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**SMALL STATES' SECURITY AND FOREIGN POLICY: A CASE  
STUDY OF MONGOLIAN PERMANENT NEUTRAL STATUS**

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*Abstract*

It has been two years since Mongolia, the so-called “buffer state” between Russia and China, declared its intention of adopting a permanent neutral status in this intricate and globalized era. It is crucial to analyse the reasons why and what internal or external influences affected this decision while at the same time attempt to define what a permanent neutral policy really means. The main question this research seeks to answer is what permanent neutrality means in the 21<sup>st</sup> century. Additional questions touch on whether neutrality is a valuable foreign policy for a small state to ensure its sovereignty and how this would impact Mongolian foreign relations. Neutrality is a controversial but often discussed notion of international relations and international politics with regard to small sovereign states. As a unique small power in Asia, Mongolia once again assured its position by declaring permanent neutral status in the more integrated and globalized world. The concept of neutrality is evolving with time and situation as small powers like Mongolia are developing and contributing to peacekeeping and solving global issues such as nuclear threat, environmental issues, global warming, and so on. There is a gap in this area of study which is worth studying. The analysis presented in this paper is significant because it identifies and examines the role of neutrality as an effective tool of small states' security and foreign policy.

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**Keywords:** Small states, permanent neutrality, foreign policy, security options, state sovereignty.



## 1. Introduction

This paper will begin with a brief introduction of small states' security and foreign policy behaviour, then go on to explain the neutral concept; pointing into the features of permanent neutrality from the perspective of international relations and international politics. In order to demonstrate the effectiveness aspect of neutrality this study looks into the Switzerland practice as a successful model. Finally, the paper describes the fundamentals of Mongolian security and foreign policy to clarify the reasons why Mongolia has declared permanent neutral status. It is crucial to analyse the reasons why and what internal or external influences led to this decision, while at the same time defining what permanent neutral policy in the 21<sup>st</sup> century really is.

### 1.1. Small states' security and foreign policy

The mainstream of international relations research tends to focus on international relations from the perspectives of great powers, neglecting the role of small countries on regional and global issues (Gvalia et al, 2013; Scheldrup, 2014). According to the facts, half of the 193 United Nations members are small states born out of decolonization or transition to democracy after the Cold War (Tumurchuluun, 1999; Thorhallsson & Steinsson, 2017). Despite the popular adage, size does matter greatly in international relations (Thorhallsson & Steinsson, 2017; Scheldrup, 2014), both big and small states in international society have their own problems, and for small states one of the major problems is to secure their sovereignty. When it comes to the question of sovereignty the weakness of small nation states is most visible in two aspects: economics and security (Novakovic, 2013).

There are two immediate security challenges for small states; economic and political. For Mongolia, these include managing the fast-growing economy and balancing interests of two big powers-Russia and China (Jha, 2016). Small national security policies vary widely depending on national and international circumstances. In spite of the inherent shortcomings of small states, they can make up for the imitation of their scale and exert influence on world politics as long as they use the appropriate tactics. The security policies adopted by small countries reflect their unique domestic and international challenges (Thorhallsson & Steinsson, 2017). Due to their incapability of defending themselves within the international system, it is argued that small states are first and foremost concerned about their security and are therefore forced to react to their external environment much more than to domestic conditions (Scheldrup, 2014). The international system in the 21<sup>st</sup> century has up to this point been characterized by greater economic interdependence, a high level of transnationalism and a devolved unipolarity. In this environment, small states possess a greater range of both foreign policy choices and outcomes; their room for manoeuvring has expanded. The literature on small states' foreign policy behaviour has emphasized the role of the international system and the external security environment (Gvalia et al, 2013; Demir, 2008).

Security as a concept has globally been altered in the post 9/11 era. (Jha, 2016) Due to rapid communication development, energy dependency and globalization, global security challenges are changing, and the so-called asymmetric security threats came into force. The main characteristic of this new type of threat is their transnationality (Novakovic, 2013). When it comes to small states security, the

appropriate questions to ask are not how to win a war but how to avoid it. In the various types of international systems small states' practical objectives were and still are "simple and clear; to stay out of the hostilities" or "to avoid conflict with a great power" (Chikovani, 2010, p.28; Bayarkhuu, 2015, p.105; Demir, 2008, p.8). Small states pursue a wide range of security policies; either stay neutral or join alliances, as well as military build-up, economic independence, balancing and bandwagoning, non-alignment, and collective security (Thorhallsson & Steinsson, 2017). The security of small states depends on their particular geographical, domestic and regional environments (Jha, 2016). For the small states acting as buffers, located between hostile great powers, neutrality may be the only reasonable course of action (Morris & White, 2011; Thorhallsson & Steinsson, 2017).

