

# *Relations between Japan and Mongolia - Towards a Comprehensive Partnership*

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## 1. Affinities between Japan and Mongolia

Although a distance of 10,000 km separates Japan and Mongolia from each other over the Pacific Ocean and the mainland of Northeast Asia, there are many affinities between them.

There once existed a common culture, which covered the vast territories of Mongolia, Eastern Siberia, the Far East, Japan, and Alaska. Indeed, discoveries by scientists in the territory of Mongolia, around Lake Baikal and Kamchatka, and archeological findings in Manchuria and Japan, confirm that the origins of primitive North American and perhaps South American Indian cultures should be sought in Asia.

There are certain similarities between the Japanese and Mongolian languages, which both belong to the Ural- Altaic language group.

- 1) **The agglutinative character:** Altaic is an agglutinative language, in which the particles, suffixes (and case suffixes) are always connected after the etymology of the word.
- 2) **The way of thinking:** In both the Mongolian and Japanese languages, there is one specific characteristic that is absent from non-Altaic languages. That is, the way of thinking first from general and then to concrete, more concrete and the most concrete etc. which might be a psychological advantage linking the people in this language group.
- 3) **Almost the same word order:** Both the Japanese and Mongolian languages can be classified as a "Subject + Object + Verb" order language, whereas English, German, Russian etc. are classified as "Subject + Verb + Object" order languages. An important fact about Japanese and Mongolian word order is that each sentence ends in a verb.
- 4) **Similar sentence-final particles:** In Japanese, there is a group of particles called sentence-final particles. In non-inverted sentences, sentence-final particles are placed at the end of a main clause and indicate the function of the sentence, or express the speaker's emotion or attitude toward the hearer in a conversational situation. There are also many forms of sentence-final particles in the Mongolian language.

## 2. Historical contacts between Mongolia and Japan

Although Japan and Mongolia belong to the ancient East Asian cultural community and have some affinities with each other, contacts between them have been limited, almost always interspersed with long, irregular intervals.

The two invasions of Japan by Mongols that are recorded in the annals of history took place in 1274 and 1281. It is very interesting to note that on both occasions,

the Mongol fleet and forces were destroyed by typhoons. The Japanese regarded this as divine assistance and believed that their victory over the Mongols in this battle should be credited to the "divine wind" (kamikaze), a name which was later used in a slightly different context. After the second failed invasion, there were no particular contacts between the two countries until the first half of the 20th century.

The period between 1900-1945 was very important for Mongolia in terms of its involvement in trilateral relations with Russia and China and the strengthening of its independent status, and international recognition resulted from this. On the other hand, the role of third powers also increased. After the establishment of the new State of Mongolia in 1911, the government of Mongolia was interested in establishing political relations with a third power, in order to expand its freedom for political maneuvering between Russia and China. In particular, Japanese role increased dramatically with the creation in 1932 of Manchukuo, which became the direct neighbor of the Mongolian People's Republic (MPR). Thus, during the first half of the 20th century, a solid foundation of mutual contacts and exchanges between Mongolia and Japan was laid, which helped to create favorable conditions when the two countries finally established diplomatic relations in 1972.

The seizure in January 1935 by Japanese-Manchukuo forces of Halhin-sum, situated in the northeastern part of Mongolia, was considered to be the first evidence of active Japanese military action toward the MPR.

## 3. Relations from 1945 until the beginning of the 21<sup>st</sup> century

From August 1945 until the beginning of the second half of the 20<sup>th</sup> century, relations between Mongolia and Japan were almost entirely severed. In the period from 1950 up to the beginning of 1960, relations recovered, but these were restricted only to the reception of some peace delegates and journalists from Japan.

A letter from Japan's Permanent Mission to the UN in New York on July 28, 1969, played an important role in the development of Japan-Mongolia relations. It was an invitation for Mongolia to the "Japan World Exposition, Osaka-1970". During a visit to Mongolia by volunteer delegations of Japanese Diet members in 1969, a principal agreement was reached that the Japanese side bore an emotional obligation towards the Mongolian people and that the issue of war reparations could be solved within the framework of economic cooperation after the normalization of relations between the two countries. This was a turning point in the move towards the resumption of normal Japan-Mongolia relations. These meetings revealed that the

Japanese side had a strong desire to normalize relations with Mongolia and increase exchanges. The results of the participation of the Mongolian government delegation in "Expo-70" were considered in a meeting of the Politburo of the Central Committee of the Mongolian People's Revolutionary Party (MPRP), which concluded with a resolution that the issue of demands for the payment of war reparations should not be raised again with Japan, but that negotiations take place on the subject of economic cooperation beneficial to Mongolia. It was also proposed that delegations from Japan be invited to Mongolia, and many high level delegations were exchanged.

