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ANALYSIS

MONGOLIA'S CLOUDY FUTURE

Alphonse F. La Porta

The new Mongolian parliament, the State Great Hural, was not seated last week, following a tumultuous aftermath to polling day on June 29, because of a walkout by opposition Members of Parliament. The initial composition of the Hural would be 39 seats out of a total of 76 for the present coalition leader, the Mongolian People's Revolutionary Party (MPRP), while 25 seats would go to the Democratic Party (DP) and two small parties. Ten other seats are on appeal to the national election commission and are subject to recounts. Due the walkout, the Hural is effectively stymied and a government cannot be formed, although media reports late last week indicated that talks were occurring among political leaders.

POST ELECTION MAYHEM

Although the June 29 balloting was assessed by domestic and international observers to be free and fair, the results were protested in the riotous eruption on the night of July 1, when tens of thousands processed to MPRP headquarters on the main thoroughfare, Peace Avenue. Local observers estimated that a hard-core mob of 2000 mostly youths sacked the MPRP building after speeches by Democratic Party (DP) leader Tsakhia Elbegdorj and subsequent harangues by other oppositionists. Fueled with alcohol from a liquor store on the first floor, the demonstrators looted the shopping arcade, party offices and the adjacent national art gallery. Five demonstrators died, about 200 were injured, and 700 were arrested. Losses of original contemporary art, scholarly documents, and possibly the MPRP archives are incalculable.

A state of emergency was imposed for four days as troops appeared on the streets of Ulaanbaatar for the first time since independence in 1989. The status quo was later restored by Naadam, the national holiday on July 11-13, when the entire country relaxed for horse racing, wrestling, archery and other sports without the threat of further violence.

PARTY FALLOUT

The reasons for the eruption on July 1 were not hard to divine. Foremost, perhaps, were the inflated expectations of a Democratic victory as pre-election polling and exit counts presaged a narrow win. Particularly in Ulaanbaatar, where the DP was reputed to win handily, emotions lay not far beneath the surface. There was also a reported influx of Russian "hot money" to grease the way for an MPRP victory.

Elbegdorj loudly demanded recounts and a nationwide revote, believing that the totals were massively altered by the MPRP-dominated election commission. Friends say that Elbegdorj truly was convinced that the election had been stolen and that electoral fraud involved more than a handful of seats. However, he may have to deal with public sentiment that he jumped the gun by turning people into the streets after the balloting. As one widely respected DP politician remarked: "Violence is the main enemy of democracy....A truly democratic polity nurtures forbearance and patience, and rejects the instant appeal of violence."

The Revolutionary Party was expected to do well in the countryside where, like the Democrats, they made lavish promises of wealth transfers from natural resource development. The MPRP relied on the nostalgia of the rural population for the stability of socialist rule prior to the peaceful Mongolian revolution of 1989. The electorate was also influenced by the bitterness of the campaign, the seemingly endless political disarray of coalition politics since the 2004 elections, and the failure of successive weak governments to achieve progress on poverty alleviation and deficiencies in health care and education.

GOVERNING CONSENSUS IN TATTERS

The way ahead for governance is murky. The last shreds of comity between the main political forces have been stripped away. Bitter frustration among political activists, especially within the opposition, will impact on the personality centered leadership of the Democratic Party, while most small parties clearly are not viable. The MPRP, likewise, is not without its divisions. Younger modernists under Prime Minister S. Bayar are frustrated by the ageing ex-communist hard-liners, while President Enkhbayar is a divisive force.

Political jockeying will now focus on the 2009 presidential election when Enkhbayar likely will be challenged within the MPRP and there will be an internecine contest to see who will represent the Democrats in an expected crowded field of candidates. Unfortunately, there is no "white knight" on the horizon to conciliate among political leaders for a higher national purpose.

POLICY STAKES

The policy stakes are important in the near term. This year's election campaign was waged around varying degrees of national chauvinism concerning state control over mining and other "strategic" enterprises. Bayar has pledged to secure quick parliamentary approval of several mining deals that provide for strong state control, whereas the Democrats favor private, but nevertheless, Mongolian majority ownership.

Increased reliance on statist solutions, with the potential for inefficient management, cronyism, and corruption, would lock in MPRP power. Furthermore, there is a fear among some western observers that Bayar will favor Russian exploitive interests rather than openness to world-class mining and other investment.

WHAT THE NEW GOVERNMENT WILL FACE

The consequences of the June 29 election and its violent aftermath could be far-reaching. Bayar, a consummately skilled politician, and the MPRP may be able to form a government by attracting a few opposition MP's to their side as they have done in recent years. Certainly government ranks will be cleansed of any remaining opposition appointees in favor of Revolutionary Party patronage. But a negative response by foreign investors and western supporters of democratic pluralism seems likely unless the prime minister makes a special effort to demonstrate openness and transparency in economic management. Already a few voices in the United States were raised against "re-Sovietization" and return to Russia's orbit.

Domestically, Bayar will be challenged to address rapidly rising inflation (15% in 2007) and grassroots hardship caused by an overheated economy, unchecked government expenditures, and corruption. Over the longer term, job creation, mounting income disparity, and the modernization of Mongolia's social welfare system will be priorities.

Will Mongolia's struggling democracy survive? Statesmanship by Prime Minister Bayar will be a strong determinant, but the fiercely independent spirit of the Mongolian people will ultimately guide the country's political future.