Deepening Democracy: Mongolia

Tom Ginsburg

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MONGOLIA IN 1997

Deepening Democracy

Tom Ginsburg

Mongolia's dramatic reform process continued its rapid pace during 1997. The Democratic-Social Democratic coalition government advanced its program of economic liberalization, but voters defeated its candidate for president in favor of former communist N. Bagabandi. The new balance of forces reflected the deepening of the constitutional system and the democratic process.

Politics

Preparations for the May presidential election occupied the first part of the year. At its 22nd Congress in February, the Mongolian People's Revolutionary Party (MPRP) elected Bagabandi as chairman and adopted a doctrine of social democracy, continuing its attempt to distance itself from its Leninist origins. Shortly thereafter, a number of senior figures announced their resignation from the party.

The major political development of the year was the victory of Bagabandi, the MPRP candidate, in the presidential election. The former chairman of the State Great Hural (Mongolia's parliament), Bagabandi won easily with 60.8% of the vote over incumbent P. Ochirbat (29.8%), who had been backed by the government coalition, and United Traditional Party candidate J. Gombojav (6.6%). Notably silent after the MPRP victory were foreign donor organizations who had claimed credit for the 1996 parliamentary victory of the Democrats and their allies.

Tom Ginsburg is Lecturer in Law, Kyushu University, Japan, and a doctoral candidate, Jurisprudence and Social Policy Program, University of California, Berkeley. The author would like to thank Shel Severinghaus, Kim Hunter, and B. Oyunbileg for helpful comments, and the staff of The Asia Foundation, Ulaanbaatar, without whose help the article could not have been completed. Thanks also to G. Ganzorig and the Mongolian Group for the Independence of Judges and Lawyers.

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The vote for Bagabandi was interpreted as a protest over the rapid pace of economic reform pursued by Prime Minister Enkhsaikhan’s government. There was certainly dissatisfaction with rising inflation and unemployment, but Ochirbat had held the office for seven years and many also thought that it was time for a change. Mongolians also seem to have a preference for divided government, as there has been only one year since the adoption of the 1992 Constitution that the president and government were from the same political grouping. Expectations that the new president would put the brakes on economic reforms proved largely unfounded. Instead, pragmatism ruled the day. Bagabandi’s chief-of-staff, S. Bayar, announced immediately after the election that there were no more communists in Mongolia, and the president’s subsequent cooperation with the government’s reform program seemed to confirm this assertion.

New MPRP Chairman N. Enkhbayar won the by-election for Bagabandi’s vacated seat in Parliament. This assured that the MPRP retained 25 seats, just enough with its one ally from the United Traditional Party to prevent an override of a presidential veto of legislation and control the quorum for parliamentary meetings.

On the first day of the October session of the State Great Hural, the MPRP tabled a motion to dismiss the government, leading to extensive debates in the Hural and within the government coalition itself. The use of parliamentary procedures to protest government policies, in contrast with its earlier tactic of walking out, was a sign of the MPRP’s adjustment to its position as an opposition party. Ironically, the motion for dismissal may have strengthened the government coalition by forcing it to resolve internal issues of power distribution. President Bagabandi supported the government against the MPRP during the dismissal debates, saying it was too early for a change in government.

In January the State Great Hural passed Mongolia’s first-ever law on non-governmental organizations, laying the legal basis for the continued development of Mongolia’s civil society. Both Sukhaatar and Freedom squares were increasingly the sites for demonstrations by various interest groups, including actions by teachers, private truck drivers, and students. The October protest by students led the prime minister to accede to their demands for lower hostel fees and tuition. Hunger strikes were organized by the Federation of Mongolian Trade Unions, the Social Justice Protection Society, and the Tsogt Association made up of the poor and unemployed.

Too often observers of democracy identify its progress with parties and personalities rather than processes. The election of the MPRP candidate Bagabandi should be interpreted not as a setback for Mongolia’s democracy but as a strengthening of the system of alternation of power on which democracy depends. The 1992 Constitution has produced a system that has allowed
expression of alternative viewpoints, and the institutions of the system are growing stronger.

**Economics**

The Parliament’s April decision to scrap most tariffs on imports and exports provided Mongolia with one of the most liberal trade regimes in the world. The only duties that remain in place are those on tobacco, alcoholic beverages, and a new import tax on cars. There is also an export tax on scrap metal. Tariffs were also eliminated on oil, the most crucial import item, and an excise tax of 20% was put into place instead, amounting to a net reduction of the overall tax burden.

