

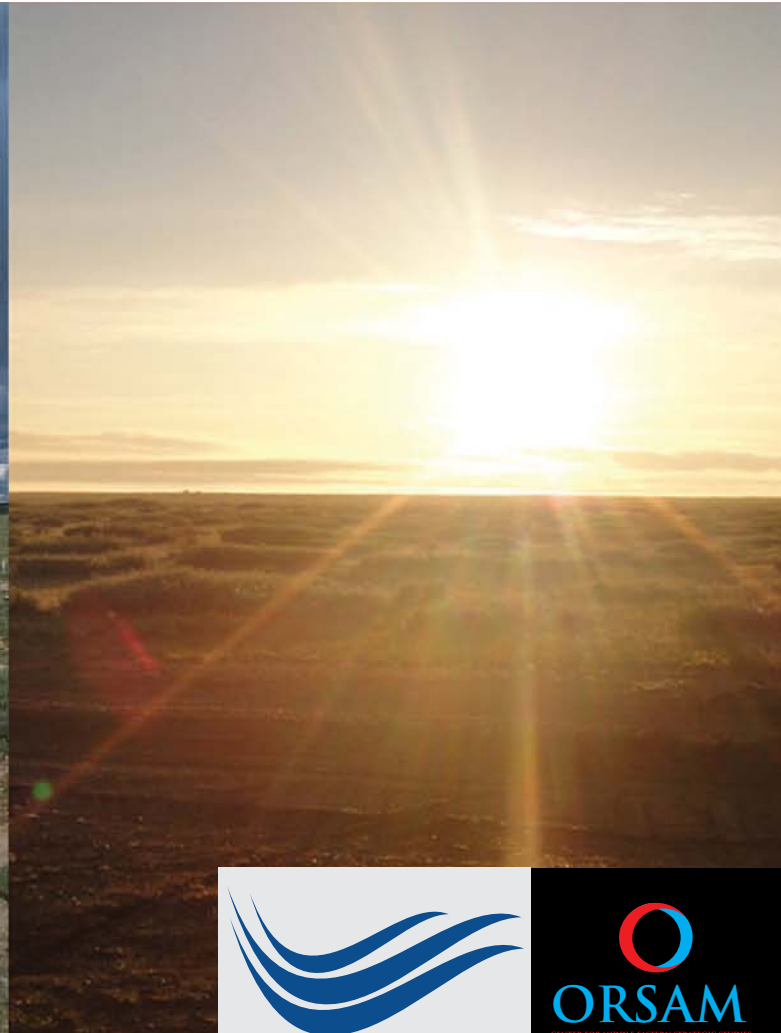
MONGOLIA: A DEVELOPING DEMOCRACY AND A MAGNET FOR MINING

MOĞOLİSTAN: DEMOKRASİSİNİ GELİŞTİRİYOR VE
MADENCİLİĞİN MERKEZİ OLUYOR

منغوليا: تتوسع في الديمقراطية وتتحول كمركز للتعددين

ORTADOĞU STRATEJİK ARAŞTIRMALAR MERKEZİ
CENTER FOR MIDDLE EASTERN STRATEGIC STUDIES

THE BLACK SEA INTERNATIONAL CENTER FOR RESEARCH AND DIALOGUE



MONGOLIA: A DEVELOPING DEMOCRACY AND A MAGNET FOR MINING

MOĞOLİSTAN: DEMOKRASİSİNİ GELİŞTİRİYOR VE MADENCİLİĞİN MERKEZİ OLUYOR

منغوليا: تتوسع في الديمقراطية وتتحول كمركز للتعدين

**ORSAM Report No: 113
The Black Sea International Report No: 18**

April 2012

ISBN: 978-605-4150-08-7

Ankara - TURKEY ORSAM © 2012

Content of this report is copyrighted to ORSAM. Except reasonable and partial quotation and exploitation under the Act No. 5846, Law on Intellectual and Artistic Works, via proper citation, may not be used or re-published without prior permission by ORSAM. Assessments expressed in this report reflect only the opinions of its authors and do not represent the institutional opinion of ORSAM.



STRATEGIC INFORMATION MANAGEMENT AND INDEPENDENT THOUGHT PRODUCTION

CENTER FOR MIDDLE EASTERN STRATEGIC STUDIES

History

In Turkey, the shortage of research on the Middle East grew more conspicuous than ever during the early 90's. Center for Middle Eastern Strategic Studies (ORSAM) was established in January 1, 2009 in order to provide relevant information to the general public and to the foreign policy community. The institute underwent an intensive structuring process, beginning to concentrate exclusively on Middle affairs.

Outlook on the Middle Eastern World

It is certain that the Middle East harbors a variety of interconnected problems. However, neither the Middle East nor its people ought to be stigmatized by images with negative connotations. Given the strength of their populations, Middle Eastern states possess the potential to activate their inner dynamics in order to begin peaceful mobilizations for development. Respect for people's willingness to live together, respect for the sovereign right of states and respect for basic human rights and individual freedoms are the prerequisites for assuring peace and tranquility, both domestically and internationally. In this context, Turkey must continue to make constructive contributions to the establishment of regional stability and prosperity in its vicinity.

ORSAM's Think-Tank Research

ORSAM, provides the general public and decision-making organizations with enlightening information about international politics in order to promote a healthier understanding of international policy issues and to help them to adopt appropriate positions. In order to present effective solutions, ORSAM supports high quality research by intellectuals and researchers that are competent in a variety of disciplines. ORSAM's strong publishing capacity transmits meticulous analyses of regional developments and trends to the interested parties. With its web site, its books, reports, and periodicals, ORSAM supports the development of Middle Eastern literature on a national and international scale. ORSAM supports the development of Middle Eastern literature on a national and international scale. ORSAM facilitates the sharing of knowledge and ideas with the Turkish and international communities by inviting statesmen, bureaucrats, academics, strategists, businessmen, journalists, and NGO representatives to Turkey.

Dr. Süreyya Yiğit, ORSAM Eurasia Advisor

Süreyya Yiğit studied for his undergraduate degree at the Department of International Relations, London School of Economics. His postgraduate degree is from Cambridge University and he holds an Honorary Doctorate in Pedagogical Science. He has lectured at the following universities; Aalborg University, Samarkand State University, Samarkand State Institute of Foreign Languages, Kyrgyz-Turkish Manas University, Kyrgyz-Russian Slavonic University, American University of Central Asia and the International Ataturk Alatau University. He has many publications relating to the fields of the European Union, Turkish Foreign Policy, British Politics and Central Asia. He is currently the Eurasian Advisor to ORSAM.

Contents

Presentation	6
Executive Summary	7
1. Introduction	8
1.1. Turkic Attachment.....	8
2. Mongolian Communism	9
2.1. Mirror, Mirror.....	9
2.2. Collapsing Communism.....	10
3. Peaceful Change	11
3.1. Government & Politics.....	11
3.2. Constitution.....	11
4. Democratic Elections	12
4.1. Contested Election	12
4.2. 2008 Crisis and Beyond.....	13
4.3. From Demonstrator to President	14
5. Foreign Policy.....	14
5.1. International Organisations	15
5.2. Active Participation	15
6. Bilateral Relations	16
6.1. Recent Mongolian – Russian Relations.....	16
6.2. Recent Mongolian – Chinese Relations	16
6.3. Recent Mongolian – U.S. Relations.....	17
6.4. Recent Mongolian – Turkish Relations.....	18
6.5. Turkish Citizens Living in Mongolia.....	19
7. Economy.....	19
7.1. Shock Therapy	20

8. Mining	21
8.1. Mineral Wealth	21
8.2. The Transformational Threesome	22
8.3. Windfall Tax.....	23
8.4. Suspension of Licenses.....	24
8.5. Views of Investors.....	24
8.6. Dig for Wealth	35
9. Conclusion.....	35
9.1. Dig for Development and Democracy.....	40
Bibliography	41
Annexes:	46
Annex A Mongolian Constitution.....	46
Annex B Mongolian Political System.....	65
Annex C Mongolian Parliament	72
Annex D Human Rights.....	73
Annex E Role of Parliamentary Speaker	74
Annex F List of Prime Ministers.....	75
Annex G List of Presidents.....	76
Annex H Personalities in Mongolian Politics	77
Annex I Mongolian Presidential Elections	78
Annex J Parliamentary Elections	79
Annex K 2008 Parliamentary Election	80
Annex L Mongolian Concept of Foreign Policy.....	82
Annex M Mongolian Concept of National Security	88

PRESENTATION

Economically as well as politically the world is currently focused on the dual themes of currency and energy. The attention of the world leaders has concentrated on the fate of the Euro these past few months due to the Greek financial crisis. Simultaneously the world has been monitoring the steady rise in the price of oil, currently standing at more than 120 dollars a barrel. Therefore, it would not be an exaggeration to say that Eurasia is the primary region in the world in terms of solving current difficulties and in offering positive scenarios for the future.

Energy, naturally enough, is a vital concern for the world economy. Though when one considers the sources of the main suppliers of energy, be they oil or gas, they are both natural resources stored under the earth. They certainly are not the only valuable resources the planet stores underground. One can add many more minerals to an ever expanding list.

Militarily, the past few days has witnessed an attentiveness of academic attention looking towards Asia. Most notably the recent deployment of American Marines in Northern Australia has signaled that the United States attaches greater importance to the Asian Continent and to its operations in greater Central Asia, namely Afghanistan. This country has been identified as vital not solely in terms of harbouring and training religious extremists, but also due to the immense natural resources that it possesses.

Mongolia is a similar country that has proven natural resources under its territory that the rest of the world is desperate to discover and to market and sell. It is also a country that has a very interesting ancient and recent past that makes it stand out from the rest of the countries that it shares its region with. It is a country with a small population with a vast territory; characteristics which are an anathema to a multitude of many other states. Furthermore, this vast land mass is extremely rich in mineral resources. This provides Mongolia with an opportunity to make its citizens wealthy, should it opt for a democratic division of wealth.

Dr. Süreyya Yiğit, drawing on a decade-long experience of lecturing in various Central Asian Universities, has provided a detailed insight into the challenges facing Mongolia. Fortified with the very latest statistical information at hand, he outlines the gigantic prospects the Mongolian mining industry has, as well as providing a thorough evaluation of the democratic development Mongolia has undergone since the collapse of Communism in greater Central Asia.

By publishing the valuable work of Dr. Süreyya Yiğit, we at ORSAM would like to reiterate our commitment to first-class cutting-edge research in the politics and economics of Central Asia, which is not solely where great civilizations were born and matured, but also the region which can definitively shape the future of the world.

Doç. Dr. Hasan Ali Karasar
Black Sea International
Coordinator

Hasan Kanbolat
ORSAM Director



By: Dr. Süreyya Yiğit
ORSAM Eurasia Advisor

MONGOLIA: A DEVELOPING DEMOCRACY AND A MAGNET FOR MINING

Executive Summary

Mongolia is a country situated in North-east Asia which faces significant political and development challenges. Due to vast underground mineral resources it faces the challenge of the natural resource curse. Paramount for the country is the ability to transform its mineral endowment into renewable assets for a sustainable and broad-based development. In order to be successful in this endeavour much attention needs to be paid to the quality and competency of economic policies as well as the role of institutions, which will ultimately determine whether the country can exploit opportunities, or yield to the resource curse.

Whilst development has and is taking place, Mongolia has transformed itself from a one-party socialist state to a multi-party democracy. It continues to face the challenges that post-socialist countries face on the road of transition, with obstacles concerning social justice, re-evaluation of its historic identity as well as attempts to lunge to its recent authoritarian past.

Mongolia's predicament is a welcome one when compared to its regional neighbours, the Turkic States. It has a small population, vast land area and incredible mineral riches. Politically, it has proceeded along the democratic path fairly steadily and can boast of having an emerging political elite untainted by any association with the communist past. Therefore, for Mongolia the political and economic future looks bright as long as the correct policies are pursued. In fact, the future could be as bright as the glint of gold hidden underneath the Mongolian tundra.

Mongolia: A Developing Democracy and a Magnet for Mining

2011 was a very special year of anniversaries for Mongolia. Firstly, it celebrated the 2,220th anniversary of the Mongol state. Secondly, the centennial of regaining independence and freedom. Thirdly, the 90th anniversary of the People's Revolution. Fourthly and finally, the 50th year of its membership to the United Nations, of its entry into to the international fold as it were. Despite the fact that the year was so momentous, very few research institutes or think tanks paid attention to Mongolia, with even less carrying out research into its recent past and current circumstances.

1. Introduction

Mongolia is a giant country in terms of territory but a dwarf in terms of population. It covers a massive 1,566,500 sq. km. which is larger than Alaska or more than the combined territories of France, Germany and Spain. In terms of population, the 2010 census proclaimed the total population of Mongolia to be 2 754 685, which is larger than Latvia, but smaller than Lithuania (National Statistical Office of Mongolia, 2011).

The tiny population of Mongolia makes it the most sparsely populated country in the world as well as being the world's second-largest landlocked country after Kazakhstan; all of which are not exactly encouraging signals for economic development or investment.

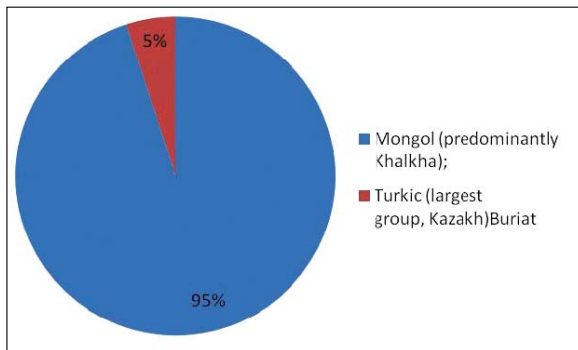
1.1. Turkic Attachment

For the Turkic world, Mongolia's importance stems from the ancient site which houses the Orkhun monuments (Ishjatms, 1996). The Orkhun Inscriptions are the products of the period of Khan Bilge in the Kingdom of Gok-Turks. The monument of Kül Tegin was built by the Khan Bilge in the name of his brother in 732, with the monument of Khan Bilge built by his son in 735, a year after his death. The third monument, that of Tonyukuk, was built by him during the years 720 and 725. These inscriptions written in the Gok-Turk alphabet note not only the history of the Turks, but their literature, arts, traditions, religion, military structure and their social life in general. For the Turkic peoples - especially Anatolian Turks - language merges with history and geography in the Orkhun valley, edifying the sense of belonging to their ancient homeland.



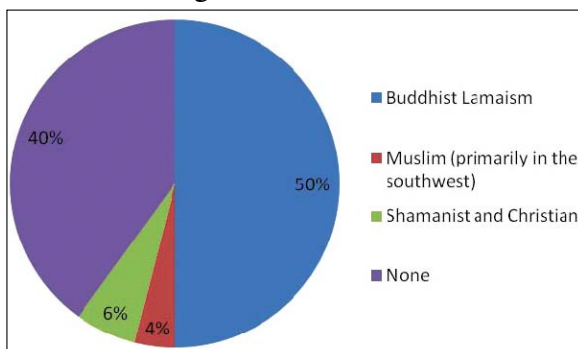
In terms of language, Mongol is an Altaic language - from the Altai Mountains of Central Asia - a language family comprising the Turkic, Tungusic, and Mongolic subfamilies (Marcantonio, 2002). It is not surprising then, that Mongol is related to Turkic languages. As can be seen from Charts 1.1 and 1.2, Turkic speakers (Kazakhs, Turvins, and Khotans) constitute 5% of Mongolia's population, with almost half of the nation professing a belief in Buddhism.

Chart 1.1 Ethnic Groups



Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/mg.html>

Chart 1.2 Religions



Source: <https://www.cia.gov/library/publications/the-world-factbook/geos/mg.html>

Mongolia possesses a proud history as it rightfully claims to have built the largest land empire ever, having controlled Russia, India and the Middle East for centuries (Moses, 1997). Even more impressive is the fact that their empire was ruled by the Great Yassa, the written law which tolerated different religions, cultures and traditions (Moses, 1997a).

2. Mongolian Communism

During the Cold War, Mongolia used to be referred to as the 16th Republic of the USSR. This was due to the fact that it was the second state in the world after the USSR to become a socialist state. Only the Soviet Union recognized the new republic until after the end of the Second World War as the Republic of China formally recognized Mongolia's independence on 5 January 1946.

The Mongolian following, or rather mirroring, of the Soviet Union was prominent in many respects, especially when one takes a look at the leading personalities of the time. Needless to say they were all men. Despite the moral and ethical claims of socialism, it fared no better than capitalism with regard to women reaching the top echelons of political power.

2.1. Mirror, Mirror...

Box 2.1 Leadership Comparison

Mongolia	USSR
Sükhbaatar 1893-1923	Lenin 1870-1924
Choibalsan 1895-1952	Stalin 1878-1953
Tsedenbal 1916-1991	Brezhnev 1906-1982

As Kaplonski (2004, pp-162-163) has stated, Lenin, the leader of the Bolshevik revolution was mirrored in Mongolia by Sükhbaatar. He was initially militarily trained by the Bolsheviks in Irkutsk and led the attack to successfully take the ancient city of Urga from the forces of a White Russian warlord. Although Sükhbaatar founded the Mongolian People's Revolutionary Party in March 1920, he did not live long enough to see the proclamation of the Socialist State as he died in 1923.

Lenin died a year later and on January 26, 1924, three days after his death, Petrograd was renamed Leningrad – city of Lenin. Stalin, in order to exalt himself, successfully and rapidly elevated Lenin into a communist prophet. Ten months later, the Mongolians on October 29, renamed Urga as Ulaanbaatar - Red Hero - as a reference to Sükhbaatar. The Mongolian People's Republic was proclaimed a month later on November 26, 1924. Sükhbaatar's role, similar to Lenin's, was greatly magnified and he duly duplicated the Soviet leader as the embodiment of the Mongolian revolution.

The historic parallels are easy to observe. Firstly, Lenin successfully led the Bolshevik Revolution capturing Petrograd and Moscow and gradually expanding authority to all corners of the Czarist Empire before proclaiming the USSR in December 1922. The Mongolians similarly controlled vast territories before declaring their independence.

Secondly, just as Lenin was succeeded by Stalin with his cult of personality, Choibalsan steadily increased his power to become the strong man of Mongolia in the 1930s, steadfastly eliminating his political rivals whilst being firmly supported by his master, Stalin (Lattimore, 1962). The purges of the Soviet Union were replicated with the same ferocity and score-settling in Mongolia. Estimates of the number of victims range from 30,000 to more than 100,000 as suggested by Sandag and Kendall (2000), or between 3 and 10 per cent of the population.

Thirdly, during the 1930s whereas everyone feared the NKVD in the Soviet Union, so did the Mongolians of their national equivalent, the Green Hats (May, 2008). As Stalin led the ferocious attack on the Orthodox Church, Choibalsan imitated his liege by destroying Buddhism in Mongolia.

Fourthly, as Stalin demanded the collectivization of agriculture and the livestock of the kulaks, Choibalsan forced the collectivization of the herds of the Mongolian nomads. Finally, as Stalin permitted his name to be associated with various cities, such as Stalingrad and Stalinabad so did Choibalsan by renaming Bayantümen simply as Choibalsan, which unlike Stalingrad and Stalinabad, still bears his name today.

Choibalsan died a year before Stalin in 1952, after which Tsedenbal took over the communist reins of power. Tsedenbal was similarly brutal in purges and rather remarkably, according to Atwood (2004, pp.515), a strong advocate of the abolition of Mongolian statehood and its incorporation into the USSR. In 1984 he was deposed, the official reason for his retirement being due to his old age. He was therefore, in many respects the 'Brezhnev of Mongolia', due to his long stint in political office and similar tendency to try everything within his grasp to hold onto power despite deteriorating health and old age (BBC, 2011).

2.2. Collapsing Communism

With Gorbachev the effective and influential leader in Moscow, Mongolia as before paid close attention to the new General Secretary and the changes instigated by him. Of particular concern was a speech Gorbachev made in Vladivostok in 1986 (De Santis, H and Manning, R., 1989). According to a secret CIA report (Central Intelligence Agency, 1988) the National Intelligence Estimate observed that:

“Gorbachev has already demonstrated an ability to modify long-held Soviet positions elsewhere in the world, and he also appears to be moving in this direction vis-à-vis China: In a speech in Vladivostok in July 1986, Gorbachev first signalled his intention to improve relations, engage the Chinese leadership directly, and deal with China's obstacles”.

Given the fact that Mongolia was the party that suffered the most from the internecine socialist rift, this was most welcome. Furthermore, the particular message of Soviet troop withdrawals from Mongolia by Gorbachev was very much taken to heart. Five divisions had been stationed in Mongolia since 1966 but Gorbachev kept his promise and one was removed in 1987 (Worden and Savada, 1991).

3. Peaceful Change

As the winds of political change began to blow in Eastern Europe, they did not end there but crossed the continent and reached as far as East Asia. In December 1989, a demonstration took place at Sükhbaatar Square in Ulaanbaatar. One of the organizers that day was a young man named Tsakhiagiin Elbegdorj. Speaking as President of Mongolia at a conference in Washington D.C. in 2011, he recalled:

“Twenty-two years ago in 1989, December, we actually beganwith my friends. We decided to organize [the] first demonstration on a cold December day in Mongolia. And we demanded those things during that time, which was prohibited by our constitution: multi-party system, democratic elections, right to vote, right to chose, a right to worship, a right to speak, a right to assembly, freedom of press. And within six months, actually, we achieved that” (Brookings Institution, 2011).

Within three months the communist government had resigned and free elections had taken place in July. It was for all intents and purposes a bloodless revolution. As the president reiterated “During that time, [the] Soviet Union was intact. And between the Republic - the People’s Republic of China and the Soviet Union is small Mongolia. Making that choice, making that transition was quite challenging. But we did it without a single bloodshed, without shattering a single window” (Brookings Institution, 2011).

3.1. Government & Politics

The major advantage Mongolia had over the five soon-to-be-independent Soviet Central Asian republics centred on the fact that it was already considered a sovereign state with internationally recognized borders, national institutions and the trappings of statehood.

The elections for a bicameral parliament were held on July 29, 1990 with the incumbent Mongolian People’s Revolutionary Party (MPRP) winning a massive 83% of the seats (IPU, 1990). A year later in November 1991, a new constitution began to be debated and it duly entered into force in February 1992, which established a Semi-Presidential Republic.

3.2. Constitution

In its preamble, the constitution stresses the sovereignty and independence of the Mongolian people, advocating the defence of human rights and freedoms with the goal of constructing a civil and democratic society in the country. In subsequent articles, the constitution declares that it is the duty of the unitary state to ensure democracy, justice, freedom, equality, national unity and rule of law.

With Article 20, its parliament, the State Great Khural, became the highest organ of state power, thereby abolishing the previous bicameral structure with supreme legislative power solely being vested in the unicameral State Great Khural.

Article 26 declares that it is the president, members of the State Great Khural and the Government who have the right to initiate legislation. Article 31 provides the details of the election of the president, basically a two-round majority system very similar to the French.

The powers of the president are identified in Article 33, the highlight of which is possessing the right to veto, partially or wholly, laws and other decisions adopted by the State Great Khural. Should the State Great Khural reject by a two-thirds majority the laws or decisions, they remain in force.

The president can issue decrees, but as Article 33 (3) highlights these only enter into force when countersigned by the Prime Minister. Article 33 underlines the division and balancing of power through the President being responsible to the State Great Khural. Therefore, executive power was divided between the president and the prime minister. A possible contradiction, did however, remain: that of the president's power to veto the parliament's choice of prime minister, without the parliament having the ability to override that veto.

4. Democratic Elections

In the first democratic elections under the new Constitution held in 1992, the MPRP won 71 of the 76 seats in the new unicameral State Great Khural. The next year witnessed the first direct presidential elections. In the previous presidential contest the speaker of Parliament Ochirbat, had won as the consensus candidate gaining support from the MPRP as well as from the National Democratic Party and the Social Democratic Party. Though this time for his re-election, the MPRP withdrew their support and advocated a different candidate. This did not have much impact as Ochirbat, running as an 'opposition' candidate was successful in getting re-elected.

In 1996, the National Democrats and the Social Democrats won 50 seats in the State Great Khural but the MPRP had sufficient numbers to deny a quorum, thus hindering the passage of legislation. The next year the MPRP ensured victory for its candidate, Bagabandi, in winning the presidential election

It was in 2000, after the National Democrats and the Social Democrats had formed three new administrations in two years that the MPRP won the parliamentary elections with 52 percent of the vote which transformed into 95 percent of the parliamentary seats, a massive 72 seats (IPU, 2000).

There were two primary explanatory reasons for this, the first being the electoral system being a first-past-the-post model favouring the larger party and the second, related to the previous factor, due to the divisions within the opposition. Following this, five political parties including the National Democrats and Social Democrats formed themselves anew as the Democratic Party of Mongolia in December 2000. The next year, 2001 saw the re-election of President Bagabandi.

4.1. Contested Election

The parliamentary elections of June 2004 proved to be a close run affair, in which the opposition performed well (IPU, 2004). The number of MPRP seats decreased from 72 to 37. An ally, the Republican Party (MRP), took one seat. The Motherland - Democracy Coalition (MDC) which comprised the Democratic Party (DP and two smaller parties - the Mongolian New Democratic Socialist Party (MNDSP) and the Civil Will Republican Party (CWRP) - obtained 35 seats. The three remaining seats went to independents allied with the MDC. The results were contested and political deadlock ensued.

The MPRP and MDC camps, which held the same number of seats in parliament, subsequently formed a first-ever coalition government, with the DP's Elbegdorj elected as Prime Minister in August 2004 following a power-sharing deal. The coalition government remained a fragile one which was divided, as evidenced when the MPRP sought to expand the civil service, which the MDC saw as an increased burden on taxpayers.

In May 2005, the country elected the then Speaker Nambar Enkhbayar of the Mongolian People's Revolutionary Party (MPRP) as the new President. Later that year, DP Deputy Chairman Lamjavyn Gündalai left the DP and formed the People's Party (PP). In January 2006, four other DP members defected to the MPRP camp, and the MPRP withdrew from the coalition government headed by Elbegdorj, blaming the leadership for slow economic growth (IPU, 2010).

The coalition was not able to survive this and promptly fell, subsequently parliament chose on 25 January, MPRP Chairman Miyeegombyn Enkhbold as the new Prime Minister and he was able to form an MPRP-led 'national solidarity' government that included the DP dissidents. In November 2007, following his defeat in the MPRP's chairmanship election to Sanjagiin Bayar the previous month, Enkhbold resigned and Bayar was elected as Prime Minister in the same month.

4.2. 2008 Crisis and Beyond

The 29 June 2008 elections were the fifth to be held since the introduction of the multi-party system in 1990. The elections were contested by 12 political parties, including the MPRP and the DP. Prior to the 2008 elections, the MPRP government was dogged by allegations of official corruption and misconduct. In May, Lamjavyn Gündalai had left the PP and re-joined the DP with most of the PP members running under the DP banner. The issue that was most widely addressed during the campaign focused on modernizing the country's agriculture-based economy.

Prime Minister Bayar's MPRP promised greater prosperity through 10 per cent economic growth and boosting GDP per capita from US\$2,900 in 2007 to US\$5,000 by 2012. The MPRP also promised to improve the wel-

fare system and provide subsidies to families, single mothers and the poor. In April, on the occasion of its 18th anniversary, the DP published a ten-article development policy document, pledging to work for human development and to tackle poverty and corruption.

A vital debate in the run-up to the 2008 elections was how to make the best use of recently discovered mineral deposits in the country, including copper, gold and coal. The MPRP advocated maintaining government control over these resources, while the DP called for more private sector involvement. Both parties promised to use budget surpluses from the mining industry to pay for public expenditures.

During the election campaign, the General Election Committee admitted that the electoral roll contained over 116,000 people listed twice under different addresses, and pledged to clean up the roll before polling day. On the day of the election, over 74 percent of 1.6 million registered voters turned out at the polls. No major incidents were reported, with a 16-member international observer panel declaring the elections to be largely free and fair.

As a result of the newly introduced multi-member constituency system, final results were delayed. When preliminary results gave 47 seats to the MPRP and 27 to the DP, the former declared victory. A couple of days after these parliamentary elections and one day after the ruling MPRP claimed a landslide victory, a protest outside the headquarters of the MPRP became violent (Daly, 2008). The DP accused the MPRP of rigging the elections and claimed that some MPRP supporters had voted twice. MPRP headquarters were set on fire and burned beyond repair with clashes between civilians and security forces leaving five people dead, a dozen or so missing, with hundreds injured and hundreds being held in police detention. Prime Minister Bayar accused the DP of inciting this violence.



On 1 July, President Enkhbayar declared a four-day state of emergency in the capital, imposed a curfew, with a ban on public gatherings, and banned all private television channels from broadcasting, effectively giving a monopoly on information to the state broadcaster (Amnesty International, 2008).

The newly elected members of the State Great Khural from the opposition Democratic Party called for a re-vote in several districts and refused to take their oaths of office, claiming further electoral irregularities. Prior to the first session of the State Great Khural on 23 July, the election of 66 members (39 from the MPRP, 25 from the DP, one Civil Will Republican Party member and one independent) had been confirmed. However, due to a boycott by the DP, parliament failed four times to reach the quorum of two thirds of members required to swear in the new members. Parliament was finally able to resume its work on 28 August after the quorum was achieved. On 1 September, Damdin Demberel (MPRP) was elected as the new Speaker.

On 11 September, the State Great Khural elected Bayar (MPRP) as Prime Minister. The MPRP was ultimately forced to accept the Democratic Party as a coalition partner and the crisis finally came to an end on 17 September (U.S. Department of State, 2011).

4.3. From Demonstrator to President

The very next year, 2009, witnessed a democratic milestone in Mongolia's political development as in May, the former Prime Minister and official candidate of the opposition Democratic Party, Tsakhiagiin Elbegdorj, won the presidential election, defeating the incumbent Nambaryn Enkhbayar by a narrow margin (Sanders, 2010).

Five months later, in October, Prime Minister Bayar of the MPRP resigned due to ill health and was replaced by the Foreign Minister Sukhbaataryn Batbold (BBC, 2009b). In April 2010, Batbold became the leader of the MPRP replacing Bayar and created quite a controversy in November as the Party dropped the 'Revolutionary' from its title and changed its name to that of the Mongolian People's Party (Lawrence, 2011).

As one can note, the process of democratization has not been smooth in Mongolia, nor has it finished as President Elbegdorj has stated that 'Democracy is not a 1-day or 1-week, 1-year, 20-year issue. I think you have to care for that every morning, like changing the diapers, you know, for the baby' (Brookings Institution, 2011).

Whilst the constitution has established the new institutions of the semi-presidential regime, the remnants of the communist political culture are still a major hindrance. Once again President Elbegdorj expressed this challenge well when he stated that 'we can change our political system, economic system, one thing is quite challenging to change the mindset of people. When you remain under that kind of ideology system, I think that fabric – social fabric, actually [is] very much damaged. And the way of thinking, people's, I think, way of thinking, also, [there is] some damage. But recovering from that actually requires very hard work'. That work is still in progress in 2012 (Brookings Institution, 2011).

