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Reasons why Mongolia's Policy of Permanent Neutrality was Abandoned Midway: A Realist Perspective

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Abstract **Review Article**

In September 2015, Mongolia officially introduced the policy of permanent neutrality. However, the implementation of this policy was not smooth and in May 2020, the Mongolian government abandoned the policy. There is a lack of in-depth systematic research on reasons for the abandonment, especially research from a theoretical perspective. Based on realist theory about neutrality, two research hypotheses regarding reasons for the abandonment are deduced: First, there was an insufficient balance of power among major powers when the policy was being promoted; Second, if Mongolia became a permanently neutral country, relevant major powers could not obtain balanced benefits. The two hypotheses above have been empirically verified. When examining the reasons for the difficult promotion of the policy, the concepts of "weak imbalance" and "strong imbalance" were introduced, thus enriching the realist perspective on neutrality.

Keywords: Mongolia's diplomacy; neutral policy; permanent neutrality; great power relations; power balance.

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INTRODUCTION

Mongolia is situated entirely between China and Russia. Thus its foreign policy has drawn much attention. At the core of Mongolia's foreign policy is the "multi-pivot" foreign policy strategy proposed in 1994. In 2011, in order to adapt to the new situation and address the problem of over-reliance on its two major neighboring countries, Mongolia proposed the "third neighbor" diplomacy. More notably, Mongolia introduced a policy of permanent neutrality in September 2015. Mongolia has adopted a variety of measures to introduce its permanent neutrality policy. It began with a public and solemn declaration by the country's leaders. At the same time, Mongolia initiated domestic legal proceedings related to the policy of permanent neutrality.

However, Mongolia's efforts to achieve permanent neutrality have not been successful. First, domestic legislation was blocked, and there was controversy among the people,[1] there was a change of political parties in the parliament, and the diplomatic stance leaned more toward Russia, at least ostensibly.[2]Secondly, the international recognition was low. After a period of active promotion, the legislative process on Mongolia's permanent neutrality was not restarted, there was no breakthrough in international recognition, and the actual implementation of the policy was difficult and eventually forced to end in 2020.[3] Thus the research topic of this paper is why Mongolia's policy of permanent neutrality was abandoned midway.

Academic research on Mongolia's foreign policy has mostly focused on its "multi-pivot" diplomacy strategy and "third neighbor" diplomacy. There have been relatively few studies on Mongolia's policy of permanent neutrality. Dr. Odeka's related research focuses on the relationship between Mongolia's policy of permanent neutrality and its "third neighbor" diplomacy, arguing that the policy is in line with the

1 Khurelbaatar S., "The Neutral Strategy and Mongolia's Foreign Security Strategic Choices," *Contemporary Asia-Pacific*, No. 2, 2017, pp. 64-65.
2 Qi Zhiye, Fan Lijun, "Considerations on the Benefits and Prospects of China-Mongolia-Russia Gas Pipeline Cooperation under the Context of the Ukraine Crisis," *Russian East Europe Central Asia Studies*, No. 1, 2023, p. 96.
3 Jang, J., & Kim, K. "Mongolia Becoming a Permanent Neutral Nation? Focusing on the Debate and Challenges of the Permanent Neutral Nation Policy," *The Pacific Review*, Vol. 37, No. 3, 2023, p. 504.

"third neighbor" policy. [4]Dr. Jin Ting focused on examining the historical context of Mongolia's foreign policy in which the policy was generated.[5]Some scholars have also focused on analyzing the reasons behind Mongolia's policy of permanent neutrality, from the perspectives of geopolitics,[6]the effective maintenance of Mongolia's "multi-pivot" diplomatic strategy,[7]and threat perception.[8]However, few scholars have focused on the reasons why Mongolia's permanent neutrality policy was abandoned midway. The related research results either incidentally refer to Mongolia's internal factors or merely make some simple predictions. Only one result was found to discuss in detail the reasons for the policy's failure, which suggested that the Mongolian government had cancelled the policy due to concerns that it would eventually greatly reduce the flexibility of its "multi-pivot" diplomatic strategy.[9]However, the analysis is limited to empirical research and lacks the relevant theoretical framework. The conclusions drawn are also unconvincing because they are based only on the characteristics of the policy itself (such as the flexibility of the multi-pivot diplomatic strategy), rather than from the environment in which the policy is implemented.

1. Core Concepts and Theoretical Framework

From the above literature review, one of the current research problems regarding Mongolia's policy of permanent neutrality is: How to analyze through an appropriate theoretical framework the main research question-What are the reasons for Mongolia's policy of permanent neutrality being abandoned midway? To answer the main research question, an ideal step would be to first answer the following sub-questions: What is permanent neutrality? What are the conditions for a country to implement a policy of (permanent) neutrality? Next, the author will examine the theory of neutrality to answer the above sub-questions. To interpret permanent neutrality, one needs to consider the concept of neutrality.

(1) Neutrality and Permanent Neutrality

"Neutrality has existed ever since conflicts have occurred between countries. Sometimes this position has been described as impartial, non-aligned or balanced."[10]The concept of neutrality is always closely associated with conflict, and neutrality refers to the impartiality of a neutral party towards a conflicting party. This article is about neutrality in international relations, so the neutrality here is related to the neutral actor, referring to a country's neutral policy or strategy. Therefore, neutrality can be defined as "a principle of foreign policy aimed at maintaining the independence and sovereignty of small states by not participating and maintaining justice in conflict"[11]. A country that adopts a neutral policy through certain procedures is called a neutral country.

The nature of neutrality is determined by the nature of the conflict, and generally the types of conflicts are classified by their nature, so it can be inferred that the type of conflict determines the type of neutrality. In terms of extension, "the most obvious types of conflict, at the national level, include international wars and domestic wars, revolutions, coups, terrorist activities, riots, demonstrations, sanctions, etc."[12] To facilitate the discussion, this article categorizes international conflicts as: hot wars (large-scale military conflicts that are ongoing), cold wars (acts of mutual suppression by the main conflicting parties other than direct military confrontation), and potential future wars.

As mentioned above, the nature of the conflict determines the nature of neutrality. Therefore, the various types of conflicts derived from the classification of conflicts based on their nature must determine the type of neutrality.

After discussing "neutrality", permanent neutrality becomes relatively easy to explain. Permanent neutrality is a status in which a country assumes its legal obligation to remain neutral in the event of an armed conflict between two other countries during peacetime. This status requires neutral countries to refrain from accepting any military obligations during peacetime and to avoid taking actions in the event of an armed conflict that could prevent them from fulfilling their neutrality obligations. It is necessary to distinguish between the

4 Oudka, "Research on the National Security Policy of Mongolia in the 21st Century," Doctoral Dissertation of Jilin University, 2016.

5 Dashnyam A., "Research on Mongolia's 'Permanent Neutrality' Status Issue," Doctoral Dissertation of Shanghai International Studies University, 2019.

6 Zhang Kai, "Analysis of Geographical Factors for Mongolia's Permanent Neutral Policy," *Quarterly Journal of Public Diplomacy*, No. 2, 2016, pp. 55-60.

7 Li Chao, "Analysis of Mongolia's Permanent Neutrality Policy Concept," *Northeast Asia Journal*, No. 2, 2018, pp.31-36.

8 Khurelbaatar S., "Neutral Strategy and Mongolia's Foreign Security Strategic Choices," *Contemporary Asia-Pacific*, No. 2, 2017, pp.64-75.

9 Jang, J., & Kim, K., "Mongolia Becoming a Permanent Neutral Nation? Focusing on the Debate and Challenges of the Permanent Neutral Nation Policy," *The Pacific Review*, Vol. 37, No. 3, 2023, p. 504.

10 Michael of Liechtenstein, "The Case for Neutrality," December 21, 2022, https://www.gisreportsonline.com/r/neutrality/.

11 Jean-Marc Rickli, "Neutrality Inside and Outside the EU: A Comparison of the Austrian and Swiss Security Policies after the Cold War," in Robert Steinmetz, Baldur Thorhallsson, and Wivel Anders (eds). *Small States in Europe: Challenges and Opportunities*. Aldershot: Ashgate, 2010, p. 185.

12 Ni Shixiong, *et al., Contemporary Western International Relations Theories*, Shanghai: Fudan University Press, 2001, p. 269.

legal obligation to remain neutral and the policy of neutrality.[13]Although the United States has had a tendency to adopt a neutral policy at some point in its history - especially in the early days of World War I - a consistent commitment to neutrality (permanent neutrality) is often the diplomatic and security posture of small countries.

In general, the formation of a permanently neutral state requires two conditions: first, a sovereign state voluntarily undertakes the obligation of permanent neutrality; Other countries recognize and guarantee that country's status as a permanently neutral country. The meaning of permanent neutrality can also be expressed in this way: "A state that undertakes an international obligation not to join any military alliance and not to engage in any war between other states in the future is called permanent neutrality."14

The concept of permanently neutral countries not joining military alliances is often also associated with non-alignment or military non-alignment. Historically, however, unlike neutrality, non-alignment is not a legal concept but a political one, meaning to adopt a policy aimed at avoiding involvement in the conflicts of the superpowers during the Cold War era. This understanding was established when the Non-Aligned Movement was formally formed at the Belgrade Conference in 1961.[15]

(2) Theoretical Framework

After answering the first sub-question (what is permanent neutrality), we will answer the second sub-question - what are the conditions for a country to adopt (permanent) neutrality policies? The answer to this question leads to the theoretical framework of this article. Since the core concept in this sub-question is "neutrality", the author will attempt to find the answer from the relevant neutrality theory.

Ryszard M. Czarny examined the reasons for neutrality from the perspective of international relations theory, arguing that the "most important goal of neutrality is to ensure political independence while not getting involved in armed conflict."[16]But it does not point out the conditions for a country to implement (permanent) neutrality policies. Realism, on the other hand, reveals to a large extent the objective reasons, or objective conditions, for a country to adopt a neutral policy. According to Waltz's realist theory, in an anarchic state of the international system, every country must always be ready to deal with threats or bear the consequences of its weakness, because any country can resort to force at any time.[17]Therefore, neutrality itself must offer some kind of benefit to the "third countries" in order to effectively ensure that they do not violate the sovereignty, territorial integrity and freedom of neutral countries.[18]According to Morgenthau's realist theory, neutrality is a function of the balance of power, and any imbalance of power resulting from semi-hegemony or hegemonic systems may end neutrality.[19]That is to say, a balance of power among competing forces can prompt small country neutrality, or, more precisely, one of the necessary conditions for small country neutrality is a balance of power among large countries.

In summary, there are two objective conditions for a country to adopt a neutral policy: First, the existence of a balance of power among major powers; Second, neutrality can offer rewards to each "third country". Thus the second sub-question of this article is answered. Based on this, we can discuss the main research question of this article - what are the reasons for Mongolia's policy of permanent neutrality being abandoned midway? -- Put forward two hypotheses: First, the imbalance of power among major countries; Second, if Mongolia were neutral, there would be no obvious common benefit among the "third countries". The validation of these two research hypotheses will be the main content of the following parts of this article.

2. "Reason" 1: The Lack of Balance of Power between Major Countries

As mentioned above, Mongolia's policy of permanent neutrality has been ineffective, mainly in two aspects: First, domestic legislation has not been completed; Second, Mongolia's permanent neutrality has not been recognized by major powers and countries

13 Michael Bothe, "Neutrality, Concept and General Rules," October 1, 2015, https://opil.ouplaw.com/display/10.1093/law:epil/9780199231690/law-9780199231690-e349.

14 Heribert Franz Koeck, "A Permanently Neutral State in the Security Council," *Cornell International Law Journal*, Vol. 6, No. 2, 1973, p. 139.

15 Thomas Greminger and Jean-Marc Rickli, "Neutrality after the Russian Invasion of Ukraine: The Example of Switzerland and Some Lessons for Ukraine," *PRISM*, Vol. 10, No. 3, 2023, p. 29.

16 Ryszard M. Czarny, "Neutrality in the Theory of International Relations," in Ryszard M. Czarny. *Sweden: From Neutrality to International Solidarity*, Cham: Springer International Publishing, 2018, p. 13.

17 K.N. Waltz, "The Emerging Structure of International Politics," *International Security*, Vol. 18, No. 2, 1993, pp. 50-53.

18 "Third countries" (the original text uses the plural form) essentially represent the "demand side" of the existence value of neutral states. They are the countries that accept the role of neutral states and are willing to provide security guarantees or political support for them. This reciprocal relationship makes the neutrality of neutral states not only a self-proclamation but also needs to be embedded in the practical demands of the international power structure.

19 H.J. Morgenthau, "The Resurrection of Neutrality in Europe," *American Political Science Review*, Vol. 23, No. 3, 1939, pp. 473-486.

around the world. As a small country, Mongolia's domestic politics are largely influenced by its foreign relations, and therefore its domestic legislation on permanent neutrality is also largely influenced by the international recognition of its claims for permanent neutrality. Therefore, while the effects of Mongolia's demands for permanent neutrality are closely related to political processes such as the change of political parties in the country, this article's discussion of the reasons for the abandonment of Mongolia's permanent neutrality policy is mainly based on the state of international relations, specifically based on two related research hypotheses derived from the theoretical analysis framework: One of the reasons for the failure of Mongolia's permanent neutrality policy is the imbalance of power among major countries; The second reason is that Mongolia's permanent neutrality does not benefit all the important countries concerned. Of the two reasons, the first one is more decisive. This section mainly validates the first research hypothesis that Mongolia's policy of permanent neutrality was abandoned because of the imbalance of power among major powers. The focus of the validation is on whether there is an imbalance of power among major powers.

Since this section discusses the reasons why Mongolia's policy of permanent neutrality was abandoned midway, there are two aspects involved in discussing the imbalance of power in accordance with realist theory: first, discussing the imbalance of power of major powers on a global scale; The second is to discuss the imbalance of power in terms of the influence of international strategic forces on Mongolia.

(1) The Global Balance of Power Is "Rising in the East and Falling in the West" but Still "High in the West and Low in the East" and Is in a "Weak Imbalance" State

Since the beginning of the 21st century, especially after the outbreak of the 2008 global financial crisis, the global strategic power balance has shown a trend of rising in the east and falling in the West. The trend has persisted to this day. Overall, however, the balance of global strategic power remains unbalanced till now: the trend of "the East rising while the West declines" continues, while the asymmetry favoring the West persists. However, the extent of this imbalance is gradually decreasing, showing a "weak imbalance".

In terms of economic aggregate, from "Western dominance" to "north-south balance". First, a leap in the share of emerging economies. In 2000, emerging markets and developing economies accounted for only 21 % of global GDP. By 2023, they had jumped to 41.5 % and are expected to approach 50 % by 2030. The change was largely driven by Asian countries or regions such as China and India: China's GDP grew from $1.21 trillion (6th in the world) in 2000 to $17.7 trillion (2nd in the world) in 2021, accounting for 74% of the size of the US economy. [20]Secondly, the weight of the Western economy has continued to shrink. The share of GDP of the G7 countries dropped from 65.28 % in 2000 to 43.51 % in 2022, with the United States' share of global GDP falling from 32 % to 24 %.[21]

In terms of the international landscape, from "one superpower and many strong powers" to "multiple power centers". The traditional unipolar structure has loosened, and although the United States still maintains its comprehensive national strength advantage, its relative power has declined significantly. The technological power structure has undergone a transformation. China's share of research and development investment rose from 0.9% in 2000 to 2.5% in 2022, achieving partial leadership in areas such as 5G, quantum computing and artificial intelligence.[22]The US has strengthened its technology blockade through the Chips and Science Act, but the semiconductor industry is still highly dependent on Asian supply chains. Military power has rebalanced. China's military strength has significantly increased, and in some areas it has gained an advantage over the West, with the number of naval vessels surpassing that of the United States.[23]Russia maintains strategic deterrence through the modernization of nuclear weapons and "grey zone" tactics.

(2) The Influence of International Strategic Forces on Mongolia Is Generally Unbalanced and in a "Strongly Unbalanced" State

The influence of international strategic forces (in the case of Mongolia, mainly China, Russia and the "third neighbors" represented by the United States) on Mongolia is also unbalanced in general. The pattern of influence of strategic forces on Mongolia shows a pattern of competition and cooperation. Economic and security duality: China and Russia control the lifeblood of Mongolia's real economy (energy, minerals, infrastructure), while the United States, Japan and

20 Lan Rizhu, Song Yinghao, "The Belt and Road Initiative: An International Cooperation Platform for Global Governance," Shenzhen Social Sciences, Vol. 7, No. 2, 2024, pp. 32-33; Gao Zuigui, "How to Understand the Great Changes Unprecedented in a Century of the World?" *Study Times*, January 21, 2019.

21 Liu Shiqiang, "Trends in World Order Transformation and the Enhancement of Major Powers' Governance Capabilities," *People's Forum*, 2024, Vol. 21, p. 88.

22 Qi Jianguo, "Unprecedented Major Transformations: Understanding and Reflections on the World's Strategic Situation and Our Country's National Security Environment," June 27, 2013, http://www.sdzx.gov.cn/articles/ch02371/202204/66ea0e36-848e-41c3-8bc6-0b9df486d61d.shtml.

23 Chen Mingkun, "The Shift of World Power and the Composite Turn of International Order in the Context of the Century's Great Transformation," *Teaching and Research*, No. 2, 2024, p. 79.

Europe shape "high-level influence" through technical standards, institutional norms and military cooperation. The structure of influence over Mongolia follows a triangular pattern of "China for the economy, Russia for energy, and the United States for security." However, Mongolia's 'Third Neighbor' policy faces structural contradictions: economically, it cannot shed dependence on China; in terms of security, it cannot afford the cost of opposing Russia; and at the value level, it needs to cater to Western democratic agendas.

China has a great influence on Mongolia. Economically, China has the greatest influence over Mongolia. Trade and Investment: China has been Mongolia's largest trading partner and largest source of investment for many consecutive years since 2010. Take Mongolia's foreign trade situation from January to August 2024 as an example. From January to August 2024, the total bilateral trade volume between China and Mongolia reached 12.748 billion U.S. dollars, up 10 % year-on-year, accounting for 70 % of Mongolia's total foreign trade volume during the same period, according to the General Administration of Customs of Mongolia. Among them, Mongolia's imports from China were 2.997 billion U.S. dollars, up 27.1% year-on-year, accounting for 40% of Mongolia's total imports during the same period; Mongolia's exports to China stood at 9.751 billion U.S. dollars, up 5.6% year-on-year, accounting for 91.8% of Mongolia's total exports during the same period.[24]Chinese companies led key infrastructure projects such as the Taban Tolgoi coal mine and the China-Mongolia-Russia Economic Corridor. These projects have deepened Mongolia's reliance on China for logistics and financing. More than 90 % of Mongolia's mineral exports rely on the Chinese market, and its economic cycle is highly synchronized with China's demand.

Russia's influence over Mongolia is also significant, mainly in terms of geopolitics and energy control. Russia supplies 95% of Mongolia's oil products and 35% of its imports, and 20% of its power system is dependent on Russia.[25]The railway fuel that Mongolia uses to transport minerals to China also needs Russia's support. The historical ties between the two countries remain: the military and educational systems established during the Soviet era still exist, and many of Mongolia's elite are educated in the Russian style. The Ulaanbaatar Railway Modernization Agreement signed by Russia and Mongolia continues the traditional cooperation in the transportation sector. Military cooperation between Russia and Mongolia includes joint military exercises (such as the Selenga exercise) and arms supplies.

The United States has been making continuous efforts to expand its influence over Mongolia, leveraging Mongolia's mentality of trying to reduce its reliance on China and Russia. In terms of military and security cooperation, since the signing of the Military Exchange Agreement in 1996, the United States and Mongolia have held the "Khan Exploration" multinational military exercise every year, with NATO countries participating in 70% of it. Mongolia is the only Asian NATO "global partner" involved in peacekeeping missions in Iraq and Afghanistan. The United States has shaped the pro-Western tendencies of Mongolia's political elite through the Peace Corps program (which has sent 3,000 volunteers in total), USAID funding media and non-governmental organizations such as Hearts of Beauty. The United States has strengthened cultural infiltration through the Open Skies Agreement and English education programs such as the English Excellence Initiative.

In terms of the influence of China, Russia and the "third neighbors" on Mongolia, China and Russia have a much greater influence on Mongolia than the "third neighbors", and this influence structure shows a "strong imbalance". It has long been hard to avoid giving the impression that the "third neighbor" policy is a luxury on the condition of acquiescence by China and Russia. What would happen, for example, if either China or Russia, or at worst both, pressured Mongolia to change its policies related to the "third neighbor"? Will Mongolians really be able to resist such pressure? China froze bilateral economic exchanges with Mongolia after the visit of the Buddhist spiritual leader, the Dalai Lama, in December 2016. "Faced with such blatant pressure, the Mongolians soon gave in, and the Mongolian foreign minister reportedly expressed the government's apology."[26]

(3) The Imbalance of Power Is a Fundamental Obstacle to Mongolia's Policy of Permanent Neutrality

The analysis above shows that since the beginning of the 21st century, there has been an imbalance of power among strategic forces on a global scale, with China and Russia are generally at a disadvantage compared to the West led by the United States and, this disadvantage is becoming less and less obvious. In other words, the power of China and Russia

24 "The Bilateral Trade Volume between China and Mongolia Increased by 10% from January to August in 2024," September 27, 2024, http://file.mofcom.gov.cn/article/zwjg/jmxw/yz/202409/20240903538725.shtml.

25 An Zheng, "Deep Dive | Putin to Visit Mongolia, Another Move to Break Through Western Blockade, and Another 'Big Move' at Home Next Month," September 1, 2024, https://export.shobserver.com/baijiahao/html/790756.html.

26 Sergey Radchenko, "As China and Russia Draw Closer, Mongolia Feels the Squeeze," October 11, 2018, https://theasanforum.org/as-china-and-russia-draw-closer-mongolia-feels-the-squeeze/.

is in a quasi-balanced state (though unbalanced, to a very low degree), or a "weak unbalanced" state, relative to the United States and the West. This "weak imbalance" in the global power balance structure is a major reason why Mongolia had advanced its policy of permanent neutrality with great difficulty.

In the global power structure, the combined strength of China and Russia is in a state of 'weak imbalance' relative to Western power. Both opposing sides will strive to expand their own influence and rally small countries to join their camps. In a state of "weak imbalance" of power, the West is more eager to draw and control small countries into their own camp because they are very worried that the imbalance in their favor will soon be broken into balance, or even new imbalances in favor of Russia and China. At the same time, in a state of "weak imbalance" of power, China and Russia are paying more attention to drawing small countries into their camp in order to form a balance of power and even a new imbalance in their favor. In short, in a state of "weak imbalance", small countries tend to become the target of rivalry between opposing strategic forces. In the case of Mongolia, in a state of "weak imbalance" in the global power structure, it has increasingly become the target of fierce competition between the two sides (China and Russia on one side and the "third neighbors" on the other). As a result, Mongolia's pursuit of permanent neutrality is unlikely to be recognized by major powers, especially China and Russia. Neutrality requires recognition from the United Nations and support from neighboring countries, but China and Russia have not publicly endorsed it. Russian scholars have said the policy is "contrary to Russia's strategic interests", while China is concerned that it will affect the advancement of the Belt and Road Initiative.[27]

An important reason why the United Nations recognized Turkmenistan as a permanently neutral country on December 12, 1995 was that the balance of international power was also unbalanced at that time, but it was a "strong imbalance" - a unipolar world dominated by the United States. In the "strong imbalance" of the international power structure in the early 1990s, Mongolia might have had a better chance if it had introduced a policy of permanent neutrality (in pursuit of permanent neutral status).

When it comes to Mongolia, the influence of China, Russia and its "third neighbors" on Mongolia is "strongly unbalanced": the influence of China and Russia on Mongolia is much higher than that of its "third neighbors". In this "strong imbalance", the so-called significant influence of China and Russia over Mongolia, in realistic terms, implies that Mongolia is largely within the sphere of influence of China and Russia and is part of China and Russia's real interests. Therefore, if the "third neighbor" draws Mongolia into its orbit, it constitutes a deprivation of interests for China and Russia, which both countries would perceive as detrimental to their strategic interests. In this "strong imbalance" of influence over Mongolia, if China and Russia recognize Mongolia as a permanently neutral country, it would mean giving up their own vested interests. In particular, when the global balance of power is in a state of "weak imbalance" and China and Russia are on the relatively weaker side, they will pay more attention to keeping Mongolia generally within their sphere of influence. Therefore, in a "strong imbalance" of influence over Mongolia, China and Russia will not recognize Mongolia as a permanently neutral country to facilitate the smooth progress and success of the country's policy of permanent neutrality.

3. "Reasons" 2: If Mongolia Is Granted Permanent Neutral Status, "Third Countries" Cannot Benefit Together

As analyzed in the construction of the theoretical framework, realism holds that in anarchy, small countries are at risk of aggression from large countries at any time, that neutral status is determined by the attitude of large countries. If the major powers recognize the neutral status of a small country in the form of treaties, it is because they believe that the neutrality of the small country will benefit them together, otherwise the treaty will be broken and the neutral status of the small country will be lost. Based on this, we assume that Mongolia's policy of permanent neutrality has been difficult to advance because if Mongolia were permanently neutral, "third countries" (whose meaning is detailed in the "theoretical framework" section) would not be able to benefit together. Below, the author tests this assumption.

(1) How China and Russia would Benefit If Mongolia Were Permanently Neutral

It is generally believed that the strategic value of Switzerland's defense of the Alpine pass has led major European powers such as France, Germany and Italy to tacitly accept its neutrality, because Switzerland's access control capabilities can provide military or economic convenience for "third countries". During the Cold War, Austria served as a "buffer state" (a safe public good) between the United States and the Soviet Union, and its "neutral zone" function was accepted by both camps ("third countries") to reduce the risk of direct confrontation.

Although Mongolia maintains good diplomatic relations with neighboring countries, has no territorial disputes or political problems with them, and possesses the necessary hardware and software conditions for dialogue and negotiation among various countries in

27 Zhong Feiteng, Zhang Shuai, "Regional Competition, Electoral Politics and the Sustainability of 'Belt and Road' Debt: An Analysis of the So-called 'Debt Trap Diplomacy' Theory," February 28, 2020, https://www.thepaper.cn/newsDetail_forward_6206069.

Mongolia,[28] it does not have a strategic value similar to Switzerland's in terms of geography, given the tight encirclement by the two major powers of China and Russia. More importantly, at least so far, China and Russia are not hostile countries but are largely friendly countries, so even if Mongolia were permanently neutral, it would not act as a "buffer state" between the two opposing countries. In other words, the two relatively friendly countries, China and Russia, do not provide Mongolia with the need for a neutral status that serves as a buffer. "Mongolia only pursues a neutral policy in possible conflicts between China and Russia, but due to the lack of sufficient strength and corresponding geographical conditions, it is difficult for us to maintain a credible 'permanent neutrality' policy," as the Mongolian authorities pointed out in 1998 in response to the recommendations of the United States, Britain and France for establishing Mongolia as a permanently neutral country.[29]

Under the Hague Convention, the core of neutrality is the inviolability of the territory of a neutral country. Therefore, belligerents are not allowed to use the territory of a neutral country for any means involving conflict, such as allowing troops to pass through the territory of a neutral country (this also includes the territorial waters and airspace of neutral countries). In addition, belligerents must also provide protection for neutral citizens residing in their territory. As analyzed above, the reality is that China and Russia have much greater influence over Mongolia than its so-called "third neighbors". Therefore, if Mongolia were to obtain permanent neutrality, it would be equivalent to China and Russia giving up to some extent their established geopolitical interests.

Of course, if Mongolia acquires permanent neutral status, the potential path of NATO's eastward creep will be blocked. Mongolia is NATO's only "global partner" in Asia, having participated in the Iraq War and frequently engaged in joint exercises with the US military. If it were granted permanent neutral status, it would limit its substantive military cooperation with NATO (such as banning foreign troops) and prevent NATO forces from getting closer to the heartland of China and Russia.[30]The United States is trying to win Mongolia over through "exporting democratic values" and cooperation on critical minerals. If Mongolia gains permanent neutrality, the boundaries of its cooperation with the West will be framed, which seems to be beneficial to China and Russia as well. However, as mentioned above, in terms of the comparative structure of influence between China and Russia and the "third neighbors" over Mongolia, China and Russia's influence is much greater than that of the "third neighbor". China and Russia are concerned that the neutrality policy will be used as a cover-up for Western infiltration. Therefore, the benefits that could be brought to China and Russia in the case of Mongolia's permanent neutrality are far less than those they would gain in the case of Mongolia not being a permanently neutral country.

(2) The Benefits for the United States and the West If Mongolia Were Permanently Neutral

As mentioned above, permanent neutrality refers to a special legal status in which a country assumes permanent neutrality obligations in its foreign relations under international treaties or international recognition. This status requires that neutral countries refrain from participating in any form of war or military alliance in both peacetime and wartime, and refrain from concluding treaties that are contrary to their neutrality obligations. Therefore, if Mongolia were to become permanently neutral, it would constitute a strategic buffer zone. As a landlocked country between China and Russia, Mongolia's permanent neutrality would substantially limit its participation in military alliances or allow for external military presence. This is indeed a limitation to the infiltration efforts of the US and other Western countries into Mongolia, but given Mongolia's long-standing attempts to weaken the influence of China and Russia, this neutrality is more likely to indirectly weaken China and Russia's traditional influence on Mongolia, making it a "soft fulcrum" in geopolitics for the US, Europe and Japan.

Mongolia is rich in rare earth, uranium and copper resources, and its proven rare earth reserves rank among the highest in the world. The United States and Mongolia have signed a critical minerals supply chain cooperation agreement aimed at reducing reliance on rare earths from China.[31]Europe, especially France, plans to invest in developing uranium mines in Mongolia to make up for its reliance on Russian energy. If Mongolia were granted permanent neutral status, these cooperations could be less affected by geopolitics and the stability of resource supply could be more reliably guaranteed.

28 Yang Tao, Lin Meilian, Wang Jiabo, "Why Mongolia Asks to Be a 'Permanent Neutral Country' and Whether It Will Be Recognized Remains to Be Seen," *Global Times*, October 22, 2015.

29 J. Enkhsaikhan, "Converting a Political Goal to Reality: The First Steps to Materialize Mongolia's Nuclear-Weapon Free Status," *The Mongolian Journal of International Affairs*, Vol. 17, 2012, p. 42.

30 Michael Klecheski, "US-Mongolia Relations: Standing Strong as Third Neighbors," *Asia Pacific Bulletin*, No. 649, 2023, https://www.eastwestcenter.org/sites/default/files/2023-06/APB%20649%20-%20US-Mongolia%20Relations%20-%20Standing%20Strong%20as%20Third%20Neighbors.pdf.

31 China WTO Research Institute, University of International Business and Economics, *WTO Work Updates*, Vol. 66, 2023, p. 10.

Mongolia relies on China for the majority of its exports and Russia for its energy imports. If Mongolia were granted permanent neutral status, it would be easier for the country to further open its market to the United States, Europe and Japan, for example, by deepening trade ties through the Open Skies Agreement and the Economic Partnership Agreement (EPA). The EU has committed to supporting Mongolia's economic diversification and helping it break away from the single-resource export model. If Mongolia gains permanent neutral status, it will be easier for the US and the West to infuse the country with democratic values. The United States has long promoted democracy in Mongolia through the Peace Corps program and educational exchanges to cultivate pro-Western elites. Mongolia's neutral status may make it more receptive to Western institutional models and become a so-called "model of democracy in Asia". The EU will also support Mongolia's judicial reform and modernization of public governance as part of its "global gateway" strategy.

(3) If Mongolia Is Granted Permanent Neutrality, China, Russia and Its "Third Neighbor" Will Not Benefit Together

The analysis in the above two parts shows that since China and Russia have much greater influence over Mongolia than the "third neighbor", if Mongolia were permanently neutral, China and Russia would gain less than they would lose, while the United States and the West would gain more than they would lose. That is to say, if Mongolia were permanently neutral, the benefits for China and Russia would be negative compared to Mongolia's current status as a non-neutral country, and the benefits for the "third neighbor" would be positive. This uneven distribution of benefits is unacceptable to China and Russia. While such an uneven distribution of benefits is pleasing to the West, since their influence over Mongolia is far less than that of China and Russia, unilateral recognition of Mongolia's permanent neutrality by the US led West would not make any practical sense without the recognition of China and Russia.

In conclusion, since if Mongolia were to gain "permanent neutrality"status, China and Russia, along with "third neighbor countries", could not all benefit (China and Russia would have negative gains, while "third neighbor countries" such as the United States would have positive gains), therefore China and Russia will not formally recognize Mongolia as a permanently neutral country. This constitutes another important reason why Mongolia's advancement of its permanent neutrality policy was fraught with difficulties.

CONCLUSION

The permanent neutrality policy in Mongolia started off with great enthusiasm but ended up with difficulty and was eventually abandoned midway. So the main question this article attempts to answer is: What are the reasons for the failure of Mongolia's permanent neutrality policy? To answer this main question, the author first poses and answers a sub-question: What are the conditions for a country to effectively implement a neutral policy? Realism provides the answer to this sub-question: First, the existence of a balance of power among major countries; Second, neutrality can benefit each "third country". Based on this, the author puts forward two research hypotheses for the main question: First, the imbalance of power among major countries; Second, if Mongolia were permanently neutral, there would be no common benefit for "third countries".

Empirical studies show that while the global power balance is "rising in the East and falling in the West", it is still "higher in the West and lower in the East" and is in a "weak imbalance" state. At the same time, the influence of international strategic powers (mainly referring to China, Russia and the "third neighbor") on Mongolia is also generally unbalanced and in a "strong imbalance" state. Under the "weak imbalance" of the global power balance, small countries tend to be the targets of rivalry between opposing strategic powers. In the case of Mongolia, in the "weak imbalance" of the global power structure, it is increasingly the target of fierce competition between the two sides (China and Russia on one side and the "third neighbor" on the other). As a result, Mongolia's pursuit of permanent neutrality is unlikely to be recognized by major powers, especially China and Russia. Contrary to the global power balance structure, the contrast of influence between China, Russia and the "third neighbor" over Mongolia is "strongly unbalanced": China and Russia have much greater influence over Mongolia than the "third neighbor" has. In this state of "strong imbalance", Mongolia is largely within the sphere of influence of China and Russia and is part of China and Russia's vested interests. Therefore, if the "third neighbor" pulls Mongolia over, it constitutes a deprivation of the interests of China and Russia, which is absolutely unacceptable to both countries. In this "strong imbalance" of influence over Mongolia, if China and Russia recognize Mongolia's status as a permanently neutral country, it would mean giving up their own vested interests. Therefore, in a state of "strong imbalance" of influence over Mongolia, China and Russia would not recognize Mongolia as a permanently neutral country, making it difficult for the country's policy of permanent neutrality to succeed.

Empirical studies also validate the second hypothesis about the reasons why Mongolia's permanent neutrality policy was abandoned midway - that if Mongolia were permanently neutral, there would be no common benefits for the "third countries". Since China and Russia have a much greater influence on Mongolia than its "third neighbors", if Mongolia were permanently neutral, China and Russia would gain less than they would lose, while the West would gain more than lose.

That is to say, if Mongolia were permanently neutral, China and Russia would benefit negatively compared to Mongolia's current status as a non-neutral country, while the "third neighbor" would benefit positively. This uneven distribution of benefits is unacceptable to China and Russia, so it is difficult for them to recognize Mongolia as a permanently neutral country. While such an uneven distribution of benefits is pleasing to the West, since their influence over Mongolia is far less than that of China and Russia, unilateral recognition of Mongolia as a permanently neutral country by the West would not make any practical sense without the recognition of China and Russia. This constitutes another important reason why Mongolia's efforts to advance its policy of permanent neutrality had been so difficult that they were abandoned midway. However, this reason is secondary to the imbalance of power among major countries.