## **1.2. Concept of neutrality and permanent neutral status**

The concept of neutrality originated in and was well-studied in Europe, pursued mostly by small states. In the modern context neutrality is indeed a state-centric concept coinciding with the rise of the sovereign state. Yet, as a concept and practice, neutrality predates the state (Agius & Devine 2011; Bayarkhuu, 2015). However, in the long term perspective of history, due to the loose and underdeveloped international relations, neutrality has been a weaker, individual and temporary phenomenon. Since modern times, the phenomenon of neutrality has been gradually expanded to the present day. It has become a stable and influential international political phenomenon, attracting widespread attention. Neutrality, traditionally a 'left-over' subject for theories of realism, deterrence and alliance formation, suffered gaps in the analysis of important factors in foreign policy such as identity, and non-state agents such as mass publics, due to the dominance of objectivist, essentialist approaches (Devine, 2006). Historically, neutrality was often seen as a policy of small states seeking to preserve their sovereignty while avoiding entangling alliances with great powers (Morris & White 2011).

The definition of neutrality varies because theorists of different schools have defined it in their own terms. Traditionally the concept of neutrality was more about interstate or intercontinental war, as a state's sovereignty, war, and neutrality have been closely allied ideas. Neutrality was defined as "impartiality or non-belligerency is a policy designed to restrict and regulate the use of force in international relations" (Pertti, 1993, p.289). "A neutral country is one that chooses not to take part in a war between other countries" (Farlex, 2016), and "a collective and voluntary form of noncombat" (Walzer, 2006, p. 68). At its simplest, neutrality means not taking part in a war (Agius & Devine 2011). Realists assume that neutral states rationally calculate that not engaging in wars better achieves national goals like survival than choosing to join one side or another in war (Morris & White 2011).

After the end of the Cold War a new wave of neutrality literature emerged and tried to identify other aspects of neutrality other than non-participation in a war. For instance, Boris Shikhmuradov (1997) explained that the neutral state "does not participate in military blocs and alliances, does not allow the creation of military bases on its territory or its use by other countries for military purposes". Lately other scholars noted "Neutrality was a decision taken in fear of a great neighbour, is a defensive act at the disposal of small and weaker states in conflict situations (Novakovic, 2013, p.16).

Relevant to above mentioned definitions, there are also distinctions between neutrality as a legal position and as a political position. The development of neutrality as a concept and a practice has gained

legal definition and acceptance and has been adaptable to the changing international system and central ideas of what constitutes security (Agius & Devine 2011). The Hague Convention, the most important legal document related to the concept of neutrality defines "Neutralism or a "neutralist policy" as a foreign policy position wherein a state intends to remain neutral in future wars. "A neutral country in a particular war is a sovereign state which officially declares itself to be neutral towards the belligerents. A belligerent state does not need to be neutral" (Section 5, The Hague Convention, 1907). "A permanently neutral power is a sovereign state which is bound by international treaty to be neutral towards the belligerents of all future wars" (Section 13, The Hague Convention, 1907). The political meaning of neutrality has come to include several state attitudes and policy practices during peacetime, so the evolution of neutrality as a peacetime concept in the 20<sup>th</sup> century goes beyond its legal meaning (Andrén, 1991; Agius & Devine 2011).

Neutrality developed and was an option, in the security situations of 19<sup>th</sup> and 20<sup>th</sup> century. The character and significance of neutrality have been greatly transformed in recent years. The world has changed, and the main philosophy of today's world states focus on the avoidance or prevention of interstate wars rather than on winning them (Chikovani, 2010; Bayarkhuu, 2015). The original "neutrality concept" makes different sense in the globalized 21<sup>st</sup> century which is characterised by integration, greater economic interdependence and the emergence of non-state threats and actors. In terms of sovereignty, it is interesting to see what it means for a country to be neutral in the 21<sup>st</sup> century (Novakovic, 2013).

Permanent neutrality may be considered as the long-term strategy of the state. In formal terms, permanent or perpetual neutrality refers to a state maintaining neutrality in times of both war and peace. Often, this form of neutrality is codified constitutionally or in treaty form (Agius & Devine 2011). Small states are more likely to adopt neutrality than larger states as a means of securing independence and sovereignty. The perfect peacetime neutral should, according to Bayarkhuu (2015), avoid interference in conflicts, give equal treatment to parties and avoid influencing the outcome of a conflict. The foreign policy of permanent neutral countries is often called active neutrality (Andren, 1991). The formation of a permanent neutrality requires two conditions: a voluntary commitment to permanent neutrality and other countries' recognition to guarantee the country's permanent neutral status. The declaration of neutrality is a right of a State, but whether it is recognized by another country or the international community is another issue. In theory, countries that have declared neutral status have the usual aim of avoiding military aggression and threats between the major powers and committing themselves to maintaining political security and mutual trust with their neighbours. It is also the fundamental guarantee of neutrality that the country that holds the status of a neutral nation has the sacred right to have armed forces. Through neutrality, these so-called "buffer states" can alleviate tensions between the hostile great powers and thus also ensure their own security (Fazal, 2004).