5. Foreign Policy

Since its regime change, Mongolia has maintained diplomatic relations with 143 countries and adheres to 178 international multilateral treaties (Embassy of Mongolia, 2009).

Furthermore, Mongolia is a member of 49 international and intergovernmental organizations demonstrating its active involvement in international organisations and has declared its foreign policy to be independent, non-aligned, multi-pillar, open, with its foreign policy concept based on its national interests.

The foreign policy priority of Mongolia “is to develop long-term, stable and good neighbourly relations with...[Russia] and China.... [maintaining] a balanced relationship with both of them” (Embassy of Mongolia, 2009). It should not be forgotten that as a landlocked country, Mongolia is dependent on both China and Russia for the transportation routes that allow its goods to access world markets.

An impressive first for Mongolia was its UN-recognition as a single-State Nuclear Weapon Free Zone, receiving “the endorsement of all nuclear states, as well as of the entire international community” (Embassy of Mongolia, 2009).

Mongolia, which has diplomatic relations with both North and South Korea, sought to play a role in the Six-Party talks. In 2007, Mongolia hosted a closed meeting between two Six-Party members, North Korea and Japan. Mongolia has also offered to help organize and to host a northeast Asian regional security mechanism. (Embassy of Mongolia, 2009).

5.1. International Organisations

Mongolia has desired further cooperation with the United Nations and with international financial and economic organizations, such as the International Monetary Fund, World Bank, and Asian Development Bank and currently serves on the UN Economic and Social Council (ECOSOC).

Mongolia joined the World Trade Organization (WTO) in 1997 and became a founding member of the Asia-Pacific Democracy Partnership (APDP) and a full participant in the ASEAN Regional Forum (ARF) in July 1998. Since that time, Mongolia has been actively participating in the Forum’s activities and is currently seeking to join the Asia-Pacific Economic Forum (APEC).

Mongolia is an observer in the Shanghai Cooperation Organization, but has stated it does not intend to seek membership. It became a full member of the Pacific Economic Cooperation Council (PECC) in April 2000 and of Asia-Europe Meeting (ASEM) in 2008. In July 2011, Mongolia began its 2-year chairmanship of the Community of Democracies and is preparing for the Ulaanbaatar Ministerial meeting which is scheduled for next year.

5.2. Active Participation

Mongolia’s active stance with regard to the Korean peninsula and various Asian international fora were extended to the Middle East as it became one of the first countries to join the allied coalition for the Iraq War, allocating more than 1,200 troops through consecutive deployments in Iraq from 2003 until 2008. Currently, 208 Mongolian troops continue to serve in Afghanistan (Lawrence, 2011).

Most recently, according to NATO, Mongolia dispatched in May 2011 an infantry platoon to provide flight-line security to Kabul International Airport (NATO, 2011). NATO further confirmed that Mongolia had participated in NATO’s ISAF operation in Afghanistan with important contributions to force protection in the Feyzabad area since March 2010 and sent infantry, artillery and air mentor trainers to the NATO Training Mission in Afghanistan in Kabul (NATO, 2011). From 2005 to 2007, Mongolia had also contributed to the NATO-led KFOR operation in Kosovo with an embedded platoon within the Belgian contingent.



6. Bilateral Relations

6.1. Recent Mongolian – Russian Relations

Mongolia signed a Treaty on Friendly Relations and Cooperation with the Russian Federation in 1993, based on the universal principles of mutual respect for independence, sovereignty and territorial integrity, non-aggression, non-interference in internal affairs and peaceful co-existence. These agreements have laid the legal foundation for the bilateral relations with these two nations.

The visit of the Head of State, Vladimir Putin to Mongolia in November 2000, the first since Brezhnev in 1974, opened a new stage in Mongolia-Russia relations with the signing of the 25-point Ulaanbaatar Declaration reaffirming Mongol-Russian friendship and cooperation on numerous economic and political issues (U.S. Department of State, 2011). The declaration demonstrated that “in many cases both countries see eye to eye on the most important aspects of the global situation, and sets forth the willingness of Moscow and Ulaanbaatar to closely coordinate their policy in international affairs on a wide range of issues” (Moiseev, 2001).

Two years later, Prime Minister Kasyanov came to Mongolia and the Mongolian prime minister visited Moscow in June 2003. The very next month, Russia nominally cancelled Mongolia’s debt of 11.4 billion roubles, left over from the Soviet era, in return for a cash payment of \$250 million, causing a substantially increased debt burden of approximately 78% of the GDP (Bertelsmann, 2006). Six months later it was announced that Russia had written off all but \$300 million of Mongolia’s debts (BBC, 2011).

When Prime Minister Batbold visited Russia and met with Prime Minister Putin and President Medvedev, it was reported that concerning the debt, “Russia wrote off 97.8% of... \$172 million [and] Deputy Prime Minister, Finance Minister Alexei Kudrin said...that Mongolia would pay the remaining debt of \$3.8 million in one transfer” (Itar-Tass, 2010).

In terms of the military, after nearly two decades of inactivity, Russia renewed military ties with the Mongolian armed forces through military education and training exchange programs, as well as joint exercises focusing on the repair of Mongolia’s Soviet-built equipment. As part of the December 2010 visit, Russia announced it would increase the number of training slots available to Mongolian officers (Itar-Tass, 2010).

In terms of trade and commerce, Mongolia’s economy continues to be heavily influenced by its neighbours, as 95% of its petroleum products and a substantial amount of electric power is bought from Russia, leaving it vulnerable to price increases (Asianinfo, 2012).

6.2. Recent Mongolian – Chinese Relations

Mongolian relations with China had already begun to improve in the mid-1980s when consular agreements were agreed and cross-border trade contacts expanded. In May 1990, Punsalmaagiin Ochirbat the President of the State Great Khural visited China; the first such a visit by a Mongolian head of state for 28 years (Globoledge, 2011).

Having signed one with Russia, Mongolia signed another Treaty on Friendly Relations and Cooperation, this time with the People’s Republic of China in 1994, which formed the cornerstone of their bilateral relationship by codifying mutual respect for the independence and territorial integrity of both sides.

When the Dalai Lama visited Mongolia in November 2002, China denounced the trip and warned the Mongolian leaders not to meet the Tibetan spiritual leader. This strong objection also led at the time to Beijing briefly disrupting the railway links for “technical” reasons (U.S. Department of State, 2011).

President Hu Jintao made his first international visit as China’s President to Mongolia in 2003. President Bagabandi reciprocated in 2004 and President Enkhbayar visited in 2008, with Prime Minister Bayar meeting Premier Wen Jiabao in Beijing in April 2009.

Most recently, when Premier Wen visited Ulaanbaatar in 2011 to open a new cultural centre, he announced that new educational scholarships for Mongolians would be provided and further discussions would take place concerning cooperation on infrastructural projects (Globleadge, 2011). Before concluding, in the realm of the economy, one ought not to forget that trade with China represents more than half of Mongolia’s total external trade as well as China receiving more than three-quarters of Mongolia’s exports.

6.3. Recent Mongolian – U.S. Relations

President Elbegdorj made an interesting comparison last year when he said ‘there are few countries [that] have two neighbours. Mongolia has two neighbours; the United States of America has two neighbours. And also, few countries have a third neighbour policy, and my country has a third neighbour policy. When Secretary of State Jim Baker visit[ed] [for] [the] first time in 1990 Mongolia, he used that expression. The United States of America wants to be your third neighbour, and we liked that expression’ (Brookings Institution, 2011).

Mongolia has indeed been pursuing its ‘third neighbour’ policy as it first established diplomatic relations with the U.S. in January 1987. Though the first high-level visit to Mongolia happened a long time ago, during World War II in fact. In 1944, before the Yalta Conference took place U.S. Vice-President Wallace went on a fact finding tour which included Siberia and Mongolia.

Secretary of State Baker was to visit again in July 1991 and ten years later Prime Minister Enkhbayar came to Washington in November 2001, with his successor Bagabandi attending a meeting in Washington with President Bush in July 2004.

In November 2005, President Bush became the first serving US leader to visit Mongolia. President Enkhbayar reciprocated in October 2007 when the two Presidents signed the Millennium Challenge Compact for Mongolia that called for \$285 million to be spent on four projects over a 5-year period beginning in September 2008 (U.S. Department of State, 2011).

The Compact aimed to broadly support economic development in Mongolia. The original focus of the Compact concentrated on four key areas: rail modernization, property rights, vocational education, and health. In April 2009, the Mongolians requested the termination of the rail modernization project, citing circumstances beyond its control due to the lack of cooperation of the 50% Russian owners of the Mongolian railway (U.S. Department of State, 2011). Table 6.1 indicates the financial commitments the US has made to Mongolia until 2012.

Table 6.1 U.S. Bilateral Assistance to Mongolia 2009-2012 (in US\$ thousands)

	FY2009 Actual	FY2010 Actual	FY2011 CR	FY2012 Request
Development Assistance	7,500	7,500	Not finalized	6,300
Economic Support Fund	12,000	0	Not finalized	0
Foreign Military Financing (FMF)	1,000	4,500	Not finalized	3,000
International Military Education and Training (IMET)	1,013	1,000	Not finalized	1,000
Nonproliferation, Antiterrorism, Demining and Related Programs	250	250	Not finalized	250
TOTAL	21,763	13,250	Not finalized	10,550

Source: <http://www.fas.org/sgp/crs/row/R41867.pdf>

6.4. Recent Mongolian – Turkish Relations

The relations between Mongolia and Turkey started to develop deeply and fastidiously in the 1990s. The first Head of State visit between the two countries took place in 1995, with President Demirel's visit to Mongolia. The good relationship and cooperation between the two countries were exemplified by the further high-level visits of President Sezer in 2002 to Mongolia and the visit of Mongolian President Bagabandi to Turkey in 2004. Turkish Prime Minister Erdoğan visited Mongolia in July 2005 and this was reciprocated in November 2006 by Prime Minister Enkhbold.

Despite these high-level visits and close historical ties, economic and trading relations between Mongolia and Turkey are, however, extremely limited. The main underlying reason for this is the distance. Having noted this fact, Mongolia's trade volume in 2007 reached nearly \$10 million but fell to \$5.5 million in 2009, but more than doubled the next year to

\$12 million (Türkiye Cumhuriyeti Dışişleri Bakanlığı, 2011a).

In 2009, Mongolia did not register any exports to Turkey but imported \$5.5 million worth of goods and services from Turkey. With imports more than doubling to \$11.1 million in 2010 and exports to Turkey failing to reach a million dollars, the Mongolian trade deficit increased to \$10.2 million (Türkiye Cumhuriyeti Dışişleri Bakanlığı, 2011a).

Foods consist of a large part of Mongolia's exports to Turkey, though the most important problem encountered in the export of perishable goods such as food is transport. The long duration and high-costs of transportation from Mongolia, is a major obstacle to exporting to Turkey. The other main Mongolian exports to Turkey are animal products and sweaters, cardigans, waistcoats and clothing. The main Turkish exports to Mongolia consist of, sugar products, chocolate, biscuits, white goods, grain processing machinery, synthetic

fibres, apparel, paper, wadding and fell. Although it is not possible to measure precisely, the so-called shuttle trade between the two countries amounts to U.S. \$ 10 million.

The Turkish Cooperation and Development Agency (TİKA) provided technical assistance to Mongolia which during the 1994-2008 period amounted to 20 million U.S. Dollars. (Türkiye Cumhuriyeti Dışişleri Bakanlığı, 2011b).

Since 1992 Turkey, has been allocating university scholarships to Mongolian students. Every year Mongolian students take exams at the Turkish Embassy in Ulaanbaatar to study

at Turkish Universities by their own means. The numbers of students studying at their own expense, including the Mongolian scholarship students studying in Turkey stand at approximately 900.

6.5. Turkish Citizens Living in Mongolia

The Turkish Consular Department has 176 citizens registered in Mongolia, in addition to which 57 university students and a small number of Turkish businessmen also live in Mongolia. Only small-scale Turkish commercial organizations operate in Mongolia, mainly concentrating in PVC doors and windows and trade in animal products.

7. Economy

Table 7.1 Mongolian Basic Economic Indicators

Nominal GDP (2010 est.)	\$6.7 billion
Per capita GDP (2010 est.)	\$2,470
GDP growth rate (2010)	6.1%
Annual population growth rate (2009)	1.4%.
Infant mortality rate (under 1 year)	19.4/1,000 (2008) 20/1,000 (2009)
Life expectancy	67 yrs. (2008) 67.9 yrs. (2009)
Percent of population at or below poverty line (2008)	35.2
Education	compulsory 9 years provided free by the state
Literacy rate (2009)	97%

Source: <http://www.fas.org/sgp/crs/row/R41867.pdf>

The Mongolian economy can be divided into three main sectors, namely industry, agriculture and animal husbandry, which continue to play an important role in the abovementioned Mongolian-Turkish trade relations. When focusing on the 1990s, it was through shock therapy that the Mongolian government pursued economic liberalization after its regime change. One of its first acts in order to create a market economy was to reduce state property which it did so through a voucher scheme for all citizens (Sanders, 2010 p.590). Industry suffered greatly at this time due to obsolete machinery and technology as well as a weak and inadequate infrastructure.

The economic transition was made extremely difficult due to the ending of Soviet assistance, which had reached almost a third of GDP (U.S. Department of State, 2011). Once this disappeared, a terrifying recession descended which ranks as one of the largest peacetime decline in gross national expenditure in any country (Pomfret, 1999). Subsequently, as can be seen from Tables 7.3 and 7.4, GDP per capita fell by more than a quarter between 1989-1993, though when considering the collapse of the Council for Mutual Economic Assistance (CMEA) and the enforced payments in hard currency for all imports, the cumulative effect on standards of living, according to Boone (1994) was estimated to have been reduced by a jaw-dropping 60%.

Table 7.2 Real GDP and Rate of Growth, 1989-2002

	1989	1990	1991	1992	1993	1994	1995
GDP	651.5	635.1	576.4	521.6	505.9	517.6	550.3
Growth	4.2	-2.5	-9.2	-9.5	-3.0	2.3	6.3
	1996	1997	1998	1999	2000	2001	2002
GDP	563.2	585.7	606.4	625.9	632.7	638.9	664.3
Growth	2.3	4.0	3.5	3.2	1.1	1.0	4.0
Note: Real GDP in billions of tugriks at constant 1995 prices							
Source: IMF, 2002, Table 1.1 p.7 and ADB, 2003							

Table: 7.3 Real GDP per capita, 1989-2002

	1989	1990	1991	1992	1993	1994	1995
GDP per capita	542364	506508	446198	397124	383775	388793	406395
	1996	1997	1998	1999	2000	2001	2002
GDP per capita	410626	421258	428662	437009	440122	438356	449672
Source: Tugriks at constant 2000 prices							
Source: www.econstants.com							

Furthermore, state farms and herding collectives were abolished and livestock became private property. This led to a substantial increase in the numbers of livestock. Unfortunately in 2000, Mongolia suffered from severe droughts and an exceedingly harsh winter which led to 3 million animals perishing, crippling the livelihood of many herders (Jeffries, 2007).

Another severe winter struck in 2009-2010 with the extreme cold killing 9.7 million animals, or 22% of the total livestock (CERF, 2011. p.2). Due to this, the United Nations launched a program to pay herders to clean and collect carcasses, thus helping to maintain living standards while disposing of possible sources of disease (BBC, 2011). The overall effect was seen in the immediate impact on meat prices, which increased twofold; whilst GDP dropped 1.6% in 2009 (U.S. Department of State, 2011).

7.1. Shock Therapy

The neo-liberal shock therapy that was pursued in the 1990s and 2000s meant that intensive economic reform was administered in a short time period, whilst accompanying a major political transformation. Mongolia did open itself to the rest of the world and liberalized its economy. The effects of these policy actions were quite brutal. Economic contraction was made worse by high unemployment, increasing poverty levels with slow growth and an increase in inequality throughout the country.

During the initial reform period policy-making was fragmented as decision-makers possessed little knowledge about the market economy and made unduly hasty decisions with regard to economic reform. Reform policies were not introduced to the public, no care nor attention given to encouraging public discussion and debate which naturally resulted in the reforms not being supported by the public who remained confused about what were the steps that were being taken and why they needed to be taken. Therefore, one can argue that what Mongolia has been left with after two decades is still the absence of and desire for an efficient market economy mechanism.

8. Mining

Mongolia is a formidable country when viewed in terms of economic potential as it sits on a wealth of mineral resources. These range from coal to uranium, from gold to copper, from silver to iron and from nickel to zinc. Similar to all other countries that possess such valuable commodities, in order to realize the benefits of natural resources Mongolia has to meet several challenges, with each providing potential pitfalls.

Firstly, and quite obviously, the resources need to be found and exploited. For many natural resources this requires specialized skills which on the whole are not possessed by domestic firms. If a country opts to limit foreign participation this can constrain output and lead to missed opportunities - which is precisely what has occurred in Mongolia. If, however, a country pursues attracting competing foreign investors, this can create institutional problems, the most notable of which is corruption.

Secondly, when the resources are finally sold, the revenues need to be divided. Resource rents are typically collected by the state,

though individuals may try to capture these rents. When many are battling over the rents the output can fall or the state can fall into the hands of a cabal. In both cases it is the institutions that suffer. Renegotiation and reduction of the share of rents collected by foreign partners are likely to have the effect of reducing a country's attractiveness to future foreign investors.

Thirdly, once rents have accrued to the state, a sovereign wealth fund could help macro policy and offset potential Dutch disease effects, thus enabling saving for future generations. This is exactly what the Mongolian Government has instigated in 2011 with the Human Development Fund (Reuters, 2011). The inherent risk in this situation is for politicians to turn to the fund for either extra governmental spending or, even worse, for personal enrichment.

8.1. Mineral Wealth

Mineral resources are vital to Mongolia and mining activities are very important as they impact on various facets of Mongolian life, most notably the economic, human-resource development, environmental, health and safety, infrastructure and even protruding into the realm of foreign relations.

Kurt Campbell, the U.S. Assistant Secretary at the Bureau of East Asian and Pacific Affairs in his 2011 testimony before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific stated that Mongolia was 'on the verge of an economic boom that offers opportunities for American companies. According to some estimates, Mongolia has about \$400 billion worth of minerals in the ground' (U.S. House of Representatives, 2011). Even this extraordinary figure is disputed as a conservative estimate with Campi asserting that "the country possesses as much as \$1 trillion worth of untapped precious metals and minerals in at least 6000 sites" (Campi, 2012).



In the 1990s, in terms of extraction, Mongolia by contrast to many other Central Asian countries and its neighbours, prevaricated over the terms under which its mineral resources would be exploited. This discouraged the major mining companies and delayed until a future date, negotiations over contracts and amendments to the mining and taxation laws. Mongolia had no choice but to leave its copper and gold in the ground during what became a boom, purely because it had not created the right conditions for exploitation of its mineral resources.

Taking a brief look at the past, historically, Mongolia's largest enterprise was the Erdenet copper and molybdenum complex in the

mid-north, which was established with Soviet aid in 1978 and continued to expand in several stages, for the next decade. Thus, an argument could be made that Mongolia had a reasonably modern facility at the end of the Soviet era, but since independence that complex has certainly been in decline.

In a complimentary context, Mongolia also permitted the Mardai mine to operate under a 1981 concession to produce uranium for Soviet nuclear warheads, which not surprisingly was staffed by Russians and was so secret that it did not appear on maps. Concentrating on the present, the Mongolian and Russian Governments continue to jointly own the railroad and the large Erdenet copper mine.

8.2. The Transformational Threesome

Map 8.1 Major Mining Operations in Mongolia



Source: <http://www.fas.org/sfp/crs/row/R41867.pdf>

Rather than the historically significant Erdenet, there are three mining areas which currently top the focus of external attention on Mongolia's mineral wealth. Firstly, the Oyu Tolgoi copper and gold deposit which is believed to be the largest copper deposit in the world after the Escondido copper mine in Chile. Secondly, the Tavan Tolgoi coking coal deposit estimated to contain six billion metric tons of coal, including the world's largest untapped deposit of coking coal, which incidentally and not surprisingly is in high demand from steelmakers in China, Japan, and South Korea (U.S. Geological Survey, 2009). A Chinese analyst was quoted by the China Daily in March 2011 claiming the total value of the Tavan Tolgoi coal mine alone to be worth \$300 billion (Lawrence, 2011. p.8). Thirdly, the uranium deposit at Dornod - located in the northeast of the country near Choibalsan and the rail line to Russia. In December 2010, it was announced in Moscow that a joint Mongol-Russian venture to mine uranium in Dornod would be established (World Information Service on Energy Uranium Project, 2011).

If or when these three mines can extract sizable quantities the revenues accrued from them have the potential to transform the Mongolian economy and substantially increase the well-being of its citizens. International organisations and analysts indicate the obvious in that if the mineral wealth is managed well, then Mongolia could evolve into a wealthy democracy.

8.3. Windfall Tax

In 2006 the State Great Khural passed legislation concerning a windfall profits tax, which exacted a 68 percent tax on copper sold above \$2,600 per ton and gold sold above \$500 per ounce (in the first half of 2011 the world price for copper was approximately \$9400 per metric ton and gold approximately \$14400 per

ounce) and a law giving the government a 34 percent stake in mines explored without government funding and a 50 percent share in projects with such funding. It should be borne in mind that the price of copper increased by 26% between 2006-2011 and by a staggering 463% during 2001-2011 (my own calculations). During the years 2009-2011 gold also increased by 74% and a massive 524% over the last ten years.

According to WikiLeaks, immediately after the windfall tax proposal was put forward, the US Embassy in Ulaanbaatar cabled Washington concerning this new legislation informing that foreign investors were concerned with the introduction of this new tax (WikiLeaks, 2011).

Major development slowed in late 2007 and early 2008 as Mongolia's parliament proved unwilling to move on major deals and declined to reform mining laws which the Fraser Institute noted had substantially varied from best practices (McMahon, F. and Cervantes, M., 2011).

In August 2009, parliament passed four laws - one repealing the windfall profits tax, another adjusting corporate tax structures to accommodate large-scale projects, and two more involving infrastructure - allowing the government getting a flat 34 percent stake in Oyu Tolgoi and other mines (Pomfret, 2011).

Two months later in October 2009, Ivanhoe, a Canadian mining company and its partner Rio Tinto, signed an investment agreement with the Mongolian government committing approximately \$6 billion investment in Oyu Tolgoi to begin full-scale construction in 2010 and production in 2013 (Pomfret, 2011). The settlement of the disputes surrounding Oyu Tolgoi sent a positive signal to investors interested in Mongolia's rich coal, uranium, and other mineral deposits. Inter-



estingly, China Investment Corporation took a \$500 million stake in South Gobi Energy, a company with coal assets in Mongolia, and announced a \$700 million investment in Iron Mining International, a company with interests in Mongolia (Pomfret, 2011). Another similarly lengthy process is underway for an investment agreement for the Tavan Tolgoi coal mine which is under review by the National Security Council with a final decision expected later on this year (CIA, 2012).

8.4. Suspension of Licenses

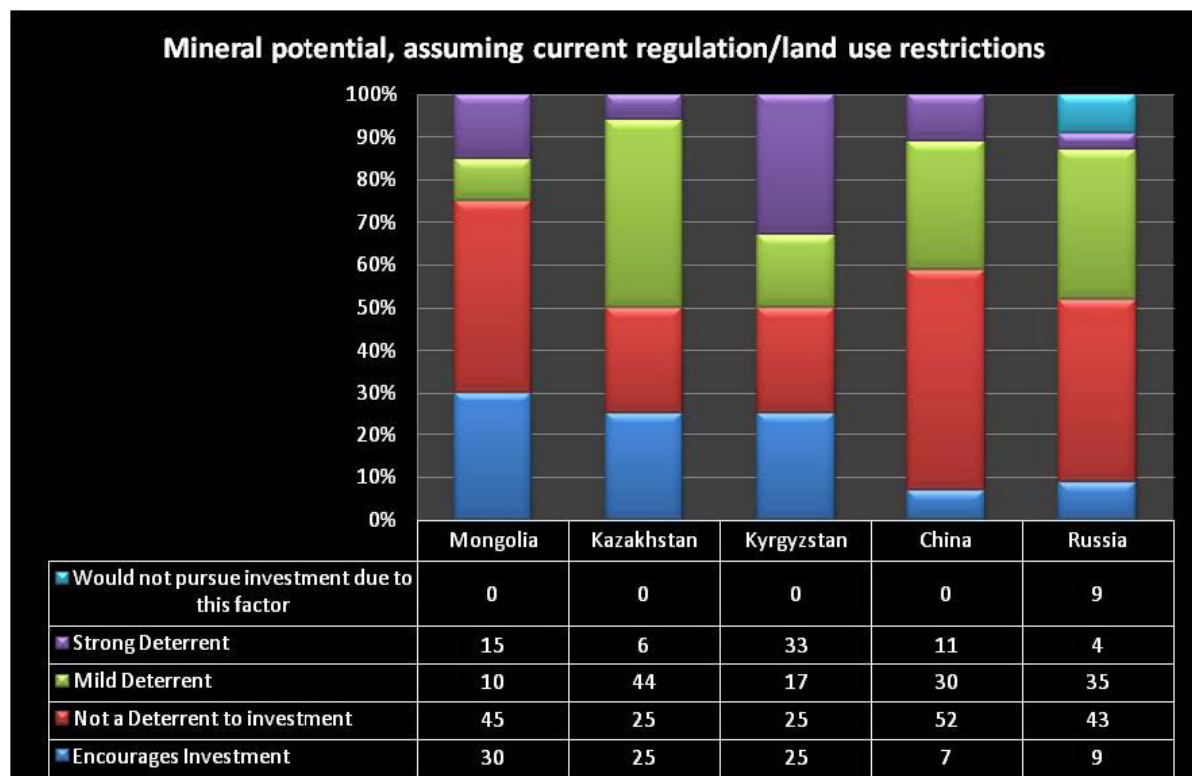
In 2010, President Elbegdorj suspended issuing and the processing of both mining and exploration licenses and defended his action

by openly condemning the very disorganized and corrupt situation at the Mineral Resources Authority of Mongolia (U.S. Department of State, 2011a). It was due to this situation that he had suspended the license issue process, because national security concerns superseded legislation and regulation.

The suspension only extended to “new” or disputed licenses and not to licenses for ongoing activities. The two main categories that were suspended related to firstly, land that had never been explored or registered for exploration and secondly, to exploration rights that had been dropped and now needed to be re-tendered (U.S. Department of State, 2011a).

8.5. Views of Investors

Table 8.1 Mineral Potential



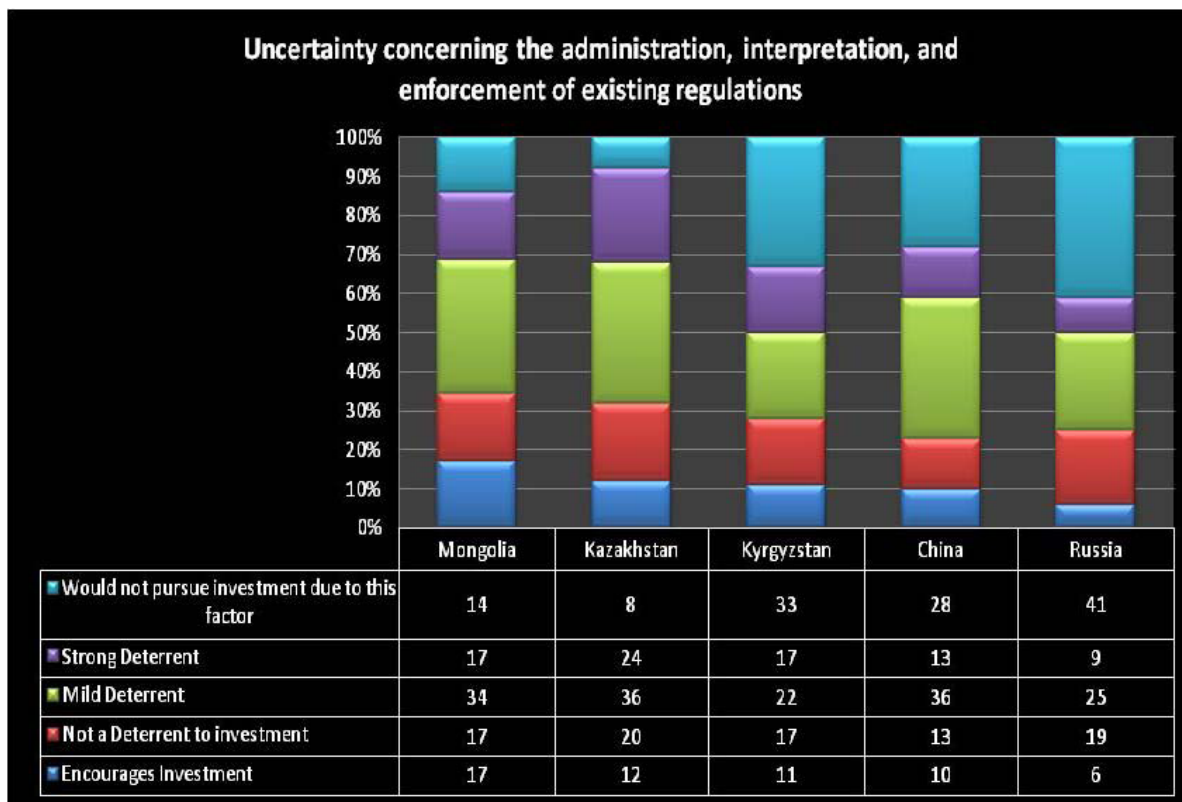
Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

The government and the State Great Khural confirmed the president’s actions, announcing that the moratorium on issuing the specified licenses would be lifted only after Parliament dealt with the issue of licenses when it amended the 2006 Minerals law of Mongolia concerning which the World Bank is assisting with the amendment process (U.S. Department of State, 2011).

Table 8.1 attests to the fact that the mining industry is satisfied with the mining potential attributed to Mongolia. Almost a third

of those polled believe the reports of massive resources lying under ground are well worth the effort to encourage exploration and investment. Almost half regard the mineral potential to not constitute a deterrent to investment, with three-quarters of those polled giving the go-ahead to exploration. Not surprisingly no investor believes that the mineral wealth constitutes such an insurmountable problem so as to abandon investments altogether. Interestingly nearly 1 in 10 thinks precisely this when questioned about mining in Russia.

Table 8.2 Uncertainty

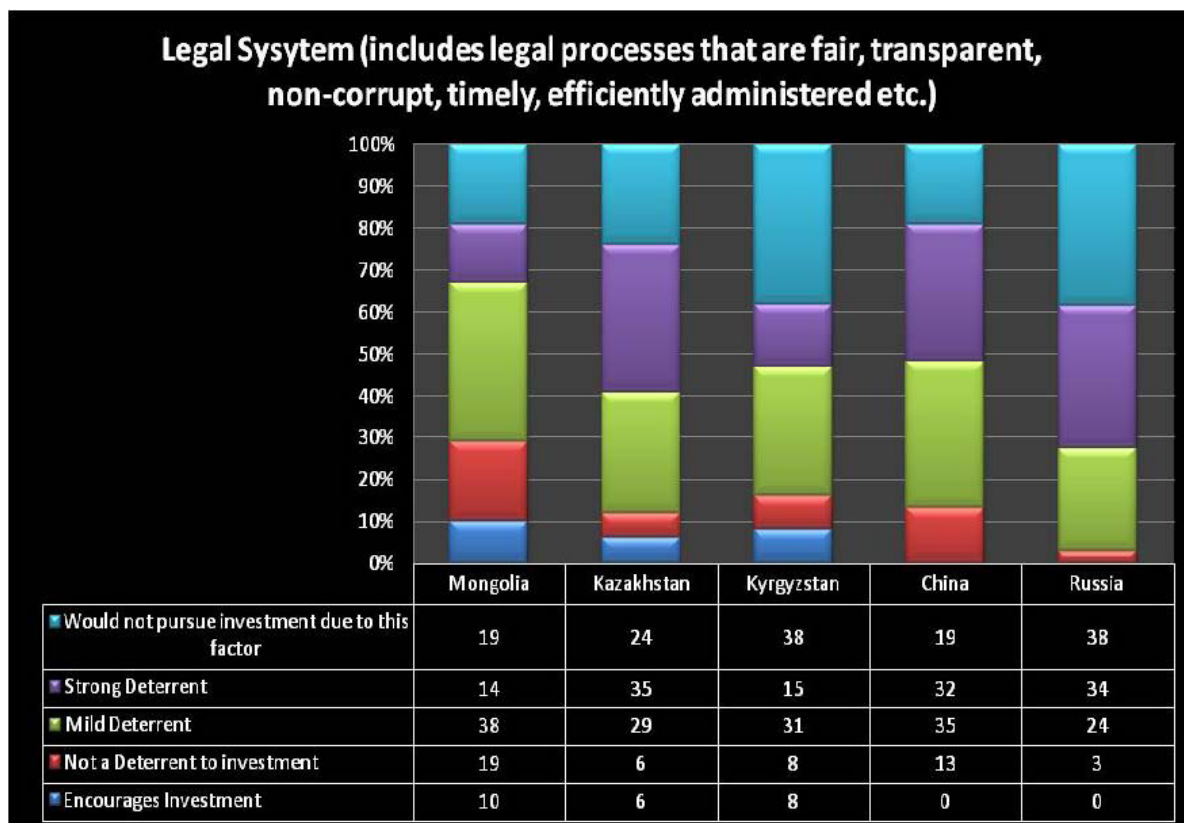


Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Of the five countries compared, Mongolia ranks first in terms of the government and its implementation of the laws regarding mining to be a positive inducement - more than China and nearly three times greater than Russia. A third of those questioned believe that this is a mild deterrent though only 1 in 7 believes

this is such a worry that it prevents them from pursuing any exploration whatsoever. Incidentally, only Kazakhstan performs better than Mongolia in this aspect as the fears increase with regard to Kyrgyzstan, China and most of all with Russia.

Table 8.3 Legal System

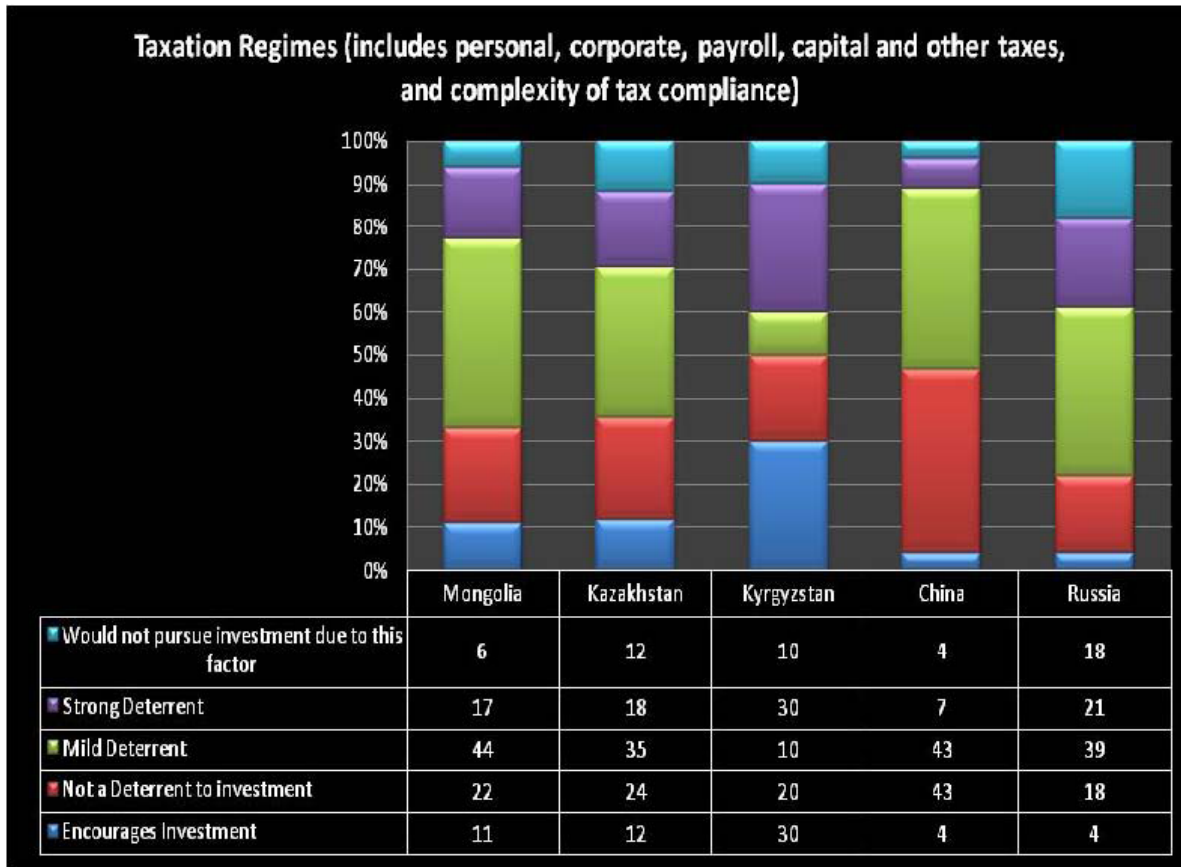


Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Concerning the rule of law, despite previous critiques of the Mongolian Parliament passing such measures as the windfall tax, 1 in 10 investors saw the current situation as very much encouraging investment. It should be noted that no one questioned felt the same sentiments with regard to China or Russia. Whilst more than half thought that issues such as corruption or unfair processes hin-

dered investment, at the other extreme, nearly 1 in 5 thought that this issue was so severe that it would put them off from investment. As harsh as the figures are for those thinking this sounds, when compared to the other four countries, one notices that the Mongolian legal system is the least worrying for investors – hence becoming more endearing for investors.

Table 8.4 Tax



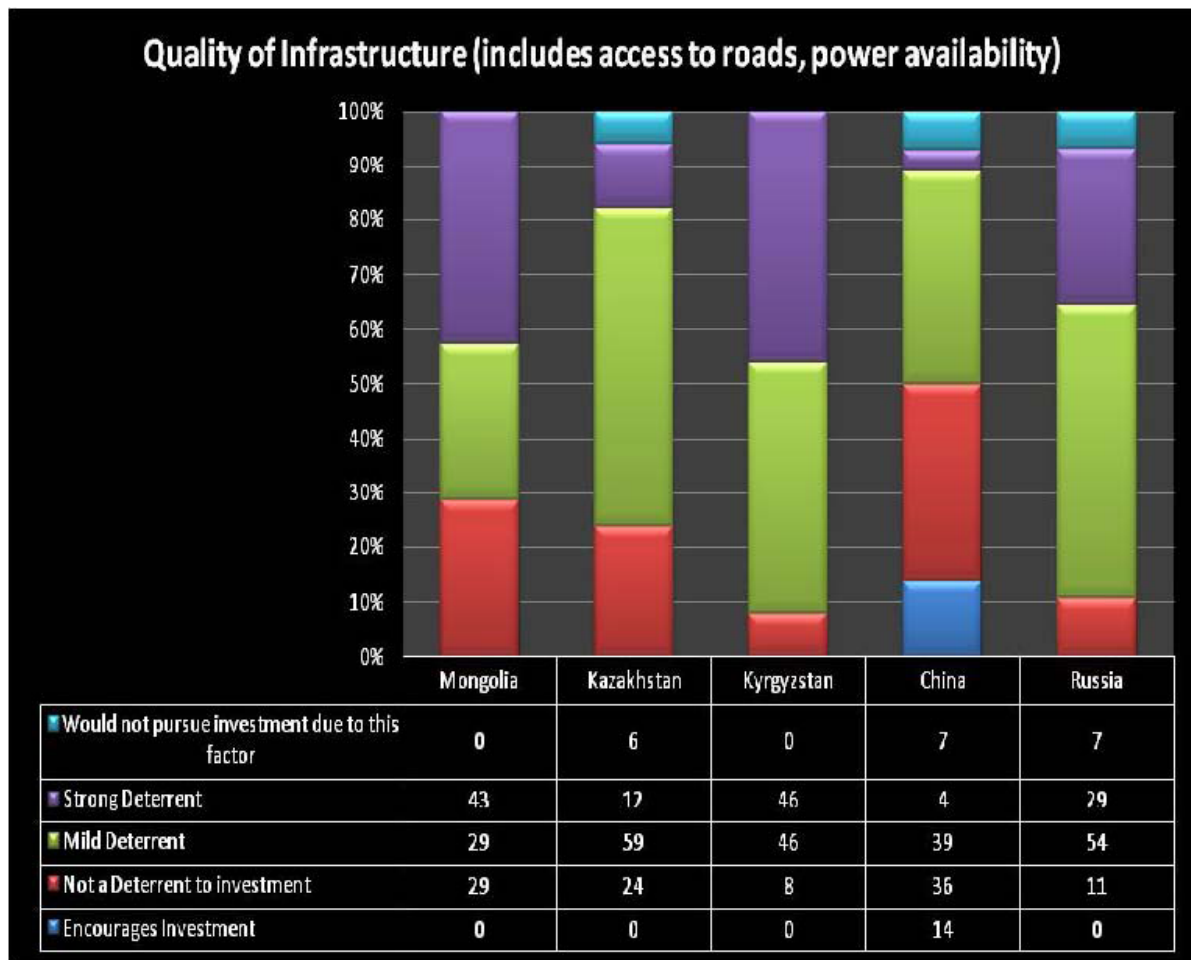
Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

The tax regime in Mongolia is quite generous but as Table 8.4 demonstrates it is not as generous as the Kyrgyz tax regime, though better than the Russian or the Chinese. Overall, the taxation policies of the Mongolian government are considered to be a mild deterrent as

more than not, do not change their opinions with regard to giving the go ahead to mining. Once more it is noticeable that three times as many potential investors are completely frightened off from mining in Russia when compared to Mongolia.



Table 8.5 Infrastructure

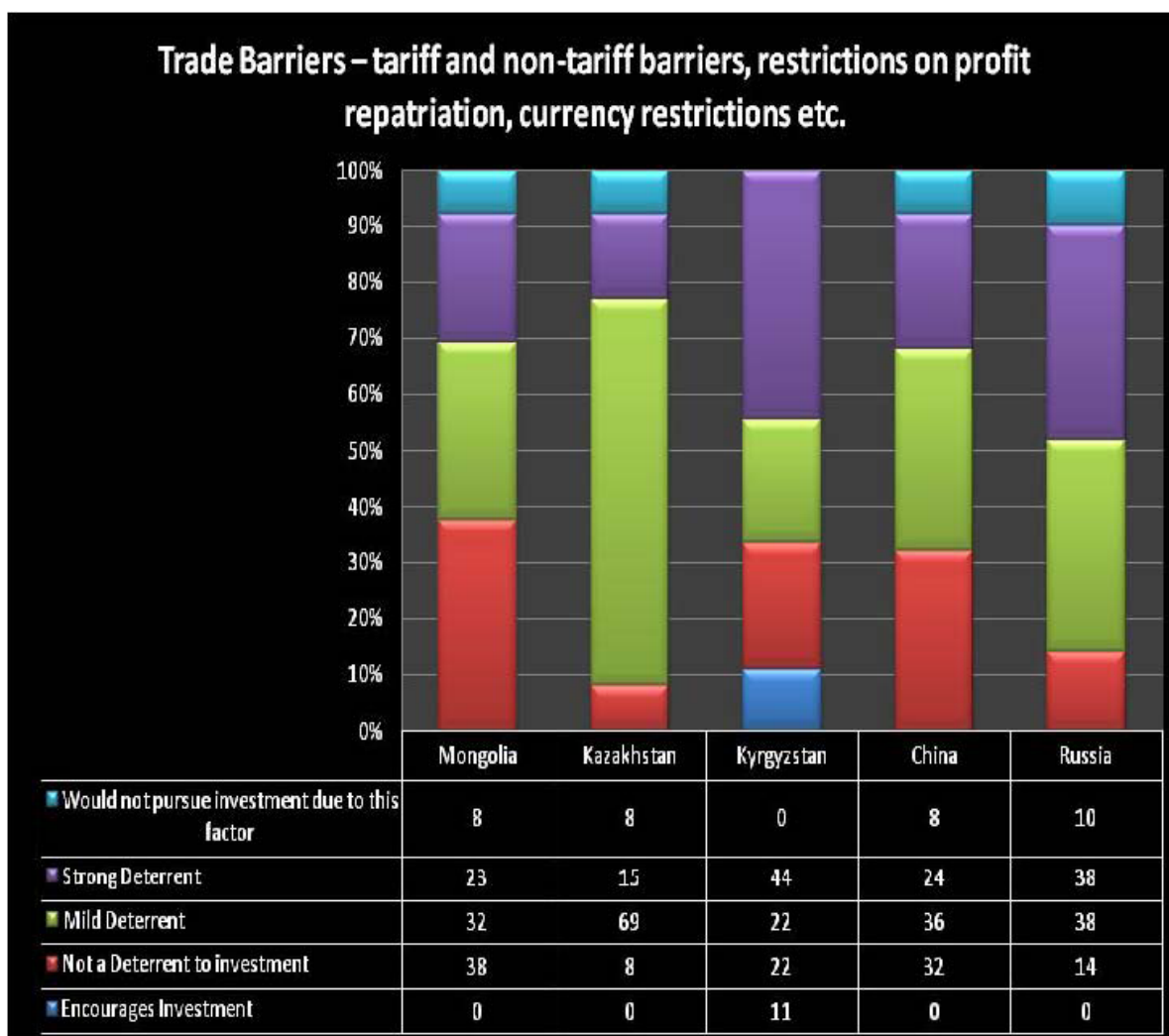


Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Mongolia as noted was the second socialist state in the world and following on from this fact it comes as no surprise that its infrastructural development was not as developed as that of the capitalist West. When one adds to this the feature of Mongolia being a giant in terms of territory, the problem is magnified. Huge territory and small agricultural population quite naturally led to poor infrastructure which is evidenced by Table 8.5. No mining investor believes that the infrastructure found

neither in Mongolia, nor for that matter in Kazakhstan, Kyrgyzstan or in Russia actually encourages any investment. Equally, on the other hand, no investor considers pulling out of investment in Mongolia due to unsatisfactory infrastructure, whereas 7% do for both China and Russia. Nevertheless, nearly three quarters questioned agree that the sad state of infrastructural development is a hindrance to greater mining investment.

Table 8.6 Trade Barriers



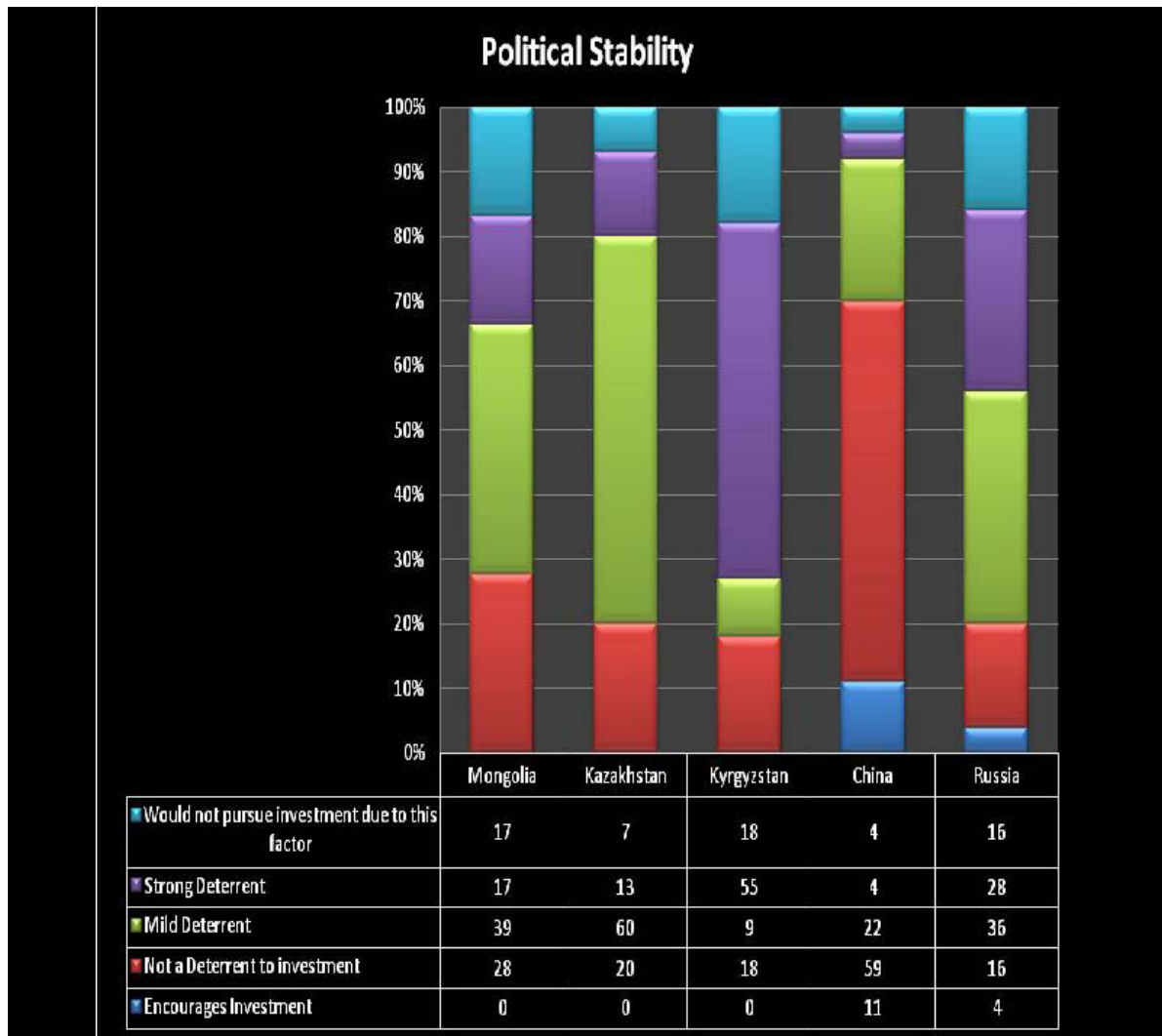
Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Mongolia fits in with the traditional pattern of the region with regard to trade barriers not encouraging mining investment. There is one anomaly in this area, however. Mongolia as well as China and Kyrgyzstan are all members of the WTO. Yet, it is only Kyrgyzstan that records a positive response for encouraging investment due to her stance on non/tariff

barriers. More than half of those questioned believe that Mongolia’s stance with regard to both tariff barriers and non-tariff barriers are a hindrance when it comes to investment in mining. Once again it is interesting to note that more investors are refusing to invest in Russia than Mongolia when it comes to the issue of tariff and non-tariff barriers.



Table 8.7 Stability

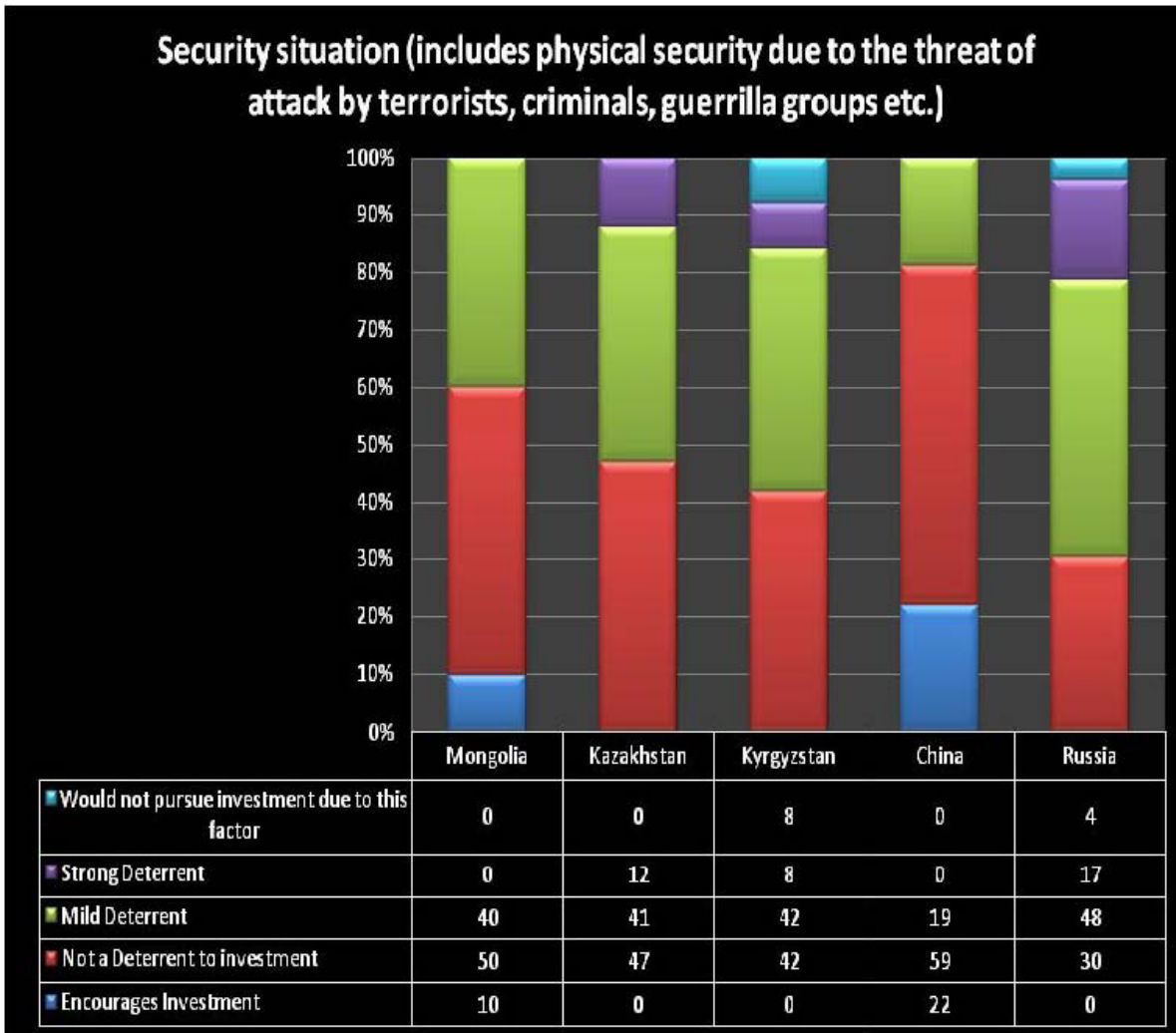


Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

It is a mantra of most political scientists that foreign investment is attracted by political stability. No matter what the returns may be, if there is instability, this is considered to be a major factor that puts off investors. Given the disturbances of 2008 and before, it is not surprising that no one questioned believes it is political stability that is encouraging mining investments. This is the same for Kazakhstan and Kyrgyzstan as well. More than two thirds believe that the issue of stability is, at most, a mild deterrent to investment. The country that performs best in this instance is authori-

tarian China with 7 out of 10 regarding the political stability maintained by the Chinese communist party as encouraging or at least, not deterring investment. Interestingly, another authoritarian regime, Russia, does not do as well as the respective figures for Russia is only 1 in 5. For Mongolia, an important point to note is that more than a third questioned do believe that instability is either a strong deterrent or a factor in which to halt any idea of any or further investment, all of which does which does not bode well for the future.

Table 8.8 Security



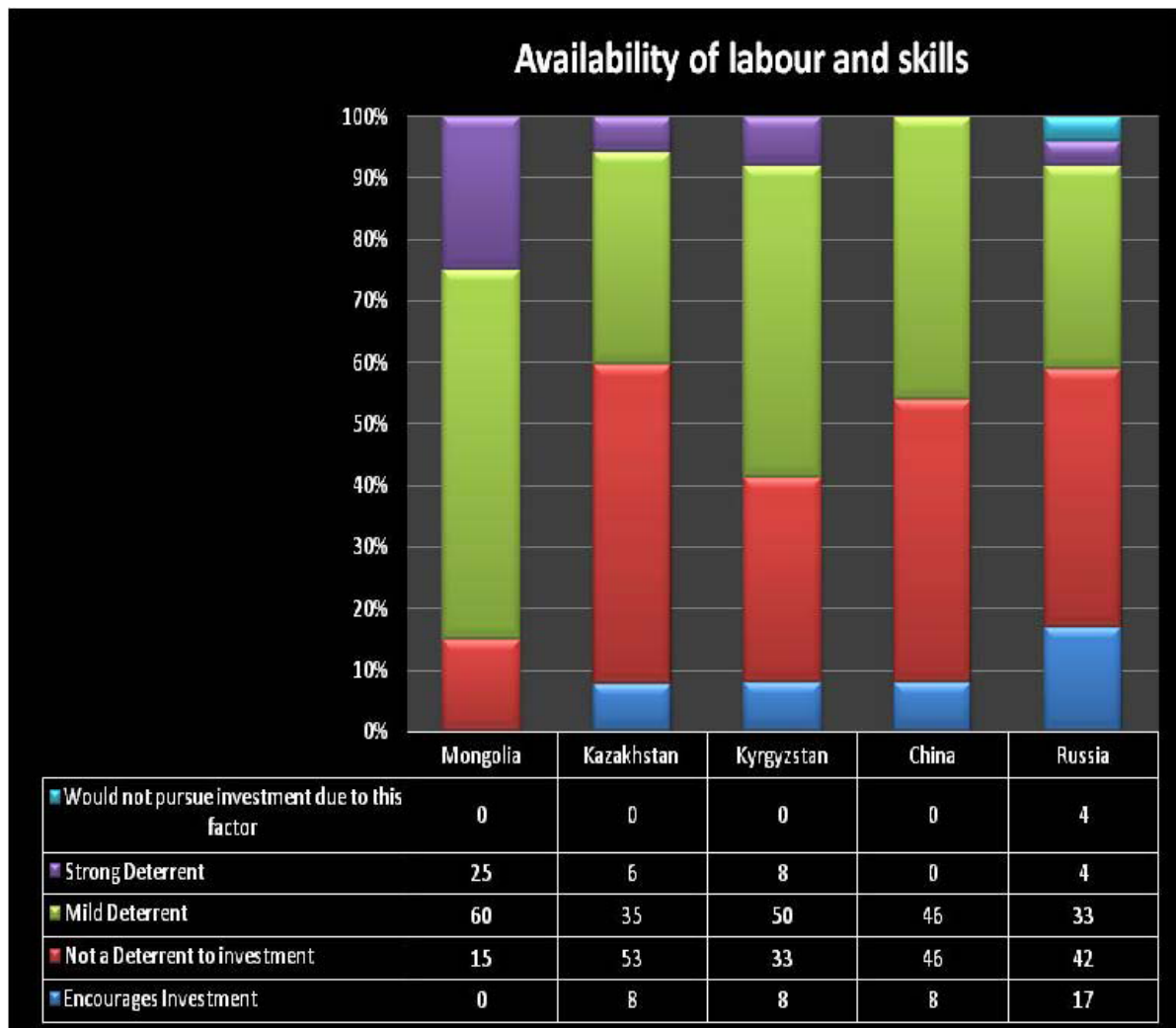
Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Table 8.8 demonstrates that mining investors have little fear of terrorism when deciding to invest in China or Mongolia. 1 in 6 believes that the security situation in Mongolia does not pose a hindrance to investments. Even more encouraging is the fact that nobody

questioned believes security is a factor at all when it comes to investing - everyone thinks that security is at worst, a minor issue. The same could not be said for Kyrgyzstan or Russia and to a lesser extent, Kazakhstan.



Table 8.9 Labour and Skills

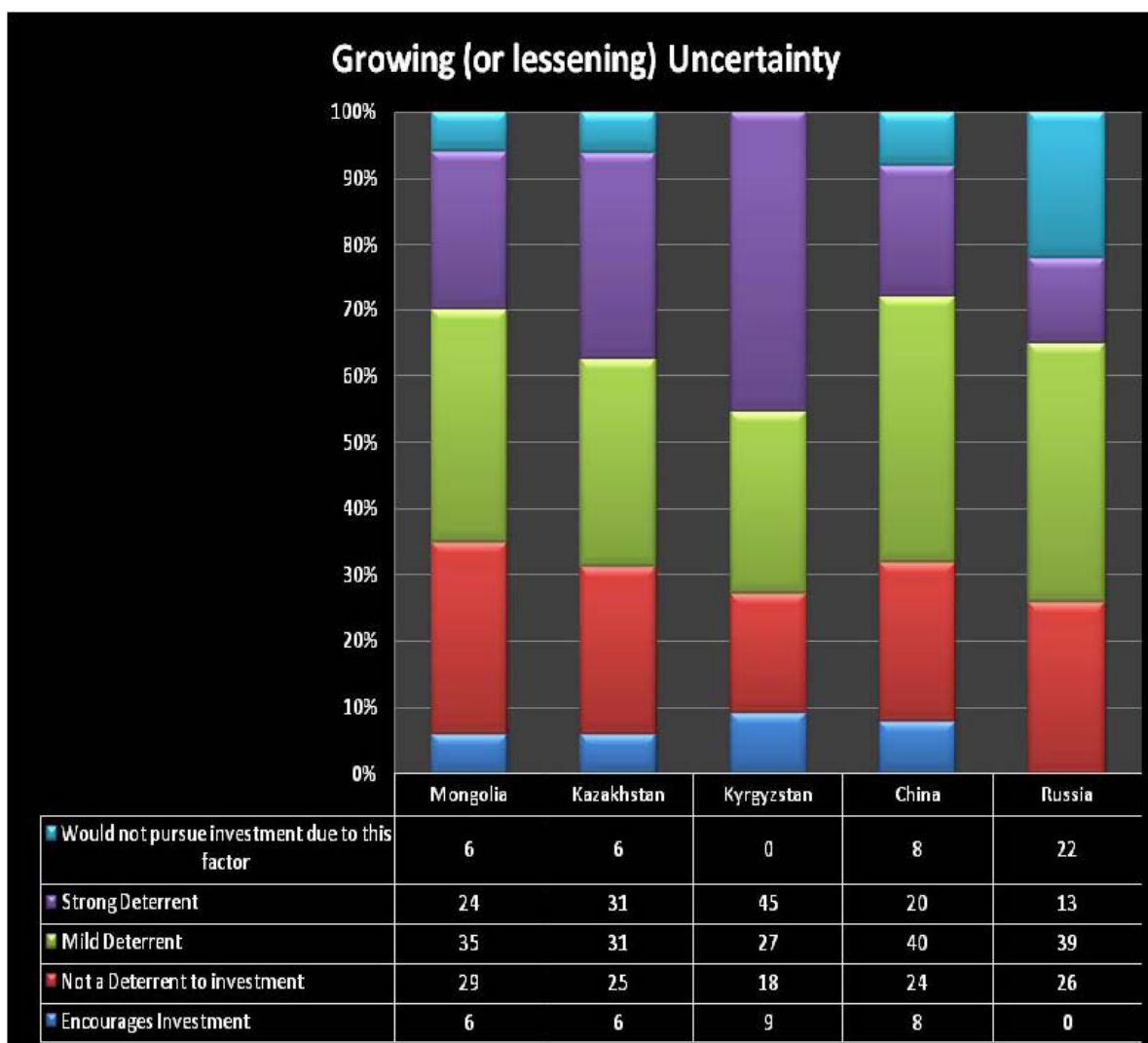


Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Human capital is a vital ingredient within the neo-liberal development agenda for development. The better equipped the labour force, the more encouragement it provides for both domestic and foreign investors. Viewed from this perspective, Mongolia fails badly. Nobody sincerely believes that the skills of the labour force are a factor encouraging investment in Mongolia. In fact 85% of those questioned see it in negative terms, regarding it at best, as a mild deterrent.

Mongolia scores the worst in terms of its labour force encouraging investment and scores the highest in terms of it discouraging mining investments. The deficiency in skills is an urgent matter that needs to be addressed by the Mongolian government if it desires speedy and steady economic growth.

Table 8.10 Uncertainty



Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Central Asia, Northern China and Eastern Russia have not been and sadly are not renowned for being reliable, stable, dependable or predictable. Very few believe Mongolia's stable future to encourage investment and more than half fear the uncertainty of Mongolia's future negatively effecting judgments concerning mining investment decisions. As implied, this is not a surprise given the characteristics of the geography Mongolia finds

herself in. Within the region, quite surprisingly, it is Russia that is most feared with regard to mining investments with almost a quarter questioned declaring that they would not invest due to the uncertainty present in the Russian Federation. In this particular aspect, Mongolia's future is viewed more beneficially than both Kazakhstan and Kyrgyzstan, but not as hopeful as China's which should not come as a surprise.

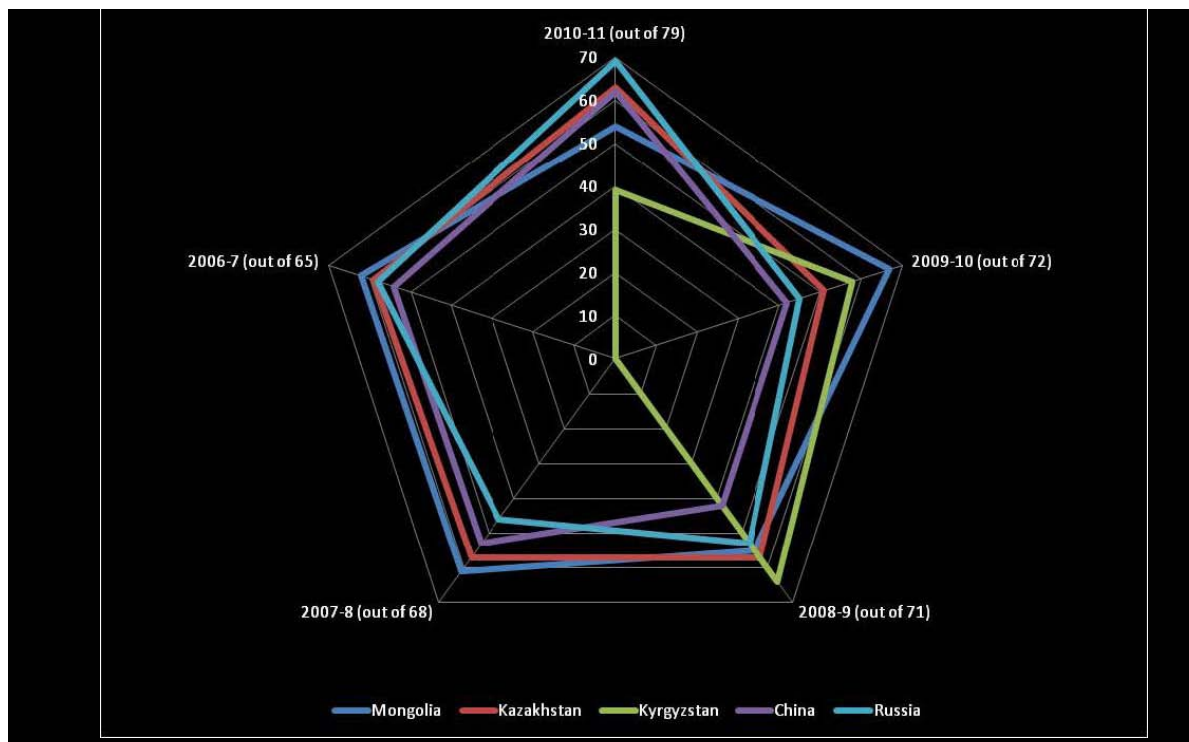


Table 8.11 Policy Potential Index Ranking

	2010-11	2009-10	2008-9	2007-8	2006-7
Mongolia	54/79	67/72	55/71	61/68	62/65
Kazakhstan	63/79	51/72	57/71	57/68	59/65
Kyrgyzstan	39/79	58/72	64/71	-	-
China	62/79	42/72	42/71	53/68	54/65
Russia	69/79	45/72	53/71	46/68	58/65

Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Chart C



Source: McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*.

Since the windfall tax was initiated by the Mongolian parliament, her standing in terms of policy potential has understandably fallen quite drastically, as is evidenced by the figures for 2006-7. It is completely true to say that there were only three countries in the world that fared worse than Mongolia when it came to investing in mining at this time. Compared to her neighbours, Mongolia was behind both in 2006. After a blip in 2009-10 when Mongolia again was performing disastrously in terms of preferred investment in mining, her posi-

tion improved the very next year, when she was favoured more than both her neighbours, China and Russia.

Therefore, a complete role reversal in terms of mining potential had occurred in a mere four years. Needless to say, a major input into this change of perception came from the Mongolian State Great Khural repealing the windfall tax and other measures relating to the mining industry.

8.6. Dig for Wealth

The last two decades concerning mining in Mongolia demonstrates that, if resources are not extracted, then there is little possibility of a resource boom. Although losses have been incurred due to delaying mining, an even larger revenue loss is a possibility, especially for Mongolian coal. Having delayed extracting coal, Mongolia could face the unhappy prospect of future customers preferring to turn to cleaner energy sources which would necessary mean a drop in demand and as a necessary corollary, lower prices for coal.

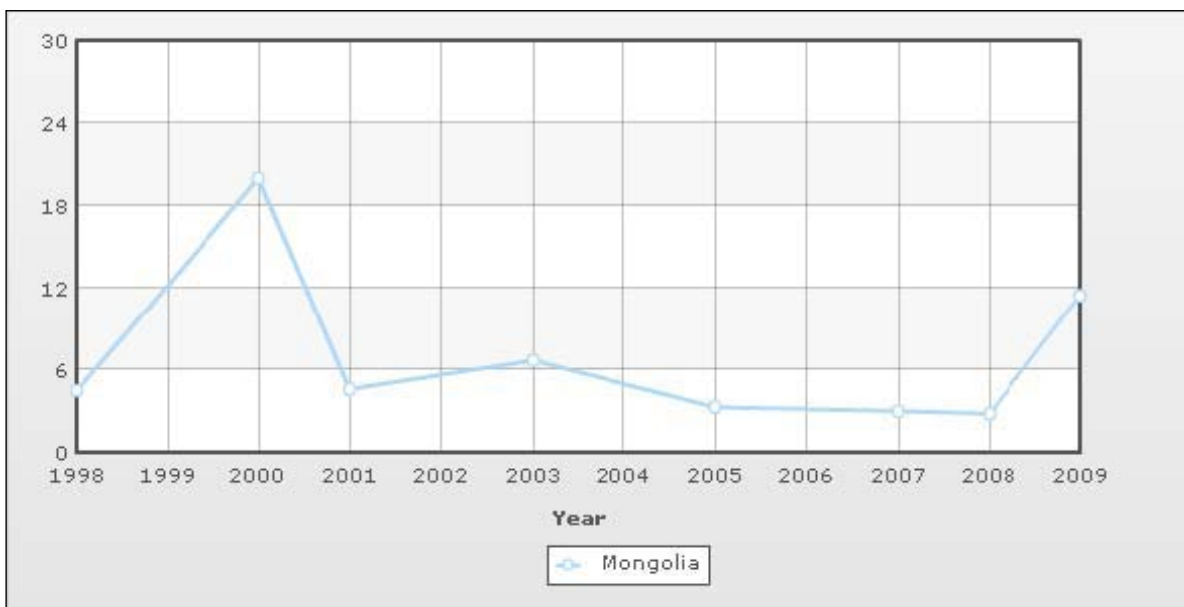
One can certainly conclude that Mongolia missed out on the resource boom of the first decade of the 21st century. This was not a resource curse outcome as suggested in Azerbaijan and Kazakhstan, but a missed opportunity. According to the World Bank, Mongolia could be looking forward to a resource boom in the 2010s (Pomfret, 2011). This may well take place quicker than expected given the

fact that President Elbegdorj confirmed in 2011 that ‘maybe 10 years ago it was very hard to meet someone who might be interested in investing in Mongolia. Today, it’s very hard to make my schedule, you know, to meet those people who are interested to invest in Mongolia’ (Brookings Institution, 2011).

9. Conclusion

There are a handful of challenges and advantages that Mongolia needs to address in the economic domain. Global attention is becoming more and more focused on planetary ecological protection and prevention of damage. Pollution has been an issue on both the economic and international agenda for decades, albeit woefully addressed. Nevertheless, it has become a vital topic that must be catered for within the formula for economic development. This is a tough challenge for Mongolia, given the fact that mining industries are certainly not the cleanest nor with exemplary records for protecting the environment.

Table 9.1 Unemployment rate



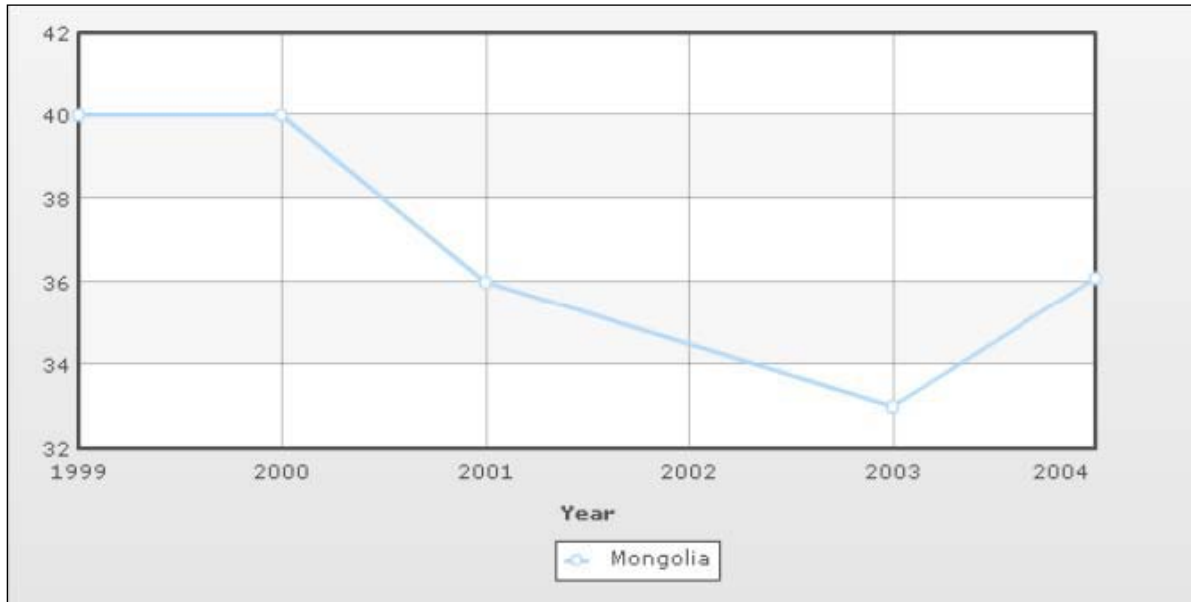
Source: <http://www.indexmundi.com/g/g.aspx?c=mg&v=74>



As can be seen from Table 9.1, unemployment has remained a major hurdle for all Mongolian governments. Its close relative, poverty, has always been at the throat of Mongolians

ever since pre-socialist times and is unfortunately becoming an increasingly deadlier menace. This is aptly demonstrated in Table 9.2.

Table 9.2 Percentage of Population below Poverty Line



Source: <http://www.indexmundi.com/g/g.aspx?c=mg&v=69>

In danger of stating the obvious, poor people without work are not a good recipe for stability or democratic development. Nevertheless, one must accept the fact that Mongolia has established a market-based economic system, although it has failed to bring about the anticipated level of prosperity.

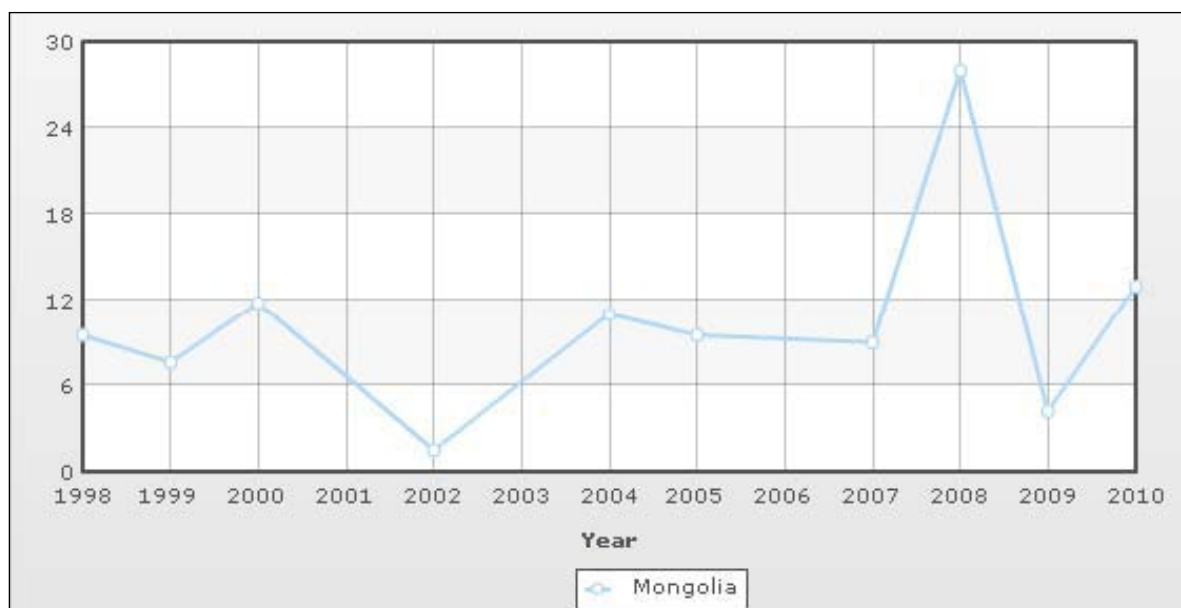
Pursuing this vein, Mongolia has endured and continues to suffer from low growth with GDP contracting by more than 1% in 2009. Anxieties were renewed concerning the control of inflation, the rise of which in the 2000s can be seen in Tables 9.3 and 9.4, with recent inflation, due in part to soaring food prices, soaring over 10% for both 2010 and 2011.

Table 9.3 Mongolian Inflation 1998-2010

Country	1998	1999	2000	2002	2004	2005	2007	2008	2009	2010
Mongolia	9.5	7.6	11.8	1.5	11	9.5	9	28	4.2	13

Source: <http://www.indexmundi.com/g/g.aspx?c=mg&v=71>

Table 9.4 Mongolian Inflation



Source: <http://www.indexmundi.com/g/g.aspx?c=mg&v=71>

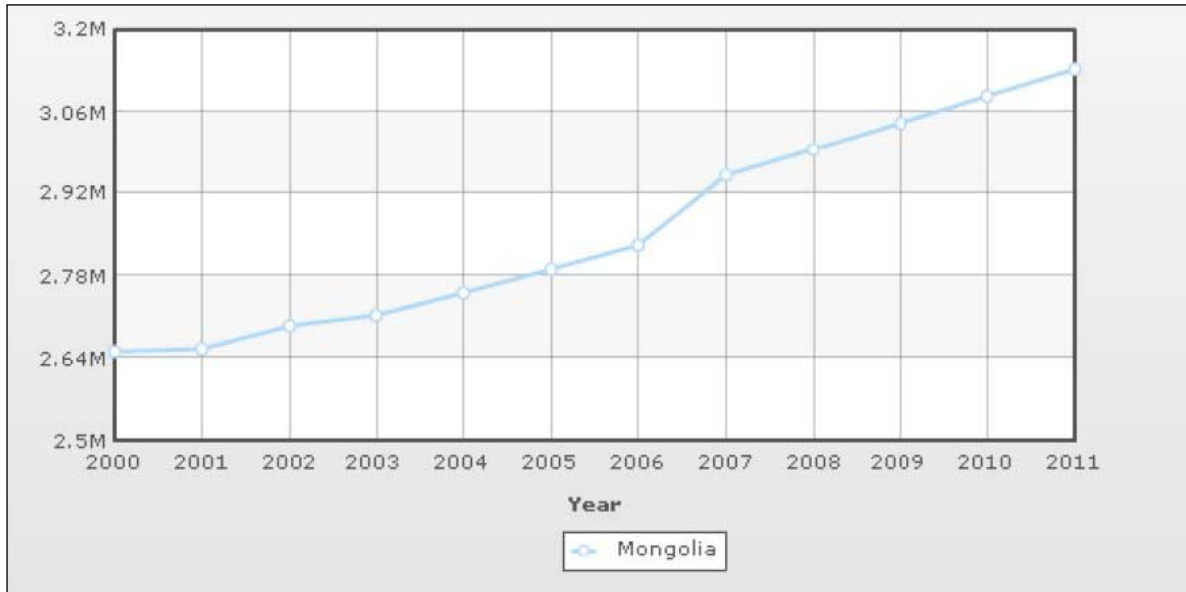
Government spending - which was forecast to increase by as much as 75% in 2011 - has also added to the worries over inflation. In this context, given the fact that more Mongols live in China than in their own state, with more than 100,000 Mongol citizens living abroad for more than six months, the remittances from those living and working abroad, particularly in South Korea, become quite

significant, with money laundering becoming a growing concern (Globoledge, 2011).

Bearing all the above-mentioned in mind, therefore, the potential advantage that Mongolia ought to embrace and metamorphose into realization is firstly and foremost the discovery of its mineral wealth.



Table 9.5 Mongolian Population 2000-2011



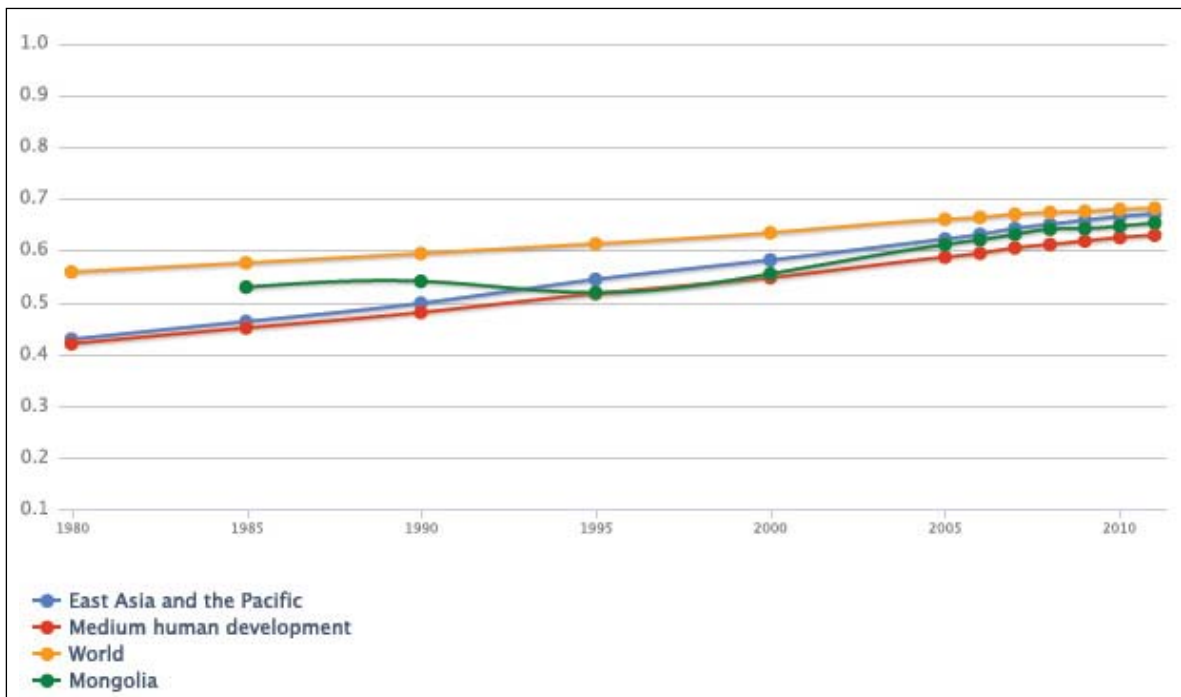
Source: <http://www.indexmundi.com/g/g.aspx?c=mg&v=21>

In terms of realising the economic potential, possessing a small population, considered to be under three million (see Table 9.5) effectively means that expenses too remain small, or the benefits large, especially when bearing in mind those reforms, if they are well timed and sequenced, can have a rapid impact.

President Elbegdorj optimistically reminds everyone that ‘since 1990 our GDP actually tripled. And 21 years ago, 98 percent of our GDP actually produced by state. Now, more than 80 percent, actually, produced by the private corporations. I think in the coming 10 years, Mongolian economy will grow -- average. Experts say the growth will average 10 percent. I think when there is a prosperous place, I regard my country -- my country can be a hub, a financial hub. My country can be

infrastructural hub. My country can be an air hub. My country can be a technology hub’ (Brookings Institution, 2011).

Despite contracting in 2009, the Mongolian economy grew by 6.1% in 2010 and by 9.8% in 2011, largely on the strength of commodity exports to nearby countries. Currently the developed economies are facing either very low or contracting scenarios, whereas for Mongolia, given the fact that mining revenues are expected to increase, the country is grappling with the challenge of - not a contracting - but the avoidance of an overheated economy. This conclusion is reinforced by the past and forecast trend for the Mongolian economy as evidenced in Table 8.6 demonstrating that the country is scoring above Medium Human Development figures.

Table 9.6 Human Development Index: Trends 1985 – present

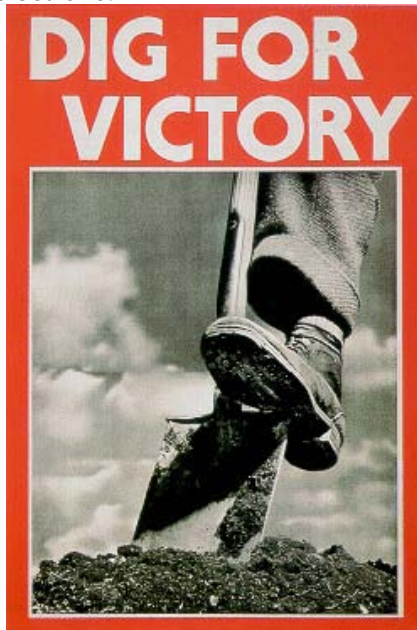
Source: <http://hdrstats.undp.org/en/countries/profiles/MNG.html>

Lastly, just as the continents of Europe and the Americas are increasing their trade with China and clamouring for that to be further enhanced, Mongolia's close proximity to China and its burgeoning markets can be a distinct advantage. Needless to say, the huge costs of transportation links remain a hurdle that needs to be overcome, though some positive developments are on the horizon as expressed by President Elbegdorj when he humorously but truthfully stated in Washington D.C in July 2011 that: 'In terms of the railroad, you know we have only one rail line that runs through Mongolia. It's called the Trans-Siberian rail line. Many people take that to go to Mongolia, to Russia, to China. That's, I think, a very good way to visit those three countries. Now, we have a railroad policy determined, and our main rails will be with the wide gauge. [The] rails from mining to China will be maybe not our gauge - not maybe, almost certain....we will combine those two kind of gauges, because we have two neighbours and we have to have good business

with them. Yeah. We are quite flexible with that'(Brookings Institution, 2011).

In the final analysis, with regard to the success and determinants of democratization in Mongolia, opinion is divided. Some analysts simply believe that a country which is poor cannot democratize. Mongolia is an exception to this rule, as in 1990 it was one of the poorest of socialist countries and yet did manage to democratize. Mongolia represents an East Asian case of double transition, which unlike other third-wave democracies in the region - with the exception of post-Soviet Central Asia - has undergone both the democratization of communist one-party rule into a multiparty competitive system and the simultaneous transformation of a centrally planned economy into a free market economy. However, similar to other post-socialist countries in transition, the totalitarian nature of its communist history and the economic costs of market reform have posed special obstacles to its democratic consolidation.

To make matters even more challenging, Mongolia was and remains a very isolated country without much interaction with the democratic world. It had not yet undertaken significant economic reforms, though it did democratize. That democratization took place in the absence of any cultural legacy of a vibrant civil society. It possessed no heritage of an institutional legacy of checks and balances to safeguard constitutional rule. It can be argued that democracy was introduced without the crucial institutions of civil society and the rule of law. Bearing these concerns and developments in mind, it can also be asserted that the Mongolian case in fact supports those who argue for the existence of a global democratic impulse, with the feasibility of democratization taking place even under very depressing and challenging circumstances. On a final note, it is a credit to Mongolians that since independence they have been able to hold five parliamentary elections, five presidential elections and five local elections.



Source: http://www.creativereview.co.uk/images/uploads/2011/12/iwm_pst_000059_0.jpg

9.1. Dig for Development and Democracy

During the Second World War, there was a very famous British government poster entitled 'Dig for Victory' urging all Britons to cultivate their gardens to produce vegetables and thereby aid the war effort (see above). The campaign proved to be a success and therefore, the poster proved to be true. Mongolia fortunately is not in the midst of war, but she is caught up and lost in the violent capitalist snowstorm encapsulating the global economic terrain. As she tries desperately to see through and navigate the path, she needs more of her own resources. Henceforth, the importance of 'digging for wealth' in the case of Mongolia.

If the right steps are taken and the correct judgments made, then Mongolia will become a shining beacon for the Central/East Asian region and beyond. Choosing the wrong road and sliding on the ice will terminate in a vast lost opportunity resulting in another lost generation - at least. In that instance, the road not taken, as in Robert Frost's poem, shall be quite differently told with a sigh, somewhere ages and ages hence.

Bibliography

Amnesty International., 2008. *Mongolia: Call for restraint after violent protests*. [online] Available at: <<http://www.amnesty.org/en/for-media/press-releases/mongolia-call-restraint-after-violent-protests-20080702>> [Accessed 5 October 2011].

Amnesty International., 2009. *International Report: Mongolia*, [online] Amnesty International. Available at: <<http://report2009.amnesty.org/en/regions/asia-pacific/mongolia>> [Accessed at 29 February 2012].

Asianinfo., 2012. *Mongolia*. [online] Available at: <<http://www.asianinfo.org/asianinfo/mongolia/fact.htm>> [Accessed 19 March 2012].

Atwood, C.P., 2004. *Encyclopedia of Mongolia and the Mongol Empire*. New York: Facts on File.

BBC., 2009a. *Mongolia opposition wins election*. [online] (Published 25 May 2009) Available at: <<http://news.bbc.co.uk/1/hi/world/asia-pacific/8065608.stm>> [Accessed 5 October 2011].

BBC., 2009b. *Mongolia nominates a new leader*. [online] (Published 29 October 2009) Available at: <<http://news.bbc.co.uk/1/hi/world/asia-pacific/8331142.stm>> [Accessed 5 October 2011].

BBC., 2011. *Timeline of Mongolia*. [online] Available at: <http://news.bbc.co.uk/1/mobile/world/asia-pacific/country_profiles/1235612.stm> [Accessed on 5 October 2011].

Bertelsmann., 2006. *Mongolia*. [online] *Bertelsmann Transformation Index. (Published 2006)* Available at: <<http://bti2006.bertelsmann-transformation-index.de/fileadmin/pdf/en/2006/CISAndMongolia/Mongolia.pdf>> [Accessed 5 October 2011].

Boone, P., 1994. Grassroots Macroeconomic Reform in Mongolia. *Journal of Comparative Economics*, Vol: 18 No: 3 pp. 329-356. Check Brookings Institution., 2011. *Mongolia's Foreign Policy in the 21st Century*. [online] Brookings Institution. Available at: <http://www.brookings.edu/~media/Files/events/2011/0616_mongolia/20110616_mongolia.pdf> [Accessed 5 October 2011].

Buell, P.D., 2003. *Historical Dictionary of the Mongol World Empire*. Lanham: Scarecrow Press.

Bulag, Uradyn Erden., 2010. *Collaborative nationalism : the politics of friendship on China's Mongolian frontier*. Lanham, Maryland: Rowman & Littlefield Publishers.

Campi, A., 2012. *Mongolia's Quest to Balance Human Development in its Booming Mineral-Based Economy*. [online] Available at: <http://www.brookings.edu/opinions/2012/0110_mongolia_campi.aspx> [Accessed 19 March 2012].

Cheng, K.C., 2003. *Growth and recovery in Mongolia during transition*. Working Paper 03/217, Washington, D.C., International Monetary Fund.

Central Intelligence Agency., 1988. *The Prospects for Change in Sino-Soviet Relations*. Washington DC: National Foreign Intelligence Board.

Central Intelligence Agency., 2012, *The World Factbook*. [online] Available at: <<https://www.cia.gov/library/publications/the-world-factbook/geos/mg.html>> [Accessed 19 March 2012].

CERF., 2011. *Annual Report on the use of CERF grants Mongolia*. [online] The Central Emergency Response Fund, July 2001. Available at: <<http://ochanet.unocha.org/p/Documents/MONGOLIA%20NARRATIVE%20REPORT%202010%20FINAL%202%20August%202011.pdf>> [Accessed 7 October 2011]

Daly, J.C.K., 2008. Mongolia's political crisis and its mineral riches. *Central Asia – Caucasus Institute Analyst*, [online] Available at: <<http://www.cacianalyst.org/?q=node/4908>> [Accessed 5 October 2011].

De Santis, H and Manning, R., 1989. *Gorbachev's Eurasian strategy: the dangers of success and failure*. Santa Monica, CA: RAND Corporation.

Embassy of Mongolia in the United States of America., 2009. *Foreign Policy*. [online] (Published 2009) Available at: <http://www.mongolianembassy.us/government_and_policy/foreign_policy.php> [Accessed 5 October 2011].

Freedom House., 2009. *Mongolia Country Report*, [online] (Published 16 July 2009) Available at: <<http://old.freedomhouse.org/template.cfm?page=22&country=7665&year=2009>> [Accessed at 29 February 2012].

Globaledege., 2011. *Mongolia: Government*. [online] Michigan State University. Available at: <<http://globaledege.msu.edu/Countries/Mongolia/government>> [Accessed 6 October 2011].

Hanson, J.L., 2004. *Mongolia*. New York: Facts on File.

International Bank for Reconstruction and Development., 2011. *Doing Business 2011: Making a Difference for Entrepreneurs*. Washington D.C.: International Bank for Reconstruction and Development.

International Bank for Reconstruction and Development., 2011a. *Global Economic Prospects: Maintaining progress amid turmoil* Volume 3. Washington D.C., International Bank for Reconstruction and Development / The World Bank. Pp.77.

International Bank for Reconstruction and Development., 2012. *Mongolia Overview*, [online] The World Bank. Available at: <<http://www.worldbank.org/en/country/mongolia/overview>> [Accessed at 29 February 2012].

IPU., 1990. Mongolia Parliamentary Chamber: *Ulsyn Ikh Khural Elections Held in 1990*. [online] Available at: <http://www.ipu.org/parline-e/reports/arc/2219_90.htm> [Accessed 5 October 2011].

IPU., 2000. Mongolia Parliamentary Chamber: *Ulsyn Ikh Khural Elections Held in 2000*. [online] Available at: <http://www.ipu.org/parline-e/reports/arc/2219_00.htm> [Accessed 5 October 2011].

IPU., 2004. *Mongolia Elections in 2004*. [online] Available at: <http://www.ipu.org/parline-e/reports/arc/2219_04.htm> [Accessed 5 October 2011].

IPU., 2010. *Mongolia Ulsyn Ikh Khural (State Great Hural) Last Election*. [online] Available at: <http://www.ipu.org/parline-e/reports/2219_E.htm> [Accessed 5 October 2011].

Ishjatms, N., 1996. Nomads In Eastern Central Asia. In: *History of Civilizations of Central Asia*, Volume 2. Paris: UNESCO Publishing.

Itar-Tass., 2010. *Russia, Mongolia foster bilateral cooperation with new nine agreements*. [online] Moscow. (Published 14 December 2010) Available at: <<http://www.mongoliaeconomy.com/?p=1385>> [Accessed 5 October 2011].

Jeffries, I., 2007. *Mongolia A guide to economic and political developments*. New York: Routledge.

Juvaini, A.J., 1997. *Genghis Khan: the History of the World Conqueror*, translated from Persian by J. A. Boyle. Seattle: University of Washington Press.

Kaplonski, C., 2002. Thirty Thousand Bullets, Remembering political repression in Mongolia. In: Christie, K. And Cobb, R., ed. 2002. *Historical Injustice and Democratic Transition in Eastern Asia and Northern Europe*. London: RoutledgeCurzon.

Kaplonski, C., 2004. *Truth, History and Politics in Mongolia: The memory of heroes*. London: RoutledgeCurzon.

Lattimore, O., 1962. *Nomads and Commissars Mongolia Revisited*. New York: Oxford University Press

Lawrence, S.V., 2011. *Mongolia: Issues for Congress*. [online] Congressional Research Service Report for Congress, June 14, 2011. Available at: <http://www.fas.org/sgp/crs/row/R41867.pdf> [Accessed 5 October 2011].

Marcantonio, A., 2002. *The Uralic Language Family: Facts, Myths and Statistics*. Oxford: Blackwell.

May, T., 2001. Review of Sandag, Shagdariin; Kendall, Harry H., *Poisoned Arrows: The Stalin-Choibalsan Mongolian Massacres, 1921-1941*. H-Russia, H-Net Reviews. May, 2001. [online] Available at: <<http://www.h-net.org/reviews/showpdf.php?id=5152>> [Accessed 5 October 2011].

May, T., 2008. Book Review: Jerryson, Michael K. *Mongolian Buddhism: The Rise and Fall of the Sangha* (Chaing Mai, Thailand: Silkworm Books, 2007). [online] Available at: <http://worldhistoryconnected.press.illinois.edu/5.3/br_may.html> [Accessed 5 October 2011].

May, T. M., 2009. *Culture and customs of Mongolia*. Westport: Greenwood Press.

- McMahon, F. and Cervantes, M., 2011. *The Fraser Institute Annual Survey of Mining Companies 2010/2011*. [online] The Fraser Institute, March 2011. Available at: <<http://www.fraser-institute.org/uploadedFiles/fraser-ca/Content/research-news/research/publications/mining-survey-2010-2011.pdf>> [Accessed 7 October 2011].
- Moiseev, L., 2011. Relations Between Russia and Mongolia Are Warming. *Far Eastern Affairs*, No.1, January-February 2001, p.12.
- Moses, L.W., 1997. *Introduction to Mongolian History and Culture*. Richmond: Curzon Press.
- Moses, L.W., 1997a. *The Political Role of Mongol Buddhism*. Richmond: Curzon Press.
- National Statistical Office of Mongolia., 2011. *Mongolia has launched the main findings of its 2010 Population and Housing Census*. [online] Available at: <http://www.nso.mn/v3/index2.php?page=news_more&id=722> [Accessed 19 March 2012].
- NATO., 2011. *Mongolia and NATO hold High-level talks in Ulaanbaatar*. [online] (Published 25 May 2011) Available at: <http://www.nato.int/cps/en/SID-E794479D-4EB33567/natolive/news_74801.htm> [Accessed 5 October 2011].
- Perdue, P., 2005. *China Marches West: The Qing Conquest of Central Eurasia*. Cambridge: Harvard University Press.
- Pomfret, R., 1999. *Transition and Democracy in Mongolia*. [online] Centre for International Economic Studies. Available at: <<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.41.1675&rep=rep1&type=pdf>> [Accessed 5 October 2011].
- Pomfret, R., 2011. *Resource Management and Transition in Central Asia, Azerbaijan, and Mongolia*. [online] Peterson Institute for International Economics Working Paper Series, WP 11-8, March 2011. Available at: <<http://www.iie.com/publications/wp/wp11-8.pdf>> [Accessed 7 October 2011]
- Reuters., 2011. *Sovereign funds, private equity flocking to Mongolia*. [online] Reuters, 22 June 2011. Available at: <<http://www.resource-cap.com/downloads/Sovereign%20funds.pdf>> [Accessed 7 October 2011].
- Rossabi, M., 2005. *Modern Mongolia: from khans to commissars to capitalists*. Berkeley: University of California Press.
- Sandag, S. and Kendall. H.H., 2000. *Poisoned Arrows: The Stalin-Choibalsan Mongolian Massacres 1921-1941*. Boulder: Westview Press.
- Sanders, A.J.K., 2010. *Historical Dictionary of Mongolia*, 3rd ed. Lanham: Scarecrow Press.
- Schafferer, S., 2004. *The 2004 parliamentary election in Mongolia: Big surprises and small victories*. [online] eastasia.at. Available at: <http://www.eastasia.at/vol3_2/article01.htm> [Accessed 5 October 2011].
- Southern Mongolian Human Rights Information Center., 2012. *Southern Mongolia Watch*, [online] Southern Mongolian Human Rights Information Center. Available at: <http://www.smhric.org/SMW_table.htm> [Accessed at 29 February 2012].

Tiess, G., 2011. *Legal Basis of Mineral Policy in Europe An overview of 40 countries*. Mörlenbach: Springer-Verlag/Wien.

Türkiye Cumhuriyeti Dışişleri Bakanlığı., 2011a. *Türkiye-Moğolistan Ekonomik İlişkileri*. [online] Turkish Foreign Ministry. Available at: <<http://www.mfa.gov.tr/turkiye-mogolistan-ekonomik-iliskileri.tr.mfa>> [Accessed 6 October 2011].

Türkiye Cumhuriyeti Dışişleri Bakanlığı., 2011b. *Türkiye-Moğolistan Siyasi İlişkileri*. [online] Turkish Foreign Ministry. Available at: <<http://www.mfa.gov.tr/turkiye-mogolistan-siyasi-iliskileri.tr.mfa>> [Accessed 6 October 2011].

U.S. Department of State., 2011. *Background Note: Mongolia*. [online] (Published 11 March 2011) Available at: <<http://www.state.gov/r/pa/ei/bgn/2779.htm>> [Accessed 5 October 2011].

U.S. Department of State., 2011a. *2011 Mongolia Investment Climate Statement*. [online] Economic and Commercial Section of the U.S. Embassy in Ulaanbaatar, Mongolia. 3/1/2010. Available at: <<http://csrtoday.org/sites/default/files/2011-mongolia-investment-climate-statement.pdf>> [Accessed 7 October 2011].

U.S. Geological Survey., 2009. *Minerals Yearbook, 2007, V. 3, Area Reports, International, Asia and the Pacific* (Minerals Yearbook Volume 3: Area Reports: International Review: Asia and the Pacific) Washington: United States Government Printing Office.

U.S. House of Representatives., 2011. Testimony of Kurt M. Campbell Assistant Secretary of State Bureau of East Asian and Pacific Affairs U.S. Department of State Before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific. [online] U.S. House of Representatives, 31 March 2011. Available at: <<http://foreignaffairs.house.gov/112/cam033111.pdf>> [Accessed 7 October 2011]

WikiLeaks., 2011. *2009 Mongolia Investment Climate Statement*. [online] Cable reference id: #09ULAANBAATAR119. Available at: <<http://www.cablegatesearch.net/cable.php?id=09ULAANBAATAR119>> [Accessed 7 October 2011].

Worden, R.L., and Savada, A, M., eds., 1991. *Mongolia: A Country Study*. Washington, D.C., Federal Research Division, Library of Congress.

World Information Service on Energy Uranium Project., 2011. *New Uranium Mining Projects – Mongolia*. [online] WISE Uranium Project. 22 August 2011. Available at: <<http://www.wise-uranium.org/upmn.html#DORNOD>> [Accessed 7 October 2011].



Annexes:

Annex A

CONSTITUTION OF MONGOLIA

We, the people of Mongolia:

- Strengthening the independence and sovereignty of the nation,
- Cherishing human rights and freedoms, justice and national unity,
- Inheriting the traditions of national statehood, history and culture,
- Respecting the accomplishments of human civilization, and
- Aspiring toward the supreme objective of developing a human, civil, democratic society in the country Hereby proclaim the Constitution of Mongolia.

CHAPTER ONE

SOVEREIGNTY OF MONGOLIA

Article 1

1. Mongolia is an independent, sovereign republic.
2. The supreme principles of the activities of the State shall be ensurance of democracy, justice, freedom, equality and national unit and respect of law.

Article 2

1. By its state structure, Mongolia is a unitary State.
2. The territory of Mongolia shall be divided into administrative units only.

Article 3

1. State power shall be vested in the people of Mongolia. The people shall exercise state power through their direct participation in State affairs as well as through the representative bodies of State power elected by them.
2. Illegal seizure of State power or attempt to do so shall be prohibited.

Article 4

1. The territorial integrity and frontiers of Mongolia shall be inviolable.
2. The frontiers of Mongolia shall be safeguarded by law.
3. Stationing of foreign troops in the territory of Mongolia, allowing them to cross the State borders for the purpose of passing through the country's territory shall be prohibited unless an appropriate law is adopted.

Article 5

1. Mongolia shall have an economy based on different forms of property which takes into account universal trends of world economic development and national specifics.
2. The State recognizes all forms of both public and private property and shall protect the rights of the owner by law.
3. The owner's rights shall be limited exclusively by due process of law.

4. The State shall regulate the economy of the country with a view to ensure the nation's economic security, the development of all modes of production and social development of the population.
5. The livestock is national wealth and be protected by the State.

Article 6

1. The land, its subsoil, forests, water, fauna and flora and other natural resources in Mongolia shall belong exclusively to the people and be under the State protection.
2. The land, except those given to the citizen of Mongolia for private possession, as well as the subsoil with its mineral wealth, forest, water resources and game shall be the property of the State.
3. The State may give for private ownership plots of land, except pastures and areas under public utilization and special use, only to the citizens of Mongolia. This provision shall not apply to the ownership of the subsoil thereof. Citizens shall be prohibited to transfer the land in their possession to foreign nationals and stateless persons by way of selling, bartering, donating or pledging as well as transferring to others for exploitation without permission from competent State authorities.
4. The State shall have the right to hold responsible the land owners in connection with the manner the land is used, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection and national security.
5. The State may allow foreign nationals, legal persons and stateless persons to lease land for a specified period of time under conditions and procedures as provided for by law.

Article 7

1. Historical, cultural, scientific and intellectual heritages of the Mongolian people shall be under State protection.
2. Intellectual values produced by the citizens are the property of their authors and the national wealth of Mongolia.

Article 8

1. The Mongolian language is the official language of the State.
2. Section 1 of this Article shall not affect the right of national minorities of other tongues to use their native languages in education and communication and in the pursuit of cultural, artistic and scientific activities.

Article 9

1. The State shall respect religions and religions shall honor the State.
2. State institutions shall not engage in religious activities and the Religions institutions shall not pursue political activities.
3. The relationship between the State and the Religion institutions shall be regulated by law.

Article 10

1. Mongolia shall adhere to the universally recognized norms and principles of international law and pursue a peaceful foreign policy.



2. Mongolia shall fulfill in good faith its obligations under international treaties to which it is a Party.
3. The international treaties to which Mongolia is a Party, shall become effective as domestic legislation upon the entry into force of the laws on their ratification or accession.
4. Mongolia shall not abide by any international treaty or other instruments incompatible with its Constitution.

Article 11

1. The duty of the State is to secure the country's independence, ensure national security and public order.
2. Mongolia shall have armed forces for self-defense. The structure and organization of the armed forces and the rules of military service shall be determined by law.

Article 12

1. The symbols of the independence and sovereignty of Mongolia are the State Emblem, Banner, Flag, Seal and the Anthem.
2. The State Emblem, Banner, Flag and the Anthem shall express the historical tradition, aspiration, unity, justice and the spirit of the people of Mongolia.
3. The State Emblem shall be of circular shape with the white lotus serving as its base and the "never-ending Tumen Nasan" pattern forming its outer frame. The main background is of blue color signifying the eternal blue sky, the Mongols traditional sanctity. In the center of the Emblem a combination of the Precious Steed and the Golden Soyombo sign is depicted as an expression of the independence, sovereignty and spirit of Mongolia. In the upper part of the Emblem, the Chandmani (Wish-granting Jewel) sign symbolizes the past, the present and the future. In the lower part of the Emblem, the sign of the Wheel entwined with the silk scarf Hadag in an expression of reverence and respect, symbolizes continued prosperity. It is placed against the background of a "hill" pattern conveying the notion of "mother earth."
4. The traditional Great White Banner of the unified Mongolian State is a state ceremonial attribute.
5. The State Flag shall be a rectangle divided vertically into three equal parts colored red, blue, and red. The blue color of the center of the flag, symbolizes "the eternal blue sky" and the red color on both sides symbolizes progress and prosperity. The Golden Soyombo sign shall be depicted on the red stripe nearest to the flag pole. The ration of the width and length of the Flag shall be 1:2.
6. The State Seal having a lion-shaped handle, shall be of a square form with the State Emblem in the center and the words "Mongol Uls" (Mongolia) inscribed on both sides. The President shall be the holder of the State Seal.
7. The procedure for the ceremonial use of the State symbols and the text and melody of the State Anthem shall be prescribed by the law.

Article 13

1. The capital of the State shall be the city where the State Supreme bodies permanently sit. The capital city of Mongolia is the city of Ulaanbaatar.
2. The legal status of the capital city shall be defined by law.

CHAPTER TWO

HUMAN RIGHTS AND FREEDOMS

Article 14

1. All persons lawfully residing within Mongolia are equal before the law and the court.
2. No person shall be discriminated against on the basis of ethnic origin, language, race, age, sex, social origin and status, property, occupation and post, religion, opinion or education. Everyone shall have the right to act as a legal person.

Article 15

1. The grounds and procedure for Mongolian nationality, acquisition or loss of citizenship shall be defined only by law.
2. Deprivation of Mongolian citizenship, exile and extradition of citizens of Mongolia shall be prohibited.

Article 16

The citizens of Mongolia shall be guaranteed the privilege to enjoy the following rights and freedoms:

- 1) Right to life. Deprivation of human life shall be strictly prohibited unless capital punishment is imposed by due judgment of the court for the most serious crimes, constructed by Mongolian Penal Law.
- 2) Right to healthy and safe environment, and to be protected against environmental pollution and ecological imbalance.
- 3) Right to fair acquisition, possession and inheritance of movable and immovable property. Illegal confiscation and requisitioning of the private property of citizens shall be prohibited. If the State and its bodies appropriate private property on the basis of exclusive public need, they shall do so with due compensation and payment.
- 4) Right to free choice of employment, favorable conditions of work, remuneration, rest and private enterprise. No one shall be unlawfully forced to work.
- 5) Right to material and financial assistance in old age, disability, childbirth and child care and in other circumstances as provided by law;
- 6) Right to the protection of health and medical care. The procedure and conditions of free medical aid shall be defined by law.
- 7) Right to education. The State shall provide basic general education free of charge. Citizens may establish and operate private schools if these meet the requirements of the State.
- 8) Right to engage in creative work in cultural, artistic and scientific fields and to benefit thereof. Copyrights and patents shall be protected by law.
- 9) Right to take part in the conduct of State affairs directly or through representative bodies. The right to elect and to be elected to State bodies. The right to elect shall be enjoyed from the age of eighteen years and the age eligible for being elected shall be defined by law according to the requirements in respect of the bodies or posts concerned.
- 10) Right to form a party or other public organizations and unite voluntarily in associations according to the social and personal interests and opinion. All political parties and other public organizations shall uphold public order and State security, and abide by law.

- Discrimination and persecution of a person or joining a political party or other public organization or for being their member shall be prohibited. Party membership of some categories of State employees may be suspended.
- 11) Men and women shall have equal right in political, economic, social, cultural fields and in family affairs. Marriage shall be based on the equality and mutual consent of the spouses who have reached the age defined by law. The State shall protect the interests of the family, motherhood and the child.
 - 12) Right to submit a petition or a complaint to State bodies and officials. The State bodies and officials shall be obliged to respond to the petitions or complaints of citizens in conformity with law.
 - 13) Right to personal liberty and safety. No person shall be searched, arrested, detained, persecuted or deprived of liberty save in accordance with procedures and grounds determined by law. No person shall be subjected to torture, inhuman, cruel or degrading treatment. Where a person is arrested he/she, his/her family and counsel shall be notified within a period of time established by law of the reasons for and grounds of the arrest. Privacy of citizens, their families, correspondence and residence shall be protected by law.
 - 14) Right to appeal to the court to protect his/her right if he/she considers that the right of freedoms as spelt out by the Mongolian law or an international treaty have been violated; to be compensated for the damage illegally caused by other; not to testify against himself/herself, his/her family, or parents and children; to self-defense; to receive legal assistance; to have evidence examined; to a fair trial; to be tried in his/her presence; to appeal against a court judgment, to seek pardon. Compelling to testify against himself/herself shall be prohibited. Every person shall be presumed innocent until proved guilty by a court by due process of law. Application of charges of convicted to the members his/her family and relatives shall be prohibited.
 - 15) Freedom of conscience and religion.
 - 16) Freedom of thought, free expression of opinion, speech, press, peaceful demonstration and meetings. Procedures for organizing demonstrations and other assemblies shall be determined by law;
 - 17) Right to seek and receive information except that which the State and its bodies are legally bound to protect as secret. In order to protect human rights, dignity and reputation of persons and to defend the State national security and public order, secrets of the State, individuals, or organizations which are not subject disclosure shall be defined and protected by law.
 - 18) Right to freedom of movement within the country and freedom to choose the place of one's residence, right to travel or reside abroad, to return to home country. The right to travel and reside abroad may be limited exclusively by law in order to ensure the security of the nation and population and protect public order.

Article 17

1. Citizens of Mongolia while upholding justice and humanism, shall fulfill in good faith the following basis duties:
 - 1) respect and abide by the Constitution and other laws;
 - 2) respect the dignity, reputation, right and legitimate interests of other;
 - 3) pay taxes levied by law;
 - 4) defend motherland and serve in the army according to law.
2. It is a sacred duty for every citizen to work, protect his/her health, bring up and educate his/her children and to protect nature and the environment.

Article 18

1. The rights and duties of aliens residing in Mongolia shall be regulated by the Mongolian law and by the treaties concluded with the State of the person concerned.
2. Mongolia shall adhere to the principle of reciprocity in determining the rights and duties of foreign nationals in an international treaty being concluded with the country concerned.
3. The rights and duties of stateless persons within the territory of Mongolia shall be determined by the Mongolian law.
4. Aliens or stateless persons persecuted for their convictions, political or other activities pursuing justice, may be granted asylum in Mongolia on the basis of their well-founded requests.
5. In allowing the foreign nationals and stateless persons residing in Mongolia to exercise the basic rights and freedoms provided for in Article 16 of the Constitution, the State may establish certain limitations upon the rights other than the inalienable rights spelt out in international instruments to which Mongolia is a Party, out of the consideration of ensuring the national security, populations, and public order.

Article 19

1. The State shall be responsible to the citizens for the creation of economic, social, legal and other guarantees for ensuring human rights and freedoms, to fight against violation of human rights and freedoms and to restore infringed rights.
2. Human rights and freedoms as defined by the Constitution and other laws in case of a state of emergency or war shall be subject to limitation only by a law. Such a law shall not affect the right to life, the freedom of thought, conscience and religion, as well as the right not to be subjected to torture, inhuman and cruel treatment.
3. In exercising his/her rights and freedoms one shall not infringe on the national security, rights and freedoms of others and violate public order. Last Updated (Friday, 27 July 2007)

CHAPTER THREE

THE STRUCTURE OF THE STATE

I. The State Ikh Hural of Mongolia

Article 20

The State Ikh Hural of Mongolia is the highest organ of State power and the supreme legislative power shall be vested only in the State Ikh Hural.

Article 21

1. The State Ikh Hural shall have one chamber and consist of 76 members.
2. The members of the State Ikh Hural shall be elected by citizens of Mongolia entitled to vote, on the basis of universal, free, direct suffrage by secret ballot for a term of four years.
3. Citizens of Mongolia who have reached the age of 25 years and are eligible for elections shall be elected to the State Ikh Hural.
4. The procedure of the election of members of the State Ikh Hural shall be defined by law.

**Article 22**

1. If extraordinary circumstances arising from sudden calamities occurring in the whole or a part of the country, imposition of martial law or outbreak of public disorder prevent regular general elections from being held, the State Ikh Hural shall retain its mandate till extraordinary circumstances cease to exist and the newly elected members of the State Ikh Hural are sworn in.
2. The State Ikh Hural may decide on its dissolution if not less than two thirds of its members consider that the State Ikh Hural is unable to carry out its mandate, or if the President in consolidation with the Chairman of the State Ikh Hural, proposes to do so for the same reason. In case of such a decision, the State Ikh Hural shall exercise its powers till the newly elected members of the State Ikh Hural are sworn in.

Article 23

1. A member of the State Ikh Hural shall be an envoy of the people and shall represent and uphold the interests of all the citizens and the State.
2. The mandate of a member of the State Ikh Hural shall begin with an oath taken before the State Emblem and expire when newly elected members of the State Ikh Hural are sworn in.

Article 24

1. Chairman and Vice-Chairman of the State Ikh Hural shall be nominated and elected from among the members of the State Ikh Hural by secret ballot.
2. The term of office of the Chairman and Vice-Chairman of the State Ikh Hural shall be four years. They can be relieved of or removed from their posts before the expiry of their terms for reasons defined by law.

Article 25

1. The State Ikh Hural may consider at its initiative any issue pertaining to domestic and foreign policies of the state, and shall keep within its exclusive competence the following questions and decide thereon:
 - 1) to enact laws, make amendments to them;
 - 2) to define the basis of the domestic and foreign policies of the State;
 - 3) to set and announce the date of elections of the President and the State Ikh Hural and its members;
 - 4) to determine and change the structure and composition of the Standing Committees of the State Ikh Hural, the Government and other bodies directly accountable to it according to law; 5) to pass a law recognizing the full powers of the President after his/her election and to relieve or remove the President;
 - 6) to appoint, replace or remove the Prime Minister, members of the Government and other bodies responsible and accountable to the State Ikh Hural as provided for by law;
 - 7) to define the State's financial, credit, tax and monetary policies; to lay own the guidelines for the country's economic and social development; to approve the Government's program of action, the State budget and the report on its execution;
 - 8) to supervise the implementation of laws and other decisions of the State Ikh Hural;

- 9) to define the State borders;
 - 10) to determine the structure, composition and powers of the National Security Council of Mongolia;
 - 11) to approve and change the administrative and territorial divisions of Mongolia at the suggestion by the Government;
 - 12) to determine the legal basis of the system, structure and activities of local self-governing and administrative bodies;
 - 13) to institute honorific titles, orders, medals and higher military ranks; to determine the table of ranks in some special fields of State service;
 - 14) to issue acts of amnesty;
 - 15) to ratify and denounce international agreements to which Mongolia is a Party; to establish and sever diplomatic relations with foreign State at the suggestion of the Government;
 - 16) to hold national referendums. To verify the validity of a referendum in which the majority of eligible citizens has taken part, and to consider the question which has obtained majority votes as decided;
 - 17) to declare a state of war in case the sovereignty and independence of Mongolia are threatened by armed actions on the part of a foreign Power, and to abate it;
 - 18) to declare a state of emergency or martial law in the whole or some parts of the country in special circumstances described in Sections 2 and 3 of this Article, and to approve or nullify the President's decree to that effect.
2. Under the following extraordinary circumstances the State Ikh Hural may declare a state of emergency to eliminate the consequences thereof and to restore the life of the population and society to norm:
 - 1) natural disasters or other unforeseen dangers which have threatened or may threaten directly the life, health, well being and security of the population inhabiting in the whole or a part of the country's territory, occur;
 - 2) state authorities are not able within legal limits to cope with public disorders caused by organized, violent, illegal actions of any organization or a group of people threatening the constitutional order and the existence of the legitimate social system.
 3. The State Ikh Hural may declare martial law if public disorders in the whole or a part of the country's territory result in an armed conflict or create a real threat of an armed conflict, or if there is an armed aggression or real threat of an aggression from outside.
 4. The other powers, structure and the procedures of the State Ikh Hural shall be defined by law.

Article 26

1. The President, members of the State Ikh Hural and the Government shall have the right to legislative initiate.
2. Citizens and other organizations shall forward their suggestions on draft laws to those entitled to initiate a law.
3. The State Ikh Hural shall officially promulgate national laws through publication and, if law does not provide otherwise, it shall be effective 10 days after the day of publication.

**Article 27**

1. The State Ikh Hural shall exercise its powers through its sessions and other organizational forms.
2. Regular sessions of the State Ikh Hural shall be convened once in six months and last not less than 75 working days on each occasion.
3. Extraordinary sessions may be convened at the demand of more than one third of the members of the State Ikh Hural, and / or on the initiative of the President and the Chairman of the State Ikh Hural.
4. The President shall convoke the first session of the State Ikh Hural within 30 days following the elections. Other sessions shall be convoked by the Chairman of the State Ikh Hural.
5. In case of the proclamation by the President of a state of emergency or war, the State Ikh Hural shall be convened for an extraordinary session within 72 hours without prior announcement.
6. The presence of an overwhelming majority of the State Ikh Hural shall be required to consider a session valid, and decisions shall be taken by a majority of all members present and voting if the Constitution and other laws do not provide otherwise.

Article 28

1. The State Ikh Hural shall have Standing Committees dealing with specific fields.
2. The State Ikh Hural shall determine the competence, structure and procedures of the Standing Committees.

Article 29

1. Members of the State Ikh Hural shall be remunerated from the State budget during their tenure and shall not hold concurrently any posts and employment other than those assigned by law.
2. Immunity of members of the State Ikh Hural shall be protected by law.
3. If a question arises that a member of the State Ikh Hural is involved in a crime, it shall be considered by the session of the State Ikh Hural and decide whether to suspend his/her mandate. If the court proves the member in question to be guilty of crime, the State Ikh Hural shall terminate his/her membership in the legislature.

II. THE PRESIDENT OF MONGOLIA**Article 30**

1. The President of Mongolia shall be the Head of State and embodiment of the unity of the people.
2. An indigenous citizen of Mongolia who has attained the age of forty five years and has permanently resided as a minimum for the last five years in native land, shall be eligible for election to the post of President for a term of four years.

Article 31

1. Presidential elections shall be conducted in two stages.
2. Political parties which have obtained seats in the State Ikh Hural shall nominate individually or collectively Presidential candidates, one candidate per party or coalition of parties.

3. At the primary stage of the elections citizens of Mongolia eligible to vote shall participate in electing the President on the basis of universal, free direct suffrage by secret ballot.
4. The State Ikh Hural shall consider the candidate who has obtained a majority of all votes cast in the first voting as elected, the President and shall pass a law recognizing his/her mandate.
5. If none of the candidates obtains a majority vote in the first round, second voting shall take place involving the two candidates who obtains the largest number of votes in the first round. The candidate who a law recognizing his/her mandate shall be passed by the State Ikh Hural.
6. If neither of the candidates wins in the second ballot, Presidential elections shall be held anew.
7. The President can be re-elected only once.
8. The President shall not be a member of the State Ikh Hural or the Government and shall not concurrently hold the post of the Prime Minister or any other posts and pursue any occupation not relating to his duties assigned by law. If the President holds another office or a post he/she shall be relieved of it from the date on which he/she takes an oath.

Article 32

1. The mandate of the President shall become effective with an oath taken by him / her and shall expire with an oath taken by the newly elected President.
2. Within 30 days after the election the President shall take an oath before the State Ikh Hural: "I swear that I shall guard and defend the independence and sovereignty of Mongolia, freedom of the people and national unity and shall uphold and observe the Constitution and faithfully perform the duties of the President".

Article 33

1. The President enjoys the following prerogative rights:
 - 1) to exercise the right to veto against a part or entirety of laws and other decisions adopted by the State Ikh Hural. The laws or decisions shall remain in force if a two thirds of the members participating in the session of the State Ikh Hural present do not accept the President's veto;
 - 2) to propose to the State Ikh Hural the candidature for the appointment to the post of Prime Minister in consultation with the majority party or parties in the State Ikh Hural if none of them has majority of seats, as well as to propose to the State Ikh Hural the dissolution of the Government;
 - 3) to instruct the Government on issues within the areas of his competence. If the President issues a decree to that effect, it shall become effective upon signature by the Prime Minister;
 - 4) to represent the State with full power in foreign relations and, in consultation with the State Ikh Hural, to conclude international treaties on behalf of Mongolia;
 - 5) to appoint and recall heads of plenipotentiary missions of Mongolia to foreign countries in consultation with the State Ikh Hural;
 - 6) to receive the Letters of Credence or Recall of Heads of diplomatic missions of foreign states to Mongolia;
 - 7) to confer state titles and higher military ranks and award orders and medals;



- 8) to grant pardon;
 - 9) to decide matters related to granting and withdrawing Mongolian citizenship and granting asylum;
 - 10) to head the National Security Council of Mongolia;
 - 11) to declare general or partial conscription;
 - 12) to declare a state of emergency or a state of war on the whole or a part of the national territory in the emergency situation described in Sections 2 and 3 of Article 25 of this Constitution under urgent circumstances when the State Ikh Hural is in recess and issue ordinances of the beginning of military operations. The State Ikh Hural shall consider within 7 days the presidential decree declaring a state of emergency or a state of war and shall approve or disapprove it. If the State Ikh Hural does not take decision on the matter, the Presidential decree shall be void.
2. The President shall be the Commander-in-Chief of the armed forces of Mongolia.
 3. The President may address messages to the State Ikh Hural and/or to the people, he may at his own discretion attend sessions of the State Ikh Hural, report on and submit proposals concerning vital issues of domestic and foreign policies of the country.
 4. Other specific powers may be vested in the President only by law.

Article 34

1. The President within his powers shall issue decrees in conformity with law.
2. If a Presidential decree is incompatible with law, the President himself or the State Ikh Hural shall invalidate it.

Article 35

1. The President shall be responsible to the State Ikh Hural.
2. In case of breach of his oath, violation of the Constitution and the President's authority, the President may be removed from his post on the basis of the finding of the Constitutional Court by an overwhelming majority of members of the State Ikh Hural present and voting.

Article 36

1. The person, residence and transport of the President shall be inviolable.
2. Dignity and immunity of the President shall be protected by law.

Article 37

1. In the temporary absence of the President his full powers shall be exercised by the Chairman of the State Ikh Hural.
2. In the event of the resignation, death or voluntary retirement of the President his full powers shall be exercised by the Chairman of the State Ikh Hural pending the inauguration of the newly elected President. In such a case the State Ikh Hural shall announce and hold Presidential elections within four months.
3. The procedure of exercising the duties of the President by the Chairman of the State Ikh Hural shall be determined by law.

III. THE GOVERNMENT OF MONGOLIA

Article 38

1. The Government of Mongolia is the highest executive body of the State.
2. The Government shall implement the State laws and according to the duty to direct economic, social and cultural development shall exercise the following powers:
 - 1) to organize and ensure nation-wide implementation of the Constitution and other laws;
 - 2) to work out a comprehensive policy on science and technology, guidelines for economic and social development, and make State budget, credit and fiscal plans and to submit these to the State Ikh Hural and to execute decisions taken thereon;
 - 3) to elaborate and implement comprehensive measures on sectional, inter-sectorial, as well as regional development;
 - 4) to undertake measures on the protection of the environment, rational use and restoration of natural resources;
 - 5) to guide the Central state administrative bodies and to direct the activities of local administrations;
 - 6) to strengthen the country's defense capabilities and to ensure national security;
 - 7) to take measure for the protection of human rights and freedoms, to enforce the public order and to prevent of crimes;
 - 8) to implement the State foreign policy;
 - 9) to conclude and implement international treaties with the consent of and subsequent ratification by the State Ikh Hural as well as to conclude and abrogate intergovernmental treaties.
3. The specific powers, structure and procedure of the Government shall be determined by law.

Article 39

1. The Government shall comprise of the Prime Minister and members.
2. The Prime Minister shall, in consultation with the President, submit his/her proposals on the structure, composition and change of the Government to the State Ikh Hural.
3. The State Ikh Hural shall consider the candidatures proposed by the Prime Minister one by one and take decision on their appointment.

Article 40

1. The term of the mandate of the Government shall be four years.
2. The term of office of the Government shall start from the day of the appointment of the Prime Minister by the State Ikh Hural and terminate upon the appointment of a new Prime Minister.

Article 41

1. The Prime Minister shall lead the Government and shall be responsible to the State Ikh Hural for the implementation of State laws.
2. The Government shall be accountable for its work to the State Ikh Hural.

**Article 42**

Personal immunity of the Prime Minister and members of the Government shall be protected by law.

Article 43

1. The Prime Minister may tender his/her resignation to the State Ikh Hural before the expiry of his/her term of office if he/she considers that the Government is unable to exercise its powers.
2. The Government shall step down in its entirety upon the resignation of the Prime Minister or if half of the members of the Government resign at the same time.
3. The State Ikh Hural shall consider the matter and make a final decision within 15 days after taking initiative to dissolve the Government or receiving the President's proposal or the Prime Minister's statement on resignation.
4. The State Ikh Hural shall consider and take decision on the dissolution of the Government if not less than one fourth of the members of the State Ikh Hural formally propose the dissolution of the Government.

Article 44

If the Government submits a draft resolution requesting a vote of confidence, the State Ikh Hural shall proceed with the matter in accordance with Section 3 of Article 43.

Article 45

1. The Government shall, in conformity with legislation, issue resolutions and ordinances which shall be signed by the Prime Minister and the Minister concerned.
2. If these resolutions and ordinances are incompatible with laws and regulations, the Government itself or the State Ikh Hural shall invalidate them.

Article 46

1. Ministries and other government offices of Mongolia shall be constituted in accordance with law.
2. State employees shall be Mongolian nationals. They shall strictly abide by the Constitution and other laws and work for the benefit of the people and in the interest of the State.
3. The working conditions and social guarantees of state employees shall be determined by law.

IV. THE JUDICIARY**Article 47**

1. The judicial power shall be vested exclusively in courts.
2. Unlawful institution of courts under any circumstances and exercise of judicial power by any other organization but courts shall be prohibited.
3. Courts shall be instituted solely under the Constitution and other laws.

Article 48

1. The judicial system shall consist of the Supreme Court, Aimag and capital city courts, Soum, inter-soum and district courts. Specialized courts such as criminal, civil and administrative courts may be formed. The activities and decisions of the specialized courts shall not but be under the supervision of the Supreme Court.

2. The structure of courts and the legal basis of their activities shall be defined by law.
3. The courts shall be financed from the State budget. The State shall ensure economic guarantee of the courts activities.

Article 49

1. Judges shall be independent and subject only to law.
2. Neither a private person nor any civil officer be it the President, Prime Minister, members of the State Ikh Hural or the Government, officials of political parties or other public organizations shall not interfere with the exercise by the judges of their duties.
3. A General Council of Courts shall function for the purpose of ensuring the independence of the judiciary.
4. The General Council of Courts, without interfering in the activities of courts and judges, shall deal exclusively with the selection of judges from among lawyers, protection of their rights and other matters pertaining to the ensurance of conditions guaranteeing the independence of the judiciary.
5. The structure and procedures of the General Council of Courts shall defined by law.

Article 50

1. The Supreme Court shall the highest judicial organ and shall exercise the following powers:
 - 1) to review and take decision at first instance on criminal cases and legal disputes under its jurisdiction;
 - 2) to examine decisions of lower-instance courts through appeal and supervision;
 - 3) to examine and take decision on matters related to the protection of law and human rights and freedoms therein and transferred to it by the Constitutional Court and the Prosecutor General;
 - 4) to provide official interpretations for correct application of all other laws except the Constitution;
 - 5) to make judgments on all other matters assigned to it by law.
2. The decision made by the Supreme Court shall be a final judiciary decision and shall be binding upon all courts and other persons. If a decision made by the Supreme Court is incompatible with law, the Supreme Court itself shall have to repeal it. If an interpretation made by the Supreme Court is incompatible with a law, the latter shall have precedence.
3. The Supreme Court and other courts shall have no right to apply laws that are unconstitutional or have not been promulgated.

Article 51

1. The Supreme Court shall comprise the Chief Justice and judges.
2. The President shall appoint the judges of the Supreme Court upon their presentation to the State Ikh Hural by the General Council of Courts, and appoint judges of other courts on the proposal of the General council of Courts.
3. A Mongolian national of thirty five years of age with higher legal education and experience in judicial practice of not less than 10 years, may be appointed as a judge of the Supreme Court. A Mongolian national of twenty five years of age with higher legal education and legal practice for not less than three years, may be appointed as a judge of the other courts.



4. Removal of a judge of a court of any instance shall be prohibited except in cases when he/she is relieved at his/her own request or removed on the grounds provided for in the Constitution and / or the law on the judiciary and by a valid court decision.

Article 52

1. Courts of all instances shall consider and make judgment on cases and disputes on the basis of collective decision-making.
2. In passing a collective decision on cases and disputes, the courts of first instance shall allow representatives of citizens to participate in the proceedings in accordance with the procedures prescribed by law.
3. A judge alone may take decision on some cases which are specifically singled out by law.

Article 53

1. Court trials shall be conducted in the Mongolian language.
2. A person who does not know Mongolian shall be acquainted with all facts of the case through translation and shall have the right to use his/her native language at the trial.

Article 54

Court trials shall be open to the public except in cases specifically singled out by law.

Article 55

1. The accused shall have a right to defense.
2. The accused shall be accorded legal assistance according to law and at his/her request.

Article 56

1. The Prosecutor shall exercise supervise registration of cases, investigation and the execution of punishment, and participate in the court proceedings on behalf of the State.
2. The President shall appoint the State Prosecutor General and his/her deputies in consultation with the State Ikh Hural for a term of six years.
3. The system, structure and legal basis of the activities of the Prosecutor's Office shall be determined by law.

CHAPTER FOUR

Administrative and Territorial Units of Mongolia and their Governing Bodies

Article 57

1. The territory of Mongolia shall be divided administratively into Aimags and a capital city; Aimags shall be subdivided into Soums; Soums into Baghs; the capital city shall be divided into districts and districts into Horoos.
2. Legal status of towns and villages located on the territories of administrative divisions shall be defined by law.
3. Revision of an administrative and territorial unit shall be considered and decided by the State Ikh Hural on the basis of a proposal by a respective local Hural and local population, and with account taken of the country's economic structure and the distribution of the population.

Article 58

1. Aimag, the capital city, Soum and district are administrative, territorial, economic and social complex having their own functions and administrations provided for by law.
2. Borderlines of Aimags, the capital city, Soums and districts shall be approved by the State Ikh Hural at the presentation by the Government.

Article 59

1. Governance of administrative and territorial units of Mongolia shall be organized on the basis of combination of the principles of both self-government and central government.
2. The self-governing bodies in Aimag, capital city, Soum and district shall be Hurals of Representatives of the citizens of respective territories; in Bagh and Horoo- General Meetings of citizens. In between the sessions of the Hurals and General Meetings, their Presidiums shall assume administrative functions.
3. Hurals of Aimags and the capital city shall be elected for a term of four years. The memberships of these Hurals as well as those of Soums and districts, and the procedure of their election shall be determined by law.

Article 60

1. State power shall be exercised on the territories of Aimags, the capital city, Soums, districts, Baghs and horoos by their respective Governors.
2. Candidates for Governors are nominated by the Hurals of respective Aimags, the capital city, Soums, districts, Baghs and Horoos. Governors of Aimags and the capital city are appointed by the Prime Minister; Soums and district Governors by the Governors of Aimags and the capital city; Governors of Baghs and Horoos by the Governors of Soums and districts respectively for a term of four years.
3. In case the Prime Minister and Governors of higher levels refuse to appoint the gubernatorial candidates, new nominations shall be held in the manner prescribed in Section 2 of this Article. Pending the appointment of a new Governor the previously appointed Governor shall exercise his/her mandate.

Article 61

1. While working for the implementation of the decisions of a respective Hural, a Governor, as a representative of State authority, shall be responsible to the Government and the Governor of higher instance for proper observance of national laws and fulfillment of the decisions of the Government and the respective superior body in his/her territory.
2. Governor shall have a right to veto decisions of respective Aimag, capital city, Soum, district, Bagh and Horoo Hurals.
3. If a Hural by a majority vote overrides the veto, the Governor may tender his/her resignation to the Prime Minister or to the Governor of higher instance if he/she considers that he/she is not able to implement the decision concerned.
4. Governors of Aimag, the capital city, Soum and district shall have secretariats/Offices of the Seal. The Government shall determine the structure and staff limit individually or by a uniform standard.

**Article 62**

1. Local self-governing bodies besides making independent decisions on matters of socio-economic life of the respective Aimag, the capital city, Soum, district, Bagh and Horoo shall organize the participation of the population in solving problems of national scale and that of larger territorial divisions.
2. The authority of higher instance shall not take decision on matters coming under the jurisdiction of local self-governing bodies. If law and decisions of respective superior State organs do not specifically deal with definite local matters, local self-governing bodies can decide upon them independently in conformity with the Constitution.
3. If the State Ikh Hural and Government deem it necessary they may delegate some matters within their competence to the Aimag and capital city Hurals Governors for their solution.

Article 63

1. Hurals of Aimag, the capital city, Soum, district, Bagh and Horoo shall adopt resolutions and Governors shall issue ordinances within their competence.
2. Resolutions of the Hurals and Ordinances of the Governors shall be in conformity with law, Presidential decrees and decisions of the Government and other superior bodies, and shall be binding within their respective territories.
3. Administrative and territorial units, and the powers, structure and procedure of their governing bodies shall be determined by law.

CHAPTER FIVE**The Constitution Tsets of Mongolia****Article 64**

1. The constitutional Tsets shall be an organ exercising supreme supervision over the implementation of the Constitution, making judgment on the violation of its provisions and resolving constitutional disputes. It shall be the guarantee for the strict observance of the Constitution.
2. The Constitutional Tsets and its members in the execution of their duties shall be guided by the Constitution only and shall be independent of any organizations, officials or any body else.
3. The independence of the members of the Constitutional Tsets shall be ensured by the guarantees set out in the Constitution and other laws.

Article 65

1. The Constitutional Tsets shall consist of 9 members. Members of the Constitutional Tsets shall be appointed by the State Ikh Hural for a term of six years upon the nomination of three of them by the State Ikh Hural, three by the President and the remaining three by the Supreme Court.
2. A member of the Constitutional Tsets shall be a Mongolian national who has reached forty years of age and is experienced in politics and law.
3. The Chairman of the Constitutional Tsets shall be elected from among 9 members for a term of three years by a majority vote of the members of Constitutional Tsets. He may be re-elected once.

4. If the Chairman or a member of the Constitutional Tsets violates law, he/she may be withdrawn by the State Ikh Hural on the basis of the decision of the Constitutional Tsets and on the opinion of the institution which nominated him/her.
5. The President, members of the State Ikh Hural, the Prime Minister, members of the Government and members of the Supreme Court shall not be nominated to serve on the Constitutional Tsets.

Article 66

1. The Constitutional Tsets shall review and make judgment on the disputes at the request of the State Ikh Hural, the President, the Prime Minister, the Supreme Court and the Prosecutor General and/or on its own initiative on the basis of petitions and information received citizens.
2. The Constitutional Tsets in accordance with Section 1 of this Article shall make and submit judgment to the State Ikh Hural on:
 - 1) the conformity of laws, decrees and other decisions by the State Ih Hural and the President, as well as Government decisions and international treaties signed by Mongolia with the Constitution;
 - 2) the conformity of national referendums and decisions of the Central electoral authority on the elections of the State Ikh Hural and its members as well as on Presidential elections with the Constitution;
 - 3) the breach of law by the President, Chairman and members of the State Ikh Hural, the Prime Minister, members of the Government, the Chief Justice and the Prosecutor General; 4) the well-foundedness of the grounds for the removal of the President, Chairman of the State Ikh Hural and the Prime Minister and for the recall of members of the State Ikh Hural.
3. If a decision submitted in accordance with Clauses 1 and 2 of Section 2 of this Article is not acceptable to the State Ikh Hural, the Constitutional Tsets shall re-examine it and make final judgment.
4. If the Constitutional Tsets decides that the laws, decrees and other decisions of the State Ikh Hural and the President as well as Government decisions and international treaties concluded by Mongolia are incongruous with the Constitution, the laws, decrees, instruments of ratification and decisions in questions shall be considered invalid.

Article 67

Decisions of the Constitutional Tsets shall immediately enter into force.

CHAPTER SIX

Amendments to the Constitution of Mongolia

Article 68

1. Amendments to the Constitution may be initiated by organizations and officials enjoying the right to legislative initiative and / or proposed by the Constitutional Court to the State Ikh Hural. 2 A national referendum on constitutional amendment may be held on the concurrence of not less than two thirds of the members of the State Ikh Hural. The referendum shall be held in accordance with the provisions of Clause 16, Section 1, Article 25 of the Constitution.

**Article 69**

1. An amendment to the Constitution shall be adopted by not less than three fourths of votes of all members of the State Ikh Hural.
2. A draft amendment to the Constitution which has twice failed to win three fourths of votes of all members of the State Ikh Hural shall not be subject to consideration until the State Ikh Hural sits in a new composition following general elections.
3. The State Ikh Hural shall not undertake amendment of the Constitution within 6 months pending the next general elections.
4. Amendment which has been adopted shall be of the same force as the Constitution.

Article 70

1. Laws, decrees and other decisions of state bodies, and activities of all other organizations and citizens should be in full conformity with the Constitution.
2. This Constitution of Mongolia shall enter into force at 12.00 hours on the 12 the of February of 1992, or at the hour of Horse on the prime and benevolent ninth day of Yellow Horse of the first spring month of Black Tiger of the year of Water Monkey of the Seventeenth 60-year Cycle. Learn and Abide.

THE GREAT PEOPLE'S HURAL OF THE MONGOLIAN PEOPLE'S REPUBLIC 11.35 a. m.
13 January 1992 Ulaanbaatar

Source: http://www.mfat.gov.mn/index.php?option=com_content&view=category&id=34&Itemid=53&lang=en

Annex B

PARLIAMENTARY OVERSIGHT

POLITICAL SYSTEM			
Type of political regime	parliamentary		
Notes	The President is the Head of State and the embodiment of the unity of the people (Article 30 of the Constitution).		
Head of the executive	Prime Minister		
Notes	The Government is the highest executive body of the State (Article 38 of the Constitution). It comprises the Prime Minister and other members.		
Method for appointing the executive	<ul style="list-style-type: none"> The parliament appoints a Prime Minister, members of the Government, and other bodies responsible and accountable to it (Article 25.6 of the Constitution). The Prime Minister is nominated by the political party that won most seats in the elections. If no party has a majority of seats, the President proposes to the parliament the candidature for the appointment to the post of Prime Minister in consultation with the majority party or parties (Article 33.2 of the Constitution). In consultation with the President, the Prime Minister then submits his or her proposals on the structure and composition of the Government to the parliament. The latter considers the candidatures one by one and takes decision on their appointment. Presidential elections are conducted in two stages (Article 31.1 of the Constitution). The political parties in the parliament nominate the presidential candidates individually or collectively, one candidate for each party or coalition of parties. Citizens eligible to vote participate in electing the President on the basis of universal, free, and direct suffrage by secret ballot. The parliament considers the candidate who has obtained a majority of all votes cast as elected President and passes a law recognizing his or her mandate. 		
Term of office of the executive and coincidence with the term of the legislature	The terms of the mandate of the parliament, the Government and the President coincide and last four years. The President can be re-elected only once.		
Incompatibility of the functions of member of the executive and member of Parliament	<table border="1"> <tr> <td>No</td> <td>Members of the parliament can become ministers.</td> </tr> </table>	No	Members of the parliament can become ministers.
No	Members of the parliament can become ministers.		
Dissolution of Parliament	Yes		
<ul style="list-style-type: none"> Circumstances 	The parliament can be dissolved before the end of its term in three circumstances, (i) if it decides its self-termination, (ii) if the President so advises, and (iii) if the parliament cannot decide upon the appointment of a Prime Minister.		
<ul style="list-style-type: none"> Modalities 	The parliament may decide on its dissolution if no less than two thirds of its members consider that it is unable to carry out its mandate, or if the President, in consultation with the chairman of the parliament, proposes to do so for the same reason. In case of such a decision, the parliament exercises its powers until the newly elected members of the parliament are sworn in. If the parliament cannot decide upon the appointment of the Prime Minister within 45 days of his nomination by the political party, it must self-terminate its term, or the President may decide on its termination. Between 1990 and 2000, no dissolution of the parliament occurred.		

ACCOUNTABILITY		
Accountability of Government to Parliament	Yes	The Prime Minister leads the Government and is responsible to the parliament for the implementation of State laws (Article 41 of the Constitution). The Government is collectively accountable for its work to the parliament. The President is also responsible to the parliament (Article 35 of the Constitution).
Modalities of oversight		
<ul style="list-style-type: none"> Oral and written questions of parliamentarians 		Government accountability to the parliament is brought into play by putting oral or written questions to ministers. Usually, parliamentarians specify a deadline for responding to the questions themselves. If a member who has put a question to the Government deems it necessary, he or she may introduce his or her question and its response to an appropriate Committee. This Committee may discuss the issue and take certain actions or may bring the issue to the plenary session. In the latter case, a resolution by the parliament may be issued.
<ul style="list-style-type: none"> Government reports to Parliament 		Government accountability to the parliament is brought into play by the annual discussion of the implementation of the governmental program and vote thereon. In addition, the State controlling Commission, the national statistical office and the central bank directly report to the parliament. The implementation of the development plan is discussed by the parliament every fall session upon submission of a governmental report.
Measures		
<ul style="list-style-type: none"> Vote of confidence on Government programs and/or legislative proposals 		If the Government submits a draft resolution requesting a vote of confidence, the parliament considers the matter and makes a final decision within 15 days (Article 44 of the Constitution).
Motions of censure and votes of no confidence (sub-report)		
<ul style="list-style-type: none"> Circumstances 		The Prime Minister may tender his resignation to the parliament before the expiry of his terms of office if he considers that the Government is unable to exercise its powers (Article 43 of the Constitution).
<ul style="list-style-type: none"> Modalities 		The parliament considers the matter and makes a final decision within 15 days of taking initiative to dissolve the Government or receiving the President's proposal or the Prime Minister's statement of resignation. The parliament also considers and takes such a decision if not less than one fourth of its members formally propose the dissolution of the Government.
<ul style="list-style-type: none"> Consequences 		The Government steps down in its entirety upon the resignation of the Prime Minister or if half of the members of the Government resign at the same time. In fall 1991, when the parliament still knew a bicameral structure, the issue of a motion of censure was raised and successfully adopted.
Dismissal and/or impeachment of Government and other public officials (sub-report)		
<ul style="list-style-type: none"> Circumstances and persons concerned 		Officials appointed by the parliament can be dismissed, and all senior officials, including the President, the Prime Minister or other ministers, can be impeached. Also, if a question arises that a parliamentarian is involved in a crime, his or her mandate can be terminated (Article 29.3 of the Constitution).
<ul style="list-style-type: none"> Modalities and procedure 		In case of a violation of the Constitution or abuse of power in breach of his oath, the President may be removed from his post on the basis of the findings of the constitutional Court by an overwhelming majority of parliamentarians present and voting (Article 35 of the Constitution). If a parliamentarian is involved in a crime, it is considered by the session of the parliament to decide on the suspension of his or her mandate.
<ul style="list-style-type: none"> Consequences 		If the court proves the member in question to be guilty of crime, the parliament terminates his or her membership. Over the last eleven years (1990-2000), no impeachment or dismissal procedure was initiated.

• Have these procedures been applied?		
OVERSIGHT OVER THE ACTIONS OF THE GOVERNMENT ADMINISTRATION		
Oversight over the actions of the Government administration	Yes	The Government is collectively accountable for its work to the parliament.
Means and modalities of oversight		
• Hearings in Committees	The parliament exercises oversight over the actions of the administration by holding hearings in Committees.	
• Committees of inquiry and missions to Government departments	The parliament exercises oversight over the actions of the administration through Committees of inquiry and missions to governmental departments.	
• Oral and written questions of parliamentarians	The parliament exercises oversight over the actions of the administration by putting oral or written questions to ministers. Usually, parliamentarians specify a deadline for responding in the questions themselves. If a member who has put a question to the Government deems necessary, he may introduce his question and a response to it to an appropriate Committee. The Committee may discuss the issue and take certain actions or may bring the issue to the plenary session. In the latter case, a resolution by the parliament may be issued. Every Friday afternoon between 16h40 and 18h00, about 1h20 are set aside for questions to governmental ministers. Question time is broadcasted directly on national radio.	
• Role of Parliament in the appointment of senior Government officials	The parliament appoints three members of the constitutional Court, the Head of the human rights Commission, the President of the central bank, the chairman of the State controlling Commission and other bodies. The parliament is also consulted before the appointment of the prosecutor general and ambassadors. Before the appointment of Justices to the Supreme Court, the President introduces the candidates to the Committee on legal affairs of the parliament.	
• Activity reports of the Government administration and of public services or establishments	The State controlling Commission, the national statistical office and the central bank report on their activities directly to the parliament.	
• Representation of Parliament in governing bodies of the Government administration	Not applicable	
Existence of an ombudsman	No	
• Method for appointing the executive	Not applicable	
• Relationship to Parliament	Not applicable	
BUDGETARY OVERSIGHT		
Consultation of Parliament in the preparation of the national budget	No	Not applicable
Modalities of oversight		
• Examination of the budget / finance act by Parliament	The parliament defines the State's financial, credit, tax, and monetary policies, lays down the guidelines for the country's economic and social development and approves the State budget (Article 25.7 of the Constitution)	

<ul style="list-style-type: none"> • Reports on the budget / finance act by Committees 	The parliament exercises budgetary oversight through reports of the Finance Committee.	
Fields overseen		
<ul style="list-style-type: none"> • Defence budget 	The parliament exercises oversight over all public funds.	
<ul style="list-style-type: none"> • Budget of special departments 	not applicable	
<ul style="list-style-type: none"> • Role of Parliament in national development plans 	Each new parliament enacts a program of its government, which is a development plan for the next four years. The implementation of this program is discussed by the parliament every fall session upon submission of a governmental report. Besides, each year the parliament approves guidelines of economic and social development and discusses their implementation.	
Parliament's deadline for the examination and adoption of the budget / finance act	The bill of finance act must be submitted to the parliament by 1 October of each year. The parliament has exactly two months to discuss and enact it. The finance act should thus be approved by 1 December.	
Consequences of failure by Parliament to adopt the budget / finance act	No specific provisions are set forth in the law for such a case.	
Budgetary autonomy of Parliament	Yes	The autonomous budget of the parliament includes the budget for its secretariat, too. In practice, it is administrated by the secretariat, with the Secretary General being responsible for its due spending. The secretariat reports directly to the Chairman of the parliament.
OVERSIGHT OF THE IMPLEMENTATION OF THE BUDGET AND OF GOVERNMENT SPENDING		
Evaluation of Government spending		
Parliament approves Government expenditures annually	Yes	The parliament approves the Government's program of action, the budget and the report on its execution (Article 25.7 of the Constitution).
Parliamentary oversight of public companies	No	Not applicable
Modalities of oversight		
<ul style="list-style-type: none"> • Body for auditing the Government's books and method for appointing 	The State controlling Commission is responsible for auditing the Government's books. Its Head is appointed by the parliament.	
<ul style="list-style-type: none"> • Reports of the public auditor's office 	The Commission is obliged to report to the parliament, but the law does not specify the total number of reports except for its annual business report. The Commission may thus submit an issue to discuss whenever it deems necessary. If the Commission presents an issue to the parliament for consideration, it is discussed by the relevant Committee. If the Committee votes on the matter, it may issue a resolution or give an oral assessment or even bring it to the plenary hearing, after which a resolution of the parliament may be issued.	
<ul style="list-style-type: none"> • Specialised committee 	The parliament exercises oversight over public spending through the sub-Committee on controlling over budget expenditures. The sub-Committee is always headed by a member of a minority party.	
OVERSIGHT OVER FOREIGN POLICY		
Foreign Relations Committee (sub-report)		
<ul style="list-style-type: none"> • Functions of the Committee 	The parliament exercises oversight over foreign policy through the Foreign Relations Committee.	

• Powers of the Committee	Not available
• Composition of the Committee	The Committee is not representative of the numerical strength of each party in the parliament.
• Bilateral visits of Parliament, inter-parliamentary conferences and information missions abroad	The parliament exercises oversight over foreign policy through bilateral visits and participation in inter-parliamentary conferences.
• Plenary debates on foreign policy issues	not applicable
Involvement of Parliament	
• Participation of Parliament in inter-governmental meetings	The parliament can take the initiative to send parliamentary delegations to intergovernmental meetings.
• Modalities and procedures for ratifying international treaties and agreements (sub-report)	The President represents the State in foreign relations and, in consultation with the parliament, concludes international treaties on behalf of the State (Article 33.4 of the Constitution). The Government exercises the power to conclude and implement international treaties with the consent of and subsequent ratification by the parliament, as well as to conclude and abrogate intergovernmental treaties. The parliament thus ratifies and denounces international agreements and establishes and severs diplomatic relations with foreign States at the suggestion of the Government (Article 25.15 of the Constitution).
• Other mechanisms for participation in foreign policy by Parliament	No other means in addition to the above.
OVERSIGHT OVER NATIONAL DEFENCE POLICY	
National Defence Committee (sub-report)	
• Functions of the Committee	The parliament exercises oversight over defence policy through the National Defence Committee.
• Powers of the Committee	Not available
• Composition of the Committee	The Committee is not representative of the numerical strength of each party in the parliament.
Parliamentary oversight of public arms manufacturing companies	Not applicable
Circumstances and involvement	
• Modalities and procedures in case of war, an armed attack or a state of emergency	The parliament declares a state of war in case the sovereignty and independence of the State are threatened by armed actions on the part of a foreign power, and abates it (Article 25.17 of the Constitution), and declares a state of emergency or a state of war in the whole or some parts of the country in special circumstances (Article 25.18 of the Constitution). However, the President declares a state of emergency or a state of war on the whole or a part of the territory and orders the deployment of armed forces when extraordinary circumstances arise and the parliament concurrently in recess, cannot be summoned at short notice (Article 33.12 of the Constitution). The parliament considers within 7 days the presidential decree declaring a state of emergency or a state of war and approves or disapproves it. If the parliament does not take decision on the matter, the presidential decree becomes null and void.
• Role of Parliament in sending troops abroad	Not applicable

<ul style="list-style-type: none"> Other mechanisms for participation in national defence policy by Parliament 	<p>The general State policy on national defence is specified in the concept of national security and principles of the military policy, which are enacted by the parliament. Reports of the defence Ministry are regularly heard during question hours and on Committee meetings. Besides, the parliament has a sub-Committee on special oversight that oversees some intelligence related to departments of the Ministry of defence and their activities.</p>	
<p>STATE OF EMERGENCY</p>		
<p>Circumstances</p>	<p>The parliament declares a state of war in case the sovereignty and independence of the State are threatened by armed actions on the part of a foreign power, and abates it (Article 25.17 of the Constitution), and declares a state of emergency or a state of war in the whole or some parts of the country in special circumstances and approves or nullifies the President's decree to that effect (Article 25.18 of the Constitution). Extraordinary circumstances arise in case (i) natural disasters or other unforeseen dangers occur which threaten or may threaten directly the life, health, well-being and security of the population in the whole or a part of the country's territory, or (ii) public authorities are not able to cope, within legal limits, with public disorders caused by organized, violent, illegal actions of an organisation or a group of people threatening the constitutional order and the existence of the legitimate social system. The parliament may also declare a state of war if public disorders in the whole or a part of the country's territory result in an armed conflict or create a real threat of an armed conflict, or if there is an armed aggression or a real threat of such an aggression from the outside.</p>	
<p>Can parliament take the initiative to declare a state of emergency</p>	<p>Yes</p>	
<p>Consequences of a state of emergency for Parliament</p>	<p>The parliament continues functioning normally. However, if an emergency occurs while the parliament is in recess and the circumstances require quick reaction, the President may declare a state of emergency. In such cases, the parliament should convene in extraordinary session and ratify or denounce the President's decision. Also, if regular parliamentary elections cannot be held due to extraordinary circumstances such as sudden calamities occurring in whole or part of the country, the parliament retains its power until the extraordinary circumstances cease to exist and the newly elected parliamentarians are sworn in (Article 22 of the Constitution).</p>	
<p>VERIFICATION OF THE CONSTITUTIONALITY AND THE APPLICATION OF LAWS</p>		
<p>Modalities of oversight</p>		
<ul style="list-style-type: none"> Body ruling on the constitutionality of laws 	<p>A specialised body / constitutional Court</p>	<p>The Constitutional Court is an organ exercising supreme supervision over the implementation of the Constitution, making judgement on the violation of its provisions, and resolving constitutional disputes (Article 64 of the Constitution). The Court and its members, in the execution of their duties, are subject to the Constitution only and are independent of any organisations, officials, or anybody else. The Constitutional Court consists of nine members, appointed by the parliament for a term of six years upon the nomination of three of them by the parliament, three by the President, and the remaining three by the Supreme Court. The Chairman of the Court is elected from among its members for a term of three years by a majority vote of the members. He or she may be re-elected once.</p>

<ul style="list-style-type: none"> • Means and procedures 	<p>The Constitutional Court examines and settles constitutional disputes at the request of the parliament, the President, the Prime Minister, the Supreme Court, and the Prosecutor General, or on its own initiative on the basis of petitions and information received from citizens (Article 66 of the Constitution). The Court issues judgements to the parliament on (i) the constitutionality of laws, decrees, and other decisions by the parliament and the President, as well as government decisions and international treaties, (ii) the constitutionality of referendums and decisions of the central election authority on the elections of the parliament and its members as well as on presidential elections, (iii) the breach of law by the President, the Chairman and members of the parliament, the Prime Minister, members of the Government, the Chief Justice and the Prosecutor General, and (iv) the well-foundedness of the grounds for the removal of the President, the Chairman of the parliament, and the Prime Minister and for the recall of members of the parliament. If a decision submitted is not acceptable to the parliament, the Constitutional Court re-examines it and issues final judgement. If the Court decides that the laws, decrees, and other decisions of the parliament and the President as well as government decisions and international treaties are incongruous with the Constitution, those laws, decrees, instruments of ratification, and decisions in question are considered invalid. Decisions of the Constitutional Court immediately enter into force.</p>	
Evaluation of laws	No	<p>The legal advisers of the legal department of the parliament secretariat partly do such work. They analyse all bills and policy documents submitted to the parliament by the Government and by parliamentarians and provide legal and policy recommendations on their consistency with State policy and existing laws.</p>

Source: http://www.ipu.org/parline-e/reports/CtrlParlementaire/2219_F.htm

Annex C

MONGOLIAN PARLIAMENT

Structure of parliament	Unicameral
LEGAL FRAMEWORK	
Electoral law	1 April 1992
Mode of designation	Directly elected 76
Constituencies	26 multi member constituencies.
Voting system	Majority: Simple majority vote. Polling only valid if at least 50% of the registered electors have turned out in each constituency. Vacancies arising between general elections are filled through by-elections. Voting is not compulsory.
Voter requirements	- age: 18 years - Mongolian citizenship - residence in Mongolia Disqualifications: - insanity/mental illness - guardianship/word - holders of temporary entry permits - undocumented immigrants
CANDIDATES	
Eligibility	- qualified electors - age: 25 years - Mongolian citizenship Ineligibilities: Head of the Election Commission, civil servants.
Incompatibilities	- Head of State - Ministers of State - Holders of public posts - Holders of judicial offices (judges) - Civil servants - Government advisors - Head of the Electoral Commission - Executive of a public (state) corporation - Staff member of a public (state) corporation - Members of the armed forces - Members of the police forces
Candidacy requirements	- by officially registered political parties or coalitions thereof - support of at least 801 electors of the constituency concerned - deposit of 10,000 tögrögs, reimbursed by half on election or if the candidate is elected or if he/she obtains the percentage of vote surpassing the average of the vote cast in the constituency

Source: http://www.ipu.org/parline/reports/2219_B.htm

Annex D

Parliamentary bodies dealing with human rights : Subcommittee on Human Rights of the Standing Committee on Justice

Type of parliamentary body	Specialized
Nature	Permanent
Related to chambers	Ulsyn Ikh Khural
Date of creation	1992
Last renewal date	
Mandate	As stated in the Law on the State Great Hural (Parliament) the Sub-Committee on Human Rights is responsible for dealing with certain issues in the remit of the Standing Committee on Justice. It submits its conclusions on these issues for consideration to the Standing Committee on Justice, which may, if necessary, submit them to the State Great Hural. The Sub-Committee is also responsible for guaranteeing human rights and freedoms, and for keeping under review issues on amnesty, immigration and citizenship.
Membership	Currently, the Sub-Committee on Human Rights has 4 members. According to the Law on the State Great Hural, members of the Standing Committee are included in the composition of the Sub-Committee and must account for less than 50% of the members of the respective Standing Committee. The Chair of the Sub-Committee is elected by majority at a sitting of the Standing Committee.
Working methods	The Sub-Committee on Human Rights has the right to conduct examinations and surveys, to obtain all relevant information, seek explanations from concerned institutions, officials and citizens, and carry out auditing. To this end, it may set up individual and joint working panels. The Sub-Committee, may adopt resolutions and prepare draft resolutions for final adoption by the State Great Hural.
Relations with other parliamentary bodies	The Sub-Committee works out draft resolutions and submits them for discussion by the Standing Committee or the State Great Hural plenary session.
Relations with external bodies	As stipulated in the Law on the State Great Hural, the Law on the National Human Rights Commission and other related laws and resolutions, the Sub-Committee on Human Rights cooperates closely with the Government, the Ombudsman, the National Human Rights Commission and NGOs.

Source: http://www.ipu.org/parline-e/reports/instance/2_91.htm?chambername=Ulsyn%20Ikh%20Khural%20%28State%20Great%20Hural%29&chamberid=2219

Annex E

PARLIAMENTARY SPEAKER

Parliament name (generic / translated)	Ulsyn Ikh Khural / State Great Hural
Structure of parliament	Unicameral
APPOINTMENT AND TERM OF OFFICE	
Title	Chairman of the State Great Hural
Term	- duration: 4 years (term of House) - reasons for interruption of the term: resignation, conviction of a crime, death, dissolution of Parliament
Appointment	- elected by all Members of the State Great Hural - the election is held at the beginning of the first session of the newly elected Parliament - after members' mandates have been validated and they have been sworn in
Eligibility	- any Member of the State Great Hural may be a candidate
Voting system	formal vote by secret ballot - two-third majority required for all rounds - if there is a succession of votes, new candidates are admitted
Procedures / results	- the eldest Member presides over the Assembly during the voting - the eldest Member announces the results without delay - the results cannot be challenged
STATUS	
Status	- ranks second in the hierarchy of State - may serve as acting Head of State in the latter's absence - represents the Assembly with the authorities - is an ex officio member of the Security Council of Mongolia - represents the Assembly in international bodies - in the absence of the Speaker, the Deputy Speaker can assume his/her role and functions
Board	
Material facilities	- allowance - official residence - official car - additional staff - household staff - bodyguards
FUNCTIONS	
Organization of parliamentary business	- convenes sessions - establishes and modifies the agenda - organizes the debates and sets speaking time - examines the admissibility of bills and amendments - refers texts to a committee for study - examines the admissibility of request for setting up committees and/or committees of enquiry, proposes or decides on the setting up of such committees
Chairing of public sittings	- can open, adjourn and close sittings - ensures respect for provisions of the Constitution and Standing Orders - makes announcements concerning the Assembly - takes disciplinary measures in the event of disturbance, and lifts such measures - establishes the list of speakers, gives and withdraws permission to speak - establishes the order in which amendments are taken up and selects which amendments are to be debated - calls for a vote, decides how it is to be carried out, verifies the voting procedure and cancels a vote in the event of irregularities - checks the quorum - interprets the rules or other regulations governing the life of the Assembly - has discretionary power to give the floor outside the agenda and thus organizes impromptu debates
Special powers	The Secretary General: - recruits, assigns and promotes staff - organizes the services of the Assembly - plays a specific role in the supervision of foreign affairs or defence matters - is responsible for relations with foreign Parliaments - is responsible for safety, and in this capacity, can call the police in the event of disturbance in the Assembly
Speaking and voting rights, other functions	- takes the floor in legislative debates - provides guidelines for interpreting or supplementing the text under discussion - takes part in voting - proposes bills or amendments - intervenes in the parliamentary oversight procedure - signs laws before transmitting them to the Head of State for promulgation

Source: http://www.ipu.org/parline-e/reports/2219_C.htm

Annex F

Mongolian Prime Ministers 1990 – 2012

Name	Time in Office	Political Party
Sharavyn Gungaadorj	21 March 1990 - 11 September 1990	People's Revolutionary Party
Dashiin Byambasüren	11 September 1990- 21 July 1992	People's Revolutionary Party
Puntsagiin Jasrai	21 July 1992- 19 July 1996	People's Revolutionary Party
Mendsaikhany Enkhsaikhan	19 July 1996 - 23 April 1998	Democratic Party
Tsakhiagiin Elbegdorj	23 April 1998 - 9 December 1998	Democratic Party
Janlavyn Narantsatsralt	9 December 1998 - 22 July 1999	Democratic Party
Nyam-Osoryn Tuyaa	22 July 1999 - 30 July 1999	Democratic Party
Rinchinyamyn Amarjargal	30 July 1999 - 26 July 2000	Democratic Party
Nambaryn Enkhbayar	26 July 2000 - 20 August 2004	People's Revolutionary Party
Tsakhiagiin Elbegdorj	20 August 2004 - 13 January 2006	Democratic Party
Miyegombyn Enkhbold	25 January 2006 - 22 November 2007	People's Revolutionary Party
Sanjaagiin Bayar	22 November 2007 - 29 October 2009	People's Revolutionary Party
Sükhbaataryn Batbold	29 October 2009 - present	People's Revolutionary Party

Annex G

Mongolian Presidents 1990-2012

Name	Time in Office	Political Party
Punsalmaagiin Ochirbat	21 March 1990 - 3 September 1992	People's Revolutionary Party
Punsalmaagiin Ochirbat	3 September 1992 - 6 June 1993	People's Revolutionary Party
Punsalmaagiin Ochirbat	6 June 1993 - 20 June 1997	Social Democratic Party
Natsagiin Bagabandi	20 June 1997 - 6 June 2001	People's Revolutionary Party
Natsagiin Bagabandi	6 June 2001 - 24 June 2005	People's Revolutionary Party
Nambaryn Enkhbayar	24 June 2005 - 18 June 2009	People's Revolutionary Party
Tsakhiagiin Elbegdorj	18 June 2009 – until June 2013	Democratic Party

Annex H

SHORT BIOGRAPHIES OF MONGOLIA'S LEADERS

President: Tsakhia Elbegdorj of the Democratic Party (since May 2009)

Born in 1963, Elbegdorj is the first president of Mongolia from the Democratic Party. A former journalist, Elbegdorj was one of the original 13 leaders of the 1990 democratic revolution. He led the Democratic Union Coalition (DUC) to a historic victory over the formerly communist Mongolian People's Revolutionary Party in parliamentary elections in 1996. Elbegdorj served twice as Prime Minister, first for a brief period in 1998 and again from 2004-2006. In between those stints in office, in 2002 he earned a Master's in Public Administration from the Kennedy School of Government at Harvard University. As a member of a small western Mongolian tribe, the Zahchin, he is the first president not to be a member of the dominant ethnic group in Mongolia, the Khalkha.

Prime Minister: Sukhbaatar Batbold of the Mongolian People's Party (since November 2009)

Born in 1963, Batbold is a wealthy former businessman who holds degrees in international relations from two Russian institutions and another degree from the London Business School. He served as Minister of External Relations for a year, from September 2008 to October 2009, before being named to replace the previous Prime Minister, who stepped down for health reasons. Batbold became the MPRP's chairman in 2010. His wife is reported to have taken over his business interests in a leading hotel, a mobile telephone company, and cashmere and gold ventures.

Chairman of the State Great Hural: Damdin Demberel of the Mongolian People's Party (since 9/2008)

Born in 1941, Demberel had an early career with the Mongolian Revolutionary Youth League, followed by a long career in senior posts with the Mongolian People's Revolutionary Party, both before and after the 1990 democratic revolution. He is a 1977 graduate of the Soviet Communist Party Central Committee's Higher Party School.

Annex I

Mongolian Direct Presidential Elections 1992- Present

Date	Winning Candidate	Party	Percentage of Vote Won
June 6, 1993	Punsalmaagijn Ochirbat	Mongolian National Democratic Party and Mongolian Social Democratic Party	57.6
May 18, 1997	Nursagiin Bagabandi	Mongolian People's Revolutionary Party	60.6
May 20, 2001	Nursagiin Bagabandi	Mongolian People's Revolutionary Party	57.95
May 22, 2005	Nambaryn Enkhbayar	Mongolian People's Revolutionary Party	53
May 24, 2009	Tsakhia Elbegdorj	Democratic Party	51.21

Source: <http://www.fas.org/sgp/crs/row/R41867.pdf>

Annex J

Parliamentary Elections 1992- Present

Date	Breakdown of Seats	Prime Ministers
June 28, 1992	<p>Mongolian People's Revolutionary Party (MPRP): 70 seats</p> <p>Democratic Union Coalition (the Mongolian Democratic Party, Mongolian National Progressive Party, and the Mongolian United Party): 4 seats</p> <p>Mongolian Social Democratic Party (MSDP): 1 seat</p> <p>Independents: 3 seats</p>	Puntsagiin Jasrai (7/20/1992-7/19/1996)
June 30, 1996	<p>"Democratic Union" Coalition (Mongolian National Democratic Party, Mongolian Social Democratic Party, Mongolian Worshipers Democratic Party, and the Green Party): 50 seats</p> <p>MPRP: 25 seats</p> <p>Mongolian Traditional United Party: 1 seat</p>	<p>Mendsaikhany Enkhsaikhan (7/19/1996-4/23/1998)</p> <p>Tsakhia Elbegdorj (4/23/1998-12/9/1998)</p> <p>Janlavyn Narantstasralt (12/9/1998-7/22/1999)</p> <p>Rinchinyamyn Amarjargal (7/30/1999-7/26/2000)</p>
July 2, 2000	<p>MPRP: 72 seats</p> <p>National Democratic Party (MNDP): 1 seat</p> <p>Civil Courage Party: 1 seat</p> <p>Mongolian New Social Democratic Party: 1 seat</p> <p>Independent: 1 seat</p>	Nambaryn Enkhbayar (7/26/2000-8/20/2004)
June 27, 2004	<p>MPRP: 37 seats</p> <p>Motherland-Democracy Coalition (Democratic Party, Motherland Party, National New Party, Civil Will Party): 35 seats</p> <p>Republican Party (MRP): 1 seat</p> <p>Independents: 3 seats</p>	<p>Tsakhia Elbegdorj (8/20/2004-1/25/2006)</p> <p>Miyegombyn Ekhbold (1/25/2006-11/22/2007)</p> <p>Sanjaagin Bayar (11/22/2007-9/11/2008)</p>
June 29, 2008	<p>MPRP: 45 seats</p> <p>Democratic Party: 28 seats</p> <p>Civil Will Party (CWP): 1 seat</p> <p>Green Party: 1 seat</p> <p>Independent: 1 seat</p>	<p>Sanjaagin Bayar (9/11/2008-10/29/2009)</p> <p>Sukhbaatar Batbold (10/29/2009 to present)</p>

Source: <http://www.fas.org/sgp/crs/row/R41867.pdf>

Annex K

2008 PARLIAMENTARY ELECTION

Parliament name (generic / translated)	Ulsyn Ikh Khural / State Great Hural	
Structure of parliament	Unicameral	
BACKGROUND		
Dates of election / renewal (from/to)	29 June 2008	
Timing and scope of renewal	Elections were held for all the seats in the State Great Hural on the normal expiry of the members' term of office.	
STATISTICS		
Voter turnout		
Round no 1	29 June 2008	
Number of registered electors Voters Blank or invalid ballot papers Valid votes	1'534'074 1'139'984 (74.31%)	
<i>Notes</i>		
Distribution of votes		
	Round no 1	
Political group	Candidates Votes % of votes	
Mongolian People's Revolutionary Party (MPRP)	914'037	
Democratic Party (DP)	701'641	
Civil Will Republican Party (CWRP)	34'319	
Independents	60'320	
Green Party	24'806	
Distribution of seats		

Round no 1	
Political Group	Total of seats
Mongolian People's Revolutionary Party (MPRP)	45
Democratic Party (DP)	28
Civil Will Republican Party (CWRP)	1
Independents	1
Green Party	1
Distribution of seats according to sex	
Men Women Percent of women	73 3 3.95%
Distribution of seats according to age	
31 to 40 years 41 to 50 years 51 to 60 years 61 to 70 years	10 41 23 1
Distribution of seats according to profession	
Economist Architect, surveyor, engineer Legal profession Education profession Research/sciences Journalism, broadcasting, media Physician, dentist Agriculture/farming Armed services/Police Writer, literary, artist Civil service and local authority administration Trade union official	20 18 13 7 7 3 2 1 1 1 1 1

Sources: State Great Hural (23.07.2008, 05.09.2008, 29.09.2008, 31.10.2008, 09.12.2008, 20.01.2009, 06.03.2009, 29.10.2009, 26.02.2010), <http://www.gcc.gov.mn>, <http://ubpost.mongolnews.mn>



Annex L

CONCEPT OF MONGOLIA'S FOREIGN POLICY

The Cold War which dominated international relations since the end of World War II has come to an end, the mutually opposing bipolar world structure has collapsed and a process of forming a new international order is gaining momentum. In line with trends of advancing human society, in particular with requirements of economic and technological progress, the nations of the world are drawing closer together, and conditions for enhancing their relationship are taking shape. The disintegration of the world socialist system and the Soviet Union has dramatically changed the external situation of Mongolia which used to be aligned with them. The major changes taking place in Mongolia's two neighbouring countries have a direct impact on its external environment. The restructuring and reforming of the country's political, social and economic systems provide it with favorable conditions for conducting a foreign policy based on realism and according priority to its national interests. Based on these external and internal factors, the concept of Mongolia's foreign policy is defined as follows.

I. GENERAL PROVISIONS

1. Independent and sovereign Mongolia, in terms of its state structure, is a unitary State upholding rights, freedoms and free economy; in political and geographical respects, it is a developing country in Asia, landlocked between two great powers. Mongolia's foreign policy shall be based on its national interests, as defined in its Constitution; the country's specific external and internal situation constitutes the basis for determining its foreign policy objectives, principles and priorities.
2. Mongolia's foreign policy objectives reside in ensuring its independence and sovereignty by following the trends of human society's advancement, maintaining friendly relations with all countries, strengthening its position in the international community and forming with influential countries in the region and in the world a network of relationships based on the interdependence of political, economic and other interests.
3. Mongolia shall pursue an open and non-aligned policy. 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.
4. In formulating Mongolia's foreign policy and determining its priority directions and objectives, flexible approach shall be applied, paying close attention to the development of international relations and to the regional and world political situations.
5. The priority of Mongolia's foreign policy shall be 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.
6. Considerations of foreign relations shall be in political, economic, scientific, technological, cultural and humanitarian fields of foreign policy.

II. MONGOLIA'S FOREIGN POLICY IN THE POLITICAL FIELD

7. Mongolia's foreign policy in the political field is an important instrument for ensuring and strengthening its security. Thus its results will be measured first and foremost by how the country's security and independence interests are met, and to what extent its international position has been strengthened and its prestige enhanced.
8. In developing its relations with other countries, Mongolia shall be guided by universally recognized principles and norms of international law as defined in the Charter of the United Nations, including mutual respect for each other's sovereignty, territorial integrity and unviolability of frontiers, right to self-determination, non-interference in internal affairs, non-use of force, settlement of disputes by peaceful means, respect for human rights and freedoms, and equal and mutually beneficial cooperation.
9. In its foreign policy Mongolia shall uphold peace, strive to avoid confrontation with other countries and pursue a multi-base policy. While always championing its national interests, it will at the same time respect the legitimate interests of other countries and its partners. Mongolia will not interfere in the disputes between its two neighboring countries unless the disputes affect Mongolia's national interests. It shall pursue a policy of refraining from joining any military alliance or grouping, allowing the use of its territory or air space against any other country, and the stationing of foreign troops or weapons, including nuclear or any other type of mass destruction weapons in its territory.
10. Mongolia shall seek to guarantee its interests in the international arena through bilateral and multilateral treaties and agreements. Mongolia shall respect and observe international law, and fulfill in good faith its obligations under international treaties.
11. As a member of the world community Mongolia shall strive to make active contribution to the common cause of settling pressing regional and international issues. In doing so, it shall be guided primarily by its national interests, values and fundamental principles.
12. In implementing its foreign policy, Mongolia shall be guided by the following:
 - a) Maintaining friendly relations with the Russian Federation, People's Republic of China shall be a priority directions of Mongolia's foreign policy activity. It shall not adopt the line of either country but shall maintain in principle a balanced relationship with both of them and shall promote all-round neighbourly cooperation. In doing so, the traditional relations as well as the specific nature of our economic cooperation will these two countries will be taken into account.
 - b) The second direction of Mongolia's foreign policy activity shall be developing friendly relations with highly developed countries of the West and East such as the United States of America, Japan and the Federal Republic of Germany. At the same time it will also pursue a policy aimed at promoting friendly relations with such countries as India, the Republic of Korea, Thailand, Singapore, Turkey, Denmark, the Netherlands, Finland, Austria. Sweden, Switzerland and at creating and bringing to an appropriate level their economic and other interests in Mongolia.



- c) The third direction of Mongolia's foreign policy activity shall be strengthening its position in Asia and securing a constructive participation in the political and economic integration process in the region. Within the framework of this objective, greater attention shall be given to Asia and the Pacific region, in particular to North-East and Central Asia. Mongolia shall take an active part in the process of initiating dialogues and negotiations on the issues of strengthening regional security and creating a collective security mechanism. It will strive to become a member of the Asia, Pacific Economic Cooperation forum (APEC). Prerequisites for participating in regional integration shall be created primarily through expanding and promoting bilateral relations with the countries of the region.
 - d) The fourth direction of Mongolia's foreign policy, activity shall be promoting cooperation with the United Nations Organization and its specialized agencies, and with international financial and economic organizations, including the International Monetary Fund, the World Bank and the Asian Development Bank.
 - c) The fifth direction of Mongolia's foreign policy activity will be developing friendly relations with countries of the former socialist community, as well as the newly independent states. When developing relations with these countries, a flexible approach will be adopted, reinforcing the positive legacy of our past relations while at the same time taking into account the potential of promoting relations in conformity with the new circumstances. Particular attention will be given to promoting relations with Poland, Hungary and the Czech Republic in Eastern Europe as well as with Kazakhstan, the Ukraine, Belarus, Kyrgyzstan and Uzbekistan.
 - f) The sixth direction of Mongolia's foreign policy activity shall be developing friendly relations with developing countries and cooperating with them, as much as possible, in the solution of common objectives. Beyond the framework of bilateral relations with these countries, this task will be realised mainly through cooperation within the framework of international organizations and movements, such as the United Nations, the Group of 77 and the Non-Aligned Movement.
13. The placement of Mongolia's plenipotentiary (diplomatic) representatives abroad shall be carried out with due regard to directions of foreign political relations so as to ensure conditions for their implementation.
14. Assignment of highly qualified and competent personnel from the economic, scientific and technological spheres to Mongolia's diplomatic missions abroad shall be deemed a matter of principle.

III. ECONOMIC FOREIGN POLICY

15. The fundamental objective of Mongolia's policy concerning foreign economic relations lies in the optimal use of external factors to adequate solutions to long-term and current economic goals in the light of the concept of sustainable development and in eventually securing a proper place for its economy in regional economic integration.
16. In developing economic relations and cooperation with foreign countries, Mongolia, while

safeguarding against any adverse impact on its economic security and against becoming dependent on any given country, shall pursue a policy designed to ensure conditions leading to equality, mutual benefit and faithful fulfillment of obligations, freedom political and other pressures, based on the principles and norms of international economic relations.

17. In the implementation of projects connected with establishing economic, customs and trade special zones, joint ventures or enterprises with full foreign investment or with granting concessions, their political and economic consequences shall be thoroughly examined to ensure that they do not adversely affect the country's economic security and that they will bring economic gains.
18. In selecting partners in the implementation of projects of crucial importance to the national interests, political interests shall have a significant role to play.
19. External debt issues shall be settled without detriment to national economic security, and loans will be accepted on the basis of a thorough assessment of guarantees of their repayment and effective utilization.
20. In developing foreign economic relations. Mongolia shall adhere to the following main guidelines:
 - a) Foreign economic activities should be focused on enhancing the country's potential, increasing export resources, developing economic infrastructure and producing import substituting goods;
 - b) Mindful of the need to modernize the economy, presently dominated by raw materials production, and to develop basic sectors conducive to building a rational structure, measures will be taken to achieve the most effective level of processing minerals as well as raw materials of animal and plant extraction and to produce that are competitive on the world market;
 - c) Pursuing the policy of modernizing existing industries by re-equipping them with advanced technology and techniques, and developing export-oriented industries such as food, light, mining and chemical industries as well as biotechnology and new products on the basis of raw materials available in the country;
 - d) In enhancing its export potential, Mongolia shall promote cooperation with foreign countries in the fields of processing mineral resources, including gold, copper, molybdenum, uranium, and of manufacturing finished products thereof, as well as in the area of full processing agricultural raw materials and producing goods which are capable of competing on world market;
 - e) Expanding markets for Mongolia export commodities;
 - f) Developing fuel, energy, transportation, communication and other necessary components of economic infrastructure and creating favorable conditions for securing access to sea ports and transit to them;
 - g) Integrating in the international transportation, information and communication networks, particularly those in North-East Asia;
 - h) Pursuing a policy of securing foreign assistance and technology for developing small and medium industries oriented towards the production of import substituting goods;



- i) taking advantage of Mongolia's natural, historical and cultural heritage, international tourism will be developed by enhancing its material basis and raising its service level to world standards;
- j) Securing most favored nation treatment in foreign trade and retaining for a certain period the status which enables Mongolia to get soft loans and grants.

IV. FOREIGN POLICY IN SCIENCE AND TECHNOLOGY

21. The main objective of foreign relations in the scientific and technological fields will lie in making full use of external factors to build and enhance a modern national scientific, technical and technological potential capable of serving as a driving force for the effective development of the national economy and industry and able to be competitive at regional, continental and global levels.
22. Mongolia shall apply the principle of benefiting from world scientific and technological achievements to enrich the pool of national endowment and intellectual capacity which are congruous with the national human and natural resources, the level of social theory and thought as well as with the unique culture of its pastoral livestock breeding economy.
23. In implementing its scientific and technological foreign policy, Mongolia shall adhere to the following basic guidelines:
 - a) Introduction advanced technology and methods into production and services. In doing so, priority will be given to the selective introduction of research-intensive technology. Greater attention will be paid to introducing technologies related to processing mineral resources, raw materials of animal and plant extraction, and use of renewable energy sources;
 - b) Gearing the national scientific and technological information system to the international information network;
 - c) Developing bilateral and multilateral cooperation in the field of intellectual property as well as science and technology.

V. CULTURAL AND HUMANITARIAN FOREIGN POLICY

24. The main objective of the cultural and humanitarian foreign relations reside in protecting the culture and the way of life of Mongols, endowing their unique cultural heritage and enriching it with the achievements of world culture, restoring national historical and cultural assets, recovering cultural and art relics from abroad, in using cultural cooperation for the purpose of educating and training skilled personnel capable of working in new conditions, introducing Mongolia to foreign countries, expanding the ranks of well-wishers and supporters of Mongolia, encouraging Mongolian studies in other nations and promoting mutual understanding and trust.
25. In promoting cultural and humanitarian cooperation, Mongolia will practice both Government and people's diplomacy, and apply the principle of respect for human rights, freedoms, equality and mutual benefit.

26. In developing humanitarian relations with foreign countries, Mongolia shall adhere to the following guidelines:
- a) safeguarding the rights, freedoms, legitimate interests and the security of Mongolian citizens residing or traveling abroad through the promotion of broad cooperation with foreign countries in the legal sphere;
 - b) enhancing contacts and cooperation with Mongolian nationals residing abroad and mutual support in preserving and developing the Mongolian language, culture, and traditions as well as securing their contributions to Mongolia's progress and growth;
 - c) taking preventive measures to thwart the influence of reactionary movements and groups prejudicial to the national security of Mongolia and the unity of its people;
 - d) giving priority to training in developed countries of Mongolian students, managerial personnel and specialists in the field of market economy, politics, law, management and marketing as well as in the leading areas of the country's scientific and technological fields. In doing so, Mongolia shall seek to benefit from specialized funds of international organizations and developed countries, scholarships of public and private universities and institutes for the purpose of training students, upgrading specialists, arranging degree studies, training highly skilled workers as well as for using the services of foreign lecturers and scholars of excellence;
 - e) studying the advanced methods and technology of training and management of foreign countries in general education and vocational training with a view to applying them flexibly in a way suiting the specific conditions of the country;
 - f) in restoring and protecting Mongolia's historical, cultural and natural heritage and assets and in sharing them with other nations, Mongolia shall cooperate with Asian countries which have similar historical, religious and cultural legacies as well as with other interested countries, UNESCO and other related international organizations;
 - g) promoting active relations with international organizations, foundations and non-governmental institutions in the field of education, culture, arts, sports and information, acceding to relevant treaties, establishing and promoting direct ties between similar organizations, encouraging the exchange of scholars, teachers, creative workers, representatives of the media and sportsmen, taking part in international cultural, art and sport events, and organizing such measures in the country;
 - h) promoting cooperation designed to help bring about favorable external conditions for ensuring the country's ecological security, maintaining its ecological balance and protecting nature.

Source: http://www.mfat.gov.mn/index.php?option=com_content&view=category&id=36&Itemid=55&lang=en



Annex M

The Concept of National Security

1. GENERAL PROVISIONS

1. The Constitution of Mongolia expresses the integrated interests of the people, all groups and strata of Mongolian society.
2. The national security, of Mongolia (hereinafter referred to as “national security”) represents the status when favorable external and internal conditions are secured to ensure vital national interests of Mongolia. The ideological basis of the policy ensuring national security is national patriotism.
3. The vital national interests of Mongolia consist in the existence of the Mongolian people and their civilization, in the country’s independence, sovereignty territorial integrity, inviolability of State frontiers, relative economic independence, sustainable ecological development and national unity. The vital national interests of Mongolia constitute the object of special care and protection on the part of the State and the people.
4. The endurance of national security implies State policy aimed at creating all-round guarantees of protecting and strengthening of Mongolia’s vital national interests, actions taken by the State, its agencies and functionaries to that effect as well as measures implemented by its citizens. Those measures shall be of both preventive and creative nature. Mongolia shall strive to develop its international competitiveness in the economic, cultural, scientific and technological and educational fields.

ONE. Structure of National Security

5. The national security shall consist of the following main components:
 - 1) Security of the existence of Mongolia,
 - 2) Security of the social order and state system,
 - 3) Security of citizens’ 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,
 - 9) Ecological security

TWO. Factors Affecting National Security

6. Factors affecting the national security are divided into internal and external by their origins and into immediate, temporary, long-term and permanent by their duration. The vital national interests of Mongolia are interests of a permanent nature.

7. The factors that may have a negative impact on national security are divided into objective and subjective by their character, and into real and possible by the probability of danger they might cause. The policy of ensuring and strengthening the national security aims at identifying and eliminating any threats at the “probable” stage of its occurrence, as well as at reducing or preventing objective threats by the timely elimination of subjective ones.
8. External factors affecting national security: The national security of Mongolia constitutes a part of the international security and as such is directly dependent on the latter. In terms of political spatial security, it is divided into global, regional and sub regional.
9. Internal factors affecting national security: In terms of internal spatial dimension, national security shall be of national, regional, aimag, the capital, soum levels.

THREE. Way and Means of Ensuring National Security, Security Guarantees

10. National security is ensured by social, political, organizational, economic, diplomatic, military, intelligence and legal means, unilaterally or through the development of international cooperation
11. The main means of ensuring national security consists of taking measures designed to forecast and forestall the trends and the development of events on the basis of reliable information and thorough its evaluation and assessment.
12. The main guarantors of national security are the people of Mongolia and the Mongolian State.
13. International guarantees of national security consist of political, legal and moral-psychological components. They are secured and strengthened through the combination of unilateral, bilateral and multilateral measures. Military-political security can be ensured through a collective security system by joint efforts or participation in such a system.

FOUR. System of Ensuring National Security

14. The duties to ensure national security are incumbent on the State Great Hural, the President of Mongolia, the National Security Council headed by the President, the Government, the central and local law enforcement and State administrative agencies.
15. The legislative, executive, judicial and local self-governing bodies are obligated to implement, within their competence, the tenets of this Concept, strengthened by the Constitution, legislation and other relevant legal acts.
16. Political and public organizations, as well as citizens shall strictly observe the legislation on ensuring national security and the present Concept, and shall actively participate in the realization thereof.
17. The National Security Council is charged with the coordination of the strategies and tactics of the implementation of the present Concept with due regard to existing circumstances. It shall monitor the state of safeguarding national security, and annually inform the State Great Hural thereon.
18. The organizations concerned shall provide for funds needed to implement this Concept in their budgets. In cases of special measures, expenses shall be covered by the State budget.



FIVE. Information Database of National Security

19. Every kind of information necessary to coordinate and implement the State policy of ensuring national security shall be obtained from relevant authorities, citizens, and from foreign sources. The information database shall be set up under the National Security Council.

II. SECURITY OF THE EXISTENCE OF MONGOLIA

20. The security of the existence of Mongolia means the endurance of its independence, sovereignty, territorial integrity, and inviolability of state frontiers of Mongolia.
21. External factors which may adversely affect the security of the existence of Mongolia:
 1. Armed aggression or threat of armed aggression against Mongolia from any State or force;
 2. Policies designed to forcibly abolish the State independence of Mongolia or to disrupt the national unity of the people;
 3. Impeding or pressuring the sovereign relations of Mongolia with other States developed on the basis of international law;
 4. Organization of terrorist and subversive activities, espionage against Mongolia and its people, as well as the abetting and conspiring in such acts;
 5. Imposition by any State of its own interests and policies on Mongolia or attempts to resolve disputes by force
 6. Imposition of political, military, economic and ideological control over Mongolia;
 7. Emergence of global, regional and sub regional crises and conflicts which they may affect Mongolia, or may draw it into war.
 8. Destabilization of the Mongolian economy, attempts at or organizing coup detaches or using Mongolia as a bridgehead for policies and activities directed against other States;
 9. Changing of state frontiers, illegal border crossing and border violations;
 10. Disputes and conflicts between the neighboring States, and being affected by their internal contradictions and crises;
 11. Massive inflows of migrants from a neighboring State;
 12. Occurrence of natural and ecological calamities, outbreak or spread of acutely infectious human or animal diseases.
22. Internal factors which may adversely affect the national security of Mongolia:
 1. Breakdown of statehood, or designs and/or attempts at turning Mongolia into a satellite State;
 2. Political, economic and military acts aimed at disrupting national unity and or/ undermining the independence of Mongolia;
 3. Emergence of conditions leading to acute religious, ethnic or local disputes and confrontations;
 4. Organization of subversive and/or espionage activities aimed at weakening the potential of Mongolia;
 5. Division within the armed forces and other military entities, loss of their defense capability or military-patriotic conscience, or confrontation between the military and civilian population or armed insurgency and conflicts.

23. Ways and means to ensure the security of the existence of Mongolia: Mongolia shall:

One

- 1) Uphold universally accepted principles of contemporary international law in relations with any State and make others observe them as well;
- 2) Support the activities of the United Nations Organization and other international institutions aimed at strengthening world peace and security, and closely cooperate with them to that end;
- 3) Establish and protect bilaterally and multilaterally the legal foundations the unilateral or collective protection of the country from aggression in conformity with Article 51 of the UN Charter;
- 4) Promote the policy of maintaining strategic stability and establishing a reliable system of strengthening the peace and security in Asia and the Pacific, particularly in Northeast Asia and Central Asia;
- 5) Strictly observe the policy of not allowing the use of the country's territory against other States. Ensure the nuclear-weapons-free status of Mongolia at the international level and make it an important element of strengthening the country's security by political means. Pursue the policy of turning Central Asia into a nuclear-weapon-free zone;
- 6) Ensure timely and sound reactions to acts capable of affecting or contradicting the vital national interests of Mongolia or damaging its prestige and, if necessary, duly reflect them in the politics and activities of the government;
- 7) Promote an atmosphere conducive to understanding and supporting Mongolia in other countries, particularly in neighboring and influential countries through the wide use of the policy of "people's diplomacy", an important channel of foreign relations;
- 8) Promote legal acts that determine the overall number of foreigners and stateless persons that may reside in Mongolia and regulate their movement within the country, and monitor their compliance. Establish a mechanism of control to prevent illegal residence or stay in Mongolia.

Two

- 1) Cooperate with other countries and relevant international organizations in the military field, and in pursuit of the policy of safeguarding itself against possible aggression and seeking collective defense, she shall follow the policy of making use of the armed force of neighboring or of third States or the United Nations and/ or other integrated international armed forces;
- 2) Have national armed forces, other troops capable of safeguarding the country's independence, territorial integrity and inviolability of frontiers;
- 3) Implement defense objectives on the basis of the universal defense system in accordance with its own military doctrine. In case of having to defend against armed encroachment or aggression solely by its own forces, a self-defense war shall be waged through the mobilization of all internal forces and means while also making wide use of external factors;
- 4) Participate to the greatest extent possible in international efforts and cooperation designed to strengthen trust in the military field and establish a mechanism for ensuring regional security.



III. SECURITY OF SOCIAL ORDER AND STATE SYSTEM

24. Security of the social order and State system means the endurance of the state and socio-economic structure, fundamental principles of State activities, as well as human rights and freedoms as provided for in the Constitution of Mongolia.
25. External factors which may adversely affect the security of the social order and state system:
1. Policies aimed at the destruction of the State, and social and economic structure of Mongolia;
 2. Sowing discord among nationalities, different social groups and national leadership in order to disrupt the integrity of the state system, or disrupting the national unity of the people or an attempt to do so;
 3. Divulging state secrets including military and technological ones;
 4. Espionage activities by foreign intelligence services and their accomplices.
26. Internal factors which may adversely affect the security of the social order and state system:
1. Impair the sovereignty of Mongolia provided for by the Constitution;
 2. Illegal seizure of state power or an attempt to do so;
 3. Breach of the equality of forms of property and violation of the right to own property;
 4. Breach of principles of non-interference by the state agencies in religious affairs and by religious entities in state affairs;
 5. Breach of the principle of separation of State powers of Mongolia;
 6. Emergence of different splinter groups due to difference of views, of ethnic origin, religion, place of origin, contradictions within the national leadership on issues of national security;
 7. Weakening of the country's defense potential and the ties between the people and the military;
 8. Weakening of the respect for law and order in society, slackening of discipline and responsibility that lead to public disorders, weakening State governance, accountability and vigilance, disclosure of state secrets;
 9. Aggravation of corrupt practices taking the form of organized crime;
 10. Exhaustion of strategic and other national resources, outbreak of famine and natural calamities, spread of plagues leading to a large number human deaths
27. Ways and means to ensure the security of the social order and state system: Mongolia shall:
- One
- 1) Enact legislation in compliance with the spirit, principles and provisions of the Constitution of Mongolia, and ensure strict observance thereof;
 - 2) establish a political mechanism for the coordination of activities of political parties and movements;
 - 3) provide conditions needed for protecting the top national leaders from influences contrary to the national interest, and take preventive and safeguarding measures;
 - 4) make government activities transparent to the public except for cases prohibited by law for national security reasons.

Two

- 1) In foreign relations, exercise political realism and consistently principled approach, according top priority to the vital interests and other national considerations, and seek to secure many partners in international relations.
Promote a nonaligned policy so long as it does not threaten the country's vital interests.
Whenever Mongolia's interests conflict with those of other countries, a flexible approach shall be sought bearing in mind the vital national interests of Mongolia;
- 2) Accord top priority to the question of relations with the two neighboring countries and adhere to the principle of a balanced relationship with them. Maintaining a balanced relationship does not mean keeping equidistance between them or taking identical positions on all issues but this policy does mean strengthening trust and developing all-round good neighborly, relations and mutually beneficial cooperation with both of them. In relations with these countries, due account shall be taken of their policies in regard to the national interests of Mongolia, above all its vital interests. A policy of non-involvement and neutrality shall be pursued in relation to the disputes between the two neighbors unless the disputes affect the vital national interests of Mongolia;
- 3) Pursue an open foreign policy. Promote the policy of consultation with influential countries on issues of strengthening world peace and security, of developing international cooperation, of enhancing the country's strategic significance and fostering strategic interests of major powers in Mongolia;
- 4) In its relations with other developing and landlocked countries, pursue the line of jointly defending and promoting the shared interests on the international arena.

IV. SECURITY OF CITIZENS' RIGHTS AND FREEDOMS

28. The security of the citizens' rights and freedoms means the situation when conditions are ensured for individuals to fully devote their physical and intellectual potential to their own benefit, to the interests of the country and the people, and for Mongolia to carry out its international obligations with respect to human rights.
29. External factors which may adversely affect the ensuring of the security of the citizens' rights and freedoms:
 1. Violations of constitutionally, provided and guaranteed democracy, justice, equality and the citizens' rights and freedoms as a result of provocative actions and pressures by other States;
 2. Breach of the unity among the population and between citizens by making use of ethnic and religious distinctions, as well as differences of opinion;
 3. Restrictions of the rights, freedoms and equal status of Mongolian citizens traveling abroad on business or private trips, or residing there permanently or temporarily;
 4. Entrapping of Mongolian citizens by foreign agencies and services through promises, incitement and brainwashing and using them to the detriment of Mongolia's interests;
 5. Emergence of dual citizenship which would result in the loss of guarantees to ensure the citizens' rights on the part of the State.



30. Internal factors which may adversely affect the ensuring of the security of the citizens' rights and freedoms:
 1. Grave violations of human rights provided for by the Constitution and other laws of Mongolia, and by international treaties and conventions to which Mongolia is a party;
 2. Lack or loss of real political, economic, social and other guarantees capable of ensuring the citizens' rights and freedoms provided for by the Constitution and other legislative acts of Mongolia;
 3. Loss of citizens' sense of patriotism due to hard social and economic conditions.
31. Ways and means to ensure the security of the citizens' rights and freedoms: Mongolia shall:
 1. Guarantee the specific rights and freedoms of citizens provided for by the Constitution of Mongolia through the enactment of relevant legislation;
 2. Besides acceding to multilateral treaties and conventions protecting human rights and freedoms, conclude bilateral treaties and agreements ensuring the interests of this country's citizens;
 3. Set up a mechanism for providing Mongolian citizens traveling abroad with the needed information on their rights and obligations, on legal means of self-protection, as well as enhance the role and responsibility of the diplomatic missions of Mongolia abroad in the protection of the rights of citizens;
 4. Identify and determine the root causes of political repression, rehabilitate the victims of repression and create political and legal guarantees to prevent the recurrence of such tragedies;
 5. Support the activities of the non-governmental organizations aimed at protecting human rights and freedoms;
 6. Have the option to introduce appropriate restrictions on human rights and freedoms in accordance with the law whenever the population and the gene pool of the nation are endangered due to the outbreak of acutely infectious diseases and disparities in the age and sex ratios of the population;
 7. Enact legislation prohibiting dual citizenship and conclude international treaties and agreements thereon;
 8. Ensure that the citizens of Mongolia and foreign residents are prohibited from violating the rights and freedoms of others or cause damage to others while exercising their own rights and freedoms, as well as to infringe upon the security and the vital national interests of the country.

V. ECONOMIC SECURITY

32. Economic security means building an economic structure which has the potential for effective economic reproduction through the use of internal resources, for meeting the basic needs of the people and strengthening the country's independence, and in cases of need to sustain the country for a definite period of time.

Economic security represents the cornerstone of the independence and sovereignty of Mongolia.

33. External factors which may adversely affect the ensuring of economic security:
1. Restricting or impeding the development of foreign trade and economic cooperation;
 2. Turning into a raw materials appendage to other countries;
 3. Plummeting of prices of the country's export items of strategic importance and/or loss of markets for them;
 4. Direct dependence on any one country in economic branches of strategic importance.
34. Internal factors which may adversely affect economic security:
1. Failure of the ecological policy leading to the depletion of water and forest resources, reduction of agricultural lands;
 2. Widening of disparity in regional development leading to economic unbalances;
 3. Depletion of the gene pool of Mongolian domestic farm animals and acclimated varieties of grains;
 4. Failure of customs policy leading to penetration of items which may adversely affect the security of Mongolia and its population, to the reduction of sources of budget revenues which may have a negative impact on national production;
 5. Increase of the State's current budget deficit, failure of the State policy to protect the national currency, the togrog;
 6. A sharp rise in inflation resulting in the fall of the togrog's exchange rate, and increase in the number of families with incomes below the minimum level of subsistence;
 7. Growth of the debt to other countries or international organizations and thus increasing the vulnerability to external pressures and dependence;
 8. Sharp increase in the number of foreigners and stateless persons resident in Mongolia, and mass emigration of nationally trained personnel and skilled workers;
 9. Sharp increase in the share in the overall population of the unemployed, including the number of persons of working age with disabilities.
35. Ways and means to ensure economic security: Mongolia shall:
- One
- 1) Pursue a uniform government policy in the following fields:
 - economic structural changes - foreign economic relations - issues related to indebtedness and debt servicing - budget policy - monetary policy - scientific and technological policy - economic reporting, accounting and information
- Two
- 1) Recognize the following branches as having strategic importance due to their role in ensuring economic security:
 - a) in the spheres of production:
 - food and agriculture - mining - light industry - chemical industry
 - b) in the sphere of infrastructure :
 - energy - fuel - telecommunications and information - roads and transport
 - 2) Encourage foreign investments in the following areas:
 - developing strategically important branches - increasing the production of export items and foodstuffs - internally processing raw materials, mechanical components and spare parts thus substituting imports

Three. Pursue the following guidelines in the formulation and implementation of the national policy on ensuring economic security:

1. develop economic and social infrastructures;
2. set up economic zones capable of providing conditions for the relatively independent and integrated development of local areas;
3. develop industries producing ecologically clean products and introduce waste less technologies;
4. determine, secure and replenish annually reserves of essential food and consumer goods; produce domestically certain types of goods of strategic importance;
5. maintain the country's hard currency reserves at an amount equity the total import costs of not less than two months;
6. protect the gene pool of Mongolian farm animals as well as the acclimated varieties of grains;
7. when developing trade and economic relations with various countries, safeguard against situations where the country's economy, especially its branches of strategic importance, may become the object of dominance by one country, or a group countries or where the country may turn into a raw materials appendage. Impart an interest in the developed countries to freely maintain and expand relations with this country;
8. ensure the right of Mongolia to leave access to the sea on the basis of international legal norms;
9. with a view to ensuring economic security, expand bilateral and multilateral equitable mutually beneficial trade and economic cooperation with neighboring countries, and the developed countries of the West and East; secure the country's appropriate place in the regional trade and economic network;
10. keep the amount of strategically important raw materials and equipment to be imported, as well as the number of experts and workers to be received from any one country at the level not capable of affecting national security;
11. avoid situations where incentives and concessions accorded to foreign investors to protect their economic interests surpass the concessions and economic allowances provided to the national investors and producers; oversee compliance therewith;
12. when receiving loans from foreign countries and international organizations, care should be taken so that their total does not exceed the country's capacity to pay back within a specified time period;
13. settle the issues of repayment of loans before 1990 and their interests in accordance with international practices taking into States as well as causes that led to such debts;
14. when promoting the policy of increasing the share of' exports in foreign trade, care should be taken to market processed and finished goods.

Source: http://www.mfat.gov.mn/index.php?option=com_content&view=category&id=35&Itemid=54&lang=en

ORSAM ACADEMIC STAFF

Hasan Kanbolat	ORSAM Director
Prof. Dr. Hayati Aktaş	ORSAM Trabzon Representative, Karadeniz Technical University Department of International Relations
Assoc. Prof. Dr. Veysel Ayhan	ORSAM Advisor, Gulf of Basra - Abant İzzet Baysal University, Department of IR
Assoc. Prof. Dr. Hasan Ali Karasar	ORSAM Advisor, ORSAM Eurasian Strategies Coordinator - Bilkent University
Assoc. Prof. Dr. Tarık Oğuzlu	ORSAM Advisor, Middle East - Antalya International University Department of Political Science and IR
Asst. Prof. Dr. Mehmet Şahin	ORSAM Advisor, Middle East - Gazi University, Department of IR
Assoc. Prof. Dr. Harun Öztürkler	ORSAM Advisor, Middle East Economies - Afyon Kocatepe University, Department of Economics
Assoc. Prof. Dr. Özlem Tür	ORSAM Advisor, Middle East - METU, Department of IR
Habib Hümmüzlü	ORSAM Advisor, Middle East
Asst. Prof. Dr. Serhat Erkmen	ORSAM Advisor, Middle East -Ahi Evran University, Department of IR
Asst. Prof. Dr. Canat Mominkulov	ORSAM Researcher, Middle East - Al Farabi Kazakh National University
Asst. Prof. Dr. Bayram Sinkaya	ORSAM Advisor, Middle East - Yıldırım Beyazıt University, Department of IR
Dr. Abdullah Alshamri	ORSAM Advisor, Middle East - ORSAM Riyadh Representative
Dr. Neslihan Kevser Çevik	ORSAM Advisor, Middle East - METU, Department of IR
Dr. Didem Daniş	ORSAM Advisor, Middle East - Galatasaray University, Department of Sociology
Dr. Jale Nur Ece	ORSAM Advisor, Maritime Safety and Security
Dr. İlyas Kamalov	ORSAM Advisor, Eurasia
Dr. Yaşar Sarı	ORSAM Advisor, Eurasia - ORSAM Bishkek Representative, Kyrgyzstan-Turkey Manas University
Dr. Bayram Sinkaya	ORSAM Advisor, Middle East - Atatürk University
Dr. Süreyya Yiğit	ORSAM Advisor, Eurasia
Att. Aslıhan Erbaş Açikel (LL.M.) Hamburg	ORSAM Advisor, Energy-Maritime Law
Fazıl Ahmet Burget	ORSAM Advisor, Middle East - Afghanistan
Volkan Çakır	ORSAM Advisor, Africa - ORSAM Antananarivo (Madagascar) Representative
Esra Demir	ORSAM Advisor, Middle East
Bilgay Duman	ORSAM Researcher, Middle East
Oğun Duru	ORSAM Managing Editor
Nöyan Gürel	ORSAM İzmir Representative
Selen Tonkuş Kareem	ORSAM Erbil (Iraq) Representative
Oytun Orhan	ORSAM Researcher, Middle East
Sercan Doğan	ORSAM Research Assistant, Middle East
Nebahat Tanriverdi	ORSAM Research Assistant, Middle East
Uğur Çil	ORSAM Research Assistant, Middle East
Nazlı Ayhan	ORSAM Research Assistant, Middle East & Projects
Leyla Melike Koçgündüz	ORSAM Research Assistant, Middle East & Projects
Göknil Erbaş	ORSAM Research Assistant, Black Sea
Aslı Değirmenci	ORSAM Research Assistant, Middle East
Ufuk Döngel	ORSAM Research Assistant, Middle East
Jubjana Vıla	ORSAM Research Assistant, Middle East
Mavjuda Akramova	ORSAM Research Assistant, Middle East

ORSAM Water Research Programme

Dr. Tuğba Evrim Maden	ORSAM Water Research Programme Hydropolitics Researcher
Dr. Seyfi Kılıç	ORSAM Water Research Programme Hydropolitics Researcher
Kamil Erdem Güler	ORSAM Water Research Programme Research Assistant
Çağlayan Arslan	ORSAM Water Research Programme Research Assistant

ORSAM ADVISORY BOARD

Dr. İsmet Abdulmecid	Former President of Iraqi Council of State
Prof. Dr. Hayati Aktaş	ORSAM Trabzon Representative, Karadeniz Technical University Department of International Relations
Dr. Abdullah Alshamri	ORSAM Advisor, Middle East - ORSAM Riyadh Representative
Hasan Alsancak	BP & BTC Turkey, Energy Security Director
Prof. Dr. Meliha Benli Altunışık	METU, Director of Institute of Social Sciences
Prof. Dr. Ahat Andican	Former Minister & Istanbul University
Prof. Dr. Dorayd A. Noori	Vice-Undersecretary in Iraq's Embassy in Ankara
Prof. Dr. Tayyar An	Uludağ University, Head of Department of International Relations
Prof. Dr. Ali Arslan	Istanbul University, Department of History
Başar Ay	General Secretary, Turkish Textile Employers' Association
Prof. Dr. Mustafa Aydın	President of Kadir Has University
Assoc. Prof. Dr. Ersel Aydınli	Vice-President of Bilkent University, Fulbright Executive Director
Assoc. Prof. Dr. Veysel Ayhan	ORSAM Advisor, Middle East - Abant İzzet Baysal University, Department of IR
Prof. Dr. Hüseyin Bağcı	METU, Head of Department of International Relations
İtir Bağdadi	Izmir Economy University, Department of International Relations and European Union
Prof. Dr. İdris Bal	Member of Parliament in the 24th Legislative Term of Grand National Assembly of Turkey
Assist. Prof. Dr. Ersan Başar	Karadeniz Technical University, Maritime Transportation and Management Engineering
Kemal Beyatlı	Head of Iraqi Turkmen Press Council
Barbaros Binicioğlu	ORSAM Advisor, Middle Eastern Economies
Prof. Dr. Ali Birinci	Police Academy
Assoc. Prof. Dr. Mustafa Budak	Deputy Director General in Prime Ministerial State Archives
Dr. Hasan Canpolat	Deputy Undersecretary of Turkish Ministry of Interior
Ret. (Air) Gen. Ergin Celasin	23rd Commander of Air Forces
Assoc. Prof. Dr. Mitat Çelikpala	Kadir Has University, Head of Department of International Relations
Prof. Dr. Gökhan Çetinsaya	President of The Council of Higher Education
Dr. Didem Daniş	ORSAM Advisor, Immigration Studies & Iraqi Refugees, Galatasaray Uni., Dep. of Sociology
Esra Demir	ORSAM Advisor, Middle East
Prof. Dr. Volkan Ediger	Izmir Economy University, Department of Economics
Prof. Dr. Cezmi Eraslan	President of Atatürk Research Center, Istanbul University, Department of History
Prof. Dr. Çağrı Erhan	Ankara University, Faculty of Political Science, Department of IR & Director of ATAUM
Asst. Prof. Dr. Serhat Erkmen	ORSAM Middle East Advisor, Ahi Evran Uni., Head of the Dep. of Int. Relations

Dr. Amer Hasan Fayyadh
Aslıhan Erbaş Açikel (LL.M.) Hamburg)
Cevat Gök
Metem Göknel
Osman Göknel
Timur Göknel
Prof. Muhamad Al Hamdani
Numan Hazar
Habib Hümmüzlü
Assoc. Prof. Dr. Pinar İpek
Dr. Tuğrul İsmail
Dr. İlyas Kamalov
Assoc. Prof. Dr. Hasan Ali Karasar
Assoc. Prof. Dr. Şenol Kantarcı
Selçuk Karacı
Assoc. Prof. Dr. Nilüfer Karacasulu
İsmet Karalar
Prof. Dr. M. Lütfullah Karaman
Asst. Prof. Dr. Şaban Kardeş
Att. Tuncay Kılıç
Assoc. Prof. Dr. Elif Hatun Kılıçbeyli
Prof. Dr. Aleksandr Knyazev
Prof. Dr. Alexander Koleşnikov
Prof. Dr. Erol Kurubaş
Prof. Dr. Talip Küçükcan
Arslan Kaya
Dr. Hicran Kazancı
İzzettin Kerküklü
Assoc. Prof. Dr. Mustafa Kibaroğlu
Dr. Max Georg Meier
Prof. Dr. Mosa Aziz Al-Mosawa
Prof. Dr. Mahir Nakip
Assoc. Prof. Dr. Tarık Oğuzlu
Prof. Dr. Çınar Özen
Murat Özçelik
Assoc. Prof. Harun Öztürkler
Dr. Bahadır Pehlivan Türk
Prof. Dr. Victor Panin
Assoc. Prof. Dr. Fırat Purtaş
Prof. Suphi Saatçi
Ersan Sarkaya
Asst. Prof. Dr. Bayram Sinkaya
Assoc. Prof. Dr. İbrahim Sirkeci
Dr. Aleksandr Sotnichenko
Zaher Sultan
Dr. Irina Svistunova
Asst. Prof. Dr. Mehmet Şahin
Prof. Dr. Türel Yılmaz Şahin
Mehmet Şüküroğlu
Assoc. Prof. Dr. Oktay Tanrısever
Prof. Erol Taymaz
Prof. Sabri Tekir
Dr. Gönül Tol
Asst. Prof. Dr. Özlem Tür
Mehmet Uneş
M. Ragıp Vural
Dr. Ermanno Visintainer
Dr. Umut Uzer
Prof. Dr. Vatanyar Yagya
Dr. Süreyya Yiğit

Baghdad University, Dean of Political Sciences Faculty (Iraq)
ORSAM Advisor, Energy-Maritime Law
Turkey Representative of Iraqi Al Fırat TV
Former Director of Petroleum Pipeline Corporation (BOTAŞ)
BTC & NABUCCO Coordinator
Beirut American University (Lebanon)
Cultural Undersecretary in Iraq's Embassy in Ankara
Retired Ambassador
ORSAM Middle East Advisor
Bilkent University, Department of International Relations
TOBB University of Economics & Technology, Department of International Relations
ORSAM Eurasia Advisor
ORSAM Advisor, ORSAM Eurasian Strategies Coordinator - Bilkent University
Kırıkkale University, Department of International Relations
Deputy Director, Vodafone (Turkey)
Dokuz Eylül University, Department of International Relations
Advisor to Mayor of Edremit/Balıkesir
Fatih University, Head of the Department of International Relations
TOBB Economy and Technology University, Department of International Relations
Mayor of Edremit/Balıkesir
Çukurova University, Head of the Department of International Relations
Kyrgyz Slavic University (Bishkek)
Diplomat
Kırıkkale University, Head of the Department of International Relations
Director of Marmara University, Institute of Middle East Studies
KPMG, Sworn-in Certified Financial Accountant
Iraqi Turkmen Front Turkey Representative
President of Kirkuk Foundation
Okan University, Head of Department of International Relations
Hanns Seidel Foundation, Projects Director (Bishkek)
President of Baghdad University (Iraq)
Erciyes University, Faculty of Economic and Administrative Sciences
ORSAM Advisor, Middle East-Antalya International Uni. Dep. of Pol. Science and IR
Ankara University, Faculty of Political Science, Department of International Relations
Undersecretary of Public Order and Security
ORSAM Middle East Economics Advisor, Atıyon Kocatepe Uni., Dep. of Economics
TOBB Economy and Technology University, Department of International Relations
Pyatigorsk University (Pyatigorsk, Russian Federation)
Gazi University Department of Int. Relations, Deputy Secretary General of TÜRKSOY
Secretary-General of Kirkuk Foundation
Türkmeneli TV (Kirkuk, Iraq)
ORSAM Middle East Advisor – Yıldırım Beyazıt University
Reader in Demography and Marketing Regent's College, (London, UK)
St. Petersburg University (Russian Federation)
President of Lebanese Turkish Association
Russia Strategic Research Center, Turkey-Middle East Studies Expert (Russian Fed.)
ORSAM Advisor, Middle East, Gazi University, Department of International Relations
Gazi University, Department of International Relations
Energy Expert
METU, Department of International Relations
Vice President of the METU North Cyprus Campus (TRNC)
Dean of Izmir University, Faculty of Economics and Administrative Sciences
Director of Middle East Institute Turkish Studies (USA)
ORSAM Advisor, Middle East, METU, Department of International Relations
Kastamonu University
General Coordinator of 2023 (Magazine)
Director of Vox Populi (Rome, Italy)
Istanbul Technical University, Humanities and Social Sciences
St. Petersburg City Council Member, St. Petersburg University (Russian Federation)
ORSAM Eurasia Advisor

EDITORIAL BOARD OF MIDDLE EAST STUDIES

Meliha Altunışık
Bülent Aras
Tayyar Arı
İlker Aytürk
Recep Boztemur
Katerina Dalacoura
F. Gregory Gause
Fawaz Gerges
Ahmet K. Han
Raymond Hinnebusch
Rosemary Holis
Bahgat Korany
Peter Mandaville
Emma Murphy

Middle East Technical University (Turkey)
Ministry of Turkish Foreign Affairs, Head of Center for Strategic Strategic Research
Uludağ University (Turkey)
Bilkent University (Turkey)
Middle East Technical University (Turkey)
London School of Economics (UK)
Vermont University (USA)
London School of Economics (UK)
Kadir Has University (Turkey)
St. Andrews University (UK)
City University (UK)
Durham University (UK)
George Mason University (USA)
Durham University (UK)

MIDDLE EAST ANALYSIS EDITORIAL BOARD

Prof. Dr. Meliha Altunışık
Hasan Kanbolat
Assoc. Prof. Dr. Hasan Ali Karasar
Asst. Prof. Dr. Serhat Erkmen

Middle East Technical University, Director of Institute of Social Sciences
ORSAM Director
ORSAM Advisor, ORSAM Eurasian Strategies Coordinator - Bilkