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The *Voices from Central Asia* series is a platform for experts from Central Asia, Afghanistan, Azerbaijan, Mongolia, and the neighboring countries. The local point of view is often forgotten in Western-centered analysis; at best, only the official, state-level position is known. The series promotes a plurality of viewpoints expressed by Central Asians and is a venue for researchers, senior officials, opposition figures, and civil society activists.

Factoring Mongolia's non-Membership In the Shanghai Cooperation Organization

By Mendee Jargalsaikhan

The Shanghai Cooperation Organization (SCO) is often presented as the flagship of the new regional dynamics in Central and Inner Asia. When discussing the status of observer countries, the international attention is focused on the complex role of Iran, India, and Pakistan in the organization, and how their potential upgrade to a full membership could impact the regional balance or even the world order. With the new status of observer given in June 2012 to Afghanistan, and dialogue partner status offered to Turkey, it is worth highlighting the position of small countries in this regional organization dominated by the most rapidly rising powers in Asia.

Mongolia has had observer status in the SCO since 2004 and, contrary to Iran, India, and Pakistan, is not interested in becoming a full member. When the Shanghai Five was founded in 1996, Ulaanbaatar did not join any of its activities because all of the major issues, which concerned the founder members – border delimitation and demilitarization, and fighting against non-

Key Points

-In past two decades Mongolia has integrated with North-east Asia more than with Central Asia.

-Mongolia does not need more integration with Russia and China for economic development, and Mongolia's political regime and foreign policy independence will be better preserved outside the SCO framework than inside it.

-Despite the organization's declaration about regional integration and cooperation, the SCO is perceived in Ulaanbaatar as an "authoritarian club" whose members' main concern is regime security.

Bio

Mendee Jargalsaikhan served as Mongolia's Defense Attaché to the United States, Chief of the Foreign Cooperation Department of the Ministry of Defense of Mongolia, and Senior Fellow at the Mongolian Institute for Strategic Studies. He is a graduate student at the Political Science Department of the University of British Columbia (UBC).

traditional threats – were not relevant for the country: the Sino-Mongolian border was demarcated in 1962; bilateral relations with China were normalized in 1989; the Soviet military withdrew completely by 1992;¹ and the so-called “three evils” (terrorism, extremism, and secessionism), as coined by the Shanghai Five members, did not exist in Mongolia. Even when the SCO began to focus on wider regional issues, Mongolia responded cautiously, with selective participation in SCO political, economic, and cultural events, but took a reluctant stance towards security-oriented activities.

Even within the SCO emblem, Mongolia’s blank mark indicates the organization’s incomplete regional representation in Inner Asia. This paper explores Mongolia’s reasons for its non-membership stance and argues that this attitude signals its growing Northeast Asia identity, its commitments to democracy, and its independence from its powerful neighbors.



Mongolia’s prominent Northeast Asian Identity

After a lot of debate about the country’s geopolitical orientations in early 1990s, Mongolian elites agreed to pursue integration with both Northeast and Central Asia, given the country’s historical, ethnic, and cultural ties with both sub-regions.² However in past two decades Mongolia has integrated with Northeast Asia more than with Central Asia.

Economic and cultural interaction with all the Northeast Asian countries has shaped Mongolia’s

evolution since the collapse of the Communist regime. Today its trade with Russia revolves around fuel imports and shuttle trade with neighboring Siberian and Far Eastern regions. Despite traditional anti-Chinese sentiment, China is considered Mongolia’s main gateway towards the Asia-Pacific region, which is a major source of investment, and a reliable market. Beijing’s soft policies of visa exemptions, access to Chinese medical facilities, and educational opportunities lure many Mongolians for whom the Chinese market, infrastructure, and goods are more accessible.

Japan has been Mongolia’s leading donor since early 1990s and now eyes its natural resources, especially rare minerals and uranium. Through sustained cultural exchanges, Mongolians also have a growing exposure to Japanese culture, as can be seen from the anecdotal evidence of Mongolian wrestlers leading the Japanese sumo since 2003. Mongolia also has relations with both Korea. Around 30,000 Mongolians currently work in South Korea whereas over 2,000 North Koreans and 3,000 South Koreans work in Mongolia.³ Thanks to a growing number of air routes established with Northeast Asia, visitors from China, South Korea, and Japan are increasingly leading the annual statistics of tourism in Mongolia.⁴ Furthermore, Ulaanbaatar also concluded a strategic partnership agreement with China in 2011, and similar documents are in negotiation with Japan and South Korea.⁵

Mongolia’s integration with the Central Asian region is in stark contrast with this rising Northeast Asian identity, despite the acknowledgement of important historical links and a strong political commitment. Mongolia established diplomatic relations with the five Central Asian countries immediately after their independence and concluded a number of treaties and agreements, but they were not followed by any substantive interactions. Only Kazakhstan and Mongolia have embassies in respective capital cities, and noticeable economic, educational, and cultural ties, mainly due to the Kazakh ethnic diaspora in Mongolia.⁶ Mongolia also has political ties with Kyrgyzstan, as both countries are considered democratic outposts and shared nomadic heritage and lifestyles.⁷ With the three other coun-

tries, Uzbekistan, Tajikistan and Turkmenistan, relations are minimal, or nonexistent.

Mongolia's desire to be better integrated with Central Asia is constrained for three reasons. First, all are landlocked states with similar economies mostly based on extractive industries, and agriculture – or animal husbandry for some. This geo-economic factor shapes their foreign policies to look outward – towards Europe, China, Japan, and Middle East – for foreign investment and export markets. Second, the Soviet policies interrupted centuries' long ties between both sub-regions. During the twentieth century, Ulaanbaatar was dealing only with Moscow, with no direct contact with the federated Central Asian republics. The Soviet Union was also careful not to allow any shared border between the Kazakh Republic and Mongolia,⁸ and today, this physical separation – despite being only about 40 kilometers – further complicates in-land routes between both countries. Third, for two decades all international organizations and major external powers have treated Mongolia separately from Central Asia, which precludes mutual interactions. Although Mongolia considers itself as both a North-east Asian and Central Asian state, this second identity over the last two decades has waned noticeably.

Mongolia's refusal of the SCO as an “authoritarian club”

Among the Communist and post-Communist Asian countries, Mongolia is the only one that can legitimately claim to be a democracy. Although the Kyrgyz Republic makes similar commitments, Mongolian democratization process has been firmer and less chaotic. Since 1991, Mongolia has been rated as an electoral democracy on par with Czech Republic, Poland, Slovenia, and Baltic states, and higher than all former Soviet republics.⁹ A parliament-dominated political system and democratic elections are seen as the “only game in town” to obtain political offices.¹⁰ The most recent revision of the election law introduced proportional representation, quotas for more female candidates, and financial transparency.¹¹ The space for civic activities and voluntary associations is protected by the state; and local civil society organizations and media are influential players in politics.

This strong commitment to democracy strengthens the idea of Mongolia's specific identity among the Central Asian and East Asian former communist countries like Laos or Vietnam. It provides opportunity for Mongolia to garner substantial financial assistance from donor nations (Japan, Germany, United Kingdom), international financial institutions (the World Bank, the International Monetary Fund, the Asian Development Bank), and Western powers, mostly the United States. Joining the SCO could therefore weaken both Mongolia's domestic democratization efforts, and its international image with the European Union or the United States. Despite the organization's declaration about regional integration and cooperation, that works in theory with Mongolia's own agenda, the SCO is perceived in Ulaanbaatar as an “authoritarian club” whose members' main concern is their own regime security.¹² Observer states like Iran, and Pakistan, and dialogue partners like Belarus, and Sri-Lanka intensify Mongolia's perception of the SCO as a political club whose regional narrative is only of secondary or tertiary importance.

Independence

As one of the frontier states of Inner Asia, Mongolia's concern has always been to secure its political and economic independence from its powerful neighbors, Russia and China. Albeit not a Soviet republic, Mongolia's foreign policy during most of the twentieth century was largely dictated by Moscow. Following the disintegration of the Communist bloc, the country has enjoyed true independence and advanced its own ‘third neighbor’ policy, directed at developed democracies in order to obtain political support, diversify economy, and increase cultural ties.¹³

To avoid causing concerns in Beijing and Moscow the ‘third neighbor’ policy has no intention to develop closer security ties with Western countries. All military-to-military cooperation with NATO members focuses for instance on development of peacekeeping capabilities.¹⁴ Ulaanbaatar also developed a multilateral diplomacy aiming to increase its international visibility and participation in international organizations (United

Nations, Group 77, Non-Aligned Movements, and the ASEAN Regional Forum).

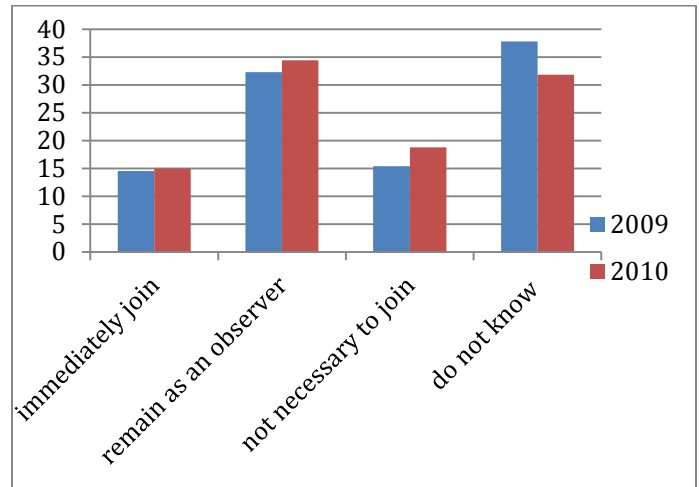
In the security field, Mongolia has made two major achievements: institutionalizing its nuclear weapon-free status and contributing to peace-keeping operations. The nuclear weapon-free zone, along with non-aligned principle (i.e., not hosting any foreign military forces and not joining military alliance), enhances Mongolia’s balanced geopolitical positioning. Subjecting itself to the SCO internal rules and geopolitical strategies might drastically reduce its independent foreign policy. It could also increase leverage capabilities from Moscow or Beijing, and limit Mongolia’s ‘third neighbor’ strategy, especially towards the United States, India, and Turkey.

Views of Political Elites and Public Opinion

Mongolian political elites may have differing views in regards to their country’s identification with either sub-region. However, the most prevailing one is to maintain the non-membership stance so as to not jeopardize Mongolia’s sovereignty and independence, until the SCO objectives, rules of and intentions of member states become clear.

Nonetheless Mongolian political elites are also interested in cooperation with the SCO on different aspects. First, the organization offers unique opportunity to interact with many state leaders to discuss bilateral issues and advance Ulaanbaatar’s concerns alongside other small states. Second, the SCO is likely to evolve as a regional network to develop economic, cultural, and educational ties. In this area, Mongolia hosted the SCO Business Forum and actively participates in it. Third, the SCO collaboration against drug trafficking and terrorism is in the interest of Mongolian law enforcement agencies – as there are an increasing number of drug-trafficking cases in Mongolia. As expressed by the Mongolian President at the 12th meeting in June 2012, Mongolia is also interested in the SCO initiatives of energy and food security collaboration.¹⁵

Mongolian public Opinion on the SCO Membership¹⁶



Public views are similar to those of the elites. In 2009 only 14.5 percent respondents preferred to join the SCO while 32.3 percent answered to maintain the observer status, and 15.4 percent opposed to joining. Again in a 2010 poll, 34.4 percent responded to remain as an observer while 18.8 percent opposed to joining the SCO.

