

New Zealand Journal of Asian Studies

Volume 21 Number 2
December 2019



ECONOMICS, SECURITY AND MONGOLIA'S INTERESTS TOWARD THE KOREAN PENINSULA

ANTHONY RINNA
Senior Editor with Sino-NK

Abstract

Mongolia's pursuit of a foreign policy orientation balanced between neighboring China and Russia as well as other partners has not denied it the opportunity to pursue a geopolitical orientation toward a specific sub-region of Eurasia. Mongolia's independent and balanced foreign policy has given Ulaanbaatar a chance to orient itself toward Northeast Asia, positioning the Republic of Mongolia to be an active player in both the economic and security realms of this sub-region. In particular Mongolia has been able to execute this aspect of its foreign policy strategy toward the Korean Peninsula. This paper addresses the question of how Mongolia conducts its policy toward the Korean Peninsula in the context of its geopolitical orientation toward the Northeast Asian sub-region as a whole. It argues that the mainstay of Mongolia's policy toward the Korean Peninsula is to pursue economic and security integration involving itself and the two Koreas in a way that transcends national divisions as well as alliance blocs within Northeast Asia in such a way that does not violate its core principle of diplomatic equilibrium between its physical neighbors and other geographically distant states.

Keywords: economics, Korean, Mongolia, regional, security

Introduction

Marginalized in large part from Northeast Asian peace and security, the Republic of Mongolia has nevertheless developed a reputation as a potential peace broker for the two Koreas. Factors such as Mongolia's post-Communist foreign policy of maintaining a diplomatic balance between states, and in particular Ulaanbaatar's efforts to maintain roughly equal relations with the two Koreas in the post-Cold War era have enabled Mongolia's potential role as a contributor to Korean peace and security issues. This paper addresses the question of how Ulaanbaatar's policies toward the Korean Peninsula reflects Mongolia's strategy toward Northeast Asia as a whole. It argues that Mongolia's aim for Northeast Asia is to promote sub-regional integration in the economic and security fields while Mongolia itself maintains relatively balanced relations between the states of Northeast Asia.

Decades after the Cold War, whereas integration has been a growing trend in various parts of Eurasia (across Europe and Southeast Asia, for example) stark divisions between the individual states in the Northeast Asian sub-region remain, and sub-regional integration has been the exception rather than a trend in this part of Eurasia. The reasons for the lack of an established cooperative mechanism in Northeast Asia (be it in the economic or security realms) include historic inter-state animosities

and hangovers from the Cold War-era focus of individual governments in Northeast Asia on national development. Compounding this reality is the continued the great power competition that has been the mainstay of international relations of Northeast Asia (Akaha 2004, 8-9). Indeed, it is important to distinguish Northeast Asia from both other sub-regions of Asia as well as such larger concepts as the “Asia-Pacific”, so as not to conflate the dynamics of the “Asia-Pacific” or even “East Asia” with the unique characteristics of “Northeast Asia” (Choi and Moon 2010, 352). On the security front, the continuation of the hub-and-spokes style of alliances that Northeast Asian states such as Japan and South Korea maintain with the United States, has contributed to the static nature of Northeast Asia’s international relations, although it has not prevented the formation of *ad hoc* arrangements such as the Six Party Talks over the DPRK’s nuclear weapons program (Yeo 9, 2011).

The lack of interstate integration in Northeast Asia however does not signal that Northeast Asia is somehow immutably distinct from other sub-regions of Asia. Even in those parts of Asia that have experienced degrees of trans-national integration, states that have acceded to multi-state institutions have been unwilling to cede any notable measure of their state sovereignty for the sake of pursuing a common regional purpose. Furthermore, economics and security largely remain confined to distinct spheres (Pempel 2010, 230). Nevertheless, in recent years there has been an increased awareness of the connection between economics and security, such as how security concerns have been in part behind the increased willingness of Asian states to pursue the establishment of free trade agreements (FTAs). Yet despite the apparent, gradual erosion of the divisions between economics and security, a reality that the emergence of augmented discussions of potential FTAs underscores, there are two sides to this specific issue. Even as security has spurred dialogues over establishing free-trade agreements, those very same security considerations may in fact undermine the establishment of free-trade arrangements in the first place (Lee 2012, 110). Whereas large states seek FTAs as a way of balancing each other, small states often seek free-trade arrangements with larger, more powerful partners as a means of pursuing security, even if it means that smaller states will be forced to make concessions (Lee 2012, 113).

The lack of institutionalization in Northeast Asia notwithstanding, the economic-security nexus in this particular sub-region has one relatively-understudied example, namely the Republic of Mongolia’s policies toward the Korean Peninsula. Mongolia has, in the post-Cold War era developed a reputation as a potential force for mediation in the Korean security crisis, even as Mongolia’s potential contribution to Korean peace has not been taken up in any significant way by other states. At the very least, prior to the stringent sanctions regime placed on Pyongyang, the Mongolian government did not see the goals of promoting a nuclear-free Korean Peninsula and keeping the DPRK active in regional economic relations as being incompatible (Munkh-Orgil 2005, 5).

Mongolia’s Orientation Toward Northeast Asia

Writing from the vantage point of Northeast Asia as a discernable sub-regional entity, Gilbert Rozman describes “Northeast Asia” of consisting of China, Japan and South Korea at the core (with North Korea eligible for full inclusion once it sheds its isolationist

tendencies). The Russian Federation also maintains some marginal involvement in Northeast Asia, while Mongolia can be said to be on the periphery of the sub-region (Rozman 2004, 3-4). In and of itself, Mongolia could be described as “regionless”, although Northeast Asia (as opposed to Central Asia, for example) is the most natural vector of foreign policy orientation for Ulaanbaatar from a sub-regional perspective. Yet Mongolia’s orientation toward Northeast Asia proper remains somewhat constrained. The Russian Federation has blocked proposed economic projects that could augment Mongolia’s commercial integration with Northeast Asia. At the same time, a very real fear of Chinese economic domination pervades Mongolia’s external economic thinking (Dierkes and Mendee 2018, 95).

Dominated by the oft-competing interests of major powers, the Korean security crisis has nevertheless presented an opportunity for the Republic of Mongolia to punch above its weight in Northeast Asian diplomacy. Mongolia’s involvement in the Korean security crisis does not simply occur in isolation, but forms part of a wider attempt by Ulaanbaatar to raise its profile in international relations at the global level. Particularly from 2013 in light of T. Elbegdorj’s re-election as president, the Republic of Mongolia’s engagement with the Northeast Asia has grown more robust, exemplified by developments such as the creation of the Ulaanbaatar Security Dialogue and plans to establish a “Northern Railway Corridor” with China and Russia (Campi 2014). In terms of Mongolia’s orientation toward Northeast Asia, Paragraph 12, Section c. of the “Concept of Mongolia’s Foreign Policy” states:

“greater attention shall be given to Asia and the Pacific region, in particular to North-East and Central Asia. Mongolia shall take an active part in the process of initiating dialogues and negotiations on the issues of strengthening regional security and creating a collective security mechanism.” (Mongolian Ministry of Foreign Affairs 2011).

The roots of Mongolia’s ambitions to seek a greater role for itself in Northeast Asia go back to 1986. That year Mikhail Gorbachev announced major changes to Soviet policy during a visit to Vladivostok, while then-Soviet foreign minister Eduard Shevardnadze, during a visit to Ulaanbaatar that same year, gave the Mongolian government permission to establish diplomatic relations with the United States (Campi 2005, 46). Immediately following the Cold War, however Ulaanbaatar faced a choice between prioritizing Central Asia or Northeast Asia, and has tended to emphasize the latter. In Mongolia’s view, cooperation with technologically advanced Northeast Asian countries such as Japan and South Korea is essential for Mongolia’s own economic well-being. Yet the fullness of the commercial benefits to be had from Mongolian cooperation with Northeast Asian states cannot be fully realized without integrating the DPRK (Ochirbat 2007, 29), which harks back to Rozman’s previously-quoted position that the DPRK cannot be truly be considered a Northeast Asian state (except in the strictly geographical sense, perhaps) until it opens itself up to greater participation with neighboring states.

In spite of Pempel’s aforementioned assertion of the continued contrast between economic and security considerations in transnational integration, economics undergirds a great deal of Mongolia’s security policy toward Northeast Asia, particularly in light

of Mongolia's "third neighbor" policy. The "third neighbor" concept, inspired by a statement made in 1990 by then-US Secretary of State James Baker III (who told Mongolia's president to consider the United States to be its veritable third neighbor), is based on the premise that the modern Republic of Mongolia should seek partners beyond the confines of geographically proximate China and Russia (Asia Society, 2013). Although the "third neighbor" policy has largely allowed Mongolia to politically balance between China and Russia, it has failed to prevent Chinese domination over the Mongolian economy and Russia's overwhelming consumption of Mongolian gasoline and diesel. Ulaanbaatar has thus sought to expand the "third neighbor" concept to include economic cooperation with a host of states across Eurasia (Campi 2015, 1-2).

Mongolia's reality as a landlocked country on the margins of the Northeast Asia sub-region means that Mongolia is highly dependent on transit trade corridors for access to the Pacific Ocean (Lim, Suthiwartnarueput, Abareshi, Lee, and Duval 2017, 193). This holds true for Mongolia's need to leverage its comparative advantage vis-à-vis the Northeast Asia sub-region – particularly regarding natural resources – which requires access to foreign technology to develop. In order to acquire technological capabilities from abroad necessary to improve its ability to contribute to external economic markets, Mongolia must not only ensure it has a sufficiently developed internal rail network system, but also ensure that it has access to other states via transit routes (Schran 1999, 53).

Today, although Mongolia's post-Communist foreign policy of not aligning with a single major power or bloc was originally conceived to mitigate against Mongolia being dragged into a potential Sino-Russian geopolitical conflagration, Mongolian diplomatic equidistance is also essential to prevent Ulaanbaatar from becoming overtly aligned with another Northeast Asian regional power, including Japan or the ROK. This is due to the fact that, in post-Cold War East Asia, China is emerging as a dominant actor, while countries such as Japan, the ROK and Russia are either accommodating or competing against Beijing (Enkhsaikhan 2006, page 19). A post-Cold War restructuring of the balance of power allowed Mongolia a chance to define its foreign policy based on core national interests – rather than its status as a country entrapped by great power geopolitical rivalry – for the first time in three centuries. Yet given contemporary Mongolia's special emphasis on Northeast Asia in its foreign policy, the lack of a multilateral security mechanism in Northeast Asia allowing for the management of great power tensions remains problematic for Ulaanbaatar (Enkhsaikhan 2018, 412).

Despite its heavy push for involvement in the interstate relationships of Northeast Asia, Ulaanbaatar has no illusions about its status within the community of Northeast Asian states. Thus, it relies in part on the support of countries such as the United States to be involved in sub-regional talks and the formation of a prospective permanent security mechanism (Porter, R. 2009, 56). Furthermore, the vitality of Mongolia's relations with other Northeast Asian states has been based in part upon the largesse of wealthier states. A case-in-point of this reality is Mongolia's relationship with Japan, which became one of the largest post-Cold War donors to Mongolia (Kuzmin, 2008, 115).

Mongolia's ties with the two Koreas

One of Ulaanbaatar's major priorities in its Northeast Asia strategy is enhancing its economic connectivity with the Korean Peninsula. For Ulaanbaatar, involvement in Korean security is crucial for Mongolian economic security as well. By strengthening its relations with the two Koreas – both diplomatically as well as via commercial infrastructure – Mongolia will have an opportunity to mitigate its economic vulnerability toward the PRC and the Russian Federation. The relationship between the independent Mongolian state and the Korean Peninsula began at the onset of the Cold War. Indeed, even during the Cold War, small country diplomacy partially informed Mongolia's policies toward the Korean Peninsula. As with other communist states, the Mongolian People's Republic (MPR) maintained diplomatic relations exclusively with the DPRK, granting no diplomatic recognition to the ROK. Yet one distinguishing feature of Communist Mongolia's establishing of diplomatic ties with Pyongyang was the speed and zest with which it did so. Not only was Mongolia the second country to recognize North Korea (in October 1948), it was one of the few – besides China and the USSR at the time – to establish an embassy with a resident ambassador in Pyongyang. Part of the reason for this may have been what was at the time the MPR's relative diplomatic isolation even within the Communist bloc until 1950 (Szalontai 2016, 48).

Following decades of relatively stable DPRK-MPR ties, Mongolia-North Korea relations experienced a period of flux in the 1990's. The DPRK for example withdrew its embassy from Ulaanbaatar following the latter's diplomatic recognition of the ROK in 1990. Cordial relations between Pyongyang and Ulaanbaatar resumed in 1998, but cooled again the following year when Mongolia declared its support for then-ROK president Kim Dae-jung's "Sunshine Policy" (Lawrence 2011, 25). Today Mongolia maintains relatively sound ties with Pyongyang. Mongolia has provided humanitarian assistance to the DPRK, and has been positioned to serve as a potential diplomatic channel between Pyongyang and Washington. Around the time of the second North Korean nuclear crisis in 2002-2003, Ulaanbaatar began to see itself as a potential mediator between the DPRK and the ROK (Noerper 2003, 31-32). Today Mongolia and North Korea have a friendship and cooperation treaty (Koo 2010, 147), which has nevertheless not prevented Mongolia from criticizing North Korea's nuclear tests and long range missile launches.

To be sure, there is relatively little in the way of value-added to Mongolia's relationship with the DPRK in and of itself. Mongolia has garnered some direct economic benefits from cooperation with the DPRK, such as being able to use the port of Rason and employing North Korean citizens to work in Mongolian industries (Park 2012, 69), although the latter has since been outlawed due to UN sanctions approved in 2017. By maintaining balanced and cordial relations with Pyongyang, Ulaanbaatar receives support from Seoul, Tokyo and Washington in its "third neighbor" policies, a factor crucial for the Republic of Mongolia's foreign policy strategy. Furthermore, Mongolia's fellow democracies have endeavored to isolate the DPRK yet have also encouraged Mongolia to keep its relatively warm ties with Pyongyang intact so as to utilize Ulaanbaatar as a channel of communication with North Korea (Krusekopf 2013).

While DPRK-Mongolia ties have remained stable despite the latter's shift toward democracy and a free market economy, relations between Mongolia and the ROK have grown considerably in their relatively short period of existence (thirty years at the time of writing). Mongolia's first post-Communist president, P. Ochirbat visited Seoul in 1991, while ROK former president Kim Dae-jung traveled to Ulaanbaatar in 1999, at which time the Mongolian and South Korean governments established an annual forum on economic cooperation. In the years between the two presidents' visits, trade between Mongolia and South Korea nearly tripled. Diplomatically, outreach to the ROK helps Ulaanbaatar stay active in Northeast Asian economic cooperation (Narangoa 2009, 376). In 2011, the Mongolia-South Korea relationship was declared to be a "comprehensive cooperative partnership".

As for the economic aspect of Mongolia-ROK ties the Republic of Korea, though dwarfed in terms of economic influence by China and Russia, plays a crucial role in the economic life of the Republic of Mongolia. Over the first twenty years since the establishment of diplomatic relations, the ROK became Mongolia's third largest foreign trade partner and the fourth largest source of FDI (Campi 2012, 1-2), although both the volume of imports and exports, as well as South Korea's share of FDI in Mongolia subsequently declined (Lee, Jae-young 2016, 32-33). In 2018, for example, South Korea was Mongolia's fourth largest trade partner for imports and eighth largest for exports. The annual volume of trade between Mongolia and the ROK however has not been consistent. Over the past decade, trade between Mongolia and the ROK has generally fluctuated between 200 and 400 million per year, with an exception in 2012, when the volume of trade reached nearly 500 million (Amarsanaa 2019). A decline in Mongolia's economic growth as well unfavorable exchange rate conditions have been the leading factors affecting South Korea's economic ties with Mongolia, particularly with regards to trade reaching its peak amount in 2012 before falling again back between the 200-400 million dollar range (Lee and Kwon 2016, 5).

Mongolia's relations with the Koreans as a whole are in part based on a shared historic experience of being two small nations at the edge of Chinese power. Yet the reality of the Korean Peninsula's division means that Ulaanbaatar has to tread carefully in maintaining balanced ties with the North and South. A case-in-point was the question of North Korean refugees hoping to transit through Mongolia on their way to the ROK at the turn of the 21st century. The DPRK government issued protestations against Mongolian officials assisting North Korean refugees. With the ROK engaged in its "Sunshine Policy" with Pyongyang at that time, the Mongolian government took a hands-off approach on assisting North Koreans feeling their homeland. Nevertheless, volunteer groups dedicated to helping DPRK refugees to operate on Mongolian territory (Narangoa 2009, 374-375). In spite of difficulties Mongolia has faced in maintaining relatively equidistant ties with Pyongyang and Seoul, the ROK has generally supported Mongolia's track of soft power diplomacy with the DPRK (Porter, E. 2009, 10).

Mongolia, Korea and sub-regional multilateralism

Ulaanbaatar has, in light of its diplomatic equidistance from Pyongyang and Seoul, seen fit to both actively push for as well as participate in multilateral undertakings involving the Korean Peninsula, in particular promoting security dialogue among those

states most directly involved in the Korean security crisis. At the heart of Mongolia's position in Korean security, in the context of its "third neighbor policy" is the Mongolian employment of a preventive diplomacy strategy. "Preventive diplomacy" does not have a specific, universally agreed-upon definition, although the UN defined it in 1992 as action aimed at dispute prevention as well as limiting the escalation and spread of existing conflicts. Preventive diplomacy particularly entails the use of good offices and mediation, but does not necessarily entail humanitarian assistance, as prescribed in conflict prevention (Zyck and Muggah 2012, 69).

Mongolia's application of preventive diplomacy entails creating a situation in its neighboring regions in which disputes do not arise in the first place. Even though Ulaanbaatar has no outstanding disputes with other states – a situation relatively unique in the Northeast Asian context – preventive diplomacy is crucial for the preservation of Mongolia's sovereignty. As no interstate mechanism for resolving disputes exists in Northeast Asia, any conflict in which Mongolia would be involved poses a risk to Mongolian sovereignty, a fact of which Mongolians are aware through their historic consciousness. Indeed, the lack of bilateral tensions between Mongolia and its immediate neighbors does not mean that Mongolia wouldn't be affected by the outbreak of regional conflict in Northeast Asia (Narangoa 2009, 360).

Nevertheless, given Mongolia's geographic location between China and Russia, the Korean security crisis does not pose a direct threat to Mongolian security. Indeed, while balancing relations between Beijing and Moscow is Ulaanbaatar's primary security imperative, a more positive view of Mongolia's situation as being sandwiched between two great powers is that there is little reason to fear that the outbreak of violence in Korea would directly affect Mongolia. Chinese and Russian territory after all, can buffer Mongolia from potential conflict fallout on the Korean Peninsula. History has proven this, given that Mongolia was the Northeast Asian state that suffered the least during the 1950-1953 Korean War.

Nevertheless, the PRC and the Russian Federation's looming presence on Mongolia's periphery have also affected Ulaanbaatar's interests in pursuing its diplomatic strategy toward Korea. The United States, which has itself grown closer to Mongolia in the post-Cold War era, perceives Mongolia to be a potential source of back-channel diplomacy with Pyongyang as well as setting an example for potential reforms in North Korea (Porter, R. 2009, 60). Mongolia has, for its part increased cooperation with US allies in Northeast Asia, although it has had to tread lightly so as not to upset Beijing and Moscow. During his time as Mongolia's president, Ts. Elbegdorj increased Ulaanbaatar's bilateral relations with Japan, and in light of Mongolia's trend of trilateral cooperation between itself, China and Russia, Ulaanbaatar pushed has for three-way cooperation between Japan, Mongolia and the United States. The officially stated reason for trilateral rapprochement between Tokyo, Ulaanbaatar and Washington however – which Beijing and Moscow could have perceived as threatening – was to utilize Mongolia's diplomatic resources to advance diplomacy over the North Korean security crisis (Campi 2018, 16).

Bolstered by its policy of diplomatic equilibrium, Mongolia has also hoped to participate in the resolution of the crisis over North Korea's WMD program. Part of Ulaanbaatar's value-added in this regard is Mongolia's status as a nuclear weapons-

free zone (NWFZ). Mongolia declared itself to be a nuclear weapons-free zone in the early post-Cold War years, and the UN affirmed this status with General Assembly Resolution 53/77D in 1998, although, as with a great deal of aspects in Ulaanbaatar's foreign policy, Mongolia's ability to declare itself a legitimate NWFZ was contingent upon China and Russia, particularly given their status as legitimate nuclear powers (Enkhsaikhan 2006, 22).

On the security front, Mongolia's most notable contribution is the establishment of the Ulaanbaatar Security Dialogue, launched in 2013. The origins of the Ulaanbaatar Security Dialogue (UBD) are located in the general failure of the Six Party Talks to break the deadlock between the states involved in the former six-way negotiations. The states that had participated in the Six Party Talks, however – China, Japan, North Korea, South Korea, Russia and the United States – were initially skeptical of the Mongolian proposal, fearing that the UBD could somehow interfere with the Six Party Talks should the latter be revived at a later point in time. The Mongolian side responded to such fears by stating that the UBD could serve as the basis of launching a more permanent dialogue mechanism, seeking to overcome the mistrust that has plagued the Six Party Talks. The nature and basis of the UBD is that discussions take place among academic and non-governmental figures under the Chatham House Rules, specifically that while ideas floated during discussions may eventually be made public, the actual source of specific statements can be kept secret. The DPRK, for its part, has participated in the UBD relatively consistently (Enkhsaikhan 2018, 432), although as Mendee Jargalsaikhan maintains, the UBD does not address hard security issues, but focuses on striving to reach mutual understanding on areas more conducive to multilateral cooperation, such as economic collaboration and military transparency (Mendee 2016, 10).

Nevertheless, the reality that Mongolia's geographic entrapment between China and Russia has the potential to deny Mongolia participation in broader economic cooperation in Northeast Asia remains a serious security challenge for Mongolia. Ulaanbaatar's desire to prevent itself from being isolated in a geopolitical vacuum therefore informs a large part of Mongolia's drive to be an active participant in areas outside its immediate periphery (Mashbat 2012, 105-106). Despite the fact that the Republic of Mongolia is geographically remote from the immediate theater of the North Korean security crisis, large-scale negative developments related to the DPRK crisis (such as armed conflict) will inevitably yield geopolitical consequences for Mongolia (Bolor, 2018, 15), particularly given Ulaanbaatar's orientation toward the Northeast Asian sub-region.

In addition to Mongolian promotion of security multilateralism, Ulaanbaatar has also striven to be active in regional economic integration plans that involve the Korean Peninsula. Given Mongolia's heavy economic dependence on China, Ulaanbaatar has long hoped to attract investment from other countries (Bedeski 2005, 35). In particular, the Mongolian government has sought to combine its rich mineral wealth and its geographic position between Central Asia and Northeast Asia to act as a bridge connecting various Asian economies with other markers in western Eurasia (Campi 2018, 6-7). For this, Mongolia's aforementioned strict balance between Pyongyang and Seoul is crucial. Mongolia is keen to utilize the North Korean port of Rajin-Sonbong

so as to break Mongolian dependence on the Chinese port of Tianjin for its exports, even though in order to reach Rajin-Sonbong, Mongolian goods would still have to travel through Chinese or Russian territory (Lawrence 2011, 21). Two potential areas of economic cooperation between Mongolia and the ROK include access to South Korean technology that could be utilized to help Mongolia produce more finished products (as opposed to predominantly raw materials) as well as potentially exporting Mongolian coal to the ROK to help with the latter's steel industry (Otgonsaikhan 2015, 14).

In the hopes of fostering cooperation across the Northeast Asian sub-region, there have been no shortage of proposed economic integration projects that have included Mongolia and the Koreans. One of the most notable examples is the Greater Tumen Initiative. The Greater Tumen Initiative encompasses participation from China, Mongolia, Russia and South Korea. More specifically, the "Greater Tumen Area" includes: Chinese provinces bordering the Korean Peninsula and Mongolia (Heilongjiang, Inner Mongolia, Jilin and Liaoning); Mongolia's three easternmost provinces (Khentii, Dornod and Sükhbaatar); port cities within the ROK including Busan and Ulsan; and the Russian territory of Primorye, which borders the DPRK (Koo, Lee and Yoo 2011, 2). The "Plan for Implementation of Cooperation and Development Planning Outline of the Tumen River Area of China", unveiled in January 2010, is part of the Chinese government's Northeast Area Revitalization Plan, and more specifically the Changjitu Development Plan. One of the key components of the 2010 plan is the creation of an extensive rail infrastructure network that, when accounting for various connections, will ultimately link China, Mongolia, North Korea and Russia (Ju 2011, 147).

The Tumen River Area Development Program (TRADP) has attracted interest from the states with provinces and sub-regions that comprise the Greater Tumen Area, although, in line with the aforementioned reality that each state has approached regional cooperation with narrow national interests, each state has approached the TRADP with different perspectives on how they can potentially benefit. Mongolia has a particular interest in seeing that the TRADP increase Mongolian accessibility to external markets via transit corridors. The ROK, lacking any notable abundance of natural resources, is for its part especially keen to secure mineral wealth from abroad (an interest that Mongolia could, along with Russia, potentially serve). The DPRK, for its part, is primarily interested in seeing that the TRADP serve to mitigate North Korea's economic isolation.

South Korea's attempts to participate in the economic life of Northeast Asia on a wider scale of integration, as exemplified by the "Eurasian Initiative" of the Park Geun-hye administration (2013-2017) and the "New Northern Policy" of the Moon Jae-in presidency (2017-) have potential benefits for Mongolia. The ROK's New Northern Policy, announced at the 2017 Eastern Economic Forum in Vladivostok, Russia, focuses especially on cooperation with the Russian Federation. The success of the New Northern Policy is contingent upon resolving several problems within the Russian Far East's economic state, especially the state of infrastructure in this particular part of Russia (Rinna 2019, 7). Nevertheless, vigorous economic activity in a Russian Far East integrated with Northeast Asia has the potential to benefit Mongolia in ways such as increasing commercial transportation traffic (Dierkes and Mendee 2018, 96).

Geopolitical and security issues frustrating Korea-Mongolia economic cooperation

Mongolia, despite its best efforts, faces hurdles to trade-oriented coaction with the two Koreas stemming from both economic issues within Mongolia as well as traditional military-oriented issues on the Korean Peninsula. On the economic front, numerous logistical snares remain preventing a desired degree of connectivity between the Korean Peninsula and Mongolian territory. Furthermore, tensions between North Korea itself and other states have negatively impacted the prospect for greater economic connectivity between Mongolia and the Koreas.

Politically, negative developments regarding the Korean security crisis have undermined some of the aforementioned regional economic integrations schemes that have emerged. The lack of tangible progress or benefits for the DPRK emerging from the TRADP, for example led Pyongyang to withdraw from the group in 2009 (Koo, Lee and Yoo 2011, 7-8). South Korea, for its part, has faced difficulties in utilizing the GTI for its own benefit. Issues at the beginning of the 2010's such as the sinking of the *ROKS Cheonan* and the shelling of Yeonpyeong Island have frustrated prospects of greater inter-Korean cooperation, thus diminishing the potential for the two Koreas to participate in regional economic programs (Shin 2014, 116).

Efforts to develop Mongolia's rail lines could assist Ulaanbaatar in breaking the Chinese stranglehold on the Mongolian economy by allowing other countries – including South Korea – to transit their products across Mongolia onto Eurasian markets. Furthermore, the use of North Korean ports to connect products exported via maritime routes to the Eurasian landmass could help alleviate congestion at the Russian port of Vladivostok (Campi 2018, 21). Rail routes involving Mongolia that could help loosen the Chinese vise grip on Mongolia's economy include rail lines running from Mongolia through Russia, and then onto the Korean Peninsula with an ultimate maritime connection to Japan, as well as networks connecting Northeast Asia to Europe running through Mongolian territory (Rodionov, Aktamov, Badmatsyrenov and Badaraev 2017, 561). Nevertheless, the issues of rail lines in Mongolia and international cooperation have been fraught. Much of Mongolia's rail infrastructure, outdated as it is, was implemented during the Soviet period, and to this day the Russian Federation maintains heavy involvement in Mongolia's railway system. The OJSC Russian Railways company, for example, maintains a large shareholder stake of JSC Ulaanbaatar Railways (Union Inter Des Chemins Fer, 2018). In addition to a lack of full national sovereignty over its rail infrastructure, Mongolia, otherwise seeking to act as a geographic bridge between China and Russia has also faced complications from facets such as the difference in the Chinese and Russian gauges used for rail lines (Enkhbayar and Roland-Holst 2010, 11-12).

At the same time, the high Chinese demand for Mongolian coal has translated into an essential Chinese domination of the Mongolian coal export market. Ulaanbaatar, however wishes to break this, and in particular hopes to expand its export of coal into a northward direction, both to alleviate both the Chinese grip on Mongolian exports as well as relieve congestion at the Sino-Mongolian border that arises due to the differences in gauge. Integrating Mongolian rail lines with those outside of Mongolia (except for Chinese lines) requires external technical expertise.

In recent years Mongolia has been cooperating with the ROK on this front, with Mongolia exporting increasing amounts of its mineral wealth to South Korea while the ROK in return provides technical goods to Mongolia. Indeed, improvements in the overall rail and logistical interconnectivity of Northeast Asian states is essential for South Korea's strategy as an export-oriented economy (Campi 2014b, 3-4). Mongolia would like to ultimately connect its own rail system to a trans-Korean rail line, so as to serve as part of a transit route for goods being shipped to Europe. For such a development to occur, however would require a significant thaw in inter-Korean relations (Lee and Kwon 2016, 18).

Conclusion

Mongolia's active participation in economic- and security-related multilateralism in Northeast Asia, rather than contradicting Ulaanbaatar's multipolar foreign policy balance, enhances the Republic of Mongolia's post-Cold War foreign policy. By orienting itself strongly toward Northeast Asia, Mongolia allows avails itself access to some of the most powerful economies in Asia. Furthermore, Mongolia's role in the Korean security crisis, modest as it may be, reinforces Mongolia's balanced stance in international affairs by allowing Ulaanbaatar to remain as non-threatening as possible in Korean security.

From a security standpoint, Ulaanbaatar's relative foreign policy equidistance has not translated into a concrete role for Mongolia as an intermediary between the two Koreas. Nevertheless, Mongolian neutrality has gained Ulaanbaatar external support as a modest counterweight to the isolation imposed from without on North Korea. This has in turn led to broad support from major players such as the United States in the Korean security crisis for Mongolia's foreign policy overall. Meanwhile, Mongolian contributions to regional peace such as the Ulaanbaatar Security Dialogue, while not yet having produced any specific results in the quest for advancing peace on the Korean Peninsula, remains an avenue for multilateral discussions when other venues such as the Six Party Talks have failed.

In solidifying economic ties with the two Koreas, Mongolia has a chance to loosen the Chinese and Russian holds on the Mongolian economy. The realities of Mongolia's geography dictate that Ulaanbaatar will never fully be free from Beijing or Moscow's commercial grips. Yet a combination of South Korean investment and North Korea's granting access to the high seas to Mongolia, in addition to the potential for greater infrastructure connectivity between the Korean Peninsula and Mongolia give Ulaanbaatar a small degree of leverage in its external economic relations.

The Republic of Mongolia's economic interests vis-à-vis the Korean Peninsula, much as its security goals, are best served in a multilateral format. Given Ulaanbaatar's desire to break free of Sino-Russian economic domination, the Korean Peninsula's physical remoteness from Mongolia means that cooperation between Mongolia and the Koreas to the fullest possible extent will occur in a multilateral format. Mongolia's insistence that North Korea be included in any sort of sub-regional economic mechanism reinforces Ulaanbaatar's status as an impartial actor in Northeast Asia.

Mongolia's pursuit of multilateralism in Northeast Asia involving the Korean Peninsula faces significant hurdles on both the economic and security fronts. Indeed, the actual realization of a more permanent form of economic or security integration in Northeast Asia is a far-fetched at best. Nevertheless, by pursuing cooperation primarily in the Northeast Asia sub-region, an area where several of the major players in Mongolia's foreign policy priorities – China, Japan, Russia and the US – converge, Ulaanbaatar is able to advance its foreign policy beyond the confines of its immediate geographic neighborhood. This is particularly true of Mongolia's policies toward the Korean Peninsula, where Mongolia's economic interests allow it some maneuverability between China and Russia, while its security policies garners support for Mongolia's macro-level foreign policy.

Bibliography

- Akaha, Tsuneo, 2004. "Non-traditional security cooperation for regionalism in Northeast Asia." *COE-CAS*, Waseda University: 1-17.
- Amarsanaa, Nandintsatral. "2019 년 몽골 경제 6% 대의 성장 지속 전망" [Mongolia's economy is expected to grow by 6% in 2019], *KOTRA News*, April 19, 2019, accessed November 15, 2019, <http://news.kotra.or.kr/user/globalBbs/kotranews/3/globalBbsDataView.do?setIdx=242&dataIdx=173966>.
- Asia Society, 2013. "Mongolia's 'Third Neighbor' Foreign Policy", June 18, 2013, accessed November 13, 2019, <https://asiasociety.org/korea/mongolias-third-neighbor-foreign-policy>.
- Bedeski, Robert E., 2005. "Mongolia in Northeast Asia: Issues of Security Survival and Diplomacy: Mongolia's Place in Asia Today." *Mongolian Journal of International Affairs* 12: 28-39.
- Bolor, Lkhaajav, 2018. "The Significance of Mongolia's Foreign Policy and Security Apparatus on a Global and Regional Scale". Master's Projects and Capstones. 774. University of San Francisco.
- Campi, Alicia, 2012. "Expanding Prospects for ROK-Mongolian Relations-The View from Ulaanbaatar." *Korea Compass* (December 2012): 1-6.
- 2014. "How Expanding Trans-Border Transportation Networks Will Impact South Korean-Mongolian Energy Cooperation: Using the Greater Tumen River Initiative to Realize the Eurasia Initiative". *Korea Economic Institute of America Academic Papers Series* (2014): 1-9.
- 2018. "Mongolia and the Dilemmas of Deepening Eurasian Continent-alism." *Mongolian Journal of International Affairs* 20: 3-25.
- 2014. "Mongolian foreign relations surge indicates new activist agenda for 2014." *Asia-Pacific Bulletin* No. 254, East-West Center.
- 2005. "Mongolia in Northeast Asia-The New Realities." *Mongolian Journal of International Affairs* 12: 46-64.
- 2015. "Mongolia Reassesses Foreign Policy Strategies After 25 Years of Democracy." *Asia-Pacific Bulletin* No. 330, East-West Center.
- Choi, J.K. and Moon, C.I., 2010. "Understanding Northeast Asian regional dynamics: inventory checking and new discourses on power, interest, and identity." *International Relations of the Asia-Pacific*, 10 (2): 343-372.

- Cui, Shunji, 2013. "Beyond history: non-traditional security cooperation and the construction of Northeast Asian International Society." *Journal of Contemporary China* 22, no. 83: 868-886.
- Dierkes, Julian, and Mendee, Jargalsaikhan, 2018. "Mongolia In An Emerging Northeast Asian Region." *Mongolian Journal of International Affairs* 20: 91-100.
- Enkhsaikhan, J., 2006. "Mongolia's Non-nuclear Status-An Important Element of Foreign Policy." *Mongolian Journal of International Affairs* 13: 13-25.
- 2018. "The Role of Small States in Promoting International Security: The Case of Mongolia." *Journal for Peace and Nuclear Disarmament* 1, no. 2: 404-435.
- Koo, Chung Mo, Hyun-Hoon Lee and Donna Yoo, 2011. "Northeast Asian Economic Cooperation: Assessment and Prospects of the Greater Tumen Initiative." *Asia-Pacific Cooperation Academy, Kangwon National University*: 1-33.
- Krusekopf, Charles, 2013. "North Korea and Mongolia: a new partnership for two old friends." *Asia-Pacific Bulletin* No. 240, East-West Center.
- Kuzmin, Yu. V., 2008. "Mongolia's search for a new place in the world: on the problem of the "third neighbor." ["Поиск Монголией нового места в мире: к проблеме «третьего соседа»."] *Irkutsk State University Herald Series: Political Science. Religious Studies. [Известия Иркутского государственного университета. Серия: Политология. Религиоведение]* 1.
- Lawrence, Susan V., 2011. "Mongolia: Issues for Congress." *Congressional Research Service, Library of Congress*.
- Lee, Jae-young, 2017. "Korea-Mongolia Economic Relations : Current Status and Cooperation Measures", *Korea's Economy*, Vol. 31, Korea Economic Institute of America, available http://keia.org/sites/default/files/publications/koreaseconomy_ch5_korea-mongolia_economic_relations.pdf, accessed November 14, 2019
- Lee, Jae-young and Kwon Ga-won, 2016. "The Status and Promotion of Economic Cooperation between Korea and Mongolia [한국과 몽골의 경제 협력 현황과 증진 방안]". *Korea Institute for International Economic Policy Today's World Economy [대외 경제 정책 연구원 오늘의 세계 경제]*, Vol. 16, No. 15: 1-22.
- Lee, Seungjoo, 2012. "The emergence of an economic-security nexus and the diversity of FTA linkage strategies in East Asia." *Korean Journal of Policy Studies*, vol. 27 (1): 109-129.
- Lim, Sang-Won, Kamonchanok Suthiwartnarueput, Ahmad Abareshi, Paul Tae-Woo Lee and Yann Duval, 2017. "Key factors in developing transit trade corridors in Northeast Asia." *Journal of Korea Trade* 21, no. 3: 191-207.
- Mashbat, Otgonbayar Sarlagtay, 2012. "Mongolia's Immediate Security Challenges: Implication to Defense Sector and The Regional Cooperation." National Institute for Defense Studies Joint Research Series No. 7. Chapter 8: 103-116.
- Mongolian Ministry of Foreign Affairs. 2011. "Concept of Mongolia's Foreign Policy", accessed May 5, 2019, http://www.mfa.gov.mn/?page_id=26263&lang=en
- Munkh-Orgil, Ts, 2005. "Regional Integration Processes and Mongolia." *Mongolian Journal of International Affairs* 12: 3-7.
- Narangoa, Li, 2009. "Mongolia and preventive diplomacy: haunted by history and becoming cosmopolitan." *Asian Survey* 49, no. 2: 358-379.
- Noerper, Stephen E., 2003. "Of Horsemen and Hermits: Mongolia, North Korea, and the New Security Architecture in Northeast Asia." *Mongolian Journal of International Affairs* 10: 29-36.

- Ochirbat, P., 2007. "Mongolia's efforts toward peace and stability in North East Asia." *Mongolian Journal of International Affairs* 14: 27-31.
- Otgonsaikhan, N., 2015. "The Current Situation for Mongolian Foreign Trade and Cooperation with Northeast Asian Countries" *ERINA Report* No. 127, December 2015.
- Park, Yong-an, 2012. "Mongolia's Neutral Foreign Policy and the Korea-Mongolia Maritime Cooperation Project [몽골의 중립 외교 정책과 한-몽간 해양부문 협력 과제]." *Marine and Fishery Quarterly* [계간 해양 수산]. Vol. 2 No. 3. Korea Maritime Institute, p. 64-79.
- Pempel, Thomas J., 2010. "Soft balancing, hedging, and institutional Darwinism: The economic-security nexus and East Asian regionalism." *Journal of East Asian Studies* 10, no. 2: 209-238.
- Pocha, Jehangir S., 2005. "Unlikely facilitator." *Bulletin of the Atomic Scientists* 61, no. 6: 18-20.
- Porter, Edgar, 2009. "Mongolia, Northeast Asia and the United States: Seeking the Right Balance." *Ritsumeikan Journal of Asia Pacific Studies* Vol. 26: 3-17.
- Porter, Ron A., 2009. "Realpolitik in Mongolia-US Relations." *Ritsumeikan Journal of Asia Pacific Studies* Vol. 26: 49-63.
- Rinna, Anthony V., 2019 "Moscow's 'turn to the East' and challenges to Russia-South Korea economic collaboration under the New Northern Policy" *The Journal Eurasian Studies*, June 2019.
- Rodionov, Vladimir, Innokentii Aktamov, Timur Badmatsyrenov and Damdin Badaraev, 2017. "Economic security of Mongolia in context of Northeast Asia prospects." In *International Conference on Trends of Technologies and Innovations in Economic and Social Studies 2017*. Atlantis Press.
- Rozman, Gilbert, 2004. "Northeast Asia's Stunted Regionalism: Bilateral Distrust in the Shadow of Globalization." Cambridge University Press.
- Schran, Peter, 1999. "Mongolia's Economic Development in the context of Northeast Asian Economic Cooperation." *Mongolian Journal of International Affairs* 6: 50-63.
- Shin, Yong-seok, 2014. "The Direction and Tasks in Tourism Development in the Tumen River Area [두만강지역의 관광개발 방향과 과제]." *Unification Policy Research* [통일정책연구] 23, no. 2: 115-145.
- Szalontai, Balázs, 2016. "Small-Power Diplomacy in Northeast Asia: Mongolian-North Korean Relations During the Cold War, 1948-1989." *North Korean Review*: 45-63.
- Union Inter Des Chemins Fer. "Russia: Ulaanbaatar Railways to become part of the Russia-Mongolia-China economic corridor", *UIC eNews* No. 585, February 20, 2018, accessed November 16, 2019, https://www.uic.org/com/uic-e-news/585/article/russia-ulaanbaatar-railways-to-become-part-of-the-russia-mongolia-china-7558?page=modal_news
- Yeo, Andrew. "Bilateralism, Multilateralism, and Institutional Change in Northeast Asia's Regional Security Architecture." *EAI Fellows Program Reserach Report* 30 (2011): 1-26.
- Zyck, S.A. and Muggah, R., 2012. Preventive Diplomacy and Conflict Prevention: Obstacles and Opportunities. *Stability: International Journal of Security and Development*, 1 (2012): 68-75.