CHAPTER V

MONGOLIA IN INNER ASIA: CONCEPT OF PAN-MONGOLISM HER RELATIONS WITH RUSSIA, CHINA, JAPAN AND THE WEST
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It may be useful first to be clear regarding the geographic extent of Inner Asia. There are varying perceptions depending on the viewer’s orientation. A minimalist approach seeks to restrict the region to an area between Tien Shan mountains and the Baikal Lake, encompassing mainly an area of nomadic civilization that includes Mongolia and frontiers of Russia and China. On the other hand, a maximalist interpretation attempts to determine this region as a wider area that includes continental Eurasia from the Ural mountains up to the east coast of Japanese islands, i.e. huge landmass that encompass both Central Asia and North-East Asia.¹

In considering strategic implication, it is preferable to consider a wider area which correctly reflects the influences and tendencies that prevail in the region and see how developments there affect the situation in proper Inner Asia and beyond it.

¹ See The Roles and Relations of Mongolia In Inner Asia and Beyond. Report prepared by the Institute for Strategic Studies, Ulaan Baatar, 1995, p.2.
The geostrategic position of Inner Asia had been the "heartland" of nomadic empires, among which the Mongol empire in the pre-modern period perennially threatened the securities of major settled regions of the Eurasian continent. The emergence of maritime power, however, led to a decline of the Mongols as a land power in 17th century.

The growing technical edge of the settled civilization, and expanding colonialism had reduced the Mongol power to the lords of only the steppe-land of Inner Asia. The core of "land power" by that time had deformed to become a pawn in the Russian and Chinese geopolitics in Inner Asia. In the early 20th century, the Mongol land got itself strategically articulated in the concept of "heartland" by Sir Halford Mackinder, who described it as the "geographical pivot of history" and "the one who rules the heartland, commands the World Island".

Geostategically, Mongolia did serve all along, both Russia's and the Soviet's national security objectives. Particularly, since 1911, both Russia and subsequently the Soviet's Union maintained supremacy over the Mongol heartland, keeping the former ruler, China, more or less along the Great Wall. With the end of the cold war and the disintegration of the Soviet Union, observers and policy-makers in many countries have been wondering, as to whether the great game in Inner Asia will swing in favour of China, or will it lead to the emergence of Inner Asia politics or will it remain geostrategic vacuum.2

It highlights Mongolia's position and role in Inner Asia and its relations with

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2. Ibid.
surrounding countries. It analyses historical background of major power’s interests in and policies toward Mongolia, as well as the current key changes in Mongolia’s strategic position and its foreign policy. While explaining, the internal and external developments, the range of links that Mongolia has with the countries of Inner Asia and beyond it, and its implications, these links have for Mongolia’s future development and the role Mongolia can play in the region.

Until recently Mongolia’s place and role in Asia seems to be changing radically. However, defining the emerging political situation in this vast region and estimating the future trend of developments are impossible takes if events are viewed merely unrelated and disparate. A long term approach might expose a broad pattern. Therefore, it is important to trace the changes of Mongolia’s role in Inner Asia as far as geostrategic considerations of major powers - Russia and China, Japan and the United States - and their policies towards Mongolia are concerned.3

RUSSIA AND CHINA FACTOR

Sandwiched between Russia and China in Inner Asia Mongolia occupies a pivotal geopolitical position that figures prominently in the security interests of both its neighbours. For Moscow, strategic considerations led to the invokess of Mongolia in 1921, and largely determined future Soviet policy towards this country as well as China, and more distantly, Japan. The creation of communist society in Mongolia can

be seen as a second matter, with strategic needs often over-riding ideological considerations.

On the other hand, it should be pointed out that the communist regime in Mongolia, unlike those in Eastern European countries, was established to gain independence from Chinese subjugation. One can say that revolutionaries in Mongolia in 1921 were nationalist first and communist second and that Mongolia's prolonged dependence on the Soviet Union was motivated in many ways by nationalistic aspirations for independence from commitments towards Mongolia guaranteed the country's security throughout the most of the 20th century.

Strategically, for the 'Soviet Union, control of Mongolia has guaranteed the security of its vital "Baikal corridor", through which runs the Trans-Siberian railway, as well as key military-industrial centers in Siberia. Besides, Mongolia also was an ideal spring-board for invading China. Rail and road network built by the Soviets in Mongolia was clearly designed to serve Moscow's military requirements.4

Politically, Moscow's primary objective in Mongolia was to maintain its strategic interests in the country. This, of course, necessitated gaining and permanently retaining full control of Mongolia's domestic political life and its foreign policy. Second objective was to show Mongolia for other underdeveloped countries as a model example of the socialist construction achievements.