However, the Mongolia’s public views Russia as their best partner. According to the 2011 opinion survey of the Sant Maral Foundation Research Center, Mongolians feel better communicating and cooperating with Russians (54.5%), Chinese (32.9%), South Koreans (30.2%), and Japanese (20.5%).¹⁷

The Best Partner Question¹⁸

Which country is the best partner for Mongolia?			
	April 2010	May 2011	April 2012
Russia	75.7%	71.3%	68.2%
China	18.8%	20.6%	19.6%
USA	27.4%	29.8%	31.8%
European Union	10.6%	11.5%	13.5%
Japan	15.8%	21%	22%
South Korea	11.4%	12.1%	11.6%
Others	5.3%	7.1%	7.2%
Total	100%	100%	100%

In three consequent opinion surveys (2010, 2011, 2012), public opinion maintains its view of Russia as Mongolia's best partner, even if in last two decades interactions between Mongolians and Russians have been reduced to minimal levels and people-to-people exchanges have been further complicated by Russia's abolition of its visa waiver policy for Mongolia in 1995.

Conclusions

Mongolia sends regular signals about its commitment to maintaining its SCO non-membership status, but this positioning could become difficult in the years to come, depending on regional developments.

In a scenario of amicable Sino-Russian relations, and non-revival of tensions between Russia and China on one side, and the United States on the other, Mongolia can continue to enjoy balanced relations with all its partners with no pressures from Moscow and Beijing in terms of its geo-strategic orientation. In case of a rift in Sino-Russian relations, Mongolia's neutrality would be at risk, with pressure from both sides for choosing one against the other. In this case, Mongolia's non-membership in the SCO appears to favor Russia, as Mongolian public opinion sees Moscow as the 'lesser evil' when compared to China. In a third scenario where both Russia and China consider their interests threatened by other great powers (Japan during the First and Second World Wars; the United States at the early period of Cold War, or in the post 9/11 period), small countries become symbols of a larger global competition. Mongolia's multi-vectored strategy and its 'third neighbor' policy could therefore be undermined by Moscow and Beijing's interpretation that these policies are a pro-American stance.

Whatever the SCO's future will be in the years to come, Mongolia will continue to promote its Northeast Asian identity more than its Central Asian one, and its non-membership strategy toward the organization. Its economic development does not need to be further integrated with Russia and China, and Mongolia's political regime and foreign policy's independence will be better preserved outside the SCO framework than inside it. Moreover, the unknown impact of post-2014 on Central Asia and Afghanistan, with a potential

revival of security concerns, does not constitute a push factor for Ulaanbaatar to integrate into the Shanghai Cooperation Organization.

The opinions expressed here are those of the author only and do not represent the Central Asia Program.

¹ Shakti Madhok, *Sino-Mongolian Relations 1949-2004* (New Delhi: Reliance Publishing House, 2005), p. 99; Alan Sanders, "Foreign Relations and Foreign Policy," in Ole Bruun and Ole Odgaard (eds), *Mongolia in Transition: Old Patterns, New Challenges* (London: Routledge, 1996), p. 219; Tsedendambyn Batbayar, *Mongolia's Foreign Policy in the 1990s: New Identity and New Challenges* (Ulaanbaatar: The Institute for Strategic Institute, 2002), pp. 124-136.

² Tsedendambyn Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity," *Eurasian Geography and Economics* 43, no. 4 (2002): 323-335.

³ Embassy of Republic of Korea in Ulaanbaatar, mng.mofat.go.kr/worldlanguage/asia/mng/mission/greetings/index.jsp. The number of North Korean workers changes due to seasonal requirements, although there is a growing interest from Pyongyang to send more workers to Mongolia.

⁴ According to the 2010 Statistical Yearbook by the Mongolian National Statistical Office: 290,092 Chinese, 125,543 Russian, 42,551 South Korean, and 14,279 Japanese citizens visited Mongolia in that year. Other important numbers are 12,982 visitors from the United States and 5,792 from Kazakhstan. See *Mongolian Statistical Yearbook 2010*, p. 302, http://www.nso.mn/v3/index.php?page=free_access.