Much of the recent work on neutrality focuses on individual case studies instead of developing a theory of contemporary neutrality (Morris & White 2011). Neutrality has evolved into a dynamic, enterprising policy emphasising participation and activism in international life (Karsh, 1988). The concept and meaning of neutrality has evolved from a purely legal concept to a broader political concept that allows more ambiguity regarding the relationship between neutrality and membership in an

international organization like the EU (Andr en, 1991). Scholars for too long have ignored or minimized the contributions that neutral states make in the international community (Morris & White 2011). By analysing the case studies of emerging neutral countries and traditional neutral countries after the Cold War, we can conclude that the three major factors at the international and domestic levels may be related to the issue of small states and neutrality. The factors from the international level include the system of checks and balances formed by geopolitics and the game of interests as well as the neutral identification at the domestic level.

On a global scale, Switzerland has always been a typical representative of permanent neutrality since the status was recognized by the Congress of Vienna in 1815. Switzerland's neutrality was recognized by international treaties and supported by its capable army. Historically, the Swiss policy of neutrality can best be understood as a reaction against the real and threatened domination from other larger more powerful states, especially its neighbours (Novakovic, 2013). The Swiss have long been cognizant of the "smallness" of their state (Bayarkhuu, 2015), and this has meant that neutrality was an important means of self-preservation in a territory surrounded by major powers. In addition, neutrality became an important symbol of common identity for the diverse Swiss population (Gabriel, 2003) and became "the 'vital principle' which underlies Swiss foreign policy" (Morris & White 2011). It is true that neutrality has become part of Switzerland's national identity (Morris & White 2011), as Thorhallsson & Steinsson (2017) put it nicely: "Neutrality and peaceful image give small states the fact-finding, investigative and mediating duties that other states would usually only entrust in neutral and non-threatening states" (p.8). Switzerland lies between two great powers, Germany and France and has been repeatedly endangered by enmity between these two gigantic neighbours. Switzerland's neutrality has three qualities: being permanent, armed, and self-determined (FDFA, The Essence of Swiss Neutrality, 2016). These distinctive features of Switzerland's neutrality enabled the country to maintain its neutrality during difficult times for centuries. Switzerland did not rely solely on the goodwill of its neighbours. Until today Switzerland is considered the prototype neutral state, and although new security challenges such as organized crime, international terrorism or epidemics cannot be met by means of a neutral foreign and security policy. In opinion polls since the end of the Cold War, 9 out of 10 Swiss citizens would not want to give up neutrality. For centuries, neutrality has been part of the Swiss national identity, and the Swiss fear losing this neutrality or adjusting it for the purposes of joining the EU. Nevertheless, neutrality remains an important concept because states continue to choose to be neutral and their public fear the possibility of abandoning this policy (Morris & White 2011).

After the Cold War, at least two characteristics of international relations have been related to the issue of small states and neutrality. Firstly, with the end of the Cold War and the increase of more than 20 small nations in the international community, some small states have embarked on a neutral road when establishing their national identity and selecting national security strategies. Secondly, in the new international environment, some small countries that follow the tradition of neutral policy have begun to change their policies and have even considered giving up their neutral stance.

### **1.3. Highlights of Mongolian security and foreign policy**

The foreign policy of any country takes the maintenance of national security and interests as the starting point and the end result. Mongolia is no exception; Mongolia realizes that the security posture of small and weak countries is closely linked to changes in the political, economic and military conditions of the external environment, especially the neighbouring countries. Therefore, it proposes a security strategic concept mainly for safeguarding the national security through political and diplomatic means.

Mongolia is a vast, sparsely populated, mineral-rich, young democratic nation sandwiched between two powerful large neighbours, China and Russia (Lawrence, 2011). Geographically speaking, Mongolia belongs to Central Asia, but from a political and economic point of view, Mongolia has now become a part of Northeast Asia. To some extent, geography decides the fate of a country and effect in shaping their policy. For centuries Mongolia's was consistently determined by the nature of the Sino-Russian relationship (Campi, 2012, Bedeski, 2008, Chikovani, 2010, Jha, 2016).

Mongolia is a small country in terms of population, economy, and influence on world politics (Li 2016), and has always had an intense sense of insecurity and threat. Mongolia's landlocked position between Russia and China limits its foreign policy options. Also, apart from these vulnerabilities of being landlocked, buffer, and smallness, Mongolia always had a sense of fear from its two giant neighbours' invasion along the route of their love-hate relationship (Altantuya & Hu 2017).