Economically, Moscow's primary objective was maximum plunder at minimum

cost. In fact, almost nothing was done until 1950 to build up Mongolia's economy. It was only in the mid of 1950s when large-scale Chinese aid to Mongolia increased that Moscow began to show interest in developing Mongolia economically. Mongolia has in some way benefited from the society economic assistance. But in general, investment priorities were also biased to first serve Soviet interests. The Erdenet copper-molybdenum works is the prime example of this. 5

Economics in the service of military-strategic policy—with ideology providing the justification but not really the reason—describes much what happened in Mongolia. Military-strategic requirements formed the real basis of Soviet policy in this country. Political, economic and organizational aspects were simply adapted to them.

After Gorbachev’s 1986 Vladivostok speech it became clear that Moscow would pull out of Mongolia in the wider strategic interest of a Sino-Soviet rapprochement. Gorbachev’s speech and his visit to China in 1989 served as an important landmark in the modern history of Mongolia, which was to alter the political status of the country fundamentally.

On the one hand, Gorbachev’s new Asian policy can be seen as Moscow’s willingness to deal with other countries as equals. this has, at least allowed Mongolia to establish ties with the United States, and Japan constructively which was objected to by Moscow for a long time. On the other hand, Soviet retreat from Mongolia can be

5. Erdenet’s large capital costs added to Mongolia’s foreign debt while its entire annual output of 20 million tons of concentrates was exported to the Soviet Union to help service that very same foreign debt. After processing the Erdenet concentrate, the Soviet’s sold the finished product on the world market for high price. Mongolia got almost nothing for its wealth.
viewed as more of a concession in favour of China rather than respect of Mongolia’s independence. Once again Mongolia was used as a bargaining chip to settle the dispute between Russia and China. At this juncture Mongolia started looking more at Japan than her immediate neighbours.6

For China, the loss of control over Mongolia in 1911 entailed a considerable weakening, given the proximity of Beijing to Mongolia, which borders Xinjiang, Inner Mongolia and Manchuria. Historically and privately, China never accepted the loss of Mongolia. Mongolia’s independence theoretically weakened China’s claim over Xinjiang, Tibet and Inner Mongolia which have been a long time simmered with ethnic unrest.

China recognised Mongolia’s independence only in 1946. In 1947 the Inner Mongolian Autonomous Region (IMAR) was founded by Mao’s communists well before the People’s republic of China (PRC) came into existence two years later. the IMAR was clearly designed both to prevent Mongolia doing this, and to create a pan-Mongol card for Beijing to play against Mongolia in the future.

In the early 1950s, Mao reportedly asked Stalin for permission to re-annex Mongolia in return for full Chinese participation in the Korean War.7 China’s invasion


of Tibet was the precedent for this proposal, which Moscow rejected. This rebuff, however, only served to make Mao even more determined to regain Mongolia in some day in the future.

Throughout the twentieth century, Japan had taken a keen interest in Mongolia. In early 1920s, when Bolsheviks were spreading towards Siberia and Far East, Japan, along with white Russian, tried to prevent Mongolia from becoming Soviet Russia's adherent. In fact, Japan had design of its own to create a pan-Mongolian state which would serve as a weapon against both the Han Chinese and Russians.

The Soviets successfully kept the Japanese away from Mongolia. Their military interest in Mongolia had been to deter Japan's threat to their own vulnerable Siberian flank. The Soviet Strategic threat assessment proved correct, when Japan became active in Manchuria and Mongolian affairs in the 1930s. The society-Mongolian Protocol of Mutual Assistance was signed in 1936 against the Japanese threat. The battle of Halhin-Gol was fought in 1939, when Soviet and Mongol troops defeated Japan, killing 25,000 Japanese soldiers.8

Although Japan established diplomatic relations with Mongolia in 1972, it was prevented by the Soviet Union as well Mongolia's own communist rulers from playing a tangible role in Mongolia.

Despite Mongolia's desire to have relations with the outside world, particularly with the USA, and Japan the geopolitics of Inner Asia never permitted it to expand its relations beyond the Russia and subsequently the Soviet Union, and later beyond the

socialist world. The West, particularly the Americans, were also ignorant about this remote part of Asia, which was seen by them as a neither Russian nor Chinese.

In one word, the United States, as well as France and Great Britain had no special interests in Mongolia which could bring them into close contact with the situation arising from de facto existence of Mongolia. Germany did have an active interest in Mongolia, given its strategic and trade ambitions, as well as its willingness to see undivided China, but was prevented by other big powers, particularly Russia, and its ally, France, from any substantial evolvement in the Mongolian affairs. Here Japan has an edge over the USA and other European countries.

As far as the United States are concerned there were in addition two obstacles that prevented it from establishing ties with Mongolia. First, the nationalist Chinese claim over Mongolia. Second, the fact that Mongolia was more a Soviet satellite than a sovereign state. The Chinese factor became less relevant after President Nixon's visit to the PRC in 1972, because the PRC had already recognized Mongolia's independence in 1949. The Soviet factor, i.e. Moscow's objection to US mission in Ulaan Baatar, as it was pointed earlier, lost its actuality after Gorbachev's Vladivostok speech. In January 1987 Mongolia and the US established diplomatic relations.

