor". "That was a rhetorical gesture to support Mongolia's first move toward democracy." The concept of third neighbors was picked up by Mongolian policymakers and eventually became formalized in its foreign policy and legislation.<sup>2</sup>

Widely used in Mongolian media and scholarly works throughout the 1990s, the term was not reciprocated until the late 1990s, president of the Mongolia Society recalls, American officials agreed that their Mongolian counterparts could refer to the United States as a "third neighbor."<sup>3</sup> Then in 2005 President George W. Bush reiterated that the United States is "proud to be called" Mongolia's "third neighbor." President Bush used this term while in Mongolia (he was the first sitting U.S. president to visit the country), in part in recognition of the successes of Mongolia's democratization and in part in recognition of Mongolia's support of U.S. efforts in the Global War on Terror.<sup>4</sup>

The purpose of the 'third neighbor' policy is to maintain Mongolia's national security with the support of not only our two big neighbors but some other influential countries. It is a policy of simultaneous and parallel development of implementing the priority of deepening relations with China and Russia and at the same broadening cooperation with other friendly countries. The vital component of the 'third neighbor' policy is to maintain strategic partnership with our two immediate neighbors.

Mongolia does not have land connection with its 'third neighbors', but it has values connection. Common democratic values are at the heart of Mongolia's relationship with its 'third neighbors'. The 'third neighbor' policy is not only about politics. It also helps us diversify our foreign trade and investment. Mongolia's economic linkages with its 'third neighbors' are growing more and more. For example, Canada is our largest export partner after China. The US, Japan and the ROK are our largest import partners after Russia and China. Singapore, Canada, ROK, US, Hong Kong, Australia and Japan are among our top 12 investment partners.<sup>5</sup>

Mongolia's 'third neighbors' play a critical role in bringing financial capital, high technology, and much-needed eco-friendly strategies and management to Mongolia. Mongolia focused on expanding our rail and road networks to better connect to our immediate and 'third neighbors'. With these transit corridors, Mongolia can become a bridge connecting Europe and Asia and the shortest destination to either of them.

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<sup>1</sup> Ts. Batbayar and K. Demberel, "Contemporary Mongolian-Russian relations: Problems and Perspectives," in proceedings of The Geopolitical Relations between Contemporary Mongolia and Neighboring Asian Countries: Democracy, Economy and Security (Mongolian and Tibetan Affairs Commission Conference, September 2003), p. 333

<sup>2</sup> H.E. Baasanjav Ganbold, Ambassador of Mongolia to the Republic of Korea Seoul, June 18, 2013 – In Part 4 of Asia Society Korea Center's 2013, Accessed, October, 29, 2015, <http://asiasociety.org/korea/mongolias-third-neighbor-foreign-policy>

<sup>3</sup> Alicia J. Campi "Mongolia's Foreign Policy Vision for Eurasia," speech at a Jamestown Foundation seminar, November 10, 2010

<sup>4</sup> Munkh-Ochir Dorjjugder, Mongolia's "Third Neighbor" Doctrine and North Korea, January 28, 2011, BROOKINGS, Accessed, November, 13, 2015, <http://www.brookings.edu/research/papers/2011/01/28-mongolia-dorjjugder>

<sup>5</sup> Source of [mfa.gov.mn](http://mfa.gov.mn), Speech by the foreign minister, his Excellency Mr. I. Bold to honorary consuls of Mongolia, September 18, 2014, Accessed, November, 8, 2015, [http://www.mfa.gov.mn/en/index.php?option=com\\_content&view=article&id=3514%3Aspeech-by-the-foreign-minister-his-excellency-mr-i-bold-to-honorary-consuls-of-mongolia&catid=58%3A2009-12-20-23-32-18&Itemid=64&lang=en](http://www.mfa.gov.mn/en/index.php?option=com_content&view=article&id=3514%3Aspeech-by-the-foreign-minister-his-excellency-mr-i-bold-to-honorary-consuls-of-mongolia&catid=58%3A2009-12-20-23-32-18&Itemid=64&lang=en)

**Mongolia's new foreign policy.** The identity of Mongolia's foreign policy has been based on its geopolitical position, especially its landlocked location between two powerful nations - China and Russia. Ever since it embraced an independent foreign policy in the early 1990s, while trying to ensure active and balanced relations with its two immediate neighbors, Mongolia has focused on developing close ties with states that do not border it, but which serve as metaphorical 'third neighbors'.

With the Democratic revolution, Mongolia adopted a peaceful, open, independent and multi-pillar foreign policy enshrined in the 1992 Constitution and the 1994 Concepts of National Security and Foreign Policy. The Constitution prohibited the stationing and transitioning of foreign troops through Mongolia's territory. In its Foreign Policy Concept, Mongolia pledged to "pursue a policy of refraining from joining any military alliance or grouping, allowing the use of its territory or air space against any other country, and the stationing of foreign troops or weapons, including nuclear or any other type of mass destruction weapons in its territory".<sup>1</sup>

The 1994 Foreign Policy Concept further stated that "maintaining friendly relations with China and Russia shall be the top priority of Mongolia's foreign policy, and Mongolia shall not align to either country, but rather develop balanced relations with both of them and promote all-round good-neighborly cooperation". The Concept further stated that the second priority of Mongolia's foreign policy shall be developing friendly relations with developed countries in the East and West. This was a clear implication of Mongolia's 'third neighbor' policy.<sup>2</sup>

Mongolia had signed treaties on friendship and cooperation with both Russia in 1993 and the PRC in 1994. Those treaties lay down the basic principles of cooperation, including mutual respect for each other's independence, sovereignty and territorial integrity, non-aggression, non-interference in each other's internal affairs, peaceful co-existence and equality in relations. The past few years marked a very important development in our relationship with China and Russia. Mongolia had established strategic partnership with both of them. Mongolian people consider strategic partnership as the highest level of cooperation.

Given Mongolia's geographic position, it is only natural that our relationship with China and Russia is our top foreign policy priority. Furthermore, being landlocked, we are dependent on them for land access to the global markets. China's Tianjin Port is Mongolia's main route to the Asia Pacific. And Russia is our main route to Europe.<sup>3</sup>

China is the biggest trading partner of Mongolia. Despite being our biggest import partner, two-way trade volume stood at \$7.3 billion. Mongolia mainly exports mineral products and live-stock to China.<sup>4</sup> Russia is lagging behind China in terms of overall trade and investment into Mongolia. Mongolia meets almost its entire demand for oil products through imports from Russia.<sup>5</sup> Despite less substantial volume of bilateral trade and investment, Mongolia and Russia share close historic ties. One important part of that legacy is the fact that hundreds of thousands of Mongolians have received their higher education degrees in Russia.<sup>6</sup>

Mongolia's foreign policy imperatives were all duly reflected when Mongolia updated its Foreign Policy Concept in 2011 in light of the fundamental changes the world and Mongolia itself have undergone since 1994. The revised Foreign Policy Concept sets 5 priorities for Mongolia's foreign policy, which are as follows:

1. Given Mongolia's unique geographic location, it is only natural that maintaining friendly and balanced relationship with the two neighbors remains our top priority.

2. The second priority is to "develop and expand partnership relations and cooperation with countries and blocs of countries in the East and West in the framework of the 'third neighbor' policy". This way, the Concept officially declared the 'third neighbor' policy of Mongolia for the first time in its history.

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<sup>1</sup> Source mfa.gov.mn, Mongolian Foreign Policy Concept, Accessed 14, November, 2015, [http://www.mfa.gov.mn/en/index.php?option=com\\_content&view=category&id=36&Itemid=55&lang=en](http://www.mfa.gov.mn/en/index.php?option=com_content&view=category&id=36&Itemid=55&lang=en)

<sup>2</sup> Mongolia: Growth, Democracy, and Two Wary Neighbors

<sup>3</sup> Ds. Batbayar, "The Third Neighbour Policy and Australia" 2015, Accessed 10, November, 2015, [www.mongolijol.info/index.php/MJIA/article/download/401/422](http://www.mongolijol.info/index.php/MJIA/article/download/401/422)

<sup>4</sup> Li Xiaokun, China-Mongolian economic corridor, November, 11, 2015, China daily, accessed, November, 15, 2015, <http://www.skyscrapercity.com/showthread.php?t=1865242>

<sup>5</sup> Ibid 11

<sup>6</sup> Dr. Batbayar Tsendendamba, Chairman, Board of Mongolian Development Research Center, Second Open Conference on Mongolian Studies, November, 4, 2013

3. The third priority is to further develop bilateral relations and cooperation with other Asian countries, participate in multilateral cooperation in the Asia-Pacific region, as well as support efforts to strengthen strategic stability and expand security cooperation in East Asia, Northeast Asia and Central Asia.

4. The fourth priority is to continue our active cooperation with the United Nations, its specialized agencies, as well as international financial, trade and economic organizations, and support efforts to increase the role of the UN in global governance.

5. The fifth priority is to strengthen our bilateral relations with developing countries, including in the framework of the UN, G77 and the Non-Aligned Movement.<sup>1</sup>

### **Mongolia today.**

Following seven decades of Communist rule, Mongolia's peaceful Democratic revolution in 1990 ushered in a transition from a single-party Communist system with strong ties to the Soviet Union to a multiparty democracy without bloodshed or shattering a single window. In 1992, Mongolia adopted its first democratic Constitution and held the first free elections to the newly established State Great Khural. Since that time, we held eight successful rounds of parliamentary elections. And in 2020, Mongolia updated some of the additional changes into Constitution.

Since the development of political pluralism and transition to democracy and market economy, Mongolia pursues peaceful, open, independent and multi-pillared foreign policy. Today Mongolia has diplomatic relations with 184 states.<sup>2</sup> Mongolia is successfully developing friendly relations and cooperation with our two neighbors, third neighbors and many western and eastern countries. Relations with UN organizations and other international and regional organizations deepened and Mongolia's participation increased in multilateral regional activities, which led to strengthened reputation of Mongolia in international arena.

As a part of foreign policy priorities of Mongolia, bilateral relationships with Russian Federation and People's Republic of China has elevated to a new strategic partnership level while expanding close cooperation. At the same time, relations and cooperation with "third neighbors" has advanced. For instance, strategic partnership relations with Japan, United States, comprehensive partnership commitment with Germany, Republic of Korea, India and Turkey, as well as an expanded partnership with Australia, Canada and Kazakhstan.

The 'third neighbor' concept is not confined to a community of countries. It also includes international and regional organizations. Mongolia is a member of the UN and international financial, trade and economic institutions. "Mongolia's military is very small, but it's transformed very well with the help of U.S. and U.N. institution to become an active member of international peacekeeping campaigns and this helped to increase Mongolia's international profile and is also part of our efforts to implement this third neighbor policy."<sup>3</sup>

Mongolia actively collaborates with the United Nations, its specialized agencies and other international financial, trade and economic institutions. Such cooperation has served as significant engine and impetus for the social and economic development of the country. The admission to the United Nations provides a wide range of opportunities to maintain its independence and national security, to actively participate and contribute in the United Nations' activities together with other countries and to receive grants and assistance.

Mongolia has embraced a number of global security initiatives through the UN. The abolition of capital punishment comes to mind, but also recognition of Mongolia's nuclear-free status.<sup>4</sup>

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<sup>1</sup> Dr. Batbayar Tsedendamba, Chairman, Board of Mongolian Development Research Center, Second Open Conference on Mongolian Studies, November, 4, 2013, accessed November, 4, 2015, <http://mdrc.mn/2013-06-14-04-14-12/news-and-information/220-dr-batbayar-the-third-neighbor-policy-and-australia#>

<sup>2</sup> Accessed, November 15, 2015, [https://en.wikipedia.org/wiki/Foreign\\_relations\\_of\\_Mongolia](https://en.wikipedia.org/wiki/Foreign_relations_of_Mongolia)

<sup>3</sup> H.E. Baasanjav Ganbold, Ambassador of Mongolia to the Republic of Korea Seoul, June 18, 2013 – In Part 4 of Asia Society Korea Center's 2013, Accessed, October, 29, 2015, <http://asiasociety.org/korea/mongolias-third-neighbor-foreign-policy>

<sup>4</sup> Julian Dierkes, "Mongolia Focus", November 11, 2015, Strategic Analysis: Contemporary Mongolian Politics, Resources, Society, Accessed, November, 11, 2015

to increase Mongolia's international profile and is also part of our efforts to implement this third neighbor policy."<sup>1</sup>

Since 2002, Mongolia has deployed troops to the UN peacekeeping operations in Africa as well as U.S. and NATO-led coalition operations in Afghanistan, Iraq and Kosovo. Given its population of around 3.3 million and the small size of its military, Mongolia's commitment to peace and security is substantial. It is one of the top 20 troop contributing countries for the UN peacekeeping.<sup>2</sup>

Meanwhile, more substantial progresses have been achieved in relationships and cooperation with European Union and its member countries which are considered as one of Mongolian foreign policy priorities. Relations with the EU have also advanced, with the EU and Mongolia signing a Cooperation and Partnership Agreement in April, 2012. Mongolia could be useful to the EU as a gateway to Northeast Asia. The trans-Mongolian rail route is part of the shortest rail link between Europe and China.

Mongolia continues to actively advance diplomacy to strengthen its position in the Asian region, to intensify bilateral relationships with other regional countries, to engage to a dialogue on political, security and economic cooperation of the region and to participate in the regional integration processes. Mongolia has strengthened friendly relations and cooperation with ASEAN member countries and thus increased frequency of high-level visits. Mongolia's accession to the Treaty of Amity and Cooperation in Southeast Asia in 2005 shows a clear and convincing evidence of its commitment to expand its relationship with ACEAN.

Within the regional cooperation frameworks, Mongolia engages, through its certain assigned status, in important regional integration events and mechanisms, including the ASEAN Regional Forum (ARF) in 1998, the Pacific Economic Cooperation Council (PECC), the Asian Cooperation Dialogue (ACD), the Asia-Europe Meeting (ASEM), the Conference on Interaction and Confidence Building Measures in Asia (CICA) and the Forum for East Asia-Latin America Cooperation (FEALAC) and the Bali Democracy Forum (BDF). Mongolia is one of NATO's global partners, as well as an observer in the Shanghai's Cooperation Organization from 2004 and participating in Organization for Security and Co-operation in Europe (OSCE) from 2012.

Burgeoning relations between Mongolia and the West were underlined by Mongolia's participation in the 2012 NATO summit, with Individual Partnership and Cooperation Program status. In 2012 both sides also signed their first bilateral cooperation program under NATO's new policy of developing more flexible partnership with countries that engage significantly within international security affairs. Mongolia has provided troops for the NATO-led international Security Assistance Force in Afghanistan since 2010 until today. It sent two contingents to support NATO's mission in Kosovo from 2005-2007.<sup>3</sup>

Mongolia continues its commitment to engage international community efforts aimed to overcome challenges and problems caused by climate change. For instance, the President of Mongolia attended the UN Climate Change Conference (COP15) in December 2009 so that Mongolia has acceded to the Copenhagen Accord. In 2010, Mongolia became a member of the International Institute for Democracy and Electoral Assistance (IDEA).

As the scope of the third neighbor policy expanded, Mongolia became a member of the World Trade Organization (WTO) in 1997 and recognizes importance of establishing free trade agreement with its main trading partners, being part of regional trade agreements and participating multilateral trade negotiations having conducted within the framework of WTO by safeguarding of its national interests in order to create favorable condition for promoting foreign trade and to increase the access of local products to the international markets. Mongolia's trade policy objectives are aimed at developing an outward-oriented trade regime following the principles of the World Trade

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<sup>1</sup> H.E. Baasanjav Ganbold, Ambassador of Mongolia to the Republic of Korea Seol, June 18, 2013 – In Part 4 of Asia Society Korea Center's 2013, Accessed, October, 29, 2015, <http://asiasociety.org/korea/mongolias-third-neighbor-foreign-policy>

<sup>2</sup> Dr. Batbayar Tsedendamba, Chairman, Board of Mongolian Development Research Center, Second Open Conference on Mongolian Studies, November, 4, 2013, accessed November, 4, 2015, <http://mdrc.mn/2013-06-14-04-14-12/news-and-information/220-dr-batbayar-the-third-neighbor-policy-and-australia#>

<sup>3</sup> Zhao Shengnan, Mongolia boosts 'third neighbor' policy, November, 24, 2012, China daily, accessed, October,5,2015, [http://www.chinadaily.com.cn/world/2012-11/24/content\\_15955035.htm](http://www.chinadaily.com.cn/world/2012-11/24/content_15955035.htm)

Organization (the “WTO”), with the goal of increasing overseas market access for Mongolia’s products through greater integration into the world economy.

Mongolia participates as a member of several international financial organizations, such as International Finance Corporation, International Monetary Fund and the World Bank. Mongolia is currently seeking to become a member of the Asia-Pacific Economic Cooperation (“APEC”), which promotes open trade and practical economic cooperation in the Asia-Pacific region, which would allow Mongolia to have open trade with more nations.<sup>1</sup>

Around 100,000 Mongolians live and work abroad, with most of them currently in ‘the third neighbor’ countries and regions like the U.S., Europe, Japan and the ROK. Furthermore, people-to-people exchange is a very important part of Mongolia’s engagement with its ‘third neighbors’.

Mongolia will host the 2016 Asia-Europe Meeting (ASEM). It might mean for Mongolia – a reflection perhaps of the relatively unknown status and remit of ASEM. Nevertheless, ASEM 2016 will be by far the largest diplomatic gathering in Mongolia’s history, and could have far-reaching implications. Hosting the Asia-Europe Meeting in 2016 will be a significant opportunity for Mongolia.<sup>2</sup>

Mongolia located between Russia and China has been the object of close attention not only for its geographic neighbors, but also for non-regional states called as “third neighbor”. That’s why Mongolian foreign policy has traditionally been an important part of its development strategy. One of the main roles in the process of determining Mongolia’s foreign policy strategy belongs to the new President. President Kh. Battulga won at the Presidential elections in 2017. All his steps in the field of foreign policy can be divided into three main areas.