As the Cold War ended, the bipolar system led by the United States and the Soviet Union came to an end, and the international relations entered a new stage of development. It has also totally changed the external and internal security environments and Mongolia has had to begin to rediscover a new road to security and development by redefining its national priorities (Jha, 2016, Bayarkhuu 2015). Mongolia made its transition to democracy and free market reforms peacefully in 1990, after nearly 70 years rule of the communist party as a Soviet satellite. Russia stopped its economic aid and withdrew its troops from Mongolia by 1992 (Lawrence, 2011). Thus, having lost its dependence, Mongolia abandoned reliance on just one state or one ideology, and began pursuing a multi-pillared foreign policy. In addition, it sought a balanced, though not necessarily equidistant relationship with its two neighbours, and declared itself a Nuclear Weapon-Free Zone. It was hoped that Mongolia's actions would positively influence the region (Campi, 2005; Campi, 2012). Although Russia's withdrawal left Mongolia in a state of political confusion and economic recession, it also provided an opportunity for Mongolia to rid itself of Russia's control and achieve real independence, reaching "total sovereignty" from "limited sovereignty". That the Mongolians have maintained their survival between two giant empires is not a small achievement (Bedeski, 2008).

As a newly democratized small state in a rapidly changing world, Mongolia has sought to become a modern sovereign nation state within the international community. Mongolia's primary goal of foreign policy is to maintain a status quo of its sovereignty, national security, and territorial integrity in seeking to escape its previous status of dependence on a powerful neighbour (Li, 2016; Bedeski, 2008; Chikovani, 2010; Jha, 2016). The changed security environment has had a wide impact on Mongolia's security environment (Jha, 2016).

The 1994 "National Security Concept" that Mongolia first proposed was "to develop good-neighbourly and friendly relations with both neighbouring countries in a balanced manner and regard the development of friendly and cooperative relations based on mutual trust and mutual benefits with China

and Russia as the most important policy of diplomacy” (National Security Concept, 1994, p.2). The 2010 National Security Concept of Mongolia stated that “Mongolia does not participate in the confrontation between the two countries that does not involve the fundamental interests of its own country” (National Security Concept of Mongolia, 2010, p. 3). This is one of the most significant changes in the diplomatic and security policy of Mongolia. Mongolia has pledged that it would never engage in a conflict except if invaded and that the country would never enter into any military bloc so long as its independence and sovereignty were not threatened (Jha, 2016). Mongolia’s foreign policy therefore focuses on preventing any such clashes from arising, by binding its own policy as well as its neighbours to international law in order to ensure its own national security (Jha, 2016).

Mongolia’s foreign policy was structured to maintain “balanced relations” with its two immediate neighbours, China and Russia (Lawrence, 2011; Myagmar, 2003; Reeves 2012). To counterbalance the influence of these two neighbours and to ensure its continued independence and sovereignty, Mongolia has also prioritized the development of relations with the so-called “Third neighbour”; countries that do not border Mongolia but have close ties to Mongolia. That list includes the United States, Japan, Korea, India and the EU. Hence, the so-called “third neighbour” policy easily explains the “multi-pillarity”, complexity and openness of Mongolia’s foreign policy which undoubtedly attracted attention of the regional and world community, and the country’s position on the international arena has been strengthened substantially (Tuvshintugs, 2009).

In 1992, Mongolia declared itself a single-state nuclear weapons free zone; in 2012, the five permanent members of the UN Security Council each pledged to respect the designation (Lawrence, 2011). However, the strong sense of insecurity caused by history and the status quo pushed Mongolia to still seek to secure the security provided by the major powers through the “non-nuclear status.” Mongolia has declared its territory a nuclear-weapons free zone, with an eye toward expanding the zone, and the public of Mongolia calls on their neighbouring countries to declare their territories as nuclear-free and their border areas as demilitarized zones. This is certainly in the security interests of Mongolia, but, may be in the interests of both Russia and China, as well (Myagmar 2003).

Mongolia’s official formulation of its foreign policy, the Foreign Policy Concept, updated and approved by Mongolia’s Parliament in 2011, presents the country’s “foreign political strategy” as consisting of principal elements (Lawrence, 2011). First, Mongolia seeks to build “balanced relations and wide-ranging good neighbour cooperation” with both its immediate neighbours. Russia is Mongolia’s largest source of energy products. Mongolia declares that, “While seeking to develop relations and cooperation with global and regional influential states, Mongolia will avoid becoming excessively reliant or dependent on any state”. Second, Mongolia seeks strong relations with “such Western and Eastern states and coalitions as the United States, Japan, the European Union, India, Republic of Korea and Turkey.” The document presents these relationships as being within the framework of Mongolia’s “Third neighbour” policy, under which Mongolia seeks to strengthen ties with democracies that do not share borders with Mongolia, but that support its independence and sovereignty and can help to balance the influence of China and Russia (Lawrence, 2011, p.18).