A QUESTION OF PAN-MONGOLISM IN INNER ASIA

One of the important fallouts of the end of Communist monopoly in Mongolia was the resurgence of nationalism among six million or so ethnic Mongols divided among China, Russia and Mongolia. In Mongolia itself, Changes Khan, who built the United Mongol empire in the 13th century, is increasingly getting associated with the current struggle for democracy and real independence.
Not only has Chingis Khan been reintroduced in the Mongolian socio-political life, but similar irredentist overtones are also being heard among the Buryat and Tuva Mongols of Russia, as well as in Inner Mongolia of China. Since 1990, the Buryat Mongols have called for the revival of their language and culture, their greater territorial sovereignty. 9

Tuva Mongols are equally enthusiastic about rejoining with Mongolia. In 1990, while asserting their sovereignty, the Tuvans resorted to violence and the local hostility towards the Russians had become intense. In the wake of inter-ethnic disturbance, over 3,000 Russians fled to neighboring regions. 10

Even after the break-up, separatism and nationalism in Tuva is the strongest after Tataria and Chechen-Ingushetia in the present Russian Federation. The Tuvans Democratic Movement (TDM) had in the recent years questioned their membership in the USSR. The TDM argued that their membership in the Soviet Union should have been decided by a referendum. Besides, the Tuvans complained that their culture has been swamped by the Russians and that the significance of national culture, language, traditions and customs had been underestimated over the years.

In China, the Inner Mongolia National Autonomous committee (IMNAC) and Asia-Mongolian Front for Freedom (AMFF) jointly initiated the drive to merge with

10. FBIS-SOV-90-153, August 8, 1990, p.73.
Mongolia. Here, however, the Mongols, outnumbered by Han Chinese by factors of 20 to 1 are a very small minority in an autonomous area that is their in name only that makes them probably even more adherent to the idea of pan-Mongols nationalism.

What are content and grassroots of pan-Mongolism Is the current resurgence of Mongolian nationalism going to become the cause of regional instability How can this affect Mongolia’s relations with its neighbours Is there, indeed, a danger of pan-Mongols nationalism in Inner Asia now, this kind of pan-Mongols nationalism can be a benefit for Japan to use it as a better buffer zone in Asia.

Like the Koreans to the east, the Mongols remain a divided nation at a time when other nations, such as the Germans and Yemenis, have reunified themselves. Even more so than in the case in Korea (divided only a generation ago), the prolonged division of the Mongols is the source of sorrow in the heart of every Mongolian nationalist. Time has not deadended but intensified it and it resulted in remarkable explosion of feeling since the beginning of Mongolia's democratic revolution of 1990.

Though certainly democratic in form, that revolution's substantial content was Mongol nationalism. Its agenda was dominated by national-self-determination and even reunification, the public reclamation and celebration of Mongolia's past, and the reincarnation of suppressed cultural traditions, of which the Buddhist faith is the most important. that essential content defines what all Mongols are. Soviet dominance


attempted but failed to change such fundamental aspects of the Mongols' self-identity. And like the Tsarist regime it replaced, the Soviet Union supported the division of the Mongols in Inner Asia for its own selfish strategic reason, where Japan tried to reunite them.

This division denied the idea of reconstitution of Greater Mongolia, which was as important as independence itself for the Mongols in 1911 and thereafter. Their pan-Mongol nationalism could never accept this division. Nationalism has proved to be remarkably resilient in Mongolia during the 20th century, when it was ferociously attacked in the Soviet Union and Mongolia in the 1920s and 1930s and permanently suppressed thereafter.

Presently, following Mongolia's democratic revolution of 1990 and the collapse of the USSR, pan-Mongol nationalism in Inner Asia is experiencing indeed, some kind of rebirth. But pan-Mongol nationalism is unlikely to become essential destructive factor in Inner Asian policies, at least in the foreseeable future. There are some objective reasons for that.

First of all, the very idea of pan-Mongolism, i.e. a reconstitution of a Greater Mongolia, has become obsolete. Mongolian unity has not really existed since 17th century, when Buryat was separated from Mongolia. The Chinese similarly divided the Inner Mongolians from the Halhas. The Kalmyks were too far any real cooperation. The Oirats (the Western Mongols) always resented domination by Halhas.

Secondly, Mongolia is a not in position to encourage pan-Mongol nationalism both within and beyond its borders. That is why the Mongolian government have not reacted favourably to the current nationalist resurgence in Inner Mongolia, Tuva and
Buryatia.\textsuperscript{13} It is obvious that such a design would severely threaten Mongolia's security environment currently passing through a vulnerable period.

