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# ХАЛЫҚАРАЛЫҚ ҚАТЫНАСТАРДЫҢ ӨЗЕКТІ МӘСЕЛЕЛЕРІ АКТУАЛЬНЫЕ ВОПРОСЫ МЕЖДУНАРОДНЫХ ОТНОШЕНИЙ THE ACTUAL ISSUES OF INTERNATIONAL RELATIONS

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## FOREIGN POLICY OF MONGOLIA

### Abstract

The article covers issues of the foreign policy of Mongolia. This country made a peaceful transition to democracy and a market-based economy. Since then, we have made important strides and Mongolia has come to be recognized worldwide as a vibrant democracy. Mongolia has fundamentally changed its old political and socio-economic structure and built a system with deeply embedded democratic values and market economy rules. The revised Foreign Policy Concept sets 5 priorities for Mongolia's foreign policy. Given Mongolia's unique geographic location, it is only natural that maintaining friendly and balanced relationship with the neighbours remains their top priority.

*Key words:* the foreign policy, the Democratic revolution, Foreign Policy Concept, Mongolia's diplomatic presence abroad, geopolitical situation.

### Аңдатпа

Мақалада Моңғолияның сыртқы саясатын қалыптастырушы негізгі факторларға шолу жасалған. Маңызды тарихи кезеңдермен қатар, елдің қазіргі саяси, экономикалық даму бағыты, демократиялық өрлеу жолы, өзіндік басқару үлгісі сипатталып, мемлекеттің Сыртқы саясат тұжырымдамасы Моңғолияның 5 негізгі басымдығын қамтығаны сөз болды.

*Тірек сөздер:* сыртқы саясат, демократиялық революция, Сыртқы саясат тұжырымдамасы, Моңғолияның өзге мемлекеттердегі елшіліктері, мемлекеттің геосаяси жағдайы.

### Аннотация

В статье анализируются факторы, воздействующие на приоритетные направления внешней политики Монголии. Делается экскурс как на исторические периоды развития страны, так и на особенности политической и экономической ситуации, с учетом модели развития демократических принципов и системы управления. Концепция внешней политики страны выстроена на 5 основных приоритетных направлениях, которые также вошли в аналитическую часть статьи.

*Ключевые слова:* внешняя политика, демократическая революция, Концепция внешней политики, представительства Монголии в других странах, геополитическая ситуация страны.

Over 20 years ago, Mongolia made a peaceful transition to democracy and a market-based economy. Since then, we have made important strides and Mongolia has come to be recognized worldwide as a vibrant democracy.

Mongolia has fundamentally changed its old political and socio-economic structure and built a system with deeply embedded democratic values and market economy rules.

In 1992, Mongolia adopted its first democratic Constitution and held the first free elections to the newly established State Great Khural (Parliament). Mongolia has held six successful rounds of parliamentary elections since then.

Mongolia dismissed the widespread assumption that combining political and economic reform is bad for developing countries, that it is not an Asian way. It broke that stereotype by its new choice.

However, Mongolia's road to democracy was not easy. Democracy is not a destination; it is a way to go. But what is most important is that every Mongolian knows what it feels like to speak freely, elect public officials, enjoy both opportunities and challenges of market economy and have his/her private property rights protected. Mongolia is now in the critical time of strengthening the democratic society.

As a member of the international community, Mongolia is committed to helping protect human rights and freedoms around the world. Mongolia successfully chaired the Community of Democracies for the years 2011-2013, a global intergovernmental coalition of over 130 democratic countries with the goal of promoting democratic norms and institutions around the world. Mongolia hosted the

7<sup>th</sup> Ministerial Conference of the Community of Democracies in 2013 along with the Community of Democracies Parliamentary Forum, Youth Forum, Civil Society Forum and the Corporate Democracy Forum, which is a private business pillar of the Community.

Mongolia made promotion of democracy education the main priority during its Presidency of the Community of Democracies. Last December, the UN General Assembly unanimously adopted the first-ever resolution on Education for Democracy, submitted by Mongolia.

While democratic advances worldwide are real, so too are the challenges facing the transition countries. In order to help the emerging young democracies, Mongolia has established in 2013 its first assistance fund – International Cooperation Fund (IFC). Mongolia has received generous assistance from many countries and organizations when it started its uneasy transition to an open society. Now it is our turn to help others. Mongolia has already started several projects under the Fund while actively sharing lessons of parliamentary democracy and legal reform with the Kyrgyz Republic.