The establishment of diplomatic relations in 1972 was a milestone for the further active development of relations between political, economic, trade, cultural, scientific, technological, media and information organizations in the two countries.

After the establishment of diplomatic relations between Japan and Mongolia, the main objective of the relationship was to decide on issues related to the development of economic cooperation between the two countries. Although many activities were carried out through initiatives on both sides, it was not an easy task to reach agreement, especially in the early period, due to political and other differences, not to mention some historic issues. However, large-scale economic cooperation between the two countries was initiated in 1977 with grant aid of ¥5 billion (US\$17 million) from the Japanese government for the cashmere and camel wool processing factory "Gobi", given in accordance with the agreement on Japan-Mongolia economic cooperation. Mongolia was finally involved in Japanese Official Development Assistance.

#### **4. Current developments and policies in the Japan-Mongolia relationship**

The high level exchanges mentioned in the previous section resulted in the accelerated development of Japan-Mongolia relations. In particular, the Japanese prime minister, Mr. Kaifu, the first prime minister of a non-Communist industrialized country to visit Mongolia, announced during his 1991 visit a Japanese policy aimed at supporting and helping Mongolia's reform, and the creation of an international mechanism to support Mongolia's democratization.

Since then, Japan has actively supported Mongolia's democratization through bilateral relations and in the international arena.

- 1) Policies for the development of relations between the two countries are aimed at expanding and developing relations and cooperation, in order to build a comprehensive partnership.
- 2) The basic factors in favor of the development of Japan-Mongolia relations are: a) geographical proximity; b) having one religion and common culture; c) the potential for economic complementarities; d) a psychological element predisposing the nations to amiable relations with each other; e) the lack of outstanding political problems/disputes; f) a common interest in developing relations and cooperation with each other; g) the potential for the development of

relations between the two countries not only to correspond to the basic interests of their populations, but also to contribute to the peace and prosperity of Asia and the world.

- 3) The comprehensive partnership covers: mutual understanding and mutually beneficial political, economic and trade relations, as well as cooperation in cultural, educational, scientific and technological developments.

Japan's policies toward Mongolia are based on the following four principles:

- 1) To actively support Mongolia's efforts to reform, democratize and implement a market economy.
- 2) To establish mutually beneficial economic relations between the two countries.
- 3) To actively cooperate for international peace and stability.
- 4) To promote mutual understanding.

Mongolia's basic policy statements on relations with Japan are as follows:

- 1) Mongolia will pursue the goal of expanding and developing relations and cooperation with Japan via a comprehensive partnership (Government Action Program).
- 2) The development of relations and cooperation with Japan, one of Asia's most powerful states, with considerable economic strength and an increasing international role and reputation, will be one of the priorities of Mongolia's multi-faceted foreign policy.
- 3) Mongolia considers Japan to be one of our main partners in Asia and is pursuing the goal of developing sustainable and friendly relations in the long term.
- 4) In order to reach this goal, Mongolia will pay attention to attracting Japanese political and economic interests insofar as the balance of Mongolia's relations with strategic countries are maintained without being contrary to Mongolia's interests.

The economic cooperation and aid extended by Japan to Mongolia has expanded rapidly since 1991, accounting for approximately one-third of Mongolia's total aid from foreign countries and international organizations.

Trade relations, which were established as the first stage of the relationship, were a very important step towards the development of political relations. A protocol on the establishment of trade relations between Japan and Mongolia was signed in 1957. Since that time, trade relations between two countries have developed from year to year. Now, Japan is the third most important import and fourth most important export partner of Mongolia.

By June 2000, 80 Japanese companies with direct investment totaling US\$45.5 million were registered and operating in more than 15 different sectors in Mongolia. These direct investments have involved 47 companies including Sumitomo, Itochu, Kokusai Denshin Denwa, Osaka and Hayashi Cashmere and Dai Nippon Construction, as well as 45 individual citizens from Japan, with the amount of direct investment ranging from US\$3,000 up to US\$8 million.

The steel mill at Darhan was built using a commercial loan from the Export and Import Bank of Japan. In the last few years, Mongolian companies such as "Erdenet", "Erel", "Buyan" and "Mongol Gazar" have received commercial loans of about US\$36 million from Japanese companies such as Itochu and Marubeni, underwritten by the Japanese Ministry of Trade and Industry.

Regular flights between Ulaanbaatar and Osaka are operated by MIAT Mongolian Airlines, as a result of the 1993 agreement on civil air transportation relations. Through an amendment to this agreement, it will be possible for Mongolian Airlines to land in Beijing and Seoul and for Japanese Airlines to fly to Mongolia.

Since the exchange of notes on cultural relations between the two countries in 1974, cultural exchange has been expanding, especially in recent years, both at governmental and private levels. There are now many forms of cooperation between public and private universities and academies, such as the establishment of direct relations and the exchange of students. The movement of people between the two countries is therefore increasing.

Cooperation between NGOs in Japan and Mongolia started in the 1950s and in the last few years they have extended their activities. There are now 54 Japanese NGOs cooperating with Mongolia.

Direct relations and cooperation between provinces, prefectures and cities of both countries are expanding. Currently, there are direct relations between Central Aimag and Tottori Prefecture, Hubs gul Aimag and Saga Prefecture, Hujirt Sum in Ueberhangai Province and Takashima in Nagasaki Prefecture, and Bogd Sum in Bayanhongor Province and Tanto in Hyogo Prefecture.

## 5. Mongolia's development challenges

Mongolia, a country roughly four times the size of Japan, has a population of only 2.38 million, 44 % of whom are under the age of 16. Mongolia is one of the few countries with an almost unspoiled natural environment, in contrast to highly industrialized countries. Daily life and the main livelihood of the Mongols traditionally focused on animal husbandry, which is suitable for a nomadic way of life that depends on natural and climatic conditions.

Whereas, at the beginning of the 20<sup>th</sup> century, the Mongolian economy comprised only the agricultural sector, over the 70 year period up to 1990, it turned into a multi-faceted economy encompassing exploration and processing industries based on agriculture and minerals, and transport, communications, construction, crop production, health, culture and education sectors. Until 1990, the economy of the country was regulated according to centrally planned principles. The reform process based on democratic principles that was initiated in Mongolia in 1990 is making progress.

In addition, with the transition to a market economy, poverty and unemployment problems have emerged as a new phenomenon. Presently, 36.3% of the population is below the poverty line.

Based on the prevailing conditions, it is planned that development in Mongolia will be undertaken under the guidance of the general rules of international global

integration and sustainable development, and on the basis of an infrastructure that provides for the utilization of human, livestock and land resources, along with the preservation of its unique cultural heritage. Priority should be given to the following areas:

- 1) Requirements of globalization, integration, and IT
- 2) Open market competition
- 3) Hi-tech products
- 4) Human resource development
- 5) Economic development
- 6) Sustainable development

Domestic factors affecting the development of Mongolia, such as its relative advantages (a large territory, natural mineral resources, two neighboring countries with enormous market potential and great possibilities for channeling and access to other countries through them, a human resource base that is relatively well-educated) and disadvantages (geographical isolation and landlocked location, extreme climatic conditions, low level of domestic savings, lack of proper economic structure, etc.) should be considered.

At present the country has a solid basis for the development of a modern information and telecommunications infrastructure, especially as it has a young, eager and well-educated generation. However, its educational and scientific capacities are deteriorating, due to a lack of finance. The state allocated Tg 2.4 billion to science in 2001, 0.25% less than the 3% of GDP originally planned. The quality of education has also dropped. The economic crisis, unemployment, poverty, intellectual emptiness and moral degradation have eroded society and outside assistance is required to help Mongolia combat this. Its economic infrastructure is insufficient, boding ill for Mongolia's future development. Moreover, desertification, land degradation and pasture overgrazing are emerging as problems, in addition to the perennial problem of natural catastrophes.

## 6. A suggested framework for furthering the comprehensive partnership between Japan and Mongolia

The assistance Japan currently provides to Mongolia is focused more on solving current problems. The cooperation between the two countries should now take a closer look at tackling future problems, thereby laying the basis for Mongolia's future development. This could include cooperation in: a) the development of Mongolia's information and telecommunications infrastructure; b) the promotion of Mongolia's biotechnology capacity based on its agriculture and livestock industry; c) intellectual support and human resource development, including in particular the conducting of research in priority areas such as traditional technology, biotechnology, new materials and new energy sources; d) environmental protection; and e) infrastructure development.

This framework assumes the continuation of the traditional four priority fields of economic cooperation between Japan and Mongolia, and includes the field of biotechnology, which is an important area with regard to the future development of the country. Two additional

priority fields were also considered: environmental protection and the basic framework for the development of Mongolia's information and telecommunications technology in cooperation with Japan.

