

Emory University  
States at Regional Risk (SARR)  
Inner Asia Component: "Mongolians After Socialism"

Executive Report  
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Introduction

On June 27-29 2011, the States at Regional Risk (SARR) project held its three-day Inner Asia component conference, "Mongolians After Socialism: Economic Aspiration, Political Development, and Cultural Identity."

The conference was co-organized with the Open Society Forum of Mongolia (OSF) and with Dr. Richard Taupier of the University of Massachusetts, Amherst. Primary funding was provided by the Carnegie Corporation of New York. Additional support was provided by the Rubin Foundation of New York. We also thank the U.S. Embassy for hosting a reception on the first night of the conference, which brought various and diverse conference participants together, and for providing helpful input and observations when the idea was first discussed during a planning trip to Ulaanbaatar early in the process – though the U.S. Embassy is not responsible in any way for the conference format, discussion or conclusions. The conference itself was held in the OSF conference facility in the Mongolian capital, Ulaanbaatar, and involved speakers and discussants from several countries representing a variety of institutional affiliations.

The 34 invited conference participants included the Mongolian National Security Advisor, the head of the Mongolian Planning Commission, a senior advisor to the Mongolian President, a member of the Mongolian Parliament, the US Ambassador to Mongolia, the Presidents of two leading Mongolian universities, the head Buddhist Lama of Mongolia, five further Buddhist and Christian leaders, four leading figures of Mongolian civil society organizations, five major Mongolian academics, and nine international scholars of Mongolia. Participants came from eight countries and included spokespersons concerning Mongolians in regional contexts outside Mongolia per se.

We were particularly pleased that every one of the above persons not only attended the conference as a presenter or session chair but stayed for one or more of the conference's discussion sessions, during which presentations were subject to lively commentary and debate from diverse viewpoints. Expert simultaneous translation reciprocating between English and Mongolian throughout the entire conference facilitated robust conversation and equalized discussion among participants from different professional, cultural, and linguistic backgrounds. Energetic engagement, critical discussion, and significant broadening of perspective across business/economic, governmental, civil society, academic, and religious points of view was palpable for participants, and was, at times, frankly breathtaking.

In facilitating conversation, expanded dialogue, and practical understanding across important networks of policy makers, civil society leaders, and scholars, the conference was a striking success as well as being highly distinctive in the regional context of Inner Asia.

### Background

As a landlocked territory sandwiched between China and Russia, Mongolia has, since the fall of the Mongol Empire, been largely a nation at risk, including during its extended period of Soviet domination and repression during the bulk of the 20<sup>th</sup> century and its ensuing period of fledgling ex-Socialist democracy and opening of markets during the 1990s. 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 -- a nation with the lowest population density in the world squeezed between large and repressive Asian superpowers, and subject to violent purges amid seven decades of Soviet domination – has since been able to develop a strong, modern democratic government, a soaring rate of economic growth, and modernization of commodities and lifestyle.

Alternatively, however, it could be argued that for much of the past twenty years Mongolia suffered greatly under capitalist economic “shock-therapy,” which 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, with now afflicts more than a third of the population according to Mongolia’s own national standard. From this perspective, it is only now, 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 conference, 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 conference participants 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 for Mongolians. 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 the particular context of Mongolia, the stresses of catapulting internationalization and economic growth, which impact both pastoral and urban livelihood, could have special significance.

The cultural context of these developments is distinctive and influential – and the relation of cultural and religious influences to economic and political ones was a distinctive and important dimension of the conference. Historically, 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 value in the Buddhist ideals of compassion and the belief that conditions in the future are largely determined by one's moral behavior. Thus, whether Mongolians profess specific belief in Buddhism or not, the society as a whole has a strong underlying system of moral principles. This has both facilitated and drawn upon a legacy of tolerance, including of Christianity, shamanism, and other orientations. Historically, this has dovetailed with flexibility of political organization, migratory movement, and strong respect if not reverence for the natural environment. Today, such proclivities are crosscut by post-socialist desires for economic development, western modernity, travel and experience outside Mongolia, constitutional rather than clerical government, and growing senses of Mongolian national or nationalist identity.

How these influences will be drawn upon and recombined in Mongolia during the 21<sup>st</sup> century is a major issue that will have key implications for Mongolian political and economic development. An important finding of the conference was 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 in 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. Whereas 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 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 exemplars. 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 Genghis 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 21<sup>st</sup> century.

#### Specific conference themes

A number of robust themes, sometimes unanticipated, emerged at the conference as participants from different professional, educational, and national backgrounds listened to and, especially, responded to each other's presentations during discussion.

- **Rapid economic development and wealth disparity**

As reflected in the discussion following the presentation of the Head of the National Development Committee of Mongolia, 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.

- **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 are 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.

- **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 21<sup>st</sup> century.

- **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 pan-Asian 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 art, now carried on and extended by contemporary figures such as Lama Purevbat, are reemerging with strong 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 21<sup>st</sup> century post-socialist context.

However, the gradual opening 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 confronted. 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.

- **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 conference 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 over the three full days of conference proceedings.

#### Positive developments and applications

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 Genghis 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 21<sup>st</sup> 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 advance on those few Mongolians who have become successful capitalists or politicians.

In a positive and constructive spirit, several concrete and practical implications of the conference presentations and discussions 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 political 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 conference, some presentations did engage how nepotism and network cronyism among wealthy and influential individuals had a disproportionate effect on those actually elected to office.

Given the large 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 could be very beneficial 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 organization**

Current research presented at the conference 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 can be 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 21<sup>st</sup> century**

The vast majority of Mongolians are both literate and have access to electronic news and information media. Beyond a basic understanding of Genghis 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 issues across a broad spectrum of social, economic, political, cultural challenges. 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. This includes expanding 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 21<sup>st</sup> 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.

### Results and next steps

SARR conferences are designed to facilitate practical learning and networks of connection, trust, and greater understanding between policy-makers, civil society leaders, and expert scholars in states and regions of past, present, or potential political risk. In this regard, the SARR “Mongolians After Socialism” conference was a signal success. If further funding and support had been available, a more robust regional component of the conference could have been added, including, for example, with respect to central Asia and with greater consideration of regional issues vis-a-vis Russia, China, and to some extent India.

Dissemination of conference contributions was facilitated at the event itself by simultaneous translation throughout between English and Mongolian. In the aftermath of the conference, we are exploring the possibility of editing a collection

of conference papers and presentations that would be published in Mongolia in both English and Mongolian versions.

In the interim, a range of conference materials, including the conference program, list of participants, summaries of presentations, and some written papers and presentation files, are available at the SARR web sites at <http://sarr.emory.edu/Mongolians-After-Socialism-Conference.html>.

A great thanks is extended to all who participated in this conference. Though lack of funds precludes further major SARR follow up workshops or conferences in Mongolia at the present time, we are hopeful that funds will later be procured to allow a sequel to this project.

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POSTSCRIPT: Comments and reactions concerning this report are welcome. Please send email communications to the SARR Program Associate at [helen.simmons@emory.edu](mailto:helen.simmons@emory.edu) and/or to the SARR Director at [bruce.knauft@emory.edu](mailto:bruce.knauft@emory.edu).