Firstly, the President of Mongolia has established himself as a supporter of improving relations with Russia, primarily through intensifying trade and economic cooperation and active personal diplomacy towards the Russian side.

Secondly, Kh. Battulga demonstrated diplomacy in the Chinese direction though he had difficult time to build cooperation with the southern neighbor of Mongolia.

Thirdly, Kh. Battulga made some changes in the strategy of relations with the “third neighbor”. For example, he rejected an active participation in some global international events and stayed indifferent to the idea of “permanent neutrality” of Mongolia. Perhaps the most serious foreign policy initiative of the new President of Mongolia was the idea of joining the Shanghai Cooperation Organization as a permanent member. This idea has caused serious political discussions in the country, dividing the expert network into supporters and opponents of the President’s initiative.

**Conclusions.** The main purpose of foreign policy of a country is to conduct foreign relations to the best possible advantage to serve its national interests. Democratic reforms and economic restructuring following the Soviet collapse provided the best ever opportunity for Mongolia to adopt its own “Multi-Pillar” foreign policy in 1994, thus safeguarding the country’s security and independent existence in the multi-polar world. The impact of foreign policy on the two geographic neighbors was that it articulated a new strategy to balance Mongolia’s relations with Russia and China that is known as the “third neighbor” policy. After twenty years of democracy, when Mongolia felt it necessary to review its regional security status and also the “third neighbor” policy, it revised its existing foreign policy and in 2011 came out with a new Concept of Foreign Policy to guide the nation for its future foreign relations with Russia, China, and the other countries of the world.

Mongolia’s relationship with its two immediate neighbors and ‘third neighbors’ has taken on a new interesting dimension in recent years due to its rich mining deposits. Mongolia has become an arena where economic interests of great powers and multinational corporations overlap.

Both Russia and China will continue as significant partners of Mongolia in foreign policy matters irrespective of the extent of their economic dominance at least for the foreseeable future. Mongolia, on the other hand, will continue with its most important task of balancing these two neighbors to avoid the repetition of Cold War situation in its territory.

The country has plenty of cause to be wary of encroachments by its immediate neighbors. China is the country's biggest economic partner, Russia, meanwhile, provides all of Mongolia's energy imports.

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<sup>1</sup> Embassy of Mongolia in U.S.A, accessed, June,14,2015, <http://mongolianembassy.us/about-mongolia/foreign-relations-of-mongolia/#.VYPC-PIViko>

<sup>2</sup> William Turner, ASEM 2016: Mongolia in the Spotlight, “The Diplomat”, December 09, 2014, Accessed, November, 12, 2015, <http://thediplomat.com/2014/12/asem-2016-mongolia-in-the-spotlight/>



Bonds forged during the Cold War, when Russia dominated political life here, remain strong, with Mongolia abstaining from a United Nations vote condemning Russia over its annexation of Crimea.

By pursuing 'third neighbor' policy as its diplomacy of external relations Ulaanbaatar has been able to attract several key partners including the USA, India, Japan, South Korea, Turkey, Canada and the EU.

Mongolians consider Russian activities in Mongolia as their geostrategic needs of balancing China, Russians still see Mongolia as a buffer against a rising China. In other words, in a unipolar world, the multi-pillar policy or for that matter the 'third neighbor' policy should aim at ensuring security, both economic and strategic, by trying to overcome related challenges.

Mongolia its permanent neutrality status, Mongolia would act to further consolidate regional and global guarantees of peace and stability. This could turn Mongolia into a "transit corridor" linking the Chinese and Russian economies.

In conclusion, Mongolia is still geopolitically important, for both Russia and China as a buffer and for the rest of the world as states other than major powers country. And "buffer state" Mongolia now held a position of neutrality towards its neighbors.

However, despite certain changes in Mongolia's foreign policy under the President Battulga, it is difficult to state a radical turn in the foreign policy strategy. Due to political and legal reasons, as well as the external conditions of social and economic development of Mongolia, the President is not able to change the main foundations and principles of foreign policy of the state formed in the post-socialist period. Meanwhile it could be admitted that in Mongolia's foreign policy the rationality based on the ideological solidarity ("commonwealth of democracies") is gradually giving way to the rationality of a geographical contiguity and economic pragmatism. And this, in turn, cannot but affect the role of the "third neighbor" in Mongolia's foreign policy.

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