The following could be deemed priority fields as regards economic cooperation, though cooperation need not be confined to these areas:

### **I. Building economic infrastructure and upgrading conditions to promote industry**

- 1) Support the building of hydropower stations at the regional level
- 2) Renovate diesel power stations in more than 80 *sums* (districts)
- 3) Gradually develop renewable energy sources for large consumers in *sum* centers
- 4) Supply herder families with solar and wind energy sources
- 5) Introduce new technologies in the power, heating and water supply networks of Ulaanbaatar City

### **II. Intellectual support and human resource development for the transition to a market economy**

- 1) Develop and begin implementing a long-term national program for Mongolia's science and technology development up to the year 2010
- 2) Conduct research in priority areas such as traditional technology, biotechnology, new materials, information technology and new energy sources; support and encourage the application of the results to production
- 3) Carry out exchanges and the training of research workers and scientists in priority sectors of science and technology
- 4) Establish an integrated scientific and technological information network and database; augment research library funds and improve their usage
- 5) Increase the supply of necessary instruments, equipment, chemical reagents and other materials for research institutions

### **III. Revitalizing the agriculture and livestock industry, and laying the foundations for Mongolia's future development through the promotion of biotechnology**

- 1) Support the introduction of a system for protecting livestock from natural disasters and create a disaster relief network. Establish shared inter-*aimag* (province) remote pasture reserves in regions
- 2) Support the improvement of the water supply to pasture in desert and steppe regions by building new wells and rebuilding abandoned ones
- 3) Support the implementation of the "Cashmere" program to increase exports of Mongolian cashmere products and improve their competitiveness in the world market
- 4) Support improvements in the processing of raw materials of animal origin, especially meat, cashmere, and sheep and camel wool, skin and hides for export

### **IV. Support for basic human needs (BHN)**

#### **Education:**

- 1) Open branches of Japanese colleges and universities in Mongolia
- 2) Support the development of informal and distance education in Mongolia
- 3) Increase the number of MA and Ph.D. degree students studying in Japan

#### **Health:**

- 1) Support the improvement of the health service and preventive measures
- 2) Support the implementation of Mongolia's National Healthcare Technology Program
- 3) Support the establishment of diagnostic and therapeutic centers in economic regions
- 4) Support the improvement of the water supply and public utilities in *aimag* centers

#### **V. Environmental Protection:**

- 1) Support the introduction of advanced, ecologically harmless technologies and the development of ecologically friendly products
- 2) Support the establishment of control and research systems for meteorology, the environment, pollution and radiation, and introduce new techniques and technologies
- 3) Support improvements to the environmental information database system
- 4) Intensify research in cooperation with Japan, implement projects regarding desertification in Mongolia, and combat desertification and soil erosion

### **VI. Framework for the development of Mongolia's information and telecommunications technology in cooperation with Japan**

The current state of Mongolia's information and telecommunications infrastructure provides a solid basis for the development of Information and Telecommunications Technology (ITT) in Mongolia, while on the other hand providing a challenge for further development.

The responsibilities of the Mongolian Government in laying the foundations for cooperation with Japan in promoting electronic commerce are as follows:

- 1) Conduct the necessary studies on issues that should be resolved and formulate the necessary measures to enable the full-scale implementation of electronic commerce
- 2) Develop domestic policies to introduce advanced ITT, including electronic commerce based on a common global vision, and a framework for cooperation with ITT advanced countries within international and regional organizations
- 3) Introduce an electronic authentication system to verify the identity of a person with whom data is being exchanged electronically and to verify that the data has not been tampered with. This is necessary to ensure the security of electronic commerce. The authentication system must continue to be studied in its entirety, with government involvement, ensuring that parties to transactions may freely choose the authentication

method that best meets the requirements of the particular transaction format. The government must actively support attempts to establish impartial international standards for a secure electronic authentication system. It is also expected to study the possibility of establishing an electronic authentication system and an electronic notary system based on current public administrative authentication services, including the commercial registration system

- 4) So-called "electronic signatures" should at least be accorded the same legal status as handwritten signatures and seals
- 5) The protection of privacy

## 7. Conclusion

Due to the general nature of the theme and a limited time period, the in-depth consideration of all the theoretical as well as practical aspects of the relationship between Japan and Mongolia was not possible in the framework of this research. In this study, consideration was given to the building of a framework for furthering the comprehensive partnership between Japan and Mongolia based on an analysis of the relations between the two countries. This covered their affinities, historic contacts, current developments and prospects, Mongolia's development challenges and the role of Japan in its development over a period of four years, according to the action program of Mongolia's new government.

