CHAPTER-IV

DEMOCRATIC CHANGES AND ITS IMPACT
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4.1 Administrative problems and reforms

Transition is not a one way process of change from one homogenic system to another, rather transition constitutes a complex working of old socio, economic and political system distinct to one of the boldest projects in contemporary history, i.e. the attempt to construct a form of capitalism on and with the ruins of the communist system. Even though democracy is a relatively recent phenomenon compared to the history of humankind and civilization, yet it has historically proven its legitimacy and advantages with concomitant results. Many countries and nations have made a transition to this system in the past 10-20 years. These, first of all, include the underdeveloped countries of Africa, Latin American countries under the control of the military, Asian countries that suffered under strict dictatorships for many years, and post-communist Asian European countries. The collapse of the Soviet Union in the 1990s served as a catalyst for democracy to become a truly global phenomenon. At present, there are over 100 countries worldwide which are making a transition to a democratic state system. The transition toward social reforms that these countries are making has been rather stable, especially for the past seventeen years. One of the common features of societies’ current transition toward democracy is that it is being undertaken by peaceful means. It is no wonder that having experienced the Cromwell War, the French Revolution, and the American Civil War, to name a few, humankind is now renouncing bloody revolutions. Decomunization and democratization aim to break the hold of communist

party in political life and to enable to a rejuvenated civil society to emerge. Each technique of transformation has its own specific instruments: for example, the creation of markets and price reform for marketisation; selling off the state property for privatization; multiparty system. Each technique of transformation is bringing a fundamental reorientation in the position of Post Communist Countries in the global economy.

Since the collapse of its communist regime in 1990, Mongolia like other post-Soviet area transitional systems, has initiated and implemented several waves of public sector reform – some external in origin, and others indigenous. The most important and far-reaching administrative reform in Mongolia has been the continued decentralization of administrative responsibility. Key areas such as privatization, land use administration, infrastructure, health, education and development planning have been delegated to local authorities. But while these resultantly have gained considerable power in political and administrative affairs much of this power has been concentrated with the governors vis-à-vis the local parliaments and assemblies. Therefore, the rapid implementation of legal, administrative and democratic reforms has so far been so uncoordinated that popular participation has been circumvented. Unless supplementary reforms are initiated, the already implemented comprehensive reform programme may prove counterproductive.

Resolution 293 adopted by government in October 1991 was the first attempt to redefine the role and function of the civil service in the new framework of separation between legislative, executive and judiciary powers. The role of the government in a multiparty democracy has been determined under the new constitution adopted in January 1992. From 1990 until about 1997, the government attempted to develop a traditional system

235 ibid.p. 169
236 The law of Mongolia on government civil service was under discussion in the autumn 1994 session of parliament and was subsequently approved. However; the effect on local public administration is unclear at this time.
of public administration, drawing inspiration primarily from countries like Japan, Korea and Germany. In this period, Mongolia made progress in establishing a career-based civil service system, a Weberian type of bureaucracy with central control over the classification of positions, remuneration and other personnel decisions, and relatively permanent positions. Like many other post-communist states the adoption of civil service laws and related regulations did not resolve the problems of instability, predictability and politicization. Beginning in 1997, efforts to develop a system of administration were overlay with successive reform initiatives sponsored by the Asian Development Bank and others that sought to adopt practices more compatible with a market society. In 2000, the government initiated a participatory approach to governance though the UNDP’s Good Governance Project. The primary idea was to involve in policy-making processes all relevant stakeholders, including civil society groups and citizens. In addition, from 1992-2002, the government initiated three legal reforms to introduce more democratic processes into society. From 2002, Mongolia implemented a New Zealand type model of new public management (NPM). Officials interpreted NPM reforms as a performance and output-oriented improvement of the traditional system of public service, but not a replacement of it. To combine traditional and NPM approaches, Mongolia now is pursuing a path of achieving decentralization through highly centralized mechanisms, deregulation through strongly regulatory mechanisms, flexibility through permanency, and participation within hierarchy. The Mongolian transition has led to a mixed model of reform. Specifying the balance of elements from the different models is the biggest challenge in the on-going evolution of Mongolia’s public institutions. The new system created generally accepted political institutions and new administrative structures, and provided ways to eradicate former communist practices while implementing a historically tested version of democratic administration. It also attempted to restore legitimacy to administration, and raised expectations that government would perform
better. But despite all of this effort, for a number of reasons the structure did not bear as much fruit as it seemed to in developed countries for simple reason as in Mongolia, democratic process is a recent development and is in full swing.

**Government Accountability**

In order to hold authorities accountable effectively, the public must be able to access the information held by public bodies. Freedom of Information (FOI) laws alone does not create access: such laws must meet an appropriate standard, and must be enforced. The allocation and expenditure of public funds are among the chief functions of government. In the absence of oversight and strict controls, the public interest can become subordinated to private interests. Accountable decision-making requires a transparent and predictable process, which allows for public intervention and debate. Also an independent judiciary is critical to ensuring accountable governance. Despite the formal separation of powers laid out in the 1992 Constitution, there remains a dispute over whether members of Parliament can simultaneously hold posts in the Cabinet, a measure which has been passed, overturned by the Constitutional Court and then overturned by the MPRP government. Allowing such dual office holders compromises horizontal accountability typical of systems with a separation of powers, where conflicts of interest may arise out of MPs also serving in the Executive branch. ²³⁷

**Freedom of Press**

Mongolia does not have a freedom of information act, and its State Secrets Law inhibits freedom of information, transparency and accountability, where government and parliamentary decision making are

rarely open to public scrutiny. Despite a programme of privatization, the government and ruling party control four out of seven television stations and numerous radio stations. Freedom House rated Mongolia’s press as free between 1999 and 2002, after which its ratings suggest that the media are partially free. In its 2005 Report, it continues to rate Mongolia as having a partly free media. There are still concerns about the relative freedom that journalists have in writing critically about leading politicians and government figures. In a 2003 statement to the UN Commission for Human Rights, the Asian Legal Resource Centre claims that journalists ‘live in fear of criminal prosecution and imprisonment for writing about public officials’. World Press Freedom Day (On May 3, 2004) saw protests and debate over libel laws that many perceive as inhibiting freedom and worrisome practices of government officials, ‘who have questioned journalists about information sources and conducted investigations about media ownership, broadcast reach and circulation figures, editorial perspectives, and sources of financing.’ Such accounts are further corroborated in the annual reports on press freedom published by the International Press Institute. The new consensus government has launched a plan to decentralize the media. Through Mongolia’s transition to democracy, the Mongolian Constitution has served as a guide for freedom of the press and government transparency, but these practices have not been effectively enforced. While the Mongolian Constitution promises the right of the people to obtain information and distribute it freely, journalists’ experiences have illuminated a severe lack of effective law enforcement. Censorship laws enacted to reduce access to government information are greatly jeopardizing the freedom of the press in Mongolia, and consequently the stability of the democracy. This censorship

239 www.freedomhouse.org

ranges from harassment and physical threats of harm, to tax audits and legal action (mainly slander and libel lawsuits). The freedom of Mongolia’s press remains in a precarious position. Since the late 1990s, Mongolia’s media landscape has expanded dramatically, with the development of an estimated 340 media outlets and the introduction of internet-based news. Media development has progressed substantially within the nation of 2.9 million people, but the freedom of the press remains in jeopardy. Mongolia is currently facing two major challenges in the pursuit of an independent, ethical media: government censorship and a lack of professional ethical standards. In 2007, United Nations Education, Social and Cultural Organisation (UNESCO) conducted an analysis of Mongolia’s media ethics. According to the report, “Fifteen years since Mongolia’s move to democracy, there is still little to no understanding of how to manage and grow an independent and balanced media outlet that exists for the sake of providing free and independent information or for the sake of being a business in itself, without having to depend on political and/or business support.” The report documented numerous infractions against Mongolian journalists who published investigative reports on government and mining actions. “In June, 2006, [a female journalist] reported on the fate of privatization vouchers for 9,000 employees of the Erdenet mining industry. After the television program, unknown people threatened [the journalist] over the phone. The director of the Erdenet brokerage company, which held the vouchers, also warned the journalist, ‘It is a very complicated issue, you could be killed.’ In July, 2006 she was beaten by unidentified perpetrators, and was hospitalized for treatment.” The governing Democratic Coalition is split over the issue. Some leaders argue that if the communists had 75 years to indoctrinate the population, the current government should have at least a

few years to "guide" popular opinion toward democratic thinking.\textsuperscript{243} The problem with the first approach is that such paternalism is inconsistent with democracy. Locating suitable private buyers for the largest media outlets is virtually impossible at present. The press also faces perils stemming from a growth in the litigiousness of thin-skinned public figures. Any outlets engaging in exposure of possible wrongdoing or criticism of individuals risk lawsuits. The vagueness of the legal-institutional framework for defining libel and for protecting press activity leaves the press in a quandary. As of February 1998, the country's largest circulation independent daily newspaper, Önöödör (Today), faced 15 lawsuits from offended parties.\textsuperscript{244} Baarangiyn Purevdash, the paper's chief editor, remarked: "Given the chance, we can compete with the official papers, even if the ministers and parliamentarians often give their interviews and information to the official papers. In fact, our independence gives us credibility with the public. But these lawsuits really put us in a bind."\textsuperscript{245}

In other areas of governance, Mongolia shows mixed results. For the World Bank Governance Indicators which range from 0 to 100 (high being good), Mongolia scores best on political stability, followed by voice and accountability, government effectiveness, regulatory quality and rule of law.\textsuperscript{246} The political stability score declined sharply in 2004 due to the contested results of the Parliamentary Election. Across a series of public opinion surveys carried out by the Sant Maral Foundation in Mongolia between 1999 and 2005, respondents show high support for the transition to democracy and market economy in general, but much less support for the political system itself.\textsuperscript{247} Respondents place greater trust in the president than either the parliament or the judiciary, and register relatively low support

\textsuperscript{244} www.globeinter.org.mn: "The Mongolian Media Landscape Sector Analysis, 2007", \textit{Globe International NGO}
\textsuperscript{245} D.C Shin, J.Wells, “The Uneven Growth of Democratic Legitimacy in East Asia”, \textit{International Journal of Public Opinion research}, Oxford, p.34
\textsuperscript{246} www.worldbank.org.
\textsuperscript{247} Linz, and Stepan, opcit, p. 154
for state organizations and political parties. A separate analysis using the East Asia Barometer Survey for 2002-2003, Shin and Wells (2005) show that support for democracy is high, while support for the democratic process itself is quite low, leading them to suggest that democracy is not yet 'the only game in town'.

Role of non governmental agencies

Nongovernmental organizations (NGOs) are no less vigorous than political parties. Besides parties, two forms of societal organization are particularly well developed. One is journalists' associations. Mongolia has a vigorous free press. Professional norms, however, are not strong, and government control persists over the main national television station and the largest-circulation national newspaper. A number of associations have formed to meet these challenges. The Union of Mongolian Journalists, the successor organization to the communist-era party-sponsored union, has successfully made the transition to autonomous status. It constitutes a sizable and tenacious lobby for expanding press freedoms and safeguarding journalists' rights. An equally dynamic organization, the Press Institute of Mongolia, was founded only in 1995, but has rapidly become a major force in educating and professionalizing young journalists and promoting the free flow of information. As impressive as the growth of journalists' organizations has been, the most formidable component of civil society is women's organizations. Indeed, so strong are such groups, and so dominant are women in civil organizations of every type, that one can almost speak of

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249 One of the non governmental organizations is Konrad Adenauer Stiftung, which initiated The Voter Education Project to promote efforts to come out of the respective places to vote. The International Republican Institute in Washington D.C, provided the assistance in campaign strategy to convince the opposition about the formation of the coalition government and how to approach the voters, *Far Eastern Economic Review*, March 1997, p. 19
250 www.pressinst.org.mn/english
a matriarchal civil society in Mongolia.\textsuperscript{251} The greater opening of the political space following the 2004 parliamentary elections also spurred numerous public protests and demonstrations organized by mass movements demanding government accountability and social equity. Most civil society activities, however, are concentrated in the capital city where most well established and professional CSOs, especially NGOs, are located. Rural civil society remains sorely underdeveloped, due to the lack of crucial resources, especially financial support and information. Rural citizens, especially herders, poor people and ethnic and religious minorities are generally under-represented at CSO leadership levels while women are not only adequately represented in most types of CSOs but in fact dominate in the leadership of issue-oriented, well established NGOs. There are strong trends for increasing inter- and intra-sectoral cooperation among CSOs, but the issue of the effectiveness and legitimacy of umbrella organizations remains contentious, due to the continued predominance of inherited hierarchical structures in this area.

Moreover, while inherited mass organizations are largely financially sustainable as well as able to benefit significantly from state resources at national and local levels, the financial sustainability of independent human rights and pro-democracy NGOs, in both urban and rural areas, is still extremely fragile as they continue to be almost exclusively dependent on foreign funding.\textsuperscript{252}

Many women's organizations that began life with specific agendas that focused on promoting a certain aspect of women's rights subsequently expanded the scope of their aims. Women for Social Progress, the Women Lawyers Association, and Liberal Women's Brain Pool (LWBP) exemplify groups that started small but quickly became leading forces.\textsuperscript{253} The last of these three groups provides a particularly vivid example of how, in classical

\textsuperscript{252} Ibid, p. 2
Tocquevillean fashion, groups in civil society prepare leaders for high politics. The founder of the LWBP, Oidovyn Enkhtuyaa, set out to "empower women politically" through public education efforts, though Enkhtuyaa recalled that "I never then imagined myself in politics." So successful was her leadership of the LWBP, and so prominent did the organization become in the broader society, that Enkhtuyaa, running as a member of the MNDP, won a seat in parliament in 1996. Another victorious candidate in 1996, Rinchingiyn Narangerel, moved into politics after founding and presiding over the development of another NGO, the Center for Citizenship Education. Narangerel launched her organization in an effort to reform curricula and retrain teachers in social studies in the wake of the old regime's demise. Like Enkhtuyaa, Narangerel had no communist-era political experience; she too made her way into politics via leadership of a new post communist NGO. After her election in 1996 representing the MSDP, Narangerel took charge of the parliamentary task force on a key bill on the status of NGOs. The legislation faced considerable opposition owing to controversial provisions that included some tax privileges for NGOs. Drawing on her previous experience outside of government and demonstrating formidable political savvy, she steered the bill to enactment in January 1997.

While all the above mentioned groups were formed by Mongolians, many received help from foreign donors. The Press Institute of Mongolia obtained support from a Danish journalism school and from the Soros Foundation. The LWBP received aid from the Asia Foundation and the National Endowment for Democracy (NED). Such grants were often relatively modest in size. Their magnitude is dwarfed by the funds that multilateral lending agencies regularly issue to bail out insolvent governments. For that matter, they are often exceeded by the resources that U.S. foundations extend to American scholars to conduct massive opinion

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256 Ibid
surveys on how people in transitional polities feel about their leaders, their political system, their own ethnicity, their neighbour’s ethnicity, or bread prices. But by furnishing sustenance during lean times, agencies such as the Soros Foundation, the Asia Foundation, and the NED strongly abetted the growth of Mongolia's NGO sector.\(^{257}\) The Civil Society Organizations especially NGOs and social movements, display a significant degree of commitment to promoting democracy, government accountability, non-violence, gender equality, poverty alleviation and environmental protection. However, there is a general lack of consistent application of democratic and humanitarian values and principles in the internal practice of CSOs, especially in terms of ensuring internal democracy, financial transparency, gender equitable hiring and promotion policies and non-violence. Political parties, apartment owners’ unions and inherited mass organizations, including trade unions, were generally regarded as less democratic and transparent and, in some cases, prone to corruption and intolerance based on political affiliations. Overall, despite clear and important examples of success in legislative advocacy, direct service, public education and empowerment of various social groups, especially women, the IMPACT of civil society as remained as somewhat limited. CSOs are generally unable to effectively convert their efforts and values into direct impact, due to the unfavorable political and economic environment. The CSI demonstrated that CSOs were especially active and had impact in areas of empowerment of various groups, through non-formal education, information dissemination and awareness-raising activities, particularly with regard to promoting women’s rights and gender equality. They are also more successful in policy advocacy on human rights and gender equality but have not been very effective in holding the state and corporations accountable. It is also clear that CSOs provide crucial services to underprivileged and marginalized citizens such as free legal aid, psychological counseling, services for

battered women and children and non-formal education for poor children. However most of these services are limited in scope and are often irregular.\textsuperscript{258}

**Human Security**

Mongolia’s new 1992 Constitution discussed both national and human security concerns only in general terms. In 1994, Mongolia adopted a new National Security Concept and Foreign Policy Statement to strengthen the country’s ability to uphold the Constitution, and the government’s ability to implement it.\textsuperscript{259} Mongolia’s National Security Concept has nine main components:

1) Security of the existence of Mongolia;
2) Security of the social order and state system;
3) Security of citizen’s rights and freedoms;
4) Economic security;
5) Scientific and technological security;
6) Security of information;
7) Security of Mongolian civilization;
8) Security of the population and its gene pool; and
9) Ecological security.

The National Security Concept identifies internal and external factors, including means to ensure its security through the strength of its own people, and also international guarantees with political, legal and moral-psychological dimensions and Mongolia’s foreign policy and state collective security mechanisms.\textsuperscript{260} The military policy of Mongolia complements its National Security Concept. Although Mongolia’s national security policy aims to protect its independence, its foreign policy acknowledges that mutuality, cooperation and international interdependence.

\textsuperscript{258} Ibid.
\textsuperscript{259} "Concept of Mongolia’s Foreign Policy", *Strategic Digest*, New Delhi, February 1996, Vol. 3, No. 2, p. 121
are all essential for its survival. Ultimately, however, Mongolia’s national security and foreign and military policies are based on its small and vulnerable population, its poor economic foundations and its weak defense capacity. The withdrawal of Soviet troops in the mid-1990s left Mongolia with only some 17,000 of its own army and air force personnel (excluding reservists), and a limited supply of outdated equipment. By comparison, neighboring China has a 2.7-million strong military force, larger than Mongolia’s entire population. While Mongolia’s constitution and each component of Mongolia’s National Security Concept have implications for foreign policy and international relations, they also raise significant domestic human security concerns. A critical domestic issue is protection of land and resources. The Constitution (Article 6.3) stresses that private ownership is only possible for Mongolian citizens, and not allowed for foreign nationals or stateless persons. Protecting land resources from outside ownership or exploitation is also a foreign policy issue. The state reserves the right to confiscate land for environmental protection or national security reasons (Article 6.4). The Constitution also refers to various human rights and freedoms as inherent, including the right to a healthy and safe environment; ecological balance and protection from pollution (Article 16.2); the right to health and medical care (Article 16.6); the right to education, specifically basic education free of charge (Article 16.7); and the right to personal liberty and safety (Article 16.13). All nine main components of Mongolia’s National Security Concept elaborate its domestic human security interests, but the key areas are: economic security; scientific and technological security; security of information; security of Mongolian culture and way of life; security of the population and its gene pool; and ecological security. Policies and mechanisms to insure the security of the

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existence of Mongolia (component 1) are also essential. As a sparsely populated state sandwiched between two historic superpowers, Mongolia must protect itself from external threats to its borders (even though the 1996 protocol between Mongolia, China and Russia ostensibly protects these). It needs to avoid being drawn into war because of other powers conflicts. It also faces threats from human migration, invasion, disease or ecological disasters, which could destabilize its political integrity or even eliminate its population. Security of the social order and state system can also be compromised without an adequate legal system or protection from plagues, famine or natural calamities. Security of citizen’s rights and freedoms is essential to uphold constitutional democracy itself as well as to ensure such rights as a healthy environment, health care and education guaranteed therein. Each component has human and national security dimensions in so far as it addresses potential external political or environmental threats to individual’s safety or existence, or to the society as a collective. However, economic security represents the cornerstone of the Independence and sovereignty of Mongolia (Article 32). It is also the most problematic in foreign policy and national security terms, since international interdependence more than national independence has governed post-Cold War economic development and trade policy so far. The National Security Concept specifically notes potential external and internal threats that could adversely affect economic security. External factors include restrictions on trade or economic cooperation, the export of raw materials, and the avoidance of depending on any one country. Internal factors include the failure of ecological or customs policies; agricultural gene pool depletion; inflation; regional economic imbalances; international debt; increased immigration of foreign populations or mass emigration of nationally trained personnel; and increased unemployment, with related vulnerabilities. In

response to these challenges, Mongolia identified a range of domestic and foreign policy mechanisms to ensure economic security in terms of agriculture, mining and other key industries.\textsuperscript{265} A final important legal framework worth discussing is Mongolia’s unilateral declaration of its territory as a Nuclear Weapons Free Zone (NFWZ) in 1992. As a weak state, Mongolia could not truly implement this commitment without international support. It got recognition from other countries with its NWFZ declaration, adopted in 1999 as a United Nations the UNGA Resolution was also a General Assembly (UNGA) Resolution. Springboard for addressing a range of domestic human security concerns linked to national security. The UNGA in NWFZ resolution (paragraph 3) stressed that international recognition of its nuclear-weapon-free status could enhance regional stability and confidence building while strengthening Mongolia’s independence, sovereignty and territorial integrity. It invited member states to support this approach, to help strengthen Mongolia’s position in terms of economic security and ecological balance, and called on relevant UN bodies to provide assistance. Mongolia implemented that resolution in February 2000, with its Great Hural passing a law. It then hosted an international conference on Mongolia’s nuclear-weapon-free status in May 2000 to better assess relevant non-traditional and human security issues, while making some specific recommendations for the government, and for relevant UN bodies in Mongolia.\textsuperscript{266}

**Corruption in Mongolia**

Mongolia is a developing country in transition. On several aspects; Mongolia is better governed than a number of countries of possible

\textsuperscript{265} V. Fritz, “Mongolia: Dependent Democratization”, Journal of communist Studies and Transition Politics, Vol. 18, No. 4, pp 75-100

Corruption has become an important problem for Mongolian politics and democratic governance. Its appearance is partly due to Mongolia’s small and integrated population, influences from Russia and China, from the process of liberalization, and from currently weak enforcement mechanisms. The US State Department notes: Foreign investors, the international donor community and many Mongolians believe corruption is a significant and growing problem in Mongolia. The corruption has included Cabinet-level officials directing donor funds to their personal property, refusing to account for donor funds, providing donor sub-contracts to close friends and relatives, and interfering with the court system when prosecution of such acts is initiated. Several inter-related factors contribute to the growing corruption problem in Mongolia, the most significant of which are:

- A profound blurring of the lines between the public and private sector brought about by endemic and systemic conflict of interest (COI) at nearly all levels;
- A lack of transparency and access to information that surrounds many government functions and undermines nearly all aspects of accountability by contributing to an ineffective media and hindering citizen participation in policy discussions and government oversight;
- An inadequate civil service system that gives rise to a highly politicized public administration and the existence of a “spoils system”;
- Limited political will and leadership to actually implement required reforms in accordance with the law, complicated by conflictive and overlapping laws that further inhibit effective policy implementation; and

267 In other Central Asian countries e.g. Kyrgyzstan, Tajikistan governance is less democratic, modernization of government has been slower and risks of political instability are higher than in Mongolia.
268 www.state.gov/e/eb/ifd/2005/42091.htm
• Weak government control institutions, including the Central Bank, National Audit Office, and Parliamentary standing committees, Prosecutor General, State Professional Inspection Agency, State Property Committee, and departments within the Ministry of Finance.

The aforementioned systemic shortcomings have allowed for an evolution of corruption in Mongolia that “follows the money,” meaning that graft on the most significant scales generally occurs most often in the industries and sectors where there is the most potential for financial gain.\textsuperscript{269} Opportunities for increased corruption emerged during the transition toward democracy and market economy and process of reconnecting to the international community. Two areas that offered particular opportunities for grand scale corruption at that time were foreign donor assistance, such as the U.S. Government wheat donation program,\textsuperscript{270} and privatization of state owned enterprises. Later, as Mongolia embarked on further policy changes to install capitalistic practices, corruption reared its head in the process of privatizing public land. Now that most of the high-valued land has been doled out and the overall economy is expanding, based in part on extractive industries, emerging areas for corruption include the banking and mining sectors. As in many developing countries, there also are several areas that provide stable and consistent opportunities for corruption, both grand and administrative in nature, such as peoples’ daily lives, but the surprising finding is that most people seem to excuse this kind of corruption and take it in stride.\textsuperscript{271} There have been several \textit{de jure} developments with respect to corruption, including the 1990 Law on Political Parties, the 1996 Law on Anti-Corruption, the 2000 Public Procurement Law, and the 2002 National

\textsuperscript{269} This was true even during Soviet control. Then, involvement in the party apparatus meant the ability to use government resources controlled by the party for personal financial gain with almost complete secrecy, a tradition that still exists today to a certain extent.

\textsuperscript{269} Section 416 (b) of the Agriculture Act of 1949

\textsuperscript{270} This is suggested by the number of surveys showing that people blame low public service salaries for corruption—and the number of times the team heard people (both high officials and “ordinary Mongolians”) say that public employees “have no choice but to be corrupt.”

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Programme for Combating Corruption. A new anti-corruption law is currently being drafted. Mongolia has also endorsed the Anti-Corruption Action Plan for Asia and the Pacific at the Tokyo Conference in November 2001 and has signed the UN Convention against Corruption, on April 29, 2005. The Anti-Corruption Law addresses some important conflict of interest (COI) issue. It calls for the development and implementation of an enforceable and transparent system of asset/income declaration, including investigation and sanction. If passed, the law would be an important step in providing disincentives to corruption since public officials’ assets and incomes could be investigated and offenders could be sanctioned. It covers COIs in areas such as receiving gifts, direct involvement in business activities, abuse of power, and representation of interests before the Government. The proposed bill, however, falls short in addressing other COI procurement, customs, the justice sector, among high-level elected and appointed officials, and in the conduct a variety of day-to-day citizen- and business-to-government transactions. Corruption is affecting many concerns. It does not include any language about post employment restrictions, blind trusts, limitations on ownership of media outlets, and many other aspects of COI prevention prescribed by international standards. In general, there are five main types and/or forms of corruption:

1. **political lobbying**, including obtaining special permits, getting Government decrees issued and contracts;
2. **business related**, including obtaining land permits, getting advantageous conditions in privatization bids, obtaining illegal loans and nepotism;
3. **crime**, including importing and exporting large amounts of goods or heavily taxed items (e.g. cars, tobacco, alcohol) without taxation;

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273 An Anti-Corruption Law adopted in 1996 calls for asset/income declarations; however, by most accounts, provisions of that law make asset/income declaration a “voluntary” action and not a firm requirement.
(4) social status, including gaining government scholarships illicitly, entering schools without exams and avoiding military service; and

(5) election and political party related corruption, including buying candidate nominations for Parliamentary elections or buying government positions.

The creation and implementation of a legal framework to govern economic and political management issues has not been able to keep up with the speed and the magnitude of Mongolia’s growth. As a result, there are contradictions in the myriad of new laws, as well as legislation plagued by poor enforcement and implementation capacity. There also is an absence of basic codes of conduct, and oversight institutions are weak. Mongolians, however, have the opportunity, as the UNDP has noted, to develop “an understanding of the weakness in the governance/administrative systems and adopt the strategy around these in order to achieve improvements.”

The frequency and magnitude of such practices is almost by definition difficult to measure, but a number of organizations have sought to use systematic methods to gauge the level of corruption in Mongolia, including Transparency International and the Zorig Foundation, named after Sanjaasurengin Zorig, a member of the Mongolian Parliament and then Minister for Infrastructure Development, a founder of Mongolia’s democracy movement who was assassinated in 1998. In the global work carried out by Transparency International, Mongolia ranked 85 out of 145 in the corruption perception index in 2004. Mongolia scored an overall average of 3 out of 10, where 10 denotes no perceived corruption at all. The Zorig foundation has been more systematic and rigorous than Transparency International in interviewing many more respondents. Between 1999 and 2004, the general perception that there is widespread corruption has declined while the institutions perceived to be most corrupt include the courts,

275 UNDP (Mongolia), “Independent Anti-Corruption Agency Report,”
customs offices, prosecutors, police, and tax officials. In addition, the Zorig Foundation found that there are widespread instances of corruption among the professional classes, where the worst forms of corruption (i.e. large sums of money being accepted) take place primarily among the police, judges, and tax officials.\textsuperscript{277} In terms of institution building, the magnitude of the changes during the first year ten years of reform is reflected by the 500 new laws adopted by the Parliament during this period.\textsuperscript{278}Building the institutions of elections, legislature, judiciary, government, and civil society in Mongolia has been the first and most significant step in the democratization process.\textsuperscript{279}

### Table Summary of Government Control and Enforcement Institution

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<tr>
<th>Institution</th>
<th>Function/Jurisdiction</th>
<th>Weakness</th>
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<tbody>
<tr>
<td>National Audit Office (NAO)</td>
<td>NAO is an independent office tasked with conducting financial and performance audits of government entities and reporting findings to the SGH and/or the police and Prosecutor General. The Director of NAO is appointed by the SGH.</td>
<td>NAO is structurally independent and should respond only to the SGH. NAO transfers potentially criminal cases to police or prosecutor general, which can dismiss the case based on their perception of its merits. NAO is seeking new preliminary investigation rights by way of new legislative initiatives. The SGH has not demonstrated the ability to adequately follow-up NAO’s recommendations.</td>
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\textsuperscript{277} Dr. Tedd Landman, “State of Democracy in Mongolia, A Desk Study”, University of Essex, UK, \url{www.essex.ac.uk}, p. 30

\textsuperscript{278} Tom Ginsburg, Political Reform in Mongolia, Asian Survey, Vol. xxxv, No. 5, May, 1995

\textsuperscript{279} \url{http://www.zorigfoundation.org.mn/intro_e.html}
| The Central Bank | The Central Bank (a.k.a. Mongol Bank) is responsible for independently implementing national monetary policy, including oversight of Commercial bank activities. | The Central Bank is arguably the most opaque government institution in Mongolia. Its independence from the President, Cabinet, and MPs is questionable at best. The combination of lack of transparency and ineffectively regulating the activities of commercial banks has resulted in recent allegations of significant impropriety. |
| Government Service Council (GSC) | GSC is established as an independent body responsible for implementing and monitoring policies, processes, and procedures related to civil service management, including reforms. The Director is appointed by the SGH. | The GSC lacks practical independence and is beholden to powerful political interests with in the SGH, Cabinet, and the Presidency. It has not demonstrated the political will or capability to put into practice the reforms that would depoliticize the bureaucracy, such as those commonly associated with a merit-based civil service system that exists in more developed democracies. |
| Parliamentary standing committees on Budget, State | According to the Law on Parliament, the standing committees are responsible for monitoring and | The standing committees have not demonstrated the will and ability to ensure implementation of laws relevant to government |
| Structure, Agriculture and the Environment, and the Economy | overseeing implementation of regulations in relevant sectors. Standing committees request to SGH to establish Ad-hoc Special Working Groups to address specific issues, as necessary. | control and anticorruption. They are largely ineffective in their oversight and monitoring role, lack practical independence, and do not possess adequate technical capacity, including staff with appropriate skill sets. |
|Prosecutor General (PG) | The President appoints the PG with the consent of SGH. The PG is in charge of all criminal, proceedings whether to process or throw out cases presented by other entities and its own Special Investigative Unit. PG also is responsible for son compliance with requirements. | PG is independent from the Justice Ministry but has shown little will or ability to prosecute corruption cases. Its Special Investigative Unit only has jurisdiction over cases involving the police, prosecutors, and judges, while the police investigate violations in the administration, including corruption cases. Most cases investigated are thrown out by the PG or settled out of court, due both to political manipulation and lack of proper investigative and evidence gathering skills. |
|State Property Committee | SPC assures that 70 state-owned entities comply with the law and regulations. It | The Committee has experienced a series of alleged cases of mismanagement and corruption. |
**State Professional Inspection Agency (SPIA)**

SPIA is a ministry-level agency tasked with ensuring that policies, procedures, norms, and standards of quality and measurement required by laws and regulation are followed and observed in government agencies dealing with the environment, infrastructure, agriculture, service industries, health, education, science, finance, insurance, social security, labor, and border points. SPIA is modeled after a similar body that exists in China. Formed by legislation in 2002 to ensure independence in inspection processes, SPIA brings together the former inspection agencies of nine ministries. The consolidation power and lack of any discernable oversight makes it prone to petty corruption, particularly at the local and district levels. SPIA receives support from the Government of China and will jointly operate a scientific laboratory with it in the near future.

**Ministry of Finance (MoF)**

The MoF is responsible for overall financial management at each company and establishes criteria for sale of these state properties. It is currently analyzing social sector privatization. The Director is nominated by the Prime Minister and appointed by the SGH. In October 2004, the director was sacked and replaced with the current director, who has served in the past. According to the new director, it is the most transparent government agency, although it also is the most criticized because of its role in the privatization process.

With multilateral development bank support, the MoF recently...
management and budgeting of government money, as it holds all government agencies’ accounts, allocates a budget according to each agency’s needs, and transfers money to an agency account by item-by-item. has implemented a new government-wide financial management system. Since the system has only been in place for a few months, it is too early to However, many interviewees from donor organizations were hopeful that the system is a “step in the right direction” for controlling corruption. A major initial criticism of the new system, according to some interviewees, is that the system may be “too stringent,” in that it has created a system that effectively prevents leakage of government funds, but allows little room for input at the local level or any discretion to meet changing government needs.

In terms of institution building, the magnitude of the changes during the first year ten years of reform is reflected by the 500 new laws adopted by the Parliament during this period. Building the institutions of elections, legislature, judiciary, government, and civil society in Mongolia has been the first and most significant step in the democratization process. An

281 http://www.zorigfoundation.org.mn/intro_e.html
important corollary, the development of practices and customs that enable these institutions to work more effectively, is a slower process. But over the last ten years, Mongolia has made rapid progress in this area as well. Mongolia has many citizen groups, primarily NGOs that are rapidly expanding their approaches to influencing the decision making process.\textsuperscript{282} They raise awareness on issues ranging from domestic violence and environment to gender equity and corruption. They comment on and mobilize support for proposed legislation, such as the recent hunting law, and monitor government implementation of existing legislation. The Parliament is now more open to citizens, with opportunities for viewing parliamentary sessions and obtaining proceedings with individualized records of votes. Standing committees or working groups may have meetings on proposed legislation, such as that on the NGO law and the revised Family Law.\textsuperscript{283} Rural communities are exploring new models of citizen participation that will increase the effectiveness and responsiveness of local decisions. These factors represent a very positive growth in Mongolia’s democracy, as they all promote accountability and transparency. At the same time, access to decision making processes at either the national or local levels can be unpredictable. It may be difficult to obtain a copy of draft legislation before the vote; to confirm the timing of the vote on a particular issue; or to contact a legislator or local Hural member in time for the vote. The lack of institutionalized practices is accentuated by the scattered population, which makes access under the present system even more difficult. Consolidation of Mongolia’s political transition depends on two important elements. The first is more regularized mechanisms for accountability and transparency, either by drafting new regulations or more effective implementation of existing legislation. For instance, regularly scheduled public hearings, posting of proposed legislation for comment by citizens and interested organizations for a specified period, and a broader

\textsuperscript{282} Ulaanbaatar Post; http://ubpost.mongolianews.mn
\textsuperscript{283} Sant Maral Foundation; http://www.forum.mn
access to proposed bills are all examples of “mechanisms for accountability.” They have all occurred in Mongolia but the practice varies from bill to bill and issue to issue. For instance, the foreign investment law was printed in the newspaper for public comment over a period of weeks.\textsuperscript{284} A former head of the Legal Affairs Standing Committee organized a seminar on the revised Family Law, which drew recommendations from both governmental and nongovernmental organizations and set the stage for the debate in Parliament. These are exceptions but they are examples of what can occur under current Mongolian law.\textsuperscript{285} The reason for focusing on these mechanisms is not simply because they are prerequisites of a maturing democracy. They bring significant benefits to national development as well. Although compromise on some issues will be necessary, the greater openness caused by the establishment or refinement of mechanisms for accountability will lead to more sustainable decision making over the long term. When Mongolians have more and higher quality information on a range of issues, can freely comment or provide input on regulations affecting their lives, either as an individual citizen or member of a citizen-group, and have a predictable system in place, there is more likely to be broad-based consensus on major national issues over the longer term. The challenge for Mongolia is regularizing or, in some cases, establishing, predictable mechanisms of accountability. These have a great potential contribution. In addition to building citizen trust in government and the new political and economic system, over the longer they could bring greater connections between the voters and the elected officials, build consensus on major issues in Mongolia, and help promote more effective development and growth. The opportunity is that a strong foundation for these mechanisms of accountability already exists because of the fine work of Mongolia’s governmental and non-governmental organizations over the last ten years.

\textsuperscript{284} Transparency International; http://www.transparency.org

and their recognition of the need for changes in this area. In this respect, Mongolia possesses significant advantages for the further strengthening of its democracy.

4.2 FOREIGN POLICY

Foreign policy of any country is the product of a complex interplay of history, geography, past experience, present requirements, perceptions of the ruling elite of national interests and ideological consensus in the country. It is also molded by the domestic balances of forces, the regional balance of forces and the international balance of forces. It reacts to the developments in the three categories and at the same time endeavors to their course to utilize them to the best advantage of the country. Mongolia’s historical development no less than its recent experience inevitably beckoned towards an independent foreign policy stance. Since the overall domestic and external scenario underwent a drastic change during the democratic transition, Mongolia’s security and foreign policy objectives too figured prominently among the country’s think-tanks.286 Prior to the 1990s, in foreign policy and in national security policy Mongolia’s international actions -indeed were continuation of-the strategic objectives pursued by the former USSR. It was then understood that Mongolia’s national security could only be ensured by securing international guarantees “through a combination of unilateral, bilateral and multilateral measures.”287 Consequently, in June 1994 Mongolia made radical changes in its national security and foreign policies by adopting three basic documents-National Security and Foreign policy Concepts as well as the Military Doctrine, which were finally endorsed by the Mongolian Parliament to strengthen the country’s ability to uphold the Constitution.

law on National security was adopted in May 1992. The Mongolian national security concept published in July 1994 devotes a chapter to each of the main components of Mongolia’s National security ranging from the security of the existence of Mongolia to environmental security. The security of Mongolia is highlighted by foreign policy and defense policy activities. The overall concerns for Mongolia’s security thus aimed at achieving favourable internal and external conditions for ensuring vital national interests, which include the existence of the Mongolian people and their civilization, the country’s independence, sovereignty, territorial integrity, inviolability of State frontiers, relative economic independence, sustainable ecological development and national unity. The document views national security as based on the vital national interests of Mongolia and it defines these vital national interests of Mongolia as

I — the existence of the Mongolian people and their civilization —

II the country’s independence, sovereignty, territorial integrity, inviolability of state frontiers, relative economic independence, sustainable ecological development and national unity.

As such, National Security of Mongolia was termed as being “multifaceted” by the former Mongolian President N. Bagaband during his speech delivered on 6 April 1998 to the opening of the State Great Hural (Mongolian Parliament). He stressed that “within the framework of activities aimed at ensuring the national security, it is a pressing task to create favorable extra conditions for the existence of Mongolia, Strengthening friendly relations with influential countries and carry out a multi-pillared foreign policy.

Like the National Security concerns Mongolia’s Foreign policy too revolves around its national interests.

290 Ibid, p. 222.
The Ministry of Foreign Affairs declares that Mongolia’s foreign policy objectives are:

I. ensuring its independence and sovereignty by following the trends of human society’s advancement

II. maintaining friendly relations with all countries;

III. strengthening its position in the international community;

IV. and forming a network of relationships with influential countries in the region and in the world based on the interdependence of political, economic and other interests. ‘While following a policy of creating realistic interest of the developed countries in Mongolia, it will seek to avoid becoming overly reliant or dependent on any particular country.’ Since Mongolia is ‘sandwiched’ between Russia and China,

All Mongolian governments since 1990 have therefore pursued pro-Western foreign policy since external support is regarded as essential to ensure continued independence’. Despite popular attachment to Russia and the Society experience, Mongolia has sought closer ties with the United States, Japan, and Germany, and economic relations have increased with China.

At present, Mongolia seeks to enhance its status on the world map by strengthening its solidarity and cooperation with both the developed as well as developing countries including the neighboring ones at the international flora. This endeavor, of Mongolia is a result of its comprehensive foreign policy formulated on quite a new basis under the existent circumstances arisen out of the impact of political and economic reforms in the country. Having built up the independent, multi pillar open foreign policy; Mongolia is gaining more and more friends and partners, advancing its position regionally and internationally. Today Mongolia entertains diplomatic relations with 143 countries and adheres to 178 international multilateral treaties. Furthermore Mongolia is a member of 49 international relations; the number of the country’s foreign representatives is also increasing. Regarding Mongolia’s foreign policy there is no doubt that national interests remain the key issue in its formulation. As stipulated in the

Foreign Concept, Mongolia’s foreign policy priority focuses on “safeguarding of its security and vital national interests by political and diplomatic means, and creating a favorable external environment for its economic, scientific and technological development”.

In foreign policy, a major break with past practices came with the outbreak of the Gulf War. It so happened at that time the U.S. Secretary of State was on a visit to Mongolia, and Mongolia condemned the Iraqi invasion. Other important foreign policy developments, which only reinforced this feeling, were normalization of its relations with China, and diversification of its external relations, including building of closer relations with Western democracies. In 1994 priorities of Mongolia’s foreign and security policy were formally endorsed by Parliament in two documents called the Concept of Foreign Policy and Concept of National Security. Despite the fact that things in the world and in the region have been -and still are-in constant evolution since their adoption, such principles enshrined in these documents as multi-pillared foreign policy, balanced relations with its two neighbors, fostering strategic interest in Mongolia of the world’s major nations, remain of continued importance. Their importance derives from Mongolia’s history, location and size. Mongolia’s multi-pillared foreign policy, as translated into practical policy goals, aims preserve and enhances Mongolia’s national security by protecting national interests and advancing their national prosperity. Being a land-locked country sandwiched between two giant neighbors, China and Russia, Mongolia’ future depends on maintaining harmonious bilateral relations with them as well as other countries. Due to invested bilateral endeavors, the relations with Russia and China have been increasingly expanding and now the bilateral relations with both of them have advanced to the partnership

\[293\] Concept of Mongolia’s Foreign Policy, Strategic Digest, New Delhi, vol. 26, No.2, February 1996. p. 188
\[294\] Ubpost.mongolnews.mn
\[296\] P Stobdan, “Mongolia in a Strategic Vacuum”, K. Santhanam (Ed) Ethnicity and Politics in Central Asia, New Delhi, 1992, p. 227
dimension. In recent years, Mongolia has also seen the importance of integrating itself into regional and global associations. It has also been actively engaged in multilateral security processes in the Asia-Pacific region. Therefore, Mongolia’s aim is to create in its immediate surroundings a power equation most attuned to its immediate national interests and so relations with the two neighbors constitute the cornerstone of Mongolia’s security policy as well as foreign policy objectives. Mongolia’s geography, determines its policies, including its foreign and security policy in which bilateral relations hold a special place. Geography and history have taught this country to attach greater attention than any other small nation would do to its relations with the world’s major powers, and to relations between and among major powers. It was only since Mongolia’s transition to democracy and a market-oriented economy that it has started building meaningful bilateral relations with industrialized democracies. Mongolia has been successful in strengthening these relations, and these countries have provided to Mongolia immense support to assist its transition to democracy and a market-oriented economy, to facilitate its integration into regional and international processes and organizations thus enhancing its sense of self confidence in a changing world. With the end of the Cold War international organizations have come to assume greater substance, and regional multilateral processes have been initiated. In the case of Mongolia, multilateral bodies have come to play an increasingly important role in advancing Mongolia’s security and development goals. Mongolia has reinvigorated its work in the U.N., and is increasingly coming to terms with its being an Asian nation. In general, the emergence of new situation under the impact of political reforms and economic restructuring especially during 1990-92 brought Mongolia at a crossroad where it had to consider its future development and security issues in the frame work of geopolitical realities. In

298 Sheldon R. Severinghaus, opcit, p. 138.
300 Ibid, p. 67
the past decade Mongolia has broadened its presence in the world by strengthening its bilateral and multilateral ties. Mongolia is reinventing itself as an emerging democracy to redefine the future in its ancestral traditions. Mongolia is committed to peace and stability in the Asia and Pacific region which is vital for Mongolia’s development for it wishes to take the advantage of international cooperation in the field of commerce and economic cooperation. The past few years have really been years of deep and broad dynamic shifts for Mongolia. Mongolia’s foreign policy has become more economically oriented than ideological as was during the communist governance. The scope and depth of foreign economic relations have increased with the growing interdependence among relevant northeast Asian countries, and economic relations will on the positive side, have a stabilizing effect. Students and practitioners of foreign policy largely agree that in the 21st century security cannot be viewed and interpreted in military-political terms only. In today’s context, security is defined not by a country’s self defense capacity but by the capacity it competes. Economy, environment, population, lack of resources, disease, even bad governance and a host of other things can present security threats. In this age of globalization individual countries’ security and prosperity can only be achieved through cooperation, bilateral, multilateral, and international. Mongolia is not an exception to this. The challenge before Mongolia lies in the domestic field. Pursuing further economic reform and ensuring the nation’s prosperity is the best away of ensuring Mongolia’s national security. Although Mongolia’s national security policy aims to protect its independence, its foreign policy acknowledges that mutuality, cooperation and international interdependence are all essential for its survival. Ultimately, however, Mongolia’s national security and foreign and military policies are based on its small and vulnerable population, its poor economic foundations and its weak defense capacity. The withdrawal of Soviet troops in the mid-1990s left Mongolia with only some 17,000 of its own army and air force personnel and a

limited supply of outdated equipment.\textsuperscript{302} By comparison, neighboring China has a 2.7-million strong military force, larger than Mongolia’s entire population. While Mongolia’s Constitution and each component of Mongolia’s National Security Concept have implications for foreign policy and international relations, they also raise significant domestic human security concerns.