⁵ See "Wen Jiabao Holds Talks with Mongolian Counterpart Batbold," Press Release of the Ministry of Foreign Affairs of the PRC, 16 June 2011 (<http://www.fmprc.gov.cn/eng/wjwb/zzjg/yzs/gjlb/2742/2744/t832162.htm>); Joint Announcement of Prime Ministers of Mongolia and Japan, 12 March 2012 (http://www.mofa.go.jp/region/asia-paci/mongolia/pdfs/mongolia_1203_4.pdf); "Korea, Mongolia agree to boost long-term cooperation," 23 August 2011 (http://english.president.go.kr/pre_activity/summit/diplomacy).

⁶ As reported in the 2010 census, there is about 101,000 Kazakhs living in Mongolia, or 3.86 percent of the total population, www.toollogo2010.mn. The Mongolia Embassy in Kazakhstan reported 76,800 Mongolians becoming citizens of Kazakhstan and 46,000 people having dual citizenship. See Embassy of Mongolia in Kazakhstan, June 5, 2009, <http://www.mongemb.kz/en/node/15>. According to

the National Statistical Office Branch of the Bayan-Ulgii Province, migrations to Kazakhstan slowed, but Kazakhstan is becoming a key destination for Mongolian students. See *The 2011 Statistical Report*, <http://web.nso.mn/portal/indexc.php?v=7&m=60>.

⁷ The latest high-level exchanges include Kyrgyz parliamentary delegates to Ulaanbaatar in April 2011 and Mongolian Presidential visit to Bishkek in April 2012. During this visit, both sides agreed to cooperate in several areas, including an Ulaanbaatar-Bishkek-Istanbul air route, www.president.mn/eng/newsCenter/viewNews.php?newsId=690.

⁸ Alexander C. Diener, "Problematic Integration of Mongolian-Kazakh Return Migrants in Kazakhstan," *Eurasian Geography and Economics* 46, no. 6 (2005): 465-478.

⁹ Steven Fish, "The Inner Asian Anomaly: Mongolia's Democratization in Comparative Perspective," *Communist and Post-Communist Studies*, 34 (2001): 323-338; Verena Fritz, "Mongolia: Dependent Democratization," *Journal of Communist Studies and Transition Politics* 18, no. 4 (2002): 75-100; and also *Freedom in the World 2012*, Freedom House, <http://www.freedomhouse.org>.

¹⁰ Verena Fritz, "Mongolia: The Rise and Travails of a Deviant Democracy," *Democratization*, 15 (2008): 766-788.

¹¹ The English translation of the Law on the Election is available at the website of the General Election Commission of Mongolia, <http://www.gec.gov.mn/details/421>.

¹² Thomas Ambrosio, "Catching the 'Shanghai Spirit': How the Shanghai Cooperation Organization Promotes Authoritarian Norms in Central Asia," *Europe-Asia Studies* 60, no. 8 (2008): 1321-1344.

¹³ Batbayar, "Geopolitics and Mongolia's Search for Post-Soviet Identity"; Dorjjugder Munkh-Ochir, "Mongolia's 'Third Neighbor' Doctrine and North Korea," *Brookings Institution Papers*, February 2011, <http://mongoliaworld.net/2011/11/16/mongolias-third-neighbor-doctrine-and-north-korea/#more-95>; and Alan Wachman, "Mongolia's Geopolitical Gambit: Preserving a Precarious Independence while Resisting 'Soft Colonialism'," *EAI Fellows Program Working Paper Series*, 2010. The Revised Foreign Policy Concept identified these states under the "Third Neighbor" category. The Revised Foreign Policy Concept, which defines the "third neighbor" strategy, was approved by the Parliament on February 2011.

¹⁴ M. Jargalsaikhan, "Finally A New Era in NATO-Mongolia Relations," *Voices from Central Asia*, No. 1, June 2012.

¹⁵ Address of the Mongolian President to the 12th Meeting of the Council of Heads of Member States of the Shanghai Cooperation Organization, June 7, 2012, <http://www.president.mn/mongolian/node/2645>.

¹⁶ Source: *Public Opinion Polls*, National Intelligence Academy, 2011.

¹⁷ Sant Maral Foundation Political Barometer of 2008, www.santmaral.mn/en/publications.

¹⁸ Source: Sant Maral Foundation of Mongolia, <http://www.santmaral.mn/en/publications>.

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