Mongolia had a $35.7 million trade deficit for the first 11 months of 1997, with turnover up slightly from the previous year. The deficit was attributed in part to continued low world prices for cashmere and minerals. Inflation was 15.6% through the first 11 months, as the government’s macroeconomic stabilization program began to bear fruit. Foreign interest in the minerals sector intensified, and Parliament passed a liberal minerals law. Oil and gold production increased, and mining and exploration activity expanded for uranium, zinc, and silver.

The State Great Hural approved the much-awaited law on housing privatization early in the year, permitting 60,000 units of state-owned housing to be transferred to current residents free of charge. The government also announced plans to privatize the national airline MIAT, the Erdenet copper venture, and other major enterprises. The Hural also overhauled the tax system, putting a progressive income tax into place. Overall, government revenues were up from the previous year despite the elimination of tariffs. Unemployment remained high, especially in provincial centers, and the government set new minimum wage levels, which differ from region to region.

Aid remained an important element of the economy, and new projects were announced to improve the telephone and heating systems. The Tokyo donors meeting held in October announced new pledges of $250 million, exceeding expectations and the previous year’s pledges.

**Foreign Affairs**

Relations with Russia and China remained good. Chinese Foreign Minister Qian Qichen visited in August, and former National People’s Congress head Qiao Shi’s visit in April was described by a Chinese embassy official as the “biggest event in Mongolian-Chinese history.” Closer cooperation was announced between Russian and Mongolian frontier guards to prevent rustling and poaching, which have increased dramatically in recent years. Defense Minister D. Dorligjav announced the continuation of defense cooperation with Russia, during a February trip. Minister of Infrastructure Development
G. Nyamdavaa in April signed a protocol extending debt repayments to China.

Mongolia continued efforts to expand relations with the West and Asia. Sister city relations were established between Ulaanbaatar and Taipei, putting pressure on the Republic of China’s Mongolia policy, which still hold Mongolia to be part of the Republic of China. Malaysian Prime Minister Mahatir Mohamad visited in September, bringing new investment by Malaysian businesspersons. Prime Minister Enkhsaikhan visited Japan in February, and there were numerous trips by dignitaries to various Western countries. The only negative diplomatic incident during the year was the detention of the third secretary at the North Korean embassy in Ulaanbaatar for attempting to exchange counterfeit U.S. dollars on the black market.

All in all, Mongolia continued to advance its basic foreign policy pattern since 1990: maintain close and balanced relations with the giant neighbors, improve relations with the West and Asia, and increase integration into the world economy. In this last regard, Mongolia became an official member of the World Trade Organization on January 29.

Society

Mongolian society continued to change rapidly in response to marketization. There have been many winners and losers in the process. Poverty is at its highest level since 1990, and average caloric intake has declined. Unemployment and the high cost of living are causing residents of provincial centers to move to the countryside or to more populous urban areas. At the same time, Ulaanbaatar is being quickly transformed from the sleeping capital of a few years ago. The number of private cars and businesses as well as new construction are rapidly increasing.

There is growing concern over the declining moral climate of Ulaanbaatar. The Ministry of Justice continued an antipornography campaign, and a private television station (supported in part by Christian missionaries) has started an anti-alcohol campaign on its own initiative. A Science Council report claims that every second adult in Mongolia consumes too much alcohol. Another major social issue is domestic violence, which affects a third of Mongolian women, according to a survey by the Center Against Violence. AIDS and sexually transmitted diseases (STDs) are on the rise, and the government is expanding testing efforts. There is also a perception that government corruption is rising as well. The government has continued efforts to come to terms with the Stalinist past, rehabilitating victims of repression during the one-party period. Somewhat impractical ambitions about reintroducing the traditional Mongolian script have been scaled back, but Buddhism continues its revival, despite efforts of Christian missionaries.
Conclusion

Despite economic and social problems associated with the transition, Mongolia’s democracy has emerged as among the most vigorous in the post-communist world. By any definition of the slippery concept of democratic consolidation, Mongolia has achieved it. The possibility of a reversal of the basic institutions of democracy is almost nil, there have been several free and fair elections, and the former Leninist party has adjusted to its position as an opposition party. There have been peaceful handovers of political power in both the Parliament (1996) and Presidency (1997), as well as periods of a national unity government (1990–92). Since 1996 there has been civilian control over the military. Political debate and public protest are alive, and the media is free, if not always independent of government influence. Mongolia’s extraordinary political transformation deserves attention, and emulation, from other countries in the region and beyond.