Over the past 25 years, Mongolia has established a comprehensive strategic partnership with China and Russia. Mongolia is at peace with her neighbours, independent, and on the road to economic

recovery. As compared to other post-communist countries, Mongolia is one of the most successful countries to have made the transformation to democracy and a free-market economic system (Jha, 2016). In Asia, Mongolia seeks to “maintain friendly bilateral relations and cooperation” with Asian neighbours, participate in multilateral cooperation, and support “policies and activities aimed at strengthening strategic stability and security cooperation in East Asia, Northeast Asia, and Central Asia (Lawrence, 2011, p.18).

Participation in regional development and security cooperation is an important objective of Mongolia's diplomatic and security policy. By participating in regional security mechanisms and political and economic integration, Mongolia can enhance its political, economic and security influence and ensure its own position in the Asian region. At this point, integration with Northeast Asia does not appear to be the solution to all the country's many challenges, but Mongolia knows that it cannot escape the geography of the region and so still wants to be an active participant in deciding Northeast Asia's future (Campi, 2005). Mongolia believes that small states can play a positive role in strengthening their own form of economic development and security which, in turn, promotes regional peace and stability (Campi, 2012).

#### **1.4. Public opinions on the Mongolia's “Permanent neutral status”**

It has been two years since Mongolia, the so-called “buffer state” between Russia and China, declared its intention of becoming a permanent neutral state. Mongolia decided on making itself the “Switzerland of Asia”. The Mongolian media has compared the status of Mongolia with Switzerland, while academics, politicians and public are debating the issue extensively.

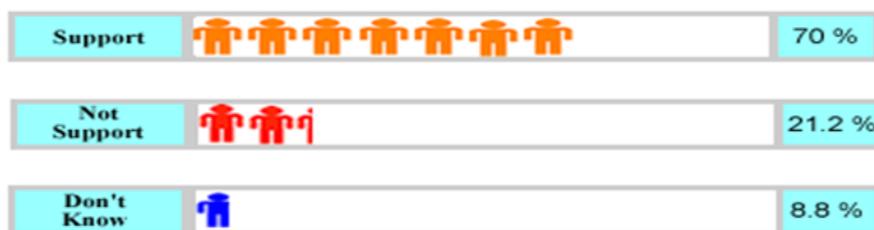
In Mongolian President Elbegdorj's view, Mongolia has essentially been a “de facto” neutral country for several years. This means that they must be prepared to adapt their security doctrines to a changing environment. “We do not know much for certain about the security environment 20 years from now, but we have good reason to believe that it will be a different environment” (Elbegdorj, 2015). A good strategy is therefore a strategy that creates the greatest possible room to manoeuvre, and freedom of action to choose between different alternative policies (Novakovic 2013). President Elbegdorj (2015) emphasizes that “seeking a “permanent neutral” status is not based on a whim, but a choice with multiple considerations”. It is obviously in Mongolia's interest to take a neutral route to balance the great powers and this has become the consensus of all political parties in Mongolia. This policy will not be easily changed by political parties rotating their positions. Regardless of whether other countries recognize the policy, Mongolia has announced the implementation of the neutral policy. As the president has stated (Elbegdorj, 2015), “It is not necessary for a state to seek support from any particular country or international organization to validate its neutrality status quo”. But foreign analysts think Mongolia already claims non-alignment, and its full neutrality could be a permanent factor if guaranteed by international treaty. A crucial step Mongolian neutrality requires is an international recognition and a treaty stipulating this status (Bedeski, 2008; Rinna 2016).

Mongolian Foreign Minister Purevsuren Lundeg claims that Mongolian permanent neutrality will not change the fundamental course of Mongolian security and foreign policy. He emphasized that since the democratic revolution in Mongolia in 1990, over the past 25 years the principle of neutrality has

always been reflected in the foreign policy of Mongolia. Now we have just declared "a permanent neutral status" at the legal level (Purevsuren, 2015, p.35).

Domestic public opinion was mixed, but the overall has supportive attitude. Opposing individuals think that, at present Mongolia is in a peaceful and development oriented environment and its relations with the two neighbouring countries are in the best period. Striving to pursue permanent neutral status is not only unnecessary but may lose more external support and alienate itself from other countries' relationship. China and Russia have no threat to Mongolia, carrying out equitable and balanced foreign policy, Mongolia does not need to implement a neutral policy, which will limit Mongolia's foreign exchanges, and bind Mongolia's diplomatic space and manoeuvre. Although Mongolia wanted to follow the neutral model of Switzerland, it did not possess the economic strength and international influence of Switzerland. At present, the international economic situation is at a low ebb and because of its economic and industrial structure, Mongolia cannot get rid of its economic difficulties in the short term and urgently needs a large amount of foreign investment funds and infrastructure construction assistance. How Mongolia will strike a balance between economic development and maintaining neutrality will be a challenge.

The supportive party argues that while Mongolia is currently in a peaceful and secure environment, it is necessary to prepare for the security of its own. The current international situation is complex and varied, and armed conflicts resulting from territorial disputes continue. Power is often gained through the use of force to resolve territorial disputes, such as during the Russia and Ukraine conflict. For instance, at a critical juncture between Russia and the United States in the battle over Crimea, the United States submitted a request to Mongolia in the hope of firmly supporting the U.S. position on the Crimea issue. Russia, on the other hand, warned Mongolia not to interfere. Helpless people in Mongolia had no choice but to be silent. Mongolia is in central Asia as part of the nations of East Asia together with China and Japan. Russia and Japan have long had territorial disputes, and the Korean Peninsula has not yet signed an armistice agreement, so if there is war between these countries, it would be difficult for Mongolia to remain immune. Neither afraid to stand alone, but even more afraid of being on the wrong team, Mongolian foreign policy reflects a balanced and equitable relationship with neighbouring countries, which in essence, is a neutral policy. Mongolia has the hardware and software conditions for countries to engage in dialogue and negotiations, hoping to expand their international influence by enhancing the soft power and making itself a regional centre like Switzerland. It is in their best interests to have an effective permanent neutral status recognized by other countries. Mongolia is one of the few countries to practice full scale diplomatic relations with both North and South Korea and is conscientious about maintaining a balanced relationship (Campi, 2005; Lawrence, 2011; Tuvshingtugs 2009). While implementing its neutral status, Mongolia will also benefit from the trust of the countries in the world in the future development while promoting its own economic cooperation.



**Figure 01.** Survey on people's reaction of permanent neutral status declaration.<sup>1</sup>

The director of the Mongolian Geo-Political Institute Myagmar said that “from other permanent neutrality experience, such as Switzerland and Turkmenistan, permanent neutral state generally tends to easily become regional and international peace coordination centre. As Mongolia has no geopolitical conflict with other Northeast Asian countries, it can be used as a regional dialogue centre to expand international influence and enhance international status” (Myagmar, 2015, p.37).

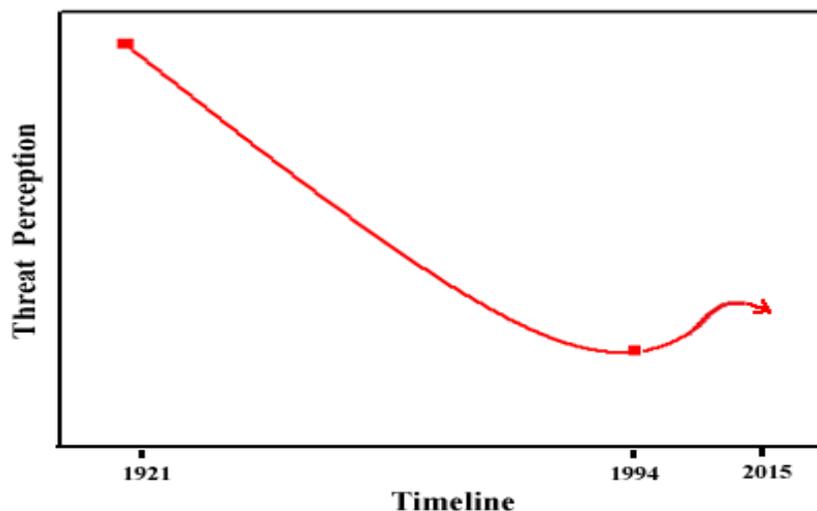
However, the reality shows that Mongolia still has a long way to go before an effective permanent neutral nation can be identified. Some scholars argue that domestic politics is typically an important part of the explanation for states' foreign policies and seeks to understand its influence more precisely. Unity of government and people are prerequisite to pursuing a national security based on neutrality and external non-interference. What specific future acts of Mongolia appear in the future towards the “permanent neutrality” remains to be seen, and its “permanent neutrality” status is internationally recognized. Some experts say that regardless of whether Mongolian “permanent neutrality” status can be achieved, the Mongolian people identify themselves as neutral. Mongolia has a wealth of natural resources, and if she can maintain a stable policy and legal environment, to regain the confidence of foreign investors, to promote infrastructure construction it would be a breakthrough. Of particular importance is Mongolia's ability to balance between China and Russia, as well as the "third neighbour" aspect of Ulaanbaatar's external relations (Rinna, 2016). “We're just trying to keep our ties with them very close. We don't need to just follow any big powers, we're just trying to create our unique identity” said Prof. Luvsandamba Dashnyam of the Mongolian Academy of Sciences.

Analysts believe that in the past 25 years, Mongolia has adopted equidistant and balanced foreign policies and can also be said to be “de facto” neutral. The proposed “permanent neutral” policy this time is essentially a “rebalancing” of the existing foreign policy. Under the current situation of a sudden change in the international situation and the increase in the game of great powers, the “stealthy neutral policy” cannot be implemented and can only be overtly disclosed. The challenge is to become more Swiss. Like Switzerland, Mongolia has a distant imperial past and a keen sense of identity. But its warrior ethos was reduced by loss of independence and adoption of a passive strain of Buddhism. Today, an attempt to revive the nomadic warrior spirit is visible in pageants and sporting events, and the return of the Chinggis Khan icon (Bedeski, 2008).

