

For Mongolia, Two Symbolic Steps in the Wrong Direction by Jeffrey Reeves

Dr. Jeffrey Reeves (reevesj@apcss.org) is Associate Professor at the College of Security Studies at the Asia-Pacific Center for Security Studies in Honolulu, HI.

Two recent developments in Mongolia provide insight into the country's political and economic development. First, a jury sentenced former Mongolian President Nambaryn Enkhbayar to four years in prison on corruption charges. The charges ranged from the very serious (millions of dollars stolen from Mongolia's Erdenet Mining Corporation) to the absurd (illegal use of just over \$100 in office equipment in 2000). While Enkhbayar can appeal, it seems very likely he will spend at least some time in jail.

Second, the Ulaanbaatar city government pulled down the statue of Vladimir Ilyich Lenin that sat prominently in front of the country's flagship Ulaanbaatar Hotel, just off the capital's Sükhbaatar Square. The city has announced plans to auction off the statue, with bidding starting at around \$400.

At face value, these two developments support the narrative that Mongolia is developing into a country committed to rule-of-law and capitalist economic development. Analysts determined to support Mongolia's current development trajectory point to the government's willingness to pursue corruption among politicians at the highest level as a harbinger of good governance. Similarly, the city's decision to topple the statue of Lenin is evidence of good economic policy.

This symbolic reading misses larger points about political, economic, and social development in Mongolia. Rather than heralding a new dawn of transparency and accountability, both cases suggest that Mongolia is flirting with a system led by cronyism where the social contract between the state and society is jettisoned in the name of capitalism.

The sentence against Enkhbayar tells us that Mongolia's judiciary is beholden to prevailing political leadership. Enkhbayar's trial was a rushed affair at best or a miscarriage of justice at worst. Enkhbayar answered all charges against him but was still convicted without compelling evidence. Many of his accusers did not even bother to appear in court, choosing instead to attend the Olympic Games in London. Meanwhile, the conditions of Enkhbayar's detention were so poor that Amnesty International felt it necessary to lobby the Mongolian government for better treatment on his behalf.

Enkhbayar's conviction also shows that those in power are capable of using supposedly nonpartisan institutions for political ends. Mongolia's Independent Authority Against Corruption (IAAC), which led the investigation against Enkhbayar, reaffirmed its reputation for inefficiency and even corruption, by leading what many Mongolians view as a

politically motivated attack. While most Mongolians agree that Enkhbayar is likely guilty of corruption, they also believe he is no guiltier than other Mongolian politicians.

The third important conclusion is that the Mongolian government is not interested in dealing effectively with corruption, which is a real problem for the state. Rather than systematically working to mitigate mechanisms that allow members of Parliament to use political positions for material gain, the Enkhbayar case shows those in power will preserve their privileges. Only those outside the existing political structure need worry about corruption charges.

What does all this have to do with the statue of Lenin in front of the Ulaanbaatar Hotel? For the 70 years that Mongolia was a communist state, the Mongolian People's Revolutionary Party (MPRP) ruled Mongolia with a so-called system of democratic centralism. Under this system, the MPRP promoted collectivization of herds and industrialization in urban areas. While the establishment of the system came at considerable social cost, by the 1980s the MPRP's policies had generated impressive economic growth. The MPRP used this economic growth to develop comprehensive education, health, and welfare systems. The result was a safe, literate society where the vast majority of citizens had access to basic social goods. Regardless of one's personal feelings about Lenin, most Mongolians benefited under this system.

Since Mongolia's transition to democracy and a liberal economic system, social indicators have fallen across the board. While the overall literacy rate remains high, youth literacy has decreased since the 1990s. More important are the massive gaps that have opened in the quality of education between rural and urban areas.

The health system in Mongolia is in tatters, with infectious disease on the rise and doctors demanding payment before administering rudimentary care. Mongolians with any means travel to China's Inner Mongolia for health services, creating a vicious cycle where much needed development funds are diverted abroad from Mongolia's domestic health sector.

Environmental problems in Mongolia have grown exponentially since the end of the Cold War. Ulaanbaatar is by some accounts the world's most polluted city and residents increasingly experience respiratory disease during the winter. Both legal and illegal mining is undermining Mongolia's environmental health. Crime in Mongolia – almost nonexistent under the communist system – is steadily increasing in the state's capital and countryside. Thousands of homeless children live in Ulaanbaatar's sewers.

Given these social realities, Ulaanbaatar's decision to tear down the Lenin statue is worrying. Despite the failure of the country's current economic and political systems to provide

social goods equal to those available during communism, it appears the state is doubling down on laissez-faire capitalism and hoping the invisible hand will solve social development problems. The emotional response to the city's decision by many Mongolians, evident in social media, demonstrates that the symbolism of – the move is not lost on the Mongolian public.

Both instances are important indicators of Mongolia's national development. While western analysts applaud Mongolia for consolidating its democracy, in truth it remains a state devoid of political accountability and rule of law. While much is made of its economic growth, this growth is inequitable, uneven, and vulnerable to reversal. It is important to recognize these symbolic occurrences for what they really are: an ineffective government's attempt at window dressing and its unwillingness to accept responsibility for the country's growing social needs.

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