In terms of political, security and economic cooperation between Japan and Mongolia, the following three important factors have to be considered:

First, similarities between the nations may reveal important psychological factors, which could lead to amiable relations with each other. Affinities between the Japanese and Mongolian people can be seen in existing common cultural factors such as languages; however, such topics are still not being completely and systematically studied. If the affinities between the Japanese and Mongolian peoples are studied in depth and confirmed, these will not only lay a solid foundation for the further development of relations between the two countries, but also contribute to cooperation in the Asia-Pacific region. During the first stage of such research, affinities of culture and customs should be studied, as well as psychological factors that could lead to amicable relations between the Japanese and Mongolian peoples.

Second, historical relations and lessons must be considered in the context of world history. Although Japan and Mongolia belong to the ancient East Asian cultural community, historical contacts between them until the first half of the 20<sup>th</sup> century have been limited and were sometimes aggressive. Relations between Japan and Mongolia were almost severed in the aftermath of the Second World War, but they recovered over time and developed into a comprehensive partnership. The establishment of diplomatic relations in 1972 was a particular milestone for the further development of relations between the two countries. Both countries have shown an interest in each other over time.

History teaches that a relationship is necessary, but that aggressive relations will achieve nothing but loss on

both sides. Only friendly, sustainable and trusting relationships are beneficial to each other. In particular, Japan's interest in Mongolia is necessary to the long-term development and security of Mongolia. The reasons behind Japan's provision of assistance to Mongolia are varied and include Mongolia's important geopolitical position, located between two major powers: Russia and China; Mongolia's shift since 1990 towards a policy of democratization and transition to a market economy, given that both democratization and the success of Mongolia's economic development are important for the political and economic stability of Northeast Asia; Mongolia's situation as a landlocked country with insufficient economic infrastructure and growing poverty; and Mongolia's firm support of Japan in the United Nations and other international organizations. With regard to the historic lessons, it is necessary to carry out further research to answer various questions. For example: What concrete results of Japanese ODA can be seen in the Mongolian economy and how can its efficiency be improved? What is the reason for the lack of sufficient bilateral trade and how can trade between them be increased? Are there any possibilities for attracting further Japanese FDI to Mongolia?

Third, attention must be given to creating a comprehensive partnership for the sake of Mongolia's future development. Although assistance at present is concentrated more on solving current problems, it is time to take a longer-term view and consider tackling areas that will become issues in the future. Information technology and telecommunications infrastructure needs to be developed, in addition to more basic infrastructure. Biotechnology is also a field with great potential, and Mongolia may take advantage of this in its agriculture and livestock industry. In fact, biotechnology is one of the key areas requiring support, such as intellectual support and human resource development. Finally, the importance of collaborative environmental protection initiatives cannot be overestimated. These elements are all crucial to Mongolia's future development.

As previously mentioned, there are a number of basic factors in favor of the development of Japan-Mongolia relations, including the potential for economic complementarities. That is to say, Japan could be a major consumer of copper, nonferrous metal and animal products, such as meat, cashmere, leather, and carpets, while Mongolia needs Japanese know-how and technology. Similarly, many Japanese people are interested in visiting Mongolia as tourists; Mongolia has great potential as a center for tourism. The fact that both countries have an interest in developing the bilateral relationship and cooperating with each other is a positive sign, and cooperation between the two countries will contribute to strengthening Mongolia's independence and security through creating a balance in its foreign relations. It will also be beneficial in terms of helping Mongolia to become involved in regional political and economic integration (e.g. in ASEAN Regional Forum and APEC). Finally, it should be pointed out that the development of relations between the two countries is not only in the interests of the Japanese and Mongolian peoples, but will also contribute to

the peace and prosperity of Asia and the rest of the world.

Regarding a comprehensive partnership for Mongolia's future development, there are many questions that have yet to be cleared up. For example: What role does Mongolia have in Japanese foreign policy? What role does Japan need to have in Mongolia's security and independence? What is the role of Japan-Mongolia relations in the context of Northeast and East Asian

regional cooperation, as well as the peace and prosperity of Asia and the world? What are the possibilities in the biotechnology sector, IT, human resources development and environmental protection in Mongolia through cooperation between the two countries? What role does the private sector have in the comprehensive partnership? This author has tried to give answers to some of the questions, but they still need further analysis.

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