

Mongolians Before, During, and After Socialism: Analytic Overview and Policy Implications

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Editor's introduction: This contribution assesses Mongolia's potentials for socioeconomic, political, and cultural development as a double-edged sword. On the one hand are the benefits of mineral-derived revenue and robust democratic politics; on the other, are the challenges of wealth disparity, politicization, and short-term social and political accommodations at the expense of long-term sustainability. After an overview analysis of Mongolian state development that draws upon the contributions of this book's contributors, specific thematic findings are described and a range of policy implications considered, including the need for (a) a stronger and more sustainable national development trust fund, (b) electoral campaign and finance reform, (c) selectively reorganizing public and governmental administration of rural areas, (d) increasing the ability of Mongolians to reassess their country's distinctive cultural and historical resources – so they may be more creatively drawn upon in future assertions of national trajectory and identity. In all, the presentation assesses the distinctive features of Mongolia as an emergent “not-at-risk” state amid the challenges and potential threats bequeathed by its recent change and development.

A landlocked territory sandwiched between China and Russia, Mongolia has, since the fall of the Mongol Empire, been largely a tenuous nation. This pattern reemerged in the 20th century during the extended period of Soviet control and repression and the ensuing first years of post-Socialist democracy and market liberalism. Prior to Soviet domination, Mongolia was under the control of the Manchu Qing Dynasty, in part or in whole, from 1691 to 1911. Viewed historically, then, with the partial exception of a brief period from 1911 to the early

1920s, the newly independent Mongolia of the early 1990s was reemerging from three centuries of foreign domination.

During the past two decades, however, Mongolian national wealth has grown from a very modest socialist baseline and is now poised to boom exponentially based on exploitation of extensive Mongolian natural resources, including especially coal, copper, fluorite, gold, iron ore, lead, molybdenum, oil, phosphates, tin, uranium, and wolfram. Some influential projections estimate that annual growth in Mongolian GDP will increase to 23% by 2013. This growth is intensifying a very large increase in Mongolian economic development, infrastructural construction, and urbanization that has already taken place during the last decade.

Post-socialist Mongolia government is a mixed Presidential-Parliamentary system that has become a highly robust and competitive multi-party democracy. Democratic principals quickly developed and remain strong in the Mongolian population notwithstanding growing disaffection with government (irrespective of political party) and distrust of high-level capitalist deal-making. On the Freedom House 2011 global map, Mongolia is a large island of political freedom amid superpowers and other nations of continental Asia north of the Himalayas that are rated as “not free.”

From a pro-free market perspective, Mongolia offers important “lessons learned” of how a state at severe risk, with a history of Soviet purges, has developed a strong, modern democratic government, a soaring rate of economic growth, and modernization of commodities and lifestyle.

From another perspective, however, it could be argued that for much of the past twenty years Mongolia has suffered greatly under capitalist economic “shock-therapy.” The transition to rampant capitalism has eliminated extensive socialist patterns of support, failed to replace or rebuild the previous rural market infrastructure, and fueled the loss and

only recent recovery of the ability to produce and process grains as a food staple. These difficulties have been accompanied by growing wealth disparity and an increased percentage of Mongolians falling into poverty, which with now afflicts more than a third of the population according to Mongolia's own national standard. From this perspective, it is only recently, through the increased exploitation of mineral resources, and in light of the development of a young system of democratic governance, that projections for Mongolian success have become more positive.

As emerged thematically in our project, potentially severe stresses are surfacing through very rapid economic growth projected primarily on the basis of expropriation of Mongolian mineral wealth through mining. The larger question is whether the previous "state at risk" in the wake of Soviet control and oppression is in danger of being replaced by a neo-liberal state of fragility or risk fueled by capitalist exploitation of enormous natural resources. This exploitation has the potential to outstrip national and governmental wherewithal to monitor, manage, and harness economic growth and profit-taking for the national good – as opposed to what contributors identified as ballooning wealth disparities and associated problems of rural livelihood, urbanization, and poverty.

Against this less optimistic scenario is the anticipated bulwark of Mongolian democracy. Democracy is hoped to provide for nationally balanced and sustainable growth and development. Challenges in this regard include acknowledged high levels of nepotism, favoritism, and cronyism, high and increasing levels of wealth disparity, and evidence of growing popular disaffection with government irrespective of party affiliation. In relative and regional terms, it should be noted, these trends are far less than they are in most other countries of central and inner Asia. But in the particular context of Mongolia, the stresses of catapulting internationalization and

economic growth, which impact both pastoral and urban livelihood, have material significance.