At the same time, the present Mongolia rulers, for their own political survival, cannot completely ignore nationalist feelings and tendencies. The ruling government being aware of its imitations to push the issue of nationalism too hard, has adopted a mild approach to the rising pan-Mongolism by allowing cultural meetings of the youths to be held once a year, with representatives from Buryat, Tuva, Kalmyk, Inner Mongolia and Mongolia itself.\textsuperscript{14} Moreover, it even encouraged some of the ambiguous initiatives, such as the creation of The World Mongolian Federation (WMF).\textsuperscript{15}

\textsuperscript{13} On the contrary, in October 1990, for the first time after seven decades Mongolian students staged an anti-China protest outside the Chinese Embassy in Ulaanbaatar. They demanded the release of six Inner Mongolian pro-democracy figures. They also made several irredentist claims including an end to Chinese rule in IMAR. Three years later, in March 1993, the same student organization ("The Huntaiji Demchigdonorov") picketed the Russian Embassy in Ulaanbaatar on behalf of a member of the nationalist Buryat-Mongolia People's Party, who had been detained and placed on trial for allegedly instigating nationalist hostility in Buryatia.

\textsuperscript{14} First meeting called "The World Mongolian Festival" was held in Ulaanbaatar in September 1991. Second one was held in Ulan0Ude (capital of the Buryat Republic) in August 1992. Last one was summoned in Elista (capital of the Kalmyk Republic) in May 1994.

\textsuperscript{15} The WMF was set up at the First World Mongolian Forum held in Ulaanbaatar in September 1993 under the aegis of the Mongolian President P. Ochirbat. The former Prime Minister D. Byambasuren was elected as the President of the WMF. Its primary goal, as was declared in Byambasuren's speech at the Forum, is "a cultural unification" of the ethnic Mongols, but some analysts suspect that cultural unification will serve WMF's purpose at the moment, leaving an idea of the political unification for the future.
Finally, any attempt to stir pan-Mongolism by Ulaan Baatar will not be tolerated neither by China, nor by Russia. This is especially true of China, whose own rulers have played the pan-Mongol nationalist card in the past, so as to bring about a pre-1991 union of Outer and Inner Mongolia within China. Chinese communists recognized Chingis Khan as a Chinese emperor and even built a huge monument for him in Inner Mongolia in the 1950s. Beijing’s use of the pan-Mongol card failed, but it would be greatly angered if Ulaan Baatar tried to play it in some overt way in relation to Inner Mongolia.

Moscow, already confronted with secessionist nationalist revolts in its transcaucasian and Central Asian borderlands, would react likewise in relation to Tuva and Buryat Republics. Therefore, a sensitive issue of pan-Mongol nationalism must be handled very carefully by the government in Ulaanbaatar, so as to avoid provoking its neighbours. Under these conditions, Mongolia has no other option but to look forward to get Japanese help and assistance.16

A FACTOR OF THE MONGOLIAN DIASPORA ABROAD

All the above, however, does not necessarily mean that Mongolia should not develop its contacts with the Mongolian Diaspora abroad and try to gain a maximum benefit from collaboration with it. In addition to six-odd million ethnic Mongols that live in Inner Asia (2,2mln in Mongolia, 3,5 mln in the IMAR and Xinjiang, 0,7, mln in Buryatia, Tuva and Kalmykia) there are over 2,000 Mongols in the US, 600 in Taiwan,

16. Views expressed in an Interview by Ootambayar Diplomat Mongol Embasst in New Delhi, January 5, 1996.
350 in Hong Kong, 100 in France and less in other countries.17

Presently, it is getting important for Mongolia to establish contact with the Mongolian Diaspora abroad and to use as much as passable their efforts and intellectual potential to bring in foreign capital into Mongolia, and to make then serve as intermediary for foreign companies.

The existence of the ethnic Mongols on the vast territories of Russia and China facilitates developing border trade and expansion of business ties. At the same time, the IMAR, Tuva ad Buryatia may serve as a buffer zone in military and political terms from the perspective of Mongolia's national interests.

During the last four years substantial changes and new movements have emerged in relations of Mongolia with Buryatia, Tuva and Kalmykia. Along with deepening of close political, and cultural relations, recently there have appeared new forms of economic cooperation, such as setting up of a joint-stock bank, expansion of relations between the bordering region and new forms of barter trade, etc.

With Mongolia choosing the path of democracy and market economy wide opportunities are opening up to expand its relations with the IMAR and Xinjiang. Between these regions of China and Mongolia relations of bordering areas and barter trade forms are developing as well as other forms of collaboration. Despite certain restrictive measures undertaken by the China rulers, some of events gathering the ethnic Mongols were attended to the extent possible by people from the IMAR.