### Foreign Policy Concept

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 1994 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".

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-neighbourly cooperation". Through its history Mongolia learned all too well that in order to survive it should keep balanced relations with both its neighbours, without aligning to either. If Mongolia were to align itself too closely to either of them, it would surely spark alarm.

The Foreign Policy 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 neighbour' policy.

In 2011, Mongolia updated its Foreign Policy Concept taking into account the fundamental changes the world and Mongolia itself have undergone since 1994. The second foreign policy concept is not completely a new one, but largely the same old concept but adapted to today's world realities. However, it leaves intact the same priorities of cultivating closer relations with our two neighbours and 'third neighbours'.

The revised Foreign Policy Concept sets 5 priorities for Mongolia's foreign policy.

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

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.

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.

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.

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.

In line with the above priorities as well as guided by mutual willingness to develop friendly, peaceful and cooperative relations in the diplomatic, political, economic, humanitarian and other

fields, Mongolia has established diplomatic relations with 173 countries and has 39 diplomatic missions around the world.

The State Great Khural (Parliament) of Mongolia has officially approved expanding Mongolia's diplomatic presence abroad. We are going to open Embassies in Indonesia and Brazil and reopen Embassy in Afghanistan. We are also going to open Consulates in Istanbul, Turkey, and Bishkek, the Kyrgyz Republic.

### **Two Immediate Neighbours**

Given Mongolia's geographic position, it is only natural that our relationship with the People's Republic of China and the Russian Federation is our top foreign policy priority. In accordance with its Foreign Policy Concept, Mongolia seeks to promote balanced relations with its two neighbors while not adopting the line of either of these two countries. We think that we have been quite successful in adhering to this principle of a balanced relationship in general. The past few years marked a very important development in our relationship with China and Russia. We have established strategic partnership with both of them. Mongolia considers strategic partnership to be highest level of cooperation.

China has been our largest trade and investment partner for over a decade. It is also our biggest export partner. Minerals are Mongolia's main export to China.

Russia is our biggest import partner, but is lagging behind China in terms of overall trade and investment into Mongolia. Most of Mongolia's oil imports come from Russia.

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.

### **'Third Neighbour' Policy**

Ever since it embraced an independent foreign policy in the early 1990s, while maintaining active and balanced relations with its two immediate neighbours, Mongolia has focused on developing close ties with states that do not border it, but which serve as metaphorical 'third neighbors'. The 'third neighbor' policy is the incarnation of Mongolia's new foreign policy following the socialist era.

As stated in the Foreign policy concept, partnership and cooperation within the policy of "third neighbor" will be expanded and developed with the western and eastern countries and unions such as the United States, Japan, the European Union, India, the Republic of Korea, and Turkey.

The purpose of the 'third neighbour' policy is to maintain Mongolia's national security with the support of not only our two big neighbors but also other partners. It is also a policy of parallel development of cooperation with our two big neighbors and other friendly countries. It is a policy that helps us not to be dependent on any particular country or countries.

Mongolia does not have land connection with its 'third neighbours', but it has values connection. Common democratic values are at the heart of Mongolia's relationship with its 'third neighbours'. In this sense, the 'third neighbours' are primarily those countries that have consistently supported democratic change in Mongolia.

It is important to stress that the 'third neighbour' policy does not mean any kind of disregard or denial of our two neighbours. On the contrary, it is a policy of implementing the priority of strengthening relations with China and Russia and at the same broadening cooperation with other countries. It is an effort to ensure that we have close relations with as many actors as possible, not just Russia and China.

I would like to emphasize that the 'third neighbour' policy is not only about politics. It also helps us diversify our foreign trade and investment. Economic linkages with its 'third neighbours' are very much growing. For example: Canada is our largest export partner after China. USA, Japan, ROK and Germany are our largest import partners after Russia and China. Singapore, Canada, ROK, USA, Hong Kong, Australia and Japan are among our top 12 investment partners.

'Third neighbours' play a critical role in bringing financial capital, high technology, and much-needed eco-friendly strategies and management to Mongolia. In this regard, Mongolia and the United States of America have recently signed an Agreement on Transparency in Matters Related to

International Trade and Investment. Advancing relations with the EU, the EU and Mongolia signed The Cooperation and Partnership Agreement in April last year.

### **International and Regional Organizations and Mechanisms**

The 'third neighbour' concept is not confined to a community of countries. It also includes international and regional organizations.

Mongolia continues its active cooperation with the United Nations and its system organizations. Mongolia supports efforts to increase the UN's role in global governance. In November 2012, Mongolia became the 57th participating State of the Organization for Security Cooperation in Europe. Also Mongolia became an observer in the Shanghai Cooperation Organization in 2004 and one of NATO's global partners in 2011.

Effective participation in the political and economic integration processes in the Asia-Pacific region is one of top priorities. Mongolia is a member of the Asia-Europe Meeting (ASEM), ASEAN Regional Forum (ARF), Asia Cooperation Dialogue (ACD) and the Pacific Economic Cooperation Council (PECC).

As far as the Shanghai Cooperation Organization is concerned, Mongolia holds an observer status in this organization. This year marks a decade of Mongolia's joining the SCO as observer state. Within the SCO, Mongolia is primarily interested in matters related to economic cooperation, particularly energy, infrastructure and transit traffic. As the scope and role of this organization on the world stage has been rising since its formation in 2001, Mongolia stands for more active involvement in activities of this multilateral organization. At the moment, Mongolia is not involved in any of economic projects being implemented within the SCO. Hence, Mongolia will pay more attention to launching a joint project with the SCO member states in infrastructure or energy sectors.

Being an Asia-Pacific country with a growing economy, Mongolia has an enduring aspiration to become a member of APEC, which Mongolia has been seeking since 1993.

As a member of the international community, Mongolia is strongly committed to contributing to addressing regional and global challenges. Mongolia has deployed troops to UN peacekeeping operations around the world since 2002 and is now one of the top 30 troops contributing countries for the UN. Given its population of around 2.8 million and the small size of its military, Mongolia's commitment to peace and security is substantial.

### **Northeast Asia and Ulaanbaatar Dialogue on Northeast Asian Security**

Geographically, Mongolia belongs to Northeast Asia. Whatever happens in the sub-region has a direct impact on it. As a matter of fact, one of the top priorities of Mongolia's foreign policy is to support efforts to strengthen strategic stability and develop security cooperation in Northeast Asia. And it has made sustained efforts to that end.

Northeast Asia is unique in many ways. First, it is a region where "the Cold war" legacy lives on. We witness the dilemma of divided states. On the Korean Peninsula, the Korean people have been divided for more than half a century. We witness the DPRK's nuclear issue. We also witness many territorial disputes among other countries of the region. Indeed, Northeast Asia is home to some of the most protracted regional disputes. Their peaceful solution is crucial not only for the region but the entire world community.

Second, in other regions there are many regional mechanisms to settle disputes among countries, such the ASEAN, African Union, European Union etc. In Northeast Asia there is no such a tool. It is the only sub-region in the Asia Pacific, where there is no multilateral dialogue on security issues despite the fragility of its situation.

Third, the Six-Party Talks were the only multilateral mechanism in Northeast Asia, but they are in stalemate.

It was in this wider context that the President of Mongolia came up with an Initiative for "Ulaanbaatar Dialogue on Northeast Asian Security" in March 2013. The ultimate goal of the Initiative is to defuse tensions on the Korean Peninsula and help promote confidence building and peacemaking in Northeast Asia.

It is not the first time that Mongolia has proposed such a regional dialogue mechanism. It has taken similar initiatives ever since the 1980s.



The Ulaanbaatar Dialogue Initiative is based on premises similar to the Helsinki process that led to the Conference on Security and Co-operation in Europe and then the OSCE. Mongolia is not proposing "the copying and pasting" of the European process. The starting conditions are not the same. But the idea is clear. When we talk about the Helsinki process, we first think about the set of guiding principles which must be abided by the nations of the region. The Helsinki process is a great pool of experience which Northeast Asian countries can draw on.

The Ulaanbaatar Dialogue would have its distinctive features. First, the Dialogue will include two tracks, official Track 1 and Track 1.5 (one point half). This would allow us to promote dialogue in an informal atmosphere among researchers and scholars without any pressure inherent to formal dialogue.