At the time of present writing (May, 2012), the former President of Mongolia, Nambaryn Enkhbayar, has been in jail for a month after having been taken from his house by SWAT team members on charges of corruption. Given that his political party had been hoping to make advances or serve as a power-broker following the upcoming June 28 Mongolian parliamentary elections, concerns are reflected in the Western press that the timing and content of the charges are politically motivated. However, Mongolian-language media and YouTube videos suggest alternative interpretations, and there is a significant sense within the country that the charges may ultimately be legitimate – and that international mining companies that are implicated in the corruption may be funding international news media highlights that portray the arrest of the former President in an unflattering light.

Debates abound concerning the extent of government corruption and collusion with mining interests and how these may be presently operating through one or another side of accusation or denial, media representation, legal action, and machinations of opposition versus coalition building among different political parties. In the mix, claims have even been made, and vigorously disputed, about whether current developments imply or evoke the specter of Soviet-era politics – or if this is simply a preposterous and inflammatory claim.

The historical and cultural context of political and economic developments in Mongolia obviously continues to be crucial. Foregrounding this fact, our project in Mongolia has stressed the relation of culture and history to political economy, including its potential as a positive resource. As against less rosy possibilities, it may be noted that the Mongolian nation, including during much of the time of the Mongolian Empire, was surprisingly tolerant in religious and cultural terms.

Mongolians have been primarily Buddhists for the 400-year period prior to the socialist revolution, and many Mongolians still place great store in Buddhist ideals of compassion and the belief that conditions in the future are determined by the morality of one's behavior in the present.

Whether individual Mongolians profess specific belief in Buddhism or not, the society as a whole remains positively predisposed to its associated moral precepts. This is reflected currently in the general tolerance of Christianity as well as shamanism in addition to Buddhism, and a general lack of politicization over religious or potential ethnic cleavages within the country. Historically, these trends have dovetailed with fluid political organization, migratory movement, and strong respect or reverence for the natural environment.

The flexible and largely tolerant organizational structures associated historically with Mongolian pastoral livelihood – and the historic Mongolian state – provide important potential cultural and historical resources that may be drawn upon as Mongolians grapple creatively with present challenges and future potentials. Today, historical and cultural predispositions additionally intertwine with post-socialist desires for economic development, western modernity, travel and experience outside Mongolia, constitutional rather than clerical government, and a growing sense of Mongolian national or nationalist identity.

How these influences will be drawn upon and recombined in Mongolia during the 21st century is a major issue that will have key implications for Mongolian political and economic development. An important finding of the project has been that the process of post-socialist cultural re-assessment is just now beginning to take place – as the heavy impact of Soviet-era propaganda wanes and the national archives and fuller history of Mongolia becomes more accessible and understandable to a wider Mongolian public. The potential here is for simpler and more narrowly nationalistic notions of Mongolian identity to be broadened and deepened in new and richer ways.

Larger implications

Contemporary Mongolia exposes deeper assumptions that inform received notions of state risk or fragility. Proper functions of a developed state are often taken to include national provision of basic levels of education, health care, public services and infrastructure, and protection of fundamental human rights through legal protection and security. While these functions are weakly administered, absent, or even explicitly withheld or contravened in classic “failed states,” they can also be minimized, subverted, outsourced, or dominated by private interests or corporations beholden to non-public interests under conditions of strong neo-liberalism during free market development.

This potential exists in contemporary Mongolia in the context of a small and still significantly rural national population, fledging or weak government departments organized across the vast expanse of the country, and hyper-growth of mineral extraction. In this context, the activities that governmental departments and agencies do pursue are often seen by Mongolians as another kind of rent-seeking or extractive enterprise by the State – as opposed to being actions that support the welfare of the citizenry.

In practical terms, an important question is whether the resource wealth of Mongolia will lead the strength of its national state to develop along the lines of countries such as Norway, Chile, or Australia – or in the path of countries for which resources have become a curse, such as Nigeria, Congo (DRC), Sudan, and now, perhaps, Afghanistan and Iraq.

As a country of Inner Asia, and as a nation with a distinct social and cultural history of dispersed nomadic herders, on the one hand, and Buddhism, on the other, Mongolia may not be constrained by the same patterns that have influenced the path of state development in world areas such as Sub-Saharan Africa, or, on the other hand, Europe and its avatars.