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The major countries where the ethnic Mongols live have many things that
Mongolia needs in economic terms. For instance, the IMAR has food products, light
industry technology, while Buryatia, Tuva and Kalmykia can offer spare parts for
plants built in Mongolia under the technical assistance of the former USSR, as well as
lubrication oil and fuel needed so much especially these days in Mongolia. Therefore,
developing friendly and close relations with these nations gains a political and
economic, as well as trade and cultural significance.\textsuperscript{18}

\section*{REVIVAL OF BUDDHISM - A Factor in Mongol-Japanese Cultural Relations}

Revival of Buddhism is yet another marked feature of Mongolia's transition.
This has important political implications, given the country's theocratic past, and the
close historical and present associations between pan-Buddhism and pan-Mongol
nationalism another significant feature to improve Mongol Japanese Relations. The
Buddhist institution which transformed nomadic Mongol population from the 16th to
19th century were destroyed in the last seven decades of socialism. About 75,000
Buddhist monks were purged in the 1930s, and over 700-odd monasteries were
destroyed.\textsuperscript{19}

Now, revival of Buddhism in Mongolia is as rapid as Islamic resurgence in
Central Asia. Buddhism in Mongolia is playing an important role in its transition to
democracy. It is almost an official viewpoint in present Mongolia that the

\textsuperscript{18} Ibid. p.11.

\textsuperscript{19} D. Dashparev, D.S.K. Soni, \textit{Reign of Terror in Mongolia},
reintroduction of the Buddhist traditions and institutions will help the Mongols regain their lost national identity.

On the other hand, revival of Buddhism and related with that short visits of Dalai Lama to Mongolia have sensitively affected the problem of its relations with neighbouring countries, particularly, with China. for instance, Beijing expressed strong reservation for a proposed Dalai Lama visit to Mongolia in July 1991. Since this visit was coinciding with that of Chinese President Yang Shankung's and Mongolian government could ill-afford to jeopardise its improving relations with China, it had no choice but to forbid the Mongolian Buddhist institutions from inviting the Tibetan leader to Ulaanbaatar.

However, when Mongolia public opinion was aroused against the government decision, serious doubts were created in the public mind about the country's sovereignty and independence. The government of Mongolia had no option but to quietly allow Dalai Lama for a short visit to Ulaanbaatar, a month after President Yang's visit. In order to soften China's anger, the Mongolian side depicted the Dalai Lama's visit as a private trip made at the invitation for the local Buddhist institutions. In September 1994 Dalai Lama paid his fourth visit to Mongolia and its is believed that His Holiness again was prevented from meeting with any government officials in order to not annoy Beijing. However, China got annoyed at these developments, while Japan offered financial aid to reconstruct Buddhist monasteries.

It is interesting, but the re-birth of Buddhism in Mongolia was received by the Western media as positive sign, not only because it helps a smooth transition to a democratic system but also as a natural corollary to economic liberalisation. Japan and Mongolia have seen another common interest in their old but rapidly establishing ties.
During the first three years of true independence following three hundred years of domination by one or the other of its two giant neighbours, Mongolia has developed policy of "equidistance" designed to cultivate good relations with both Russia and China. A third leg of this strategy involves developing ties with international organizations and other countries, especially Japan and the United States.

MONGOLIA, RUSSIA AND CHINA: OLD NEIGHBOURS UNDER NEW CONDITIONS

The first priority in Mongolia's relations over the last years has been to cement a new relationship with Russia, to improve bilateral ties that weakened due course of the Moscow's strategic retreat from the country. Mongolia appears to have largely achieved this goal as a result of a state visit by President Ochirbat to Moscow in January 1993. It is interesting to note here that the Russian press pointed out that "the Mongolian side is known to have been more insistent on a meeting than the Russian side". 20

During the visit the two countries signed a new "Treaty of Friendly Relations and Cooperation", which replaced the 1966 Treaty with Moscow, which had put the interests of the "socialist community" ahead of national interests. Despite its own economic difficulties, Russia has continued to provide Mongolia with limited economic aid, including a credit of $ 38.7 million in 1992, and emergency supplies during the

1993 winter crisis.\textsuperscript{21}

The final stage of the withdrawal of Russian military units from Mongolia was completed on schedule by the end of 1992. Despite its efforts to secure a new relationship with Moscow, Ulanbaatar turned down Russian requests to retain several former Soviet electronic eavesdropping stations which are aimed at China from Mongolian territory. In part this decision reflects the country's now military doctrine, which was adopted by the Mongolian Parliament in June, 1994, (along with the National Security Concept, and the Foreign Policy Doctrine) under which Mongolia refuses to identify any state as a threat.\textsuperscript{22}

Mongolia now tries to find its worthy place in the world, and to formulate its strategic and national security priorities. Russia, too, is undergoing sharp reassessment of the character of its national interests in the wake of collapse of not only 70 years of communism, but of some 200 or more years of colonial empire. Both, Mongolia and Russia, given their protracted close strategic relations in the past, have inherited the legacy of the past much marathon other countries do, and are facing crucial problems of setting up new, presumably transitional, concepts of bilateral relations.