With the unstable and unpredictable international conditions, the status of a neutral nation can provide a better guarantee in terms of security for national interests of a country. The implementation of a permanent neutral policy for Mongolia will not only foster a good reputation and international approval

<sup>1</sup> The survey was conducted by Mongolian National Television's online website on October 30<sup>th</sup>, 2015, people responded within 24 hours to poll regards declaration of permanent neutrality.

but will also conform to the country's existing national security and economic interests. It is evident from the above scenario that the starting point of socio-economic development of the country will mostly depend on its permanent neutrality policy. This research tries to sort out and elaborate comprehensively the issue of permanent neutrality of Mongolia, through the balancing system which will change the perception affecting Mongolia's external security strategy selection as shown in Figure 02.



**Figure 02.** The relevance between threat perception and the choice of security policy of Mongolia.<sup>2</sup>

The conflicts in some parts of the world have caused major powers to become more interfering recently. Overall, in terms of the current stand-offs of the political factions, the President of Mongolia issued a statement on Mongolia's adherence to neutrality in September 2015. But from 2013 onwards the figure above shows a decline in the trend of the people's appreciation of the government policies. However, so far, neither permanent nor non-permanent neutrality has been established. Although, there is no sign of any strong opposition among the political factions, there is no open support for the proposition in the political arena.

When the relations between Mongolia and the two neighbouring countries are at the friendliest period, the permanent neutral status was declared, with the development of strategic partnership. As a landlocked country, Mongolia occupies a strategic geographical position between the two great superpowers of China and Russia. Mongolia has treaties with both China and Russia, have so far had no political problems and no unresolved issues. If Mongolia continues to uphold its neutral stance and legitimizes its neutral position, it will play a significant role in promoting the development of Mongolia's foreign relations. In this era of globalization and strong interrelationship between countries, it benefits countries not to be involved in armed conflicts or any war.

Compared with other non-neutral countries, these neutral nations will be at a great advantage in the investment environment. Once Mongolia establishes its neutral status, its foreign policy will be to remain neutral. It will be favoured by foreign investors and attract substantial amounts of funds. Many financial institutions will be concentrated in Mongolia, and Mongolia will become an economically comprehensive and reliable partner. For example, during World War II, most countries stored assets in

<sup>2</sup> Data for the graph was retrieved from "The Mongolian Observer" quarterly journal of Ministry of Foreign Affairs Mongolia.

Switzerland, which played a significant role in the country's economic development. Therefore, permanent neutrality has a positive economic side. Mongolia declared its permanent neutral status to the world not only for the purpose of enhancing the stability and credibility of its foreign policy but also for safeguarding the sovereignty of the country and safeguarding the happiness and well-being of its own people. Unpredictable rapid changes in the international politics today, point to the neutral position as the most reliable choice. While implementing its neutral status, Mongolia also benefits from the trust of other nations for their future development while promoting its own economic development. Mongolia may also become a member of the international financial community. As a result, foreign investment will continue to grow and international conferences, forums, fairs, etc. will follow, creating a positive image for Mongolia's continued economic development.

Mongolia, in holding to neutral policy in the context of non-war and no-armed conflicts, refraining from joining military blocs and allies in times of peace and continuing to develop friendly relations and cooperation with neighbouring and other regional countries may provide this guarantee. The implementation of a policy of permanent neutrality will not change the multi-pillar foreign policy and guidelines of Mongolia, which will not only bring about a new and better opportunities in the development of Mongolia but will also provide multiple guarantees for the security of the country.

## **2. Problem Statement**

The reality shows that Mongolia still has a long way to go before an effective permanent neutral status can be identified by international community. Although Mongolia wants to follow the neutral model of Switzerland, it possesses neither the economic strength nor international influence of Switzerland. At present, the international economic situation is at a low ebb and because of its economic and industrial structure, Mongolia cannot overcome its economic difficulties in the short term and urgently needs a large amount of foreign investment funds and infrastructure construction assistance. How Mongolia strikes a balance between economic development and maintaining neutrality will be a challenge.

## **3. Research Questions**

In an attempt to investigate the success of the neutrality and its benefits for Mongolia, this research raises three main questions:

- What are the small states' security and foreign policy options and characteristics?
- What is permanent neutral foreign policy in the 21<sup>st</sup> century? Is neutrality a valuable foreign policy for small states to ensure their sovereignty?
- What is Mongolia's intention in wanting to become a permanent neutral state and how does this impact Mongolian foreign relations?

## **4. Purpose of the Study**

The main purpose of this study is to find out the main effect of permanent neutrality on small states security strategy and foreign relations policy. Firstly, the study tries to illustrate the historical

background and development of permanent neutrality as an effective foreign and security policy for small states. In order to clarify this point it looks at the Switzerland and Turkmenistan practice as successful examples. Another important goal is to analyse the reasons why Mongolia seeks permanent neutral status by examining its existing formal documents and wide range of literature.