4.3 Relations with the Outside World

In the wake of the former Soviet Union economic collapse, Mongolia began to pursue an independent foreign policy. The Prime Minister called for coexistence with all nations, and Mongolia follows a general policy of expanding relations with as many countries as possible.\textsuperscript{303} Due to Mongolia's landlocked position between the Newly Independent States (NIS) of the former USSR and Peoples Republic of China, forging cordial relations with outside world constitutes a major contributing factor in ensuring Mongolia’s security. Mongolia is reaching out to advance its regional and global relations such as Western Europe, Japan and the United States.\textsuperscript{304} Mongolia's Prime Minister Jasrai visited the United States and met with officials from the Clinton Administration and the chairman of the Senate and House Foreign Relations and Foreign Affairs committees. Chairman N. Bagabandi headed a parliamentary delegation, which visited France and Germany.\textsuperscript{305} The government has carried an “open door economic policy” as a strategy of external economic relationship. After decades of unilateral policy Mongolia began endeavoring to formulate its national security, foreign policy and military doctorate taking into account the international developments, based on principles of international

\textsuperscript{303} Kh. Bajasakh, “Mongolia and Russia and China on the eve of New Millennium”, \textit{Mongolica}, Ulaanbaatar, Vo 19, 1999, p. 63.
\textsuperscript{304} K.S Ramachandan, “Change in Mongolia”, \textit{Final Experience}, New Delhi, 17 December, 1990.
relations.\textsuperscript{306} Having served as a geopolitical buffer in the relations between Russia and China, Mongolia is trying to pursue a balanced relation with them, bearing in mind at the same time the need to maintain balance of forces and interests in the region.\textsuperscript{307} Despite the official demise of Communism in Mongolia in 1990, the formerly communist MPRP has continued to play a dominant political role.\textsuperscript{308} The year 1997 was of historic importance in the future course of Mongolian foreign relations when it became a member of World Trade Organization; the first former communist state to do so. It succeeded in pressing the international aid donors led by Japan to pledge $212 million in loans and credits. As part of its aim to establish a more balanced nonaligned foreign policy, Mongolia is seeking active supporters and friends beyond its neighbors and looking to take a more active role in the United Nations and other international organizations. It has begun a drive for international recognition of a one state Nuclear Weapon Free Zone. Of greatest intrigue for the nations of Northeast Asia has been Mongolia's adept handling of relations with North Korea. Mongolia welcomed North Korea's number two official in summer 2007, building upon airlifts of food aid to North Korea, a visit by the DPRK deputy foreign minister, and reiteration of a friendship treaty earlier in the decade; the North Koreans proclaimed the Mongolians their "only true friends" in Northeast Asia during a 2002 visit.\textsuperscript{309} Mongolia has absorbed a tremendous number of North Korean refugees, some 5000 who transited to South Korea by one estimate; but new measures by Seoul to limit onward passage present a dilemma for Ulaanbaatar. There have been suggestions of South Korean interest in seeing North Korean labor assist with agricultural development schemes, tunneling and small business in Mongolia with the hope of

\textsuperscript{306} Ibid, P.43
\textsuperscript{308} The MPRP, having shrugged off Communism, nevertheless did not officially adopt a new, Socialist agenda until March of 1997, when it amended its party platform.
\textsuperscript{309} www.brookings.edu/opinion/2007
returning such "models" to a more integrated or united peninsula. To that end, one senior Mongolian advisor speaks of the Mongolian story as a "low frequency" broadcast from Mongolia to North Korea, setting an example for transitioning from a Stalinist economy and even for political opening. Mongolia's bent on nuclear weapons free zone status is another exemplar, and Ulaanbaatar sees itself as a possible seat for Northeast Asia regional discussions on inter-Korean or common development issues. It recently hosted Japan-North Korea working group discussions as part of the Six-Party Talks process. Mongolia's lack of historical memory issues that persist among other Northeast Asian players make it an ideal setting for such endeavors, and its understanding of the common development and environmental challenges facing itself, rural China, the Russian Far East, and North Korea make for a sensible expansion of the Six-Party Talks beyond denuclearization efforts. Alongside nations like Australia, New Zealand, and Canada, Mongolia can figure as an important facilitator in agricultural, energy, environmental, energy, trade, ecotourism, and other dialogue.

**East Asia**

Diplomatic relations were established with South Korea in 1991, and during the Mongolian President's visit, seven agreements and treaties were signed, providing the legal basis for further expanding bilateral relations. However, the increasing closeness with South Korea caused problems in North Korea – Mongolia relations, culminating in 1999 when North Korea closed their embassy in Ulaanbaatar; allegedly in response to the state visit by then South Korean President Kim Dae-Jung 2001 President Bagabandi made state visits to India and Nepal. President Ochirbat traveled to Indonesia, and foreign minister Nyam-Osoryn Tuya visited Thailand and

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310 En.wikipedia.org\Foreign_relations-of-Mongolia
89 www.mongolia_web.com\content\view\490\2\
Vietnam, stimulating the Vietnamese President to make the first official visit to Mongolia of a leader of that state in forty five years.\[^{312}\]

**India**

Though geographically apart, Mongolia and India have had civilizational links spanning over a period of 2500 years. Mongols consider India as the birth place of Lord Buddha and call it affectionately as their ‘spiritual Neighbour’. There are historical writings confirming that Buddhism first traveled to Mongolia in 3rd century BC during the Hun period. In modern times, India was the first noncommunist state to recognise the Mongolian People’s Republic. Pt. Nehru was instrumental in establishing diplomatic ties between India and Mongolia in 1955.\[^{313}\] Since then there have been regular exchanges of high level visits between the two countries. However, it did not establish the embassy until the 1990s, when it appointed a Buddhist, Kushok Bakula, who was believed to be the reincarnation of a Bodhisattva, as its ambassador. During the visit of Prime Minister Enkhbayar to India in 2004 bilateral relations between the two countries were elevated to the level of partnership encompassing all possible areas of cooperation and within a few months, forth Mongolian students left for advanced studies to India.\[^{314}\] Over the years, the two countries have signed 28 agreements on bilateral cooperation, which provide a comprehensive legal framework for cooperation in all areas of human activities.\[^{315}\] However India’s economic relationship with Mongolia has not become significant. Total trade over between the two countries in 2002 amounted to $ 1 million.

\[^{312}\] *UB Post*, September 25, 1996; interview, B. Sergelen, Ulaanbaatar, January 12, 2002
\[^{313}\] Mrris Rossabi, *op cit*, p. 223.
\[^{314}\] *Mongol Messenger*, March 17, 2004
Russia

After the disintegration of the former Soviet Union, Mongolia (USSR) developed relations with the new independent states. Links with Russia and other republics were essential to contribute to stabilization of the Mongolian economy. The primary difficulties in developing fruitful coordination occurred because the new independent states (NIS) was experiencing the same political and economic restructuring as Mongolia. Despite these difficulties, Mongolia and Russia successfully negotiated both a 1991 Joint Declaration of Cooperation and a bilateral trade agreement. This was followed by a 1993 Treaty of Friendship and Cooperation establishing a new basis of equality in the relationship. Mongolian President Bagabandi visited Moscow in 1999, and Russian President Vladimir Putin visited Mongolia in 2000 in order to sign the 25-point Ulaanbaatar Declaration, reaffirming Mongol-Russian friendship and cooperation on numerous economic and political issues. In the economic and trade fields particularly since the year 2000, the negative downward trend of the early and mid 1990s has been diminishing and the Russian business communities have already begun to turn towards Mongolia. In particular, cooperation in Mongolia’s mining sector has recently been high on the Russian agenda. In January 2004, when Russia’s Minister for Foreign Affairs Igor Ivanov paid an official visit to Mongolia a joint Russia- Mongolia statement was issued in which both sides advocated reinforcing security and cooperation in the Asia –Pacific Region, particularly, in the North East Asia. Similarly, during a May 2007 visit, Sergei Mironov, Russian Federation Council Speaker, explored the possibility of other mining deals, particularly the development of Mongolian coal deposits. However, apart from uranium and coal, Russians are also interested in projects involving Mongolia’s

318 Moiseev, op.cit, p. 11.
substantial copper, silver and gold reserves. On April 26, 2007, expansion of economic and trade ties between the two sides was pledged at a meeting of the bilateral sub-commission on regional and cross-border cooperation held in Irkutsk. The meeting decided to raise bilateral trade turnover as high as 700 million US dollars, which would register almost a nine-fold increase over trade turnover in 2000 and more than 100 per cent increase over the 2006 trade level.

**Europe**

Mongolia seeks closer relations with countries in Europe and hopes to receive most-favored-nation status from the European Union (EU). During 1991, Mongolia signed investment promotion and protection agreements with Germany and France and an economic cooperation agreement with the United Kingdom. Germany continued former East German cooperative programs and also provided loans and aid. The Prime Minister has traveled to Germany, France, Belgium, and EU headquarters in Brussels seeking economic cooperation. President Bagabandi visited several European capitals in 1999-2000. In 2004 he became the first Mongolian President to pay a state visit to Canada, some 30 years after the two countries established formal diplomatic relations. Mongolia has a modest number of missions abroad. Mongolia did not join the UN until 1961 because of repeated threats to veto by the Republic of China, which considered Mongolia to be part of its territory had not renounced claim to Mongolia as one of its provinces, primarily out of concern that such a move would be viewed as a precursor to renouncing sovereignty over all of Mainland China and Taiwan independence. In 2002 several ROC officials and government agencies passed laws and made strong statements recognizing Mongolia’s sovereignty over the area (unofficially). Outer Mongolia was removed from the ROC's

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official maps and a representative office was established in Ulanbaatar. One of the objectives of European countries has been to cope with the humanitarian problems faced by Mongolian society. European states have provided assistance through TACIS (Technical Assistance To the confederation of Independent states) and other programmes. The French government has initiated projects to improve the response to emergencies, to train physicians, to assist regions affected by forest fires, to ensure the portability of the water and the quality of the air in Ulaanbaatar, and to upgrade water supplies in several rural locations. Sweden has offered assistance on tourism, vocational assistance, and information technology; and Spain has offered loans for improvement of the sewers in Ulaanbaatar.\textsuperscript{324}

**Japan**

Mongolia has been a firm supporter of Japan in the United Nations, other international organizations, international conferences and international committees.