Most probably, now Russia is deprived of a global role, at least in the near future, but, regionally, its geopolitical as well as military presence it still very strong.\textsuperscript{23} Presently, for Mongolia, notwithstanding Russia's hasty strategic retreat that

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\textsuperscript{21} See papers presented at India-Central Asia Seminar, New Delhi, December 17, 1995.
\textsuperscript{22} The Mongol Messenger, August 2-9, 1994. Ulaan Baatar.
\textsuperscript{23} The Russian troops withdrawn from Mongolia have been redeployed in Buryatia, where up to 250,000 troops are now said to be stationed.
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followed by dramatic shift in bilateral economic relations Russia still remains to be the most influential political and economic partner.24

Mongolia's relations with China have improved dramatically in the recent years. President Ochirbat’s visit to Beijing in May 1990 was returned by President Yang Shankun in August 1991. Although during Yang Shankun’s visit to Ulaanbaatar, China announced more generous financial aid, pledging a nine-year interest free loan of $9.3 million for Mongolia's purchases of Chinese goods, at the same time, Beijing expressed great anxiety over "spiritual pollution" from democratising Mongolia.25 President Yang ordered all Chinese exchange students (most of whom were from the IMAR) to return home.26

Economic relations between the two countries have continued to develop rapidly in the wake of several important economic agreements concluded during Prime Minister Byambasuren's visit to Beijing in May 1992 and during Prime Minister Li Peng's visit to Ulaanbaatar in April 1994.

More than 20 Chinese companies have established a firm foothold in Mongolia. Although eighty years have passed since Mongolia won its independence from China, the growing role that China is playing in Mongolia's economy has revived fears about a possible reassertion of Chinese predominance. In addition, the growing number of Chinese in Mongolia has increased anxiety in the country of only 2.2 million people.

24. Mongolia's trade turnover with Russia valued in 1993 at US $423 million, as compared with that of with China ($186.1 mln) and Japan ($37.9 mln).
According to the Mongolian police report, approximately 30,000 Chinese now reside in Mongolia (2,000 of them illegally), as compared with 3,000 Russians, the next largest group of foreigners.27

Mongolian suspicions about China's intentions have been exacerbated by the publication of a book by China's People's State Publishers in April 1993, which suggested that Mongolia is rightfully a part of China.28 This incident comes in the wake of the previous year's publication of a secret Chinese police document claiming that Mongolia and Russia's Buryatia region belong to China.29

Politically, it is quite understandable that in the changed circumstances, when Russia was retreated from Mongolia, Beijing will try to fill the political and economic, if not strategic, vacuum left after the Russians in this country. China will undoubtedly try to regain its influence in Mongolia at least in order to make sure that Mongolia's internal and external behavior will not harm China's security interests. but the ways and means the Chinese may use now will be quite different from what they exercised in the past. As Mongolia is now looking towards Asia and the Pacific, China holds the key of Mongolia's geographical access to the region.30 Any large scale multinational project in Mongolia may not or will not be allowed to be successful without China's

28. Ibid.
30. At this juncture Mongolia, found, Japanese role more relevant and safety in this region.
participation.31

In general, Mongolia still has to face the fact that both Russia and China as well as the state of their relations continue to remain the major factors to influence Mongolia's fate. It is in Mongolia's vital interest to see that the relations between its big neighbours are neither too hostile, nor too close, but just normal and steady. It appears that the deviations in relations under which both China and Russia will preserve at least relative stability cannot seriously affect either Sino-Russian relations or situation in Inner Asia, including that of in Mongolia.

Presently, Sino-Russian relations look rather stable. However, relations between China and Russia - two most unstable and rapidly changing major countries hit the world - could never be called stable in the full meaning of the term. Besides, force major may interfere: radical change in the domestic or foreign policy in both countries or in one of them as a consequence of emergence of an aggressive nationalist regime. That would be the biggest challenge for Mongolia's fate.

JAPAN, THE UNITED STATES AND OTHERS

A critical component of Mongolia's policy of maintaining equidistance between China and Russia has been its efforts to develop strong relations with other countries and international organizations. Instead of transferring its previous economic dependence on the Soviet Union to China, Mongolia has turned to capitalist countries

31. China has already decided to be a partner in the Mongol-Japanese joint coal-mining in Tavan Tolgoi region of South Gobi.
and their lending agencies to support the country's economic and political transformation.

Mongolia's foreign aid diplomacy has been rather successful, gathering since 1990 aid worth more than US $640 million, or $3000 per each Mongolian. Yet Mongolia's daunting economic problems ensure that it will require still further aid infusions. This, plus the strings attached the pledged so far, has given western lending agencies considerable influence over Mongolia's internal developments. Mongolia undoubtedly finds the power wielded by these agencies distasteful, but prefers to accept it to counter renewed dependence on Russia or China.