For instance, the balancing act of the small Mongolian population to strongly adopt democracy and open market capitalism relatively free of state control is both special within its region and directly related to its asserted independence from both Russia and China. However distant in history or improbable in the present, the legacy and the implications of the Mongol Empire of Chinggis Khan, which spanned Asia from the gateways of Europe to parts of the Pacific Ocean, remain important for Mongolians. How their country will now develop in national, regional, and global context could reveal much about how we should be rethinking state development, state strength, and state fragility during the 21st century.

Specific themes

A number of robust themes, sometimes unanticipated, emerged during our project as participants from different professional, educational, and national backgrounds listened to and, especially, responded to each other's presentations during discussion. The following five themes emerged as especially salient.

1. Rapid economic development and wealth disparity

The stunning trajectory and future intensification of economic growth in Mongolia is complicated by growing wealth disparity. This occurs both between rural and urban areas and within the capital city as herders from the countryside are displaced to Ulaanbaatar, which now contains more than one-third of the country's population. In rural areas, systematic research as well as anecdotal reports also suggest that disparity of herd size, and of wealth, is growing, along with political nepotism and unequal access to government support and services.

At larger issue is how and to what degree revenue from mining and largely international corporate presence in

Mongolia can and will be used to expand versus restrict or privatize the distribution of government services and access across the population, including both rural and urban areas.

2. Economic capital, human capital, and government

At present, much economic growth in Mongolia comes in the form of foreign capital investment and the private profits and public revenue within the country that accrue from this. How the human capital and capacity of Mongolians can be appropriately supported and increased becomes pivotal if Mongolian economic and social development is to avoid becoming distorted by dependency on resource extraction, including by foreign entities.

At present, many of the new jobs anticipated in mining and related industries outstrip the availability of skilled Mongolian labor, especially in areas of technology and engineering. The potential dominance of foreign workers in Mongolian economic development, including at higher levels of expertise and corporate authority, seems significant.

On the other hand, in part as a legacy of Soviet-style education, Mongolians have a very high rate of literacy – typically assessed at 98% - and a strong commitment to education and educational advancement. They are also strongly multilingual, including increasingly in English, and are commonly reported to have strong mathematical aptitude, as reflected previously in the success of Mongolian students in Soviet-era mathematical and scientific training.

Amid these alternative capacities and challenges, the speed of economic growth poses stresses as well as opportunities for government in providing education, including the establishment of research-based academic orientations and support at Mongolia's two major universities, which continue to include a wide range of learned but relatively undynamic Soviet-era scholars. The potential is for growing numbers of

highly trained or highly trainable Mongolians, including in areas of science and technology; the risk is a burgeoning of foreign influence and a brain drain of qualified Mongolians elsewhere.

Amid the party and personal politics of Mongolia's competitive democratic process, establishing adequate public funds and effective accountable management for professional training and research-oriented institutes is difficult – as is maintaining adequate education for growing ranks of the urban poor. In both rural and urban areas, social problems that include joblessness and alcoholism, especially among men, increase the challenge to government to provide adequate education and job training. These challenges are likely to increase during expanding economic growth in the boom years ahead.

3. Economic growth and ecological / environmental challenge

A large portion of the expansive Mongolian grasslands are in ecologically fragile zones that are subject to increasing pressure from climate warming and reduction of rainfall during key months. Water is a vital and scarce resource that is appropriated or contested in key areas by hydro-hungry mining and mineral extraction and processing. Though the drilling of wells can increase water supply, this depletes aquifers and reduces the water table, fueling the prospects of water crisis in the future. Problems are also posed by land alienation and the ecological degradation of extensive open-pit mining in the context of herder livelihoods that continue to be the prime basis of economic viability as well as cultural value and social organization in rural areas of Mongolia.

In the capital of Ulaanbaatar, severe cold during the winter months combines with centrally-situated Soviet-era coal plants, knotty traffic jams, and common burning of almost any combustible material in ger districts – including

rubber tires in addition to other refuse, wood, and coal – to produce a miasma of urban air pollution. During a significant portion of the year, breathing urban air is plainly dangerous, and visibility can be reduced to a very few yards even on sunny winter days.

Addressing these environmental concerns is a major challenge for Mongolian government and social planning and management services. How the presence and investment of foreign mineral extraction and other corporate firms can be tapped and harnessed to develop and sustain long-term environmental management – and mitigate water shortage, land degradation, air pollution, and the impact of climate change – is a key issue for Mongolian sustainable development during the 21st century.

