Mongolia’s Post-Socialist Transition: A Great Neoliberal Transformation

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Prepared for the Conference on
Mongolians After Socialism: Economic Aspiration, Political Development, and Cultural & Spiritual Identity
June 27-29, 2011
Ulaanbaatar, Mongolia

Summary

Mongolia is often extolled as one of the most successful emerging democracies from among the former Communist countries. And, Mongolian authorities claim the credit of leading the nation to democracy and market economy simultaneously. Indeed, a survey of recent literature on Mongolia’s post-socialist transition, on the one hand, and the critiques of neoliberalism, on the other, shows that in a matter of less than two decades Mongolia has made a great transformation toward “the running of society as an adjunct to the market”.

Indeed, while privatization and deregulation together with corruption and mismanagement amassed the national wealth in the hands of tiny minority entailing dispossession, dislocation and displacement of the vast majority, the virtual demolition of the socialist welfare state led to large-scale disentitlement. The result was a massive impoverishment of the great majority of the population. The great deal of the running of the economy has been transferred not only from the realm of public/political to the realm of the private/market but also to the hands of the nouveau riche. The poverty, dosed with the capital-intensive election campaign, effectively disempowered the great majority of the Mongolians and created an environment that empowers the wealthy. As a result, the running of the economy and the running of the state (by extension the country) became the business of the wealthy.

Furthermore, while the policies and recommendations of the institutions of global governance such as the IMF have left little or no policy option to the government, the extensive retreat of the state and the establishment of non-state institutions such as non-
governmental organizations and international developmental agencies not only further depleted the state’s capacity but also entailed a substantial transfer of governmental purview to these institutions. Consequently, not only a portion of the government’s purview has been transferred to non-elective, supposedly grassroots, yet often, transnational institutions but also the state’s sovereignty seems to have been seriously challenged. The state seems to have become one, yet the only elective, institution of governance. As a result, a regime of “transnational governmentality” appears to have been effectively established in Mongolia. In addition, the rolling back of the state changed the scope and nature of the Mongolian state. Mongolian state retreated as a welfare state, yet at the same time it advanced as a night watchmen state.

All in all, Mongolia’s transition seems to have ultimately led the country to plutocracy, while the nation’s independence and freedom seems to have been mired in the global regime of transnational neoliberal governmentality.