Japan has played a crucial role as the single largest donor to Mongolia, providing nearly one-third of the aid received to date. Tokyo has also taken the lead in organizing and hosting three of five international aid conferences concerning Mongolia. Besides, Japan now ranks as Mongolia's third largest trade partner, after Russia and China, with two-way trade valued in 1993 at US $37.9 million. Japan's export of industrial machinery, consumer products and medical supplies grew by 59% in 1992, but Mongolia's sales to Japan jumped by nearly 15 times. This reflected Japanese absorption of some goods that previously went to Russia, including copper.

Japan's activism appears to stem from three main motivations. This country, which also neighbours China and Russia, might see the preservation of Mongolian independent status as serving its own national interest. Secondly, Japan might view its

32. See Appendix of the Report prepared by Institute for Strategic Studies Ulaan Baatar, op. cit, n. 1.
leadership of the Mongolian aid effort as consistent with its desire to assert a role as the economic and political leader of Asia. Finally, Mongolia might be seen by Japan as an important source alternative to the Russian Far East and China.

The United States have actively promoted democratization in Mongolia. Until very recently, the United States (along with other Western countries) were ideological adversaries of the Mongols. But today they are becoming the future hope of the Mongols. In order to assist Mongolia’s serious economic crisis and also in its efforts to introduce democracy and market economy the United States are actively participating, along with other Western democracies, in international aid programme to Mongolia. Moreover, the issues relating to Mongolia’s security are being discussed with the United States and exchange of high military delegations have already begun between Ulaanbaatar and Washington.33

Mongolia have drawn many lessons from the Gulf War. Given the historical claim of Mongolia by China, it could easily become another Kuwait. It becomes more difficult for Mongolia, as far as security matters are concerned, to rely on the United Nations when both its neighbors are permanent members of the UN’s Security Council. The idea of a strategic partnership with the United States was being mooted by some Mongolia politicians and think - tanks on the local press during and after the Gulf War operations.

However, analysts believe that Mongolia’s effort for security arrangements with the United States will have modest results. Indeed, the prospects for the developing of the US-Mongolian security ties are very limited, if not impossible at all, given that

knitter Mongolia nor the United States would want to jeopardize their more important strategic relations with Russia tolerate American strategic presence on a such touchy location as the Mongolian territory is.

Western Europe and South Korea, yet another important new partners of Mongolia, all welcomed the country's democratic transformation, but, to be fair, are less vocal about promoting it than the United States and Germany. It seems like that Mongolia's economic potential is of more importance to these countries than either its political development or its strategic importance.

MONGOLIA'S PARTICIPATION IN THE REGIONAL INTERNATIONAL INSTITUTIONS AND PROJECTS

The scope of relations between the countries of the Asia and the Pacific, both political and economic, is expanding and new forms of cooperation being emerged. The role of this region in the world is enhancing steadily. Today the growth rates of this region are the highest and this region determines the future trend of the world growth. All this serves a basis for focusing Mongolia's foreign policy to this region.

Proceeding from the above, Mongolia has set a goal to join the organizations for cooperation between the countries of Asia and the Pacific-APEC and PECC. The Pacific Economic Cooperation Conference/PECC/and Asian and Pacific Economic Committee are playing a significant role in promoting and coordinating the ever

34. Germany has set up in Mongolia a branch-office of the Konrad Adenauer's Foundation which, along with the Asia Foundation from the United States, is doing a tremendous job by strongly supporting Mongolia's efforts toward democracy and market-oriented economy.
increasing cooperation and integration of the countries of the region and ensuring their rapid economic growth of Mongolia's economic development.\textsuperscript{35}

Despite the efforts exerted recently to gain a support in becoming a member of APEC, the outcome is fairly modest due to unsatisfactory level and scope of economic cooperation with countries of the region, unfavourable geographical location, and economic and financial constraints experienced during the process of transition to the market economy. Taking into account the decision of the summit meeting of APEC countries in 1993 to suspend admission of new members for 3 years, Mongolia is striving to use this time for intensifying its diplomatic activity.

Since participation in working groups of the APEC with a status of a guest is one of forms of cooperation with APEC, an objective has been set to participate actively during these three years in the functioning of its working groups including, first of all at the initial stage, a working group on trade promotion, investment and technology transfer, power, communication, transport, and tourism.

The UN Economic and Social Commission for Asia and the Pacific (ESCAP) is a regional organization set up in 1947 with the objective of promoting comprehensive social and economic development of countries of the region, and cooperation between the countries of the region themselves and that with other countries of the world. Mongolia has been participation in the work of and getting the support and assistance of ESCAP since 1962. In the future there is a need to use this organization more efficiently in training on specific economic areas and acquiring technical assistance,

\textsuperscript{35}. See the Report by the Institute for Strategic Studies, Ulaan Baatar, op. cit, no.1, pp.17-18.
and to work actively to seek new sources of finance, loans, technical and technological assistance through this commission.36

The Asian Development Bank is an inter-governmental organization with the objective of speeding up the social and economic development of developing countries in the region of Asia and the Pacific through extension of financial and technical assistance, and loans. She participated as a guest in ABD meetings starting from 1989. On February 22, 1991 Mongolia was admitted as a 50th ABD member. The ADB has 12 districts, and Mongolia is in the same district with Pakistan, Philippines and Maldive.