4. National identity, religion, and the cultural resources of Mongolian history

Mongolia has a rich and influential cultural and political history that includes not only the expansive Mongol Empire but mutually determining and socio-politically supportive relations with Tibet, on the one hand, and Manchurian China, on the other. Mongolian Buddhism has been influential as a cultural and value orientation within and beyond these contexts, as well as within the nation, even though Buddhism was internally contested in addition to being severely disparaged – and its institutions bodily decimated and materially destroyed – during seven decades of Soviet domination. Among other atrocities, tens of thousands of monks, including virtually all of the senior clergy of the nation, were killed during Stalinist purges. Traditions of Mongolian religion and art, now carried on and extended by contemporary figures such as Lama Purevbat, are reemerging with cultural and national as well as religious significance.

Given the destruction of much Mongolian public material and cultural history, and the Soviet re-writing of Mongolian history, many Mongolians are just recently becoming more aware of the richness of their collective past. This past has the potential for providing a strong set of bequeathed cultural resources that Mongolia and Mongolians can draw upon in configuring their personal and national identity in a 21st century post-socialist context.

The full opening up of the Mongolian historical archives – which include vast quantities of both politically sensitive and mundane Soviet-era documents as well as many records of the pre-Soviet Mongolian past – has only recently begun to be politically and socially initiated. A limited number archival “gatekeepers” and a policy of restricted archival access are consistent with a hesitancy to widely expose material that includes or may include politically and personally sensitive information about a wide range of Soviet-era events and individuals, many of whom still hold important positions or are otherwise well known. That large swaths of the historical record have been broadly construed as “classified,” if not state secrets, compounds problems of public access.

As such, the democratic and neo-liberal orientations that have “opened” Mongolian governance and markets have just begun to more deeply engage issues of Mongolian history, culture, art, and their implications for national identity. Increasingly open archival access and sociopolitical as well as scholarly interpretations can facilitate use of alternative dimensions of Mongolian history to help Mongolia imagine, reinvent, and project its national identity in ways that are less dependent on either the heavy-handed Soviet propaganda of the past or the appealing but sometimes unrealistic claims of neo-liberal panacea of economic growth.

5. Culture, politics, and economic growth in Mongolia

As mentioned further above, the challenges—and opportunities—of dynamic socioeconomic and political change in contemporary Mongolia pose new issues for understanding and promoting effective state functioning for the bulk of Mongolians. The question of whether Mongolian government is itself shaping or itself being shaped by capitalist development, including investment in and extraction of Mongolian resources, remains an important and importantly unanswered question.

At larger issue is the intertwined trajectory of Mongolian economy, politics, and culture. Though Mongolian economic development and its political dynamics, have been increasingly considered, the relationship of these to each other and especially to cultural orientations that underpin and guide national proclivities and orientations has seldom been addressed. Within that context, the present project has emphasized the interactive impact, mutual influence, and likely expanding role of cultural orientations in relation to Mongolian economy and politics, as well as the reverse. The significance of this mutual importance was born out in the dynamic exchanges, learning, and fresh perspectives opened up in presentations and especially in discussion and dialogue across diverse points of view during the project.

Positive potentials and policy implications

The several challenges and problems mentioned above concerning contemporary Mongolia should not negate or undermine appreciation of the important advances that Mongolia has made during the past two decades.

During this period, Mongolia has transitioned from a highly controlled and minimally-producing nation under Soviet influence to a dynamic and fully independent state

with a thriving and robust multi-party democracy, a galloping trajectory of economic growth, infrastructural development, a high level of national education, and a strong sense of national pride and identity that, for some, extends back to the Mongol Empire of Chinggis Khan and beyond. This is all the more remarkable for a country of less than 3 million persons landlocked between Russia and China— as historical and continuing 21st century behemoths in the heart of continental Asia. At the same time, it could be argued that Mongolia has largely downplayed or neglected social investment in favor of a neo-liberal market emphasis that has conferred most social advances on those few Mongolians who have become successful capitalists or politicians.

In a positive and constructive spirit, several concrete and practical implications of the “Mongolians After Socialism” project are as follows:

- Develop a strong and broad national sustainable development trust fund

Countries from Norway to Papua New Guinea have used windfall profits from natural resource extraction to provide for longer term public good sustainability beyond immediate political allocations and distributions. The Mongolian government risks going in the other direction. Politicians have been known to promise cash giveaways to all their constituents. Recently, the government gave 538 shares of stock in the mega-mining TT enterprise (Erdenes-Tavan Tolgoi Ltd.) to every Mongolian. Once given, such allocations become entitlements that are politically difficult to eliminate or reduce – and they easily reinforce the self-interest and leverage of the multinational extractive corporations involved.