## **5. Research Methods**

Firstly, the historical analysis method was used to focus on the historical aspects of neutrality itself in which permanent neutrality's historical developments and ideological changes were reviewed. Secondly, a qualitative analysis method was utilised to clarify and relate the basic conditions of Mongolia to that of Switzerland and Turkmenistan to prove that the permanent neutrality is the essential foreign policy for small states. Finally, the case analysis method was used to study the case of Mongolian permanent neutral status.

## **6. Findings**

Small states' foreign policy choices and outcomes are influenced by the international environment at any given time. Despite the inherent shortcomings of small states, the adoption of appropriate strategies can make up for the limitation of their size and affect world politics. The security and foreign policies adopted by small states reflect their unique domestic and international challenges. With regard to the security of small states, the question to be raised is not how to win the war but how to avoid it. For small states acting as buffers, located between hostile great powers, neutrality may be the only reasonable course of action.

Neutrality is a controversial but often discussed notion of international relations with regard to small sovereign states. The concept of neutrality evolves with time and situation; a definition of permanent neutrality is not out of date but has acquired several new features and qualities in the 21<sup>st</sup> century. Traditionally, the concept of neutrality was more about interstate or intercontinental war, as a state's sovereignty, war, and neutrality have been closely tied ideas. However, in the 21<sup>st</sup> century neutrality has more of a peaceful image, non-threatening, and with a definite national identity that other states would entrust in them. Although new security challenges such as international terrorism, organized crime or epidemics cannot be met by means of a neutral foreign and security policy, permanent neutrality still has repercussions on the other aspects of ensuring independence which is more visible in Mongolian case.

Every Mongolian cares that the country's freedom, independence and sovereignty is insured. As a unique small power in Asia, Mongolia assured its sovereignty by declaring a permanent neutral status to the more integrated and globalized world. Many view that being a neutral state perfectly serves that very interest. According to the Mongolian Foreign Minister, Mongolian permanent neutrality will not change the fundamental course of Mongolian security and foreign policy. Over the past 25 years the principle of neutrality has always been reflected in the foreign policy of Mongolia. Domestically, the permanent neutral policy will not be easily altered by political parties rotating as the government. At the very least, the foreign policy will remain inviolate which is helpful to ensure that Mongolia's external relations

remain stable. A permanent neutral status will permit Mongolia to maintain its sovereignty against political pressures from two giant, hostile neighbours and international conflicts. Not afraid to stand alone, but more afraid of being on the wrong team, Mongolian foreign policy reflects a balanced and equitable relationship with neighbouring countries, which in essence, is a neutral policy.

## 7. Conclusion and Implications

To summarize, the successful model of Switzerland's permanent neutral experience is evidence that neutrality is an effective tool of securing small states' foreign and security policy. Judging from the experience of a permanent neutral nation, the country's status as a nation attracts a lot of foreign capital investment.

Mongolia is an important case study, as a small state locked between China and Russia with a clear foreign policy objective to increase outside interest in its slowly developing economy and political institutions. The issue of permanent neutrality had been hotly debated and discussed during the years when Mongolians fought for restoration of freedom and independence in 1921, and during the tense days of 1992 democratic revolution too. Although Mongolia is now a peaceful state, it is necessary to make every effort to respond to unexpected situations that may occur seeing as how the international situation is volatile and unpredictable. Over the past 25 years, the principle of neutrality that has always been reflected in the foreign policy of Mongolia, can be termed as "de facto" neutral. From analysing Mongolia's neutral policy, the following factors can be concluded.

Firstly, Mongolia has been actively practicing a neutral stance on practical policies since adopting the new democratic constitution. Although we have not formally approved this policy, the process of its development and establishment is only a matter of time.

Secondly, the history of Mongolia's development, its geographic location, and the unique path of development we have chosen are congruent with the spirit and principles of neutralism. A neutral policy can enable a country to maintain equitable and harmonious international relations. Other countries and international organizations will also respect the status quo of such a neutral country.

Thirdly, the state of international affairs and international order change over time. Yet the neutral policies and actions are sustainable over the course of time for the state which upholds neutrality preserves the full power to amend, renew or abandon its neutralist policy.

By declaring permanent neutrality now, Mongolia is trying to create its unique identity to stabilize domestic conditions and ensure its position of sovereignty and safety. Externally, Mongolia intends to boost its activity and involvement in the international arena by being part of integration, globalization and peacekeeping. However, being acknowledged by the international community and maintaining neutrality over the long run will test the wisdom and tenacity of small nations. In order to overcome its geo-strategic predicament, the decision of pursuing "permanent neutrality" is obviously one of the major milestones in the history of Mongolia.

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