In accordance with the Memorandum signed in June 1991 the ADB has extended in 1991-1993 credit for the total amount of $ 240 mln and $ 12.7 mln worth technical assistance. As for 1994-1997 in accordance with the Memorandum signed in December 1993 $225 mln credit for the development of transport, communications, power, agriculture, finance sectors and human personnel, $12.6 mln worth technical assistance. Mongolia is eager to continue its active cooperation with the ABD and is exerting its efforts to ensure the efficiency of this aid.37

Being a country belonging both to North East Asia and Central Asia, Mongolia has an access to participation in political talks and negotiations conducted at the level of the region, and economic cooperation in any of these two regions. However, the potential, high growth rate and wide opportunities of cooperation of countries of North East Asia attract its interest more. Participation in versatile activity aimed at developing

36. Ibid.
37. Ibid.
cooperation in this region is one of priority guidelines of its foreign policy. In this connection, Mongolia intends to participate actively in international projects of regional character designed to foster economic and trade cooperation in North East Asia, including the project on Tumen river region development.

There exists a wide opportunity to develop regional trade and economic cooperation by way of combining the labour and natural resources of China, Russia, Mongolia and North Korea with production potential and advanced technology of Japan and South Korea. In this sense, by implementing the Tumen river project the countries of the region would be able to complement each other so that to facilitate conditions for intensive growth.

MONGOLIA'S POSITION IN INNER ASIA: FROM THE FORMER PAWN TO THE PROBABLE PIVOT

Presently, Mongolia perceives itself as being a developing country of substantial economic potential; an inseparable part of the Asian-Pacific region; a model for a peaceful transformation from the totalitarian past to the democratic future. At the end of the 20th century Mongolia perceives itself as being capable of moving form being the pawn to the pivot of Inner Asian affairs. But the character of the role that Mongolia can play in the region will ultimately depend first of all, on the future developments in and around this huge geopolitical space, and, secondly, on the future political and economic evolutions inside Mongolia proper.\(^{38}\)

After the end of the Cold War the huge Inner Asian land mass, as well as the

\(^{38}\) Ibid.
entire world, is now in a geopolitical chaos. Actually, Inner Asia has found itself on its own, with Russia having not enough resources even to keep its vital interests on the territory of the former USSR and the United States having to concentrate on other areas. China was not successful in establishing its own sphere of influence in the region, having reached only special relations with North Korea and to some extent with Pakistan. Comparatively Japan has edge in Mongolia than China and Russia.

So Inner Asia now is potentially open to all new geopolitical combinations. So far there is no clear shape to a new order in the area, but the traditional order has gone. Moreover, the ethnic and territorial problems inherited from the past continue by the links of old hostility and suspicions. It is logical to suggest that this geopolitical space of Inner Asia has to be organized in one way or another and the new system of international relations must emerge. However, what its core will be is still uncertain.

Certainly, nearly everything has changed inside and around the "heartland" since the mentioned concept was invented by Mackinder early in the century. This region no longer constitutes a mere distant theater of European-based international order; China is no longer a helpless object of Japanese, Russian and European depredations. Korea - even divided - is no longer anyone's colony; and Japan no longer an insular imperial power. The dynamics among nations are no longer a competitive scramble for extraterritorial privileges, ports, railways and colonies and Inner Asia, particularly its North-Eastern part, has become the most dynamic region in the global economy.

Yet basic political realities remain as they have always been. Whatever happens, the region ultimately depends on the action of the three major powers - Russia, China and Japan and on the role that the United States Chooses to play in Asia. another basic
reality, as far as Mongolia is concerned, is that neither Russia nor China can hope to
build a client state system or even solid sphere of influence in the region right now.
That is why they are likely to oppose the corresponding attempts of others especially
Japan and keep the continental Eurasia divided-probably to secure it for themselves
when they become stronger in the remote future. 39

Until recently Mongolia tend to be treated by the major powers as an object of
and a passive actor in the international politics. The Mongols themselves used to be
quite skeptical in terms of the Mongolia's role on the world stage. There even existed a
saying : "Mongolia is the world's most independent country because nothing in the
world is dependent on it". Such an attitude was a reflection of the past political reality
when Mongolia was not more than the Soviet's satellite state.

But under the changed geopolitical circumstances outside powers seeking to
pursue their various goals in Mongolian affairs can succeed to the extent that domestic
politics in this country will allow them to. Therefore, it is important to understand how
the evolution of domestic politics in Mongolia can affect its relations with outside
powers, as well its position and prospects on the international stage.