Though some aspects of mining industry sustainable trust fund development are evident in Mongolia, these

could be made broader, given more resources, and managed with a more publicly transparent and democratically discussed mandate. Beyond funding of immediate national infrastructure projects, investment in human capacity building to reduce wealth inequality, including at the mid- and lower end of the education and employment spectrum, seems important for Mongolia's future.

Garnering substantial external revenue funds for longer sustainable trust fund development may appear politically difficult when the need for immediate spending on behalf of the mass electorate seems great. But campaigning for substantial sustainable trust legislation as an explicit way to vouchsafe the longer and more equitable future of Mongolian growth could itself have potent positive political appeal.

- Electoral campaign finance reform / legislation

Though refinement and reform of the Mongolian electoral process was not an explicit focus of our project, it did address how nepotism and network cronyism among wealthy and influential individuals had a disproportionate effect on those actually elected to office.

Given the large of flow of external wealth into Mongolia, and the problems posed by increasing wealth disparity, clearer limits and restrictions on electoral campaigning and the magnitude of campaign financing and financial donation are highly important for longer-term growth and stability in Mongolia. As above, such initiatives may seem politically difficult to mount in the short term. But, if presented openly and strongly to the Mongolian electorate, these could in fact have major appeal to voters.

- Rural administrative re-organization

Current research suggests that stress on rural nomadic livelihoods fuels increases in rural wealth disparity. Those owning smaller herds are at increased danger of having to give up their animals and become either hired hands in the service of larger herd-owning families, or selling their remaining animals, leaving herding altogether, and becoming poor urban dwellers in Ulaanbaatar or smaller cities or towns.

The current political structure of managing disputes and requests among herders at the local level – including requests to migrate to fresher pastures under conditions of ecological hardship or stress – allows but does not mandate local officials to intervene, including on behalf of families at risk. As such, there is a political vacuum when it comes to maintaining equity and facilitating the sustainability of herders who are at risk but who, with small help and accommodation during a period of particular stress, could maintain their livelihood.

Previous attempts at establishing a larger “common good” approach to rural decision-making to facilitate equity among herders included Soviet collectivization and cooperative schemes, and, before that, Buddhist monasteries and aristocratic leaders. Though each of these systems had its own constraints, complexities, and inefficiencies, selective parts of their better aspects could be drawn upon to provide more robust forms of political organization in rural areas through which the temporary needs of pastoralists with mid- and low-sized animal herds could be more effectively addressed.

- Expanding Mongolian awareness of cultural and historical resources for the 21st century

The vast majority of Mongolians are literate and have access to electronic news and information media. Beyond a basic understanding of Chinggis Khan and the Mongol Empire, however, awareness remains minimal among most Mongolians, including many of those highly educated, concerning the rich cultural resources afforded by Mongolian history, culture, and religion prior to the Socialist era.

This issue goes beyond the general value of having an educated citizenry or moving beyond the constraints and lingering propaganda of the Socialist period. Mongolia now faces major challenges across a broad spectrum of social, economic, political, cultural fronts. As leaders and the citizenry search for novel and uniquely Mongolian ways to address and rise to these challenges, they will benefit greatly from an ability to draw upon a fuller range of Mongolian historical precedents and cultural resources. These can expand Mongolian nationalist identity beyond simple notions of Mongol heritage much less restrictive notions of genetic purity or Khalka chauvinism that, under conditions of growing wealth disparity, flirt with fascist orientations, including among the young in some political orientations.

Mongolian history provides strong evidence of unique forms of political, economic, and social organization that have been effectively suited to Mongolia for centuries, including at the regional and the local as well as the national level. Amid other important secular principles, values historically associated with both Mongolian Buddhism and the nomadic and herder ethos that preceded it can be drawn upon to manage these

levels of organization and keep them in balance with each other and with the natural environment.

Though the past is now gone, its deeper legacy remains an important cultural resource. Mongolia can draw more fully and creatively on a knowledge of its past culture, history, and religion both to increase the sense of pride and well being among citizens and to allow leaders to more deeply and creatively rethink how 21st century challenges can be addressed in effective Mongolian ways. In this sense, Mongolians have the impetus as well as the capacity to productively become “yet more Mongolian” while simultaneously recognizing the key strength of their country as a multi-ethnic and multi-religious nation.