Second, the Six-Party Talks focus primarily on the Korean Peninsula nuclear issue. The Ulaanbaatar Dialogue would address a much wider range of issues of regional security, such as military transparency, economic cooperation, regional integration, environmental issues and non-traditional threats.

Third, as for the participants, representatives from China, the DPRK, Japan, the ROK and Russia would be invited initially to participate in the dialogue. The dialogue would include a wide range of activities, such as hosting bilateral and multilateral meetings and hosting academic delegations. In the future, representatives of the US and Canada could be invited as well with the consent of the Parties.

At present, we are much engaged in explaining the Initiative to all the countries in Northeast Asia.

Mongolia is one of the few countries that have long-standing friendly relations with the DPRK. Mongolia is "an honest broker" in dealing with the promotion of peace and security in the region. This was the prime purpose of our President's state visit to the DPRK in 2013. It was one of many efforts taken by the nations in the region to promote security in Northeast Asia. The other purpose was, of course, strengthening our bilateral ties.

The DPRK side took note of the Ulaanbaatar Dialogue Initiative. We agreed to organize under the Initiative a consultative meeting between our Foreign Ministers every year, as well as workshops bringing together both countries' experts and researchers.

### **Mongolia's economic foreign policy**

Mongolia's democratic transition has gone hand in hand with an economic one. Our economy was in a wreck over 20 years ago. However, as a result of consistent economic policies and driven by the mining boom, Mongolia officially moved from the low-income countries list to "lower middle-income country" status in 2011. For the past few years, it has even been one of the world's fastest growing economies. Our economy grew by an unprecedented 17.5 per cent in 2011. The growth moderated to 12.3 percent last year after global economic slowdown weakened demand for Mongolia's main export commodities.

Mongolia is now at a crucial turning point. Its future prosperity is affected by a range of highly uncertain drivers of change, including the reliability of foreign investments and fluctuating commodity prices. It faces unprecedented opportunities for economic development, but also substantial risks, such as falling under the resource curse. Our priority now is to maintain high growth rates and use them to develop a diversified economy that creates value locally. This is potentially within our reach as we have started major infrastructure and industrial development while continuing our mining projects, such as the development of the world's largest new source of copper Oyu Tolgoi.

Another highlight is Mongolia's joint project with the World Economic Forum to develop a set of scenarios for Mongolia's future economic development. As part of the project, Mongolia and the World Economic Forum organized a Strategic Dialogue on the Future of Mongolia in September 2013. This high-level meeting brought together Mongolia's leadership and Executive Chairman of the World Economic Forum Professor Klaus Schwab, as well as over 160 representatives from government and the private sector from many countries, as well as international organizations. The Ulaanbaatar roundtable has sent a clear message to the international community that Mongolia is open for business and is an investment-friendly country. The final scenarios report was discussed by the exclusive participants of the World Economic Forum Annual Meeting in Davos in January 2014.

### Mongolia – Kazakhstan Relations

The Mongolian and Kazakh peoples are bonded with long historical ties sharing many common national traditions and cultural heritage. Despite difficulties of the transition period the both countries have undergone, Mongolia-Kazakhstan relations witnessed expansion and development in past over 20 years. These ties are firmly based on the main principles laid down in an Agreement on friendly relations and cooperation between Mongolia and Kazakhstan the 20 years of which was marked last year.

In terms of politics, especially foreign policy, the two states adhere to a common position on ensuring regional and global security and developing regional integration and international cooperation.

As far as international cooperation is concerned, Mongolia as an active member state of the United Nations supports Kazakhstan's initiative and contribution to the process of nuclear disarmament and the defuse of nuclear threat which is a pressing issue for our region.

Mongolia considers Kazakhstan a traditional partner. In other words, Mongolia will develop multilateral partnership with friendly Kazakhstan. Rich in natural resources, Mongolia and Kazakhstan implement large-scale projects which have not only regional importance. There are construction projects.

Share of Kazakhstan in overall direct foreign investments in Mongolia accounts for 0.14 percent and 0.45 percent of foreign ventures set up in Mongolia. There are 57 Kazakhstan companies are registered in Mongolia with total investments of USD 16.2 million (2013).

Mongolia extends sincere congratulation to Kazakhstan on honorable mission of hosting EXPO-2017 in Astana. Mongolia will be represented at the event at the top level.