Japan's economic cooperation with Mongolia (million yen)

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<tbody>
<tr>
<td>Grant aid</td>
<td>494</td>
<td>3,308</td>
<td>3,908</td>
<td>4,535</td>
<td>5,905</td>
<td>5,825</td>
<td>4,803</td>
<td>4,298</td>
<td>29.987</td>
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<tr>
<td>Loan assistance</td>
<td>4,836</td>
<td>2,458</td>
<td>3,321</td>
<td>4,753</td>
<td>4,493</td>
<td>5,827</td>
<td>5,046</td>
<td>49,583</td>
<td></td>
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<tr>
<td>Technical cooperation</td>
<td>151</td>
<td>402</td>
<td>681</td>
<td>1,810</td>
<td>2,272</td>
<td>2,337</td>
<td>1,813</td>
<td>1,933</td>
<td>16,108</td>
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In particular Mongolia has maintained a policy of cooperation with Japan in pursuit of the peace and stability of the northeast Asian region. Mongolia has also been a steadfast supporter of Japan's becoming a permanent member of the United Nations Security Council.\textsuperscript{325}

\textsuperscript{324} Mongol Messenger, August 27, 2005.
\textsuperscript{325} www.murdoch.edu.au/elan/issues/v12n1_2/cutler121-html.
Initially, economic cooperation was principally in the form of humanitarian aid for the Mongolian people, who were suffering deprivation amid the deteriorating economic situation in Mongolia at that time. Gradually, however, the cooperation came to be focused on the development of infrastructure to assist the gaining of economic self-sufficiency.

(2) In March 1997 the Governments of the two countries held discussions on the policy for medium to long-term assistance for Mongolia by Japan, and it was agreed that the following four should be the priority fields for economic cooperation.

(i) The development of the economic base and prerequisites for fostering the development of the industrial base (The fields of energy, transportation, and communications)
(ii) Intellectual aid and human-resource development for the transformation to a market economy.
(iii) Aid for agriculture and livestock farming.
(iv) Aid for basic living conditions (Education, health and medical care, water supply)

In addition, not only with regard to bilateral relations, but also in the international arena, Japan is actively taking initiatives in aid of Mongolia. Since 1991 a total of seven conferences of countries providing aid to Mongolia have been held, of which six conferences were held jointly with the World Bank in Tokyo. The seventh conference was held in Ulaanbaatar with the Chair of the World Bank in June 1999. It is of note that at the Conference, the Government of Japan expressed its intention to provide the largest ever amount of aid, totaling US$ 320 million, which has been of great assistance to Mongolia's development efforts.\footnote{Country Study for Japan’s Official Development Assistance to Mongolia: A Committee Report, Based on the discussions and findings organized by Japan International Cooperation Agency, Tokyo, March, p. 40.}
VIP Visits
From Japan to Mongolia

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<th>Year</th>
<th>Name</th>
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<tbody>
<tr>
<td>1994</td>
<td>Delegation of the House of Representatives</td>
<td>1997 1998</td>
<td>Deputy Chief Cabinet Secretary Muneo Suzuki</td>
</tr>
<tr>
<td>1995</td>
<td>Ministry of Health and Welfare Junichiro Koizumi</td>
<td>1999</td>
<td>Minister of Posts and Telecommunications Seiko Noda</td>
</tr>
<tr>
<td>2000</td>
<td>Delegation of the House of Councilors</td>
<td>2005</td>
<td>Senior State Secretary for Foreign Affairs Tetsuma Esaki</td>
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<tr>
<td>2008</td>
<td>Minister for Foreign Affairs Yoriko Kawaguchi</td>
<td>2010</td>
<td>Members of Japanese house of representatives</td>
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</tbody>
</table>

The United States

The United States established diplomatic relations with Mongolia in 1987, when it was still a Communist state, and since then has sought to expand bilateral political, cultural and economic ties. Mongolia values partnership with US at a great deal especially due to the fact that in the recent years the later has reiterated its support for Mongolia’s active participation in the multilateral process of economic and security cooperation taking place n the Asia pacific region. As a new democracy, Mongolia also places a high priority on cultivating good relations with the United States, which government officials in Ulaanbaatar have referred to as Mongolia’s “third neighbor.” Early in the 1990s political scientists became nervous about China’s potential for monopolizing Mongolia’s economy, as
its northern neighbor, Russia had done in its communist period. As a result, a new foreign policy concept called the ‘Third neighbor Policy’ was first proposed for Mongolia in 1990 by U.S Secretary of State James Baker. Mongolian policymakers quickly were enamored by the concept and in 1990s embarked on the task of ‘searching for the Third Neighbor’. Mongolian political scientists and economists supported Mongolian integration with the Northeast Asian region as the best chance for the country to develop and prosper, as well as to balance China’s economic and political influence. Northeast Asia was called Mongolia’s natural economic territory, as a ‘regional Third Neighbor’. Unfortunately, in the second half of the 1990s the Asian economic crisis dashed hopes of this special role for Japan or South Korea. Germany was self absorbed in its own reunification problems, so for Mongolia the only realistic choice was the U.S. At Mongolia’s invitation, the United States began a Peace Corps program there in 1991, which by 2007 was maintaining about 100 Peace Corps volunteers in the country. Also in 1991, following the signing of a bilateral trade agreement, the President restored Mongolia’s most-favored-nation (MFN) trading status now referred to as Normal Trade Relations (NTR) under the conditional annual waiver provisions of Title IV of the Trade Act of 1974. That NTR status was made effective on July 1, 1999, obviating the annual trade status review process.

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327 This strategic concept meant that another large power such as the US, Germany or Japan would act as a third neighbor for Mongolia to counterbalance the traditional roles played by Mongolian border neighbors.

328 Section 2424 of The Miscellaneous Trade and Technical Corrections Act of 1999, enacted as P.L 106-36, effective on July 1, 1999, By Presidential Proclamation 7207.
Table Major Mongolian Merchandise Exports and Imports: 2010

<table>
<thead>
<tr>
<th>Major Commodity</th>
<th>$millions</th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Exports</strong></td>
<td>1,886.6</td>
<td>100</td>
</tr>
<tr>
<td>Ores (mainly cooper)</td>
<td>1,085.9</td>
<td>57.6</td>
</tr>
<tr>
<td>Precious stones and metals (mainly gold and gold products)</td>
<td>234.9</td>
<td>12.5</td>
</tr>
<tr>
<td>Animal hair, yarns, and fabric (mainly cashmere and cashmere products)</td>
<td>193.1</td>
<td>10.2</td>
</tr>
<tr>
<td><strong>Total Imports</strong></td>
<td>2,117.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Mineral fuels (mainly oil)</td>
<td>569.3</td>
<td>26.9</td>
</tr>
<tr>
<td>Machinery</td>
<td>264.7</td>
<td>12.5</td>
</tr>
<tr>
<td>Transport Equipment, vehicles, and spare parts</td>
<td>192.4</td>
<td>9.1</td>
</tr>
</tbody>
</table>

**Source:** Global Trade Atlas, 2010, www.gtis.com/english

Mongolia remains a relatively minor (though growing) U.S. trading partner. According to International Monetary Fund (IMF) statistics, in 2005, U.S. exports to Mongolia totaled $21.5 million, while imports totaled $144 million.\(^{329}\) According to the U.S. Department of Commerce, the most promising sectors for increased U.S. exports to Mongolia include mining, construction, franchising, information technology, tourism, and meat processing. On July 15, 2004, the United States signed a Trade and Investment Framework Agreement (TIFA) with Mongolia to boost bilateral commercial ties and resolve trade disputes. Since 1991, the U.S. Agency for International Development (USAID) has provided around $150 million in assistance to Mongolia. Major USAID programs have focused largely on promoting sustainable private sector-led economic growth and more effective and accountable governance. One primary U.S. interest in

\(^{329}\) Mongolia at www.usaid.gov/regions/ane/newpages/one_pagers/mong01a.htm
Mongolia is in supporting the country’s ongoing transition from a communist state to a nation with a market-based economy and a democratically elected government. U.S. support for both Mongolia’s political and its economic reforms has been tangible. The United States strongly supported Mongolia when it joined the IMF, the World Bank, and the Asian Development Bank in 1991. Congress annually has earmarked U.S. assistance amounts for Mongolia to signal its support. In addition, in 2007, the House Democracy Assistance Commission initiated a program of parliamentary assistance to Mongolia’s parliament, the State Great Hural. The US military helped train and equip Mongolia’s army.\textsuperscript{330} The U.S. Agency for International Development USAID plays a lead role in providing bilateral development assistance to Mongolia. The program emphasizes two major themes: sustainable, private sector-led economic growth and more effective and accountable governance. Total USAID assistance to Mongolia from 1991 through 2009 was about $190 million, all in grant form. In the area of economic growth, USAID’s 2009 budget of $7.5 million focused on economic and trade policy, energy sector reform, and national consensus-building, with a special emphasis on stabilizing the banking sector and building national consensus on the future of the mining sector. In the area of governance, USAID funding in 2009 supported anti-corruption work and help improve the ability of the judiciary to adjudicate commercial cases. Through its third neighbor policy Mongolia has emerged as an increasingly active regional and international contributor. For the Bush administration, that has been crystallized by Mongolia’s continued peacekeeping efforts in Iraq and Afghanistan, provision of over-flight rights in the immediate aftermath of 9-11, and other efforts at military-to-military cooperation. U.S appreciation for this assistance led in part to visit to Mongolia by Secretary of Defense Donald Rumsfeld (in October 2005) and President George W.Bush (in November 2005) — the first U.S. Defense Secretary and U.S.

President ever to visit Mongolia. Richard Armitage praised Mongolia for actively contributing to the American led anti terrorism coalitions in Iraq and Afghanistan. President Bush’s visit resulted in a Joint Statement reaffirming the U.S.-Mongolian “comprehensive partnership between their two democratic countries based on shared values and common strategic interests...” China has considered all these acts “as part of a new US military strategy for Asia designed for its needs. In 2006, Mongolia expanded its global peacekeeping activities by sending a contingent of 250 soldiers to protect the U.N. war crimes tribunal in Sierra Leone, a platoon to participate in the NATO mission in Kosovo, and by helping to serve as U.N. observers in Sudan and Ethiopia/Eritrea Mongolians appeared disappointed when the late 2005 visits by U.S. President George Bush and the then-U.S. Defense Secretary failed to see quick disbursement of the Millennium Challenge funds. What U.S. administration officials have been less aware of is the significant risk associated with continued rotations of Mongolian troops in Iraq; loss of life would result in serious political debate at home. And Mongolians are uncertain at the level and depth of the U.S. commitment, especially when weighed against the tremendous pressures from Russia and China on Ulaanbaatar. Mongolia, nevertheless, remains a key geopolitical component of Beijing’s strategy in Eurasia, particularly after the Mongolian leaders are convinced that Japan is not in a position to be a true “Third Neighbor”, while the US and Mongolia have moved beyond this rhetorical idea. However, if at all a “Third Neighbor” is required, it can be visualizes not in terms of a single country rather a group of countries, especially those who supported consistently the democratic changes in Mongolia. US Mongolian bilateral trade over the last twenty years has

331 Mongolia.usembassy.gov
been very limited, despite Mongolia having most favored nation status. U.S investment is only slowly growing, although political and military relations are closer day by day. The present trends suggest that relations between Mongolia and the United States will continue to strengthen, although it is not likely that the U.S will become Mongolia’s most important economic partner. In any case, for the foreseeable future Mongolia will have to rely much on its diplomatic initiatives to ensure its security and foreign policy concerns for maintaining not only the country’s sovereignty and territorial integrity, but also achieving the socio economic security

CHINA

In less than a decade Mongolian - Chinese relations went through a dramatic transformation when adversely relations between the two countries were replaced by partnership in 1990’s after the collapse of USSR. Over the years there has been a continuum in their relationship, especially in the political sphere which has bought in a high degree of mutuality and inters-independence between the two sides. During the past several years, after the normalisation of relationship Mongolia and China have signed important treaties and agreements which provide a legal framework to promote bilateral relation. The issue of economic ties between the two countries is the most important and integral part of bilateral relations. The two countries are very much interested in developing trade and mutually beneficial economic cooperation. As Chinese energy demand rises, a stable and neutral Mongolia is important for China as a transit link and a transportation corridor between resource rich Russian Siberia and resource deprived coastal and Central China. In 2002, bilateral relations were further improved when Mongolian Prime Minister Enbkhbayar requested Chinese economic assistance in the construction of railway link between Eastern province of Mongolia and North eastern province of China via Choibalsan Arshant direction. China and Mongolia vowed to enhance cooperation in

335 Alan Sanders, Mongolia’s Foreign policy, Opcit, 174.
336 Ibid, p.175
international issues, ranging from UN reform and regional political dialogue to the nuclear issues on the Korean Peninsula. Both sides express their support for each others efforts to promote political dialogue and mutual trust in the region and welcome each other initiatives aimed at enhancing dialogue and cooperation in Northeast Asia.\textsuperscript{337} The changing climate at the international scenario has made them realize the benefits of sustaining the peaceful atmosphere. Last sixteen years have been productive and eventful; much has been enacted and contributed jointly in terms of political and economic exchange. Even the cultural interaction has been intensified. Chinese loans and technical aid to Mongolia have increased throughout the 1990’s and the pace of investment has actually quickened over the past few years.\textsuperscript{338}

China has an insatiable appetite for oil and gas and Mongolia is capitalizing on that to develop this sector too.\textsuperscript{339} China’s Dongsheng Jinggong is conducting petroleum operations in five blocks. In 2006, it produced some 889,000 thousand barrels of crude, most of which went to service China. For Mongolia the challenge is how to gain from China’s rapid rise. With the Chinese market set to claim the 21st century, Mongolia’s future looks bright. The current political will in both China and Mongolia to improve and expand bilateral relations and to manage the territorial differences by peaceful means augurs well for the future development of their bilateral relationship. Both sides put bilateral ties in an important position in their foreign relations. China and Mongolia respect the others independence, sovereignty, territorial integrity, respect the others road of development, properly handle the others concern, and exert joint efforts in reciprocal and common development.\textsuperscript{340} It is a key factor in assessing how the future of the bilateral relationship will develop. This endeavour of Mongolia to improve

\begin{thebibliography}{9}
\bibitem{338} Ibid, p. 182
\bibitem{339} “Unlocking Mongolia’s Potential”, \textit{Foreign Affairs}, New York, May-June 2005, p. 3.
\bibitem{340} “China Mongolia good Neighbourly relations enter new Phase: Chinese President”, \textit{Xinhua}, June 2006.
\end{thebibliography}
and strengthen relations with China is the result of comprehensive foreign policy formulated on quite a new basis under the existent circumstances arisen out of the impact of political and economic reforms in the country. Mongolia’s aim is to establish in its immediate surroundings a power equation most attuned to its immediate national interests. Friendly and constructive relations with China constitute the corner stone of Mongolia’s security policy as well as foreign policy perspectives. All these developments have been contributory factors for these two neighbouring countries to strengthen their bilateral relations. At the end Mongolia will try to benefit from economic linkages with China’s booming economy. There is a possibility for Mongolia to integrate more closely with world economy through China in general and the economy of Asia and Pacific in particular. The market for pure ecological and mineral products and raw materials will continue to increase. To meet the market needs of China and the world, Mongolia’s geographical location connecting Asia and Europe will play an important role.

**Mongolia and Central Asia**

Mongolia and Central Asia share a pastoral nomadic heritage, and both experienced Soviet rule for seventy years in the twentieth century. One major difference is that Muslims are in majority in Central Asia, while most Mongolians are Buddhists. However, seven decades of communist rule weakened formal religions, reducing the possibility of religious conflicts and improving the chances of mutually beneficial relations. Mongolia shares a border with Kazakhstan, Kazakhstan, and Kazakhs constitute about 5 percent of country’s population, most of them living in the western province of Bayan-Olgii.

Yet the turbulence in Central Asia in the 1990s and the early twenty-first century has precluded much contact except for Kazakhstan. Mongolia established diplomatic relations with Uzbekistan, Tajikistan, and Turkmenistan, but this formal did not translate into any significant political
involvement. For a time a civil war raged in Tajikistan, and Uzbekistan and Turkmenistan, ruled by authoritarian rulers had stalled economies. Surprisingly, Kyrgyzstan provided $1,170,000 of goods in trade and planned to assist in building an oil refinery, which was projected to provide 15 percent of Mongolia’s needs. By 1999, Kyrgyzstan had invested $750,000 in Mongolia and air links had been negotiated. However, this scarcely made the two countries significant economic partners, and dramatic increases in their economic relationship seem unlikely.  

Kazakhstan is the only central Asian country to have more than a perfunctory relationship with Mongolia, partly because of the later country’s Kazakh minority. Faced with an economic depression in Mongolia after the withdrawal of Soviet economic assistance, an estimated 39,000 Kazakhs left for Kazakhstan in 1991-92. Many were to be disappointed, as Kazakhstan had similar economic difficulties, including problems in the privatization process. Such problems prompted Mongolia’s Prime Minister Puntsagiin Jasrai to make an official visit to Kazakhstan to negotiate better conditions for Kazakh émigrés. However, their economic situation did not improve, and many Kazakhs had returned to Mongolia by 1996. They came back to similarly unsettled conditions in Mongolia. A 1997 letter from Bayan-Olgii to the Prime Minister of Mongolia pleaded for greater assistance from the central government because every second family had a member with no employment and every third live below the poverty line.  

Economic relations between Kazakhstan and Mongolia started promisingly, but progress had been disappointing. Kazakhstan’s trade with Mongolia amounted to only $7.6 million in 2002. Mongolia planned to exchange its copper for grain, flour, and oil, but by 1997, Kazakhstan had piled up a substantial debit to the Erdenet copper mines, exacerbating the financial problems of that vital enterprise. Reciprocal visits by the two countries presidents in 1998 and 1999 produced pledges of cooperation,  

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343 Mongolian National Chamber of Commerce and Industry, White Paper, pp.43- 45
Kazakhstan agreeing to establish joint ventures in grain processing and woolen fabrics and processing in Mongolia, to trade for cashmere and meat and meat products, to pay its debits to Erdenet, and to provide oil for Mongolia. Both sides have committed themselves to improving road and air links between them. By making the first official visit of his Presidency a trip to Kazakhstan in March 1998, Natsaghiin Bagabandi sought to emphasize the significance of the two countries mutual relations. In any case, the effectiveness of these pledges remains to be seen.