



## Summary

Panel Discussion, September 17, 2009

### **Mongolia: Challenges of a Buffer State between China and Russia**

Andrea Schmidtberger

#### **Statement:**

H.E. Jargalsaikhan Enkhsaikhan, Ambassador of Mongolia

#### **Welcome and Moderation:**

Otmar Höll, Director oiip

Venue: oiip library, 1040 Vienna, Operngasse 20B/9<sup>th</sup> floor

Number of Participants: ca. 50

In his presentation titled “Mongolia: challenges of a buffer state between China and Russia” Jargalsaikhan Enkhsaikhan briefly portrayed the development of Mongolia in the recent past. He spoke about the impact of Mongolia’s geographic position between the two big states of China and Russia, and finally gave an overview of the main issues of Mongolian foreign policy.

Otmar Höll welcomed and introduced Jargalsaikhan Enkhsaikhan who not only is the Mongolian Ambassador in Austria, but is also accredited as Representative to various international organizations based in Vienna, including UNO and IAEA. He has served in many capacities in the course of his career, among others as Foreign Policy Advisor and Legal Advisor to the Mongolian President. Mr. Höll then outlined some facts about the Mongolian state in relation to Austria – it is about 20 times the size of Austria, with only about 2.6 million inhabitants – in order to give an overview of “unknown Mongolia”.

At the beginning of his statement Ambassador Enkhsaikhan mentioned three topics relating Mongolia to Austria: firstly, in his view Vienna in general is a good place for an Embassy to network and find partners of all kinds. Secondly, Mr. Enkhsaikhan stressed Austria’s neutrality as an ideal for his country. In particular, Mongolia finds Austria’s experience during Cold War very interesting and helpful. And thirdly, Mongolia, like Austria, is committed not to allow nuclear weapons on its territory. In the course of his statement, Mr. Enkhsaikhan referred to another fact which Mongolia and Austria have in common: both countries are landlocked countries. In such case trade relations are established mainly with border countries and all other trade has to go through these countries. A landlocked country therefore needs good relations with its neighbours. China and Russia now trade their goods independently from Mongolia, but Mongolia nevertheless sees its future as being an active part of these relations – meaning that China and Russia should trade with each other through Mongolia.

China and Russia have played an important role in Mongolia’s history especially in the 19<sup>th</sup> century, when both powers were expanding their empires – China to the North and Russia to the South, and Mongolia has been squeezed between them. Mr. Enkhsaikhan elaborated on the term “buffer state” in order to explain its differences to the concept of a “satellite state”. “Buffer state” mainly refers to a state’s geographical position, with a state being placed between two rival great powers, such as Mongolia is between China and Russia. The buffer state itself pursues a neutral position in its foreign policy. A satellite state refers to a political status, where a less powerful state not only borders with a more powerful state, but is under its influence, be it political, cultural or in the field of economics. Mongolia was such a satellite state to the former Soviet Union. It joined the politics of the former Soviet Union after the Russian revolution, not being of interest to China, which at that time thought of Mongolia as a

lost country. The positive effect for Mongolia was the protection by the Soviets, the negative effects were manifold: it had to follow Soviet politics and its ideology, and furthermore became an isolated country. Isolation in the field of trade relations meant that the main trading partner was the Soviet Union itself, followed by other communist countries. Isolation in politics relates to Cold War, when Mongolia not only experienced the conflict between East and West, but also was caught in the Sino-Russian dispute<sup>1</sup>.

In the course of the breakdown of communist regimes in Europe Mongolia managed to change the character of the relations to its two neighbours, even though this meant losing the protection of Russia. Since that time Mongolia has been aiming at a balanced relationship to both neighbours, and will never again let any other power use its territory as a military base. Mr. Enkhsaikhan reflected on the political notion of a “third neighbour”, which for Mongolia refers to other powers, with whom neighbourly relations could be established without being a real border nation. This includes states like Japan, the US etc. as well as organizations and associations such as EU, ASEAN and the like. Since the early 1990s Mongolia has been establishing relationships with lots of other countries, opened embassies and has been able to successfully expand its diplomatic relations.

Going on with Mongolian foreign policy Mr. Enkhsaikhan presented two main issues: political and economic relations. In the field of politics Mongolia seeks to overcome the status of a mere buffer state, but would rather like to play a leading role in the region. The most important aim for Mongolia is to become a fully-fledged neutral country, the Ambassador pointed out repeatedly. Bearing in mind that the Soviets have had nuclear weapons on Mongolia’s territory and that in 1969 Mongolia was even close to a nuclear catastrophe at the height of Sino-Soviet conflict – largely unnoticed by the world – Mongolia declared its territory a nuclear-weapon-free zone in 1992 to the UN General Assembly. Since then it has been working successfully towards international recognition of that status. Both China and Russia have announced to respect and support Mongolia’s policy.

Economic relations with other countries are of great importance to Mongolia. It is looking for business partners all over the world since it does not want to exclusively trade with and depend on Russia and China. The natural and mineral resources – uranium, copper, coal and gold – shall attract investors and play a major role in Mongolia’s future economy. In order to achieve these goals Mongolia tries to become a “good world citizen” – as Mr. Enkhsaikhan put it: Mongolia is a supporter of UN’s Millennium Development Goals, of a nuclear-free world and of democratization in particular.

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<sup>1</sup> Ideological relations between China and Russia were worsening during the time of Cold War and resulted in various armed border clashes. The Sino-Russian conflict divided the international communist movement.

After finishing his speech Mr. Enkhsaikhan responded to a lot of questions from the audience. Answering a question concerning Mongolia's security strategy the Ambassador acknowledged that simple neutrality is not enough to ensure security, but via trade relations Mongolia aims to become a soft power in the region. Underlining the importance of trade and investment, Mr. Enkhsaikhan elaborated on future plans of becoming a reliable and secure partner in European-Asian trade relations, in which Mongolia would like to provide mainly services. He referred to infrastructure and the transportation system as issues to be worked on in order to achieve its goals of bringing down the costs of transportation (e.g. railroad from China to Russia goes through Mongolia). Concerning Mongolia's mineral resources and responding to the question, if they are regarded as a blessing or a threat, Mr. Enkhsaikhan spoke about the main issues of current Mongolian policies, whereas number one priority is the exploitation of uranium. For that purpose Mongolia is gathering information from experts worldwide to prevent any possible complications. Mineral resources in general represent a way to lure foreign investment, said the Ambassador. Therefore, Mongolia is gathering information worldwide, which reflects on how carefully Mongolia is dealing with this issue. Answering further questions, the ambassador spoke about Mongolia's relationship with China and Russia in the field of culture and language. In both cases Ambassador Enkhsaikhan evinced respect for their policies and stated that Mongolia does not intend to interfere with them, but rather pursues its own policy of encouraging mutual understanding, e.g. supporting cross-border traditions, offering language classes or broadcasting television channels in both Chinese and Russian. Talking about Mongolian economics, Mr. Enkhsaikhan reflected on the high amount of Mongolians working in the agriculture sector – 40% of the workforce – producing only 20% of GDP. Mongolia seeks to modernize its agriculture as well as its livestock products in order to be competitive on the world market. Another goal of Mongolian government is to modernize and develop several cities as regional centres – because at the moment one third of Mongolia's population lives in the capital city Ulan Bator, and bearing in mind approx. 140 000 Mongolians living abroad, who might be attracted by modern cities to come back.

We are confident that this presentation and discussion contributed to the knowledge of the audience about an interesting but so far mostly unknown country.