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Like a Gaulish village of democracy

Mongolia's democracy has held its ground between authoritarian neighbours like Russia and China. But now, it's under threat

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Almost like Asterix and the Gauls, Mongolia stands defiant between its two powerful authoritarian neighbours, Russia and China. Since the end of socialism in 1990 the country has been a free society, thus ploughing something of a lonely furrow in the region. Mongolian democracy has demonstrated its resilience in the past through peaceful changes of government.

The latest parliamentary elections on 24 June 2020, in which a record 606 candidates contested 76 seats, speak for themselves. The election result was surprisingly clear-cut. The social-democratic Mongolian People's Party (MPP), which has been in power since 2016, defended its majority under popular prime minister Ukhnaaniin Khurelsukh. 62 out of the 76 seats went to the MPP. The biggest opposition party, the economically liberal Democratic Party (DP), was a long way behind, with only 11 seats. The other seats were divided among small parties and independents.

Mongolia's parliamentary elections were held under the special conditions of the new Covid-19 normality. The threat posed by the Coronavirus pandemic was also the dominant issue of the election campaign. The government pointed with some pride to its successful prevention of local transmission to Mongolia. While the virus raged initially in China and later in Russia, Mongolia was largely able to seal itself off.

As early as late January, protective measures were imposed domestically and the borders have been closed to foreigners since mid-March. This has evidently been a success because to date only around 200 cases of Covid-19 have been confirmed. Virtually all of them were Mongolians returning from abroad, who were quarantined immediately. Like South Korea before, Mongolia has shown that pandemic prevention and

democratic participation are not mutually exclusive.

The dangers for Mongolian democracy

In any case, the real dangers to Mongolian democracy lurk elsewhere. Populism and nationalism are increasingly polluting democratic discourse. The rampant corruption, the exploitation of political power for personal economic gain and the financial dependence of the larger parties on influential oligarchs provide grist to the mill of all those who would like to replace parliament and parties with a 'strong man' at the helm.

The election results cannot disguise the fact that, for years, surveys have indicated that a large majority of Mongolians no longer expect any sort of change for the better from the two major parties. The politically astute president, Khaltmaagiin Battulga (DP), in office since 2017, himself beset by rumours of corruption, is masterful in his handling of public disenchantment with politicians and parties. He has cleverly fomented the mood for systemic change in a 'presidential' direction. Mongolian and Western observers fear that this is the beginning of the end for Mongolian democracy.

In short, Mongolia's policy of neutrality, which has been so successful since 1990, is in trouble.

In the wake of the election, attention is likely to shift to the high price Mongolia will pay for the Coronavirus pandemic. The country, rich in natural resources, is economically dependent on the export of unprocessed raw materials, such as coal and copper. Lacking access to the sea, virtually all exports go to southern neighbour China. If the Chinese economy coughs, Mongolia is prostrated with the flu. This is what it experienced in 2017, when a long economic boom was followed by an equally astonishing economic collapse and rescue from state bankruptcy at the last moment by an IMF bailout. Now the drama threatens to repeat itself. Exports are collapsing once more and the rescue policy of the past may further increase the already high foreign debts.

The pandemic has also thwarted efforts to wean the Mongolian economy off its dependence on commodity exports. Interrupted transport routes and falling demand in important buyer countries have brought cashmere exports almost to a standstill. Tourism is also suffering. The 2020 season is a dead loss and the prospects for next year are highly uncertain. All of

this is bringing nomadic herders, family businesses and informal workers on the brink of ruin. A wave of bankruptcies looms as very few people have savings to tide them over. The last thing the banking system needs, however, is more bad loans, having suffered from that affliction for years. Rising unemployment and plunging tax revenues, in turn, are calling into question the viability of the state. High inflation and the gradual deterioration of the Mongolian tugrik are doing the rest.

Mongolia's neutrality at risk

Mongolia is at risk of falling into a vicious circle, from which it will find its way out only with outside help. That may lead to China exercising even greater influence, although it is generally unpopular and regarded by political elites as, at best, a necessary evil. But a clear re-orientation towards Russia or the United States harbours risks of its own. They, too, are seeking more influence over Mongolia in pursuit of their own geopolitical ambitions.

In short, Mongolia's policy of neutrality, which has been so successful since 1990, is in trouble. Its basic idea is to preserve its independence by means of regional stability. Thus Mongolia has time and again has been able to act as honest broker for peace and security in Northeast Asia. Whichever side Mongolia succumbed to, it would provoke the other's hostility. Instead of a sovereign state it would become a pawn in the struggle for geopolitical hegemony.

Europe could provide Mongolia with support. But it attaches little significance to the continued existence of Mongolian democracy. All Mongolian governments have pursued good relations with the West. But little has been achieved beyond declarations of intent and symbolism. It will come as no surprise, then, that Mongolia will not figure in Germany's future reorientation of its development cooperation activities, even though at present it is one of the main development-policy actors there. Without the vigorous support of friendly democracies, Mongolia's particular democratic path could rapidly reach its end. The Gaulish village is in danger of running out of magic potion.



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