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# Policy Forum 05-91A: Stabilized Democracy in Mongolia in 2005



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# Stabilized Democracy in Mongolia in 2005

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## "Stabilized Democracy in Mongolia in 2005"

By Jeong-jin Lee

CONTENTS

[I. Introduction](#)

[II. Essay by Jeong-jin Lee](#)

[III. Nautilus invites your responses](#)

### I. Introduction

Jeong-jin Lee, wrote the following paper for the IFES Forum, noting: "Since it established a democratic constitution in 1992, Mongolia has shown peaceful transfers of power in four parliamentary elections and four presidential elections... However, the citizens did not give the power to any one group for a long time... After experiencing the governance of both groups for 14 years, the citizens chose a balanced government in 2004. Such peaceful and stabilized transfers of

power show that procedural democracy has been established in Mongolia.”

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## **II. Essay by Jeong-jin Lee**

- Stabilized Democracy in Mongolia in 2005  
by Jeong-jin Lee

Since its democratic transition in 1990, Mongolia has experienced peaceful transfers of power in five parliamentary elections (1990, 1992, 1996, 2000, and 2004) and four presidential elections (1993, 1997, 2001, and 2005). The establishment of procedural democracy based on a regular and fair electoral system has been regarded as the primary step for reaching consolidated democracy.

The first step of transition to democracy for a former authoritarian regime or for a newly established country that has adopted democracy should be the creation of a democratic electoral system. This procedural step includes free and fair elections at the national level and the formation of a parliament and government according to the results of the election. The establishment of procedural democracy assures the people they can give power to the political party they support, changing the ruling group of the country as they want.

The selection of representatives by the constituents does not automatically guarantee the freedom of the people and democratic polity. At the next stage, the democratic political process needs to be institutionalized and democratic governance needs to be consolidated into one in which major actors, political parties, interest groups, the military and other institutions do not challenge the legitimacy of the democratic process in order to gain power. In this stage, such democratic institutions and practices become thoroughly ingrained in the political culture.

An important factor for democratization is the peaceful transfer of power. The change of political leaders by the constituent indicates people's participation in the process of democratization. The experience of power transfer also gives the politicians the notion of the possibility of power change at any time, making them responsive to the constituent. However, power transfer does not guarantee long-term prospects of democratic governance. We still need to examine the attitude of the military, economic conditions, public services, and the problems, including corruption, which influence the popular attitude toward democracy. Mongolia, after establishing procedural democracy, has been achieving consolidated democracy and it is unlikely that her democratic governance will be under serious threat.

### **Elections Prior to the Winning of the Democratic Coalition in 1996**

In Mongolia, people's demonstrations in 1990 forced the resignation of the Mongolian People's Revolutionary Party (MPRP) Politburo and legalized the participation of other political parties. Although the new Great Hural (parliamentary) election was won by the MPRP, 19 out of 50 legislative seats were occupied by non-communists.

In the first direct presidential election in 1993, however, the people gave the power to the coalition of opposition parties, which had more radical policy ideas for the reform process than those of the MPRP. After the parliamentary election in 1992, four opposition parties united as the MNDP (Mongolian National Democratic Party) and tried to put up a unified presidential candidate with the MSDP, the second largest opposition party.

During the campaign, the MPRP was not firmly unified. There was one group who preferred democratic principles as the party platform and another group who still regarded the socialist policy and relationship with the former Soviet Union countries important.

After this presidential election, people realized the importance of accurate information from the press in a democratic society and at the next elections. In April 1994, twenty persons began a hunger strike at the Sukhbaatar Plaza in Ulaanbaatar demonstrating against the corruption of the government and the parliament, and this strike was expanded into a demonstration against the current government and for the freedom of the press on a national scale. Eventually the government accepted their demands and promised to revise electoral law, grant freedom of the press, and take measures for preventing corruption.

In addition to such demonstrations for public interest, there were other demonstrations by various interest groups in the civil society. Such activation of the interest groups and NGOs promoted the vitality of the Mongolian civil society and helped to strengthen people's ties with democratic parties, the MNDP and MSDP, influencing the parliamentary election in 1996.

Besides the growth of the civil society, the most important factor that was helpful for the Coalition of the Democrats in the 1996 election was the need for economic growth. After experiencing negative growth rates in the early 1990s, the Mongolian economy recorded 2.3 percent growth in GDP in 1994 and 6.1 percent growth in 1995, depending on the aid from western countries and international organization such as IMF, ADB, and UNDP. However, the outcome of the economic policy pursued by the MPRP was not publicized well, and the constituents were still discontent with the inflation and the slow improvement of economic conditions in daily life, expecting that the Democratic Coalition would have a better relationship with western countries and obtain more aid from them.

Compared with the activity of the Democratic Coalition, the preparation for the election campaign by the MPRP was not well organized. The MPRP had finished the party nomination of the candidates and presented its election promises just two months before the voting date. In addition, the people were not satisfied with the MPRP's incomplete handling of the corruption of government officials and rough management over the conflagration from February through June in 1996. As a result of the 1996 parliamentary election, the MPRP obtained 25 out of 76 seats while the Coalition of Democrats obtained 50 seats (the MNDP's 34 seats, the MSDP's 13 seats, and the independents' 3 seats). Mongolian constituents decided to transfer the power in the Great Hural to the opposition parties for the first time.

#### Transferring Power to the MPRP between 1996 to 2000

From 1996 to the presidential election in 1997, the Democratic Coalition had kept the presidency and the majority in the Great Hural. Although the Democratic Coalition had hoped to stay in power until 2000, Mongolian constituents did not give such unilateral trust and support to the coalition government.

The new government executed progressive economic policies, announcing plans to introduce more rapid economic reforms, privatization of government media, administrative decentralization, and a strengthening of the judiciary. In May 1997, the Great Hural passed an important revised Customs Law, repealing tariffs for all imported goods except for tobacco and alcoholic beverages. Although there was an urgent need for foreign investment and an open economy, many Mongolian people including the opposition party, the MPRP, worried about such an extreme open economic policy.

In addition, there were many demonstrations by various interest groups since the Great Hural

passed the law on NGOs, which gave legal basis for them in January 1997. Such disturbances increased the people's apprehension about the liberal policy of the Democratic Coalition's government. At the presidential election in May, the MPRP candidate N. Bagabandi, the former chairman of the Great Hural, won with 60.8 percent of the vote over incumbent P. Ochirbat.

With the governance of President Bagabadi, Mongolian economic conditions improved dramatically during the late 1990s. Markets were virtually full of food and other goods, the service industry was expanded, and small entrepreneurs opened shops all over the cities. Bagabandi continued to advance Mongolia's relations with the West and Asia, and increase integration into the world economy, while maintaining close and balanced relations with its giant neighbors, China and Russia.

Domestically, however, Bagabandi, who came from the MPRP, had a hard time with the government ruled by the Democratic Coalition. There were four government rotations just in 1998, with the succession of Prime Minister M. Enkhsaikhan, Ts. Elbegdorj, J. Narantsatsral, and R. Amarjargal. The Democratic Coalition tried to revise old regulations, which had been an obstacle to their reform efforts by addressing these amendments. However, Bagabandi vetoed the amendments at the end of the year, repeatedly delaying the formation of new governments.

In the Great Hural, there were conflicts between the MPRP and Democratic Coalition regarding several issues. The government tried to merge the insolvent Reconstruction Bank with the private Golamts Bank in 1998. While international financial consultants said the merger was proper, the MPRP opposed the move on political grounds and boycotted proceedings for six weeks. This controversy brought down Prime Minister Elbegdorj. Concerning the issue of privatization of state-owned companies such as oil importing and copper mining companies, the Democratic Coalition insisted they should be privatized, while the MPRP thought the government should maintain control of profitable state enterprises. The MPRP, the former communist party, became used to employing democratic principles of parliamentary procedure and constitutional law in the power struggle against the Democratic Coalition.

Another conflict between the two groups was regarding the law for free and independent media. In 1995, the opposition parties, which have formed the majority Coalition since 1996, had held a hunger strike to pass the law for free media. But when the Democratic Coalition came to power, the parliament delayed dealing with the media law for several years in order to control the media for their own interest, and it was the minority MPRP who pressed for its passage. In 1998, a very general draft media law with vague provisions and no clear implementation guidelines was presented to the parliament and passed in January 1999. As a result of the media law, two main government newspapers were privatized and became somewhat independent of the government, although the broadcast media remained dependent.

A prominent political event occurred in October 1998. S. Zorig, one of the founding members of the democracy movement in 1989 and the Minister of Infrastructure at that time, was assassinated. In addition, issues of corruption tainted the parliament from 1998 to 1999. Mongolia planned to establish a casino in Ulaanbaatar aimed at gamblers from abroad, but in January 1999 the parliament passed legislation banning casinos to prevent corruption and crime. It was revealed, however, that during the process, three MPs had taken bribes in exchange for giving particular favors to one casino. They were convicted and sentenced to prison. The Democratic Coalition, although known to have principles founded in democracy and market economics, showed corrupt and immature aspects with little experience in actual governance. The MPRP, on the other hand, having decades of governing experience from the communist period, turned out to be a strong alternative to the Democratic Coalition at the next parliamentary election in 2000.

The Rule of the MPRP Leading to Stabilized Democracy after 2000

After the Democratic Coalition's four years in power characterized by revolving-door governments, in July 2000 the pendulum of power swung back to the MPRP. The MPRP took 72 of 76 seats in the parliament. Many people were concerned about the new policy direction of the MPRP government, which even won the countrywide local legislative elections in October.

The new government's policies in some fields seemed conservative. The Ministry of Justice and Internal Affairs (MJIA) began to inspect the press for its content and editorial direction, and limit the number of journalists who could attend parliamentary sessions. There was another issue of concern to the diplomatic community and foreigners in Mongolia. It was the provision included in the government's Plan of Action, stating that the government would improve the registration and monitoring of foreign citizens and set up an information network on them.

In addition, the new MPRP government began to review NGOs, which had grown in strength and number under the 1997 NGO law, in order to prevent commercial businesses from setting up NGOs for the purpose of illegal tax exemptions. Some civic leaders worried that these actions by the government might repress the activity of civil society. The MPRP government needed to have the support of the people in preparation for the presidential election in 2001.

Although having failed to acquire continued support from the people, the Democratic Coalition created an open environment for private business, made progress in privatization of housing, reduced inflation from 53 percent in 1996 to 10 percent in 2000, and maintained an economic growth rate of around 4 percent per year. The reason that the Coalition government failed in the election was the lack of stability and predictability in government institutions and policies. Acknowledging these facts, the MPRP government tried to persuade the people of its capability of creating stable political conditions for steady economic growth. In competition with the MPRP, five political parties formed a single new party, the Democratic Party, an expanded union of democratic coalition. As a result of the presidential election in 2001, however, the constituent again chose Bagabandi as president.

However, the Mongolian people did not give unilateral support to any one power group for a long time. Three years after the presidential election, in 2004 three political parties led by the Democratic Party formed an electoral group, the Homeland- Democracy Coalition. The result was a setback for the MPRP. After the election, the MPRP and the Coalition accused each other of fraud during the campaign process.

When all these disputes were settled, both sides realized it was time to cooperate to form a new government. They agreed that loopholes in the election law needed to be reformed for fairness and made an agreement to form a joint government via a grand coalition, splitting legislative and executive posts evenly between them. The leaders of the country showed they were able to compromise within the democratic political order. In the campaign for this election, the opponents' electoral platforms for social and economic policies had been only slightly different. The coalition emphasized better protection of freedoms, especially freedom of the press. At the local elections in October 2004, the MPRP captured over 60 percent, and the Coalition gathered around 30 percent of the vote. The result showed that Mongolian constituents still wanted to have a balanced government.

After the 2000-2001 downturn caused by harsh winters, the Mongolian economy has continued to revive. The new government in 2004 projected economic growth at 6 percent due to growth in mining, services, construction, and agriculture. Privatization plans continued under the new government, accounting for almost 80 percent of the national output by private business in 2004. The trade turnover stood at 1.3 billion dollars in 2004, a considerable increase from the same period in 2003, supported mainly by copper export. Before the presidential election in 2005, there were demonstrations against the corruption of the MPs, including Chairman N. Enkhbayar. However,

during the election in May, Enkhbayar ran as the MPRP candidate, promising to wipe out poverty and inducing more foreign investment. As a result, Enkhbayar was elected president. The opponent conceded his defeat quickly, and there were no serious violations during the campaign. Now, under the presidency of the MPRP, the government is made up with the cooperation of the Democratic Party, and both the government and the parliament are operating well. Most observers expect the successful performance of the current government.

Mongolia has developed her procedural democratic system over the past 15 years. She has shown exceptionally dramatic progress in democratization. However, owing to her short history of democracy, there are some fields that need to be improved in order for establishing a more consolidated democratic society. Those include the institutionalization of the public sector, activation of civil society, and improvement of economic conditions.

According to the U.S. State Department Country Reports (1998- 2004), the quantitative indicators of civil and political rights suggest that the early years of Mongolian democracy saw relatively high protection of both rights. However, in the ensuing years, it shows slight decline in the protection of civil rights, including arbitrary arrest and detention, cruel and inhuman treatment of people in custody, and cases of torture still being investigated, while political rights such as the freedom of association, speech, and religion are generally well protected and practiced. The protection of civil rights is closely related with the implementation of the rule of law and reasonable access to justice. The Mongolian Human Rights Commission shows the law enforcement system is characterized by red-tape, delays, bribery, systemic corruption, and tribalism. These corruption issues in the government institutions need to be eliminated in order to gain public trust in the political system.

The fairness of the electoral system is still controversial, as well. The 2004 U.S. State Department Country Report observed that the campaign and balloting of the 2004 parliamentary election were marred by violations and inconsistencies. The domestic and foreign observers complained of widespread illegal use of state property and civil service workers primarily by the ruling party, at that time, the MPRP. There was an estimated 10 percent of the population moved from one district to another during the final two weeks of the campaign to exploit 'transfer voter provisions' in the law, which resulted in many disputes. In addition, according to the UNDP, the legal structure of the General Election Commission (GEC) is inadequate in terms of composition, structure, and power. It is unclear who should be responsible for organizing elections in local areas, and when the mandates of the election district and site committees expire. Existing laws do not define limits for campaign donations, nor establish procedures for reporting campaign contributions. This non-transparent system should be reformed to maintain the credibility of the electoral and democratic processes.

## Conclusion

Since it established a democratic constitution in 1992, Mongolia has shown peaceful transfers of power in four parliamentary elections and four presidential elections. Mongolian constituents gave power to the MPRP at the first parliamentary election under the new constitution in 1992. After selecting Ochirbat, nominated by the National and Social Democrats, as the president in 1993 and experiencing a divided government, the people shifted the momentum of the pendulum toward the Democratic Coalition for the first time in 1996.

However, the citizens did not give the power to any one group for a long time. They chose the president from the MPRP, Bagabandi, in 1997 and gave the majority seat to the MPRP in the 2000 parliamentary election. This indicates that the Mongolian people were strict in judging the performance of the Democratic Coalition government and again swung the direction of the pendulum to the MPRP. After experiencing the governance of both groups for 14 years, the citizens chose a balanced government in 2004. Such peaceful and stabilized transfers of power show that

procedural democracy has been established in Mongolia.

Differently from most newly independent countries, Mongolia has avoided the intervention of the military and set up a secular and civilian democratic state where civilians have formal control over the military and the police forces throughout the country. The Mongolian government has downsized the military, particularly since 1998. Without the danger of military intervention, there is no additional significant group or organization seeking to overthrow the democratic rules of the game. After establishing a procedural democratic system, Mongolian citizens seem to support development toward a consolidated democracy even in the face of economic hardship.

In the field of civil society, although media censorship has been banned by the 1999 media law, the government and ruling party control four out of seven television stations and numerous radio stations. The government still questions journalists about information sources, conducts investigations about media ownership, editorial perspectives, and sources of financing. With a plan to decentralize the media launched by the new consensus government, the freedom of the press should be improved to insure a sound democracy.

Mongolia is still highly dependent on foreign aid and assistance. Such external dependence might have negative influence on domestic policy, undermining the social security system and the relative economic equality that had been previously created by Soviet development aid. Therefore, there have been concerns about the misuse of foreign donor funds. Dealing with such economic inequality and the disparities between rural and urban areas must be the priority task during the process of economic development in order to prevent the poor from being antagonistic or apathetic to the current democratic and capitalist system.

As the next stage, Mongolia needs to proceed to the status of a consolidated democracy, where democracy becomes the only rule of the game and such democratic culture expands to other social sectors. In achieving such a system, Mongolia has to resolve issues concerning institutionalization in the public sector, activation of civil society, and current economic conditions. Some laws still need to be reformed and corrupt behavior needs to be eliminated. The freedom of the press needs to be assured, and economic inequality still may cause trouble. However, the military has been excluded from the political arena in Mongolia, which has been the obstacle to the consolidation of democracy for many newly developing countries. Besides, in Mongolia, there is no group seeking to overthrow the democratic rules of the game, people in power follow constitutional rules, and citizens support democracy even in the face of economic hardship. Considering all these features in Mongolia, we may expect to see her bee-line approach to consolidated democracy and its successful achievement in the near future.

### **III. Nautilus Invites Your Responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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[Return to top](#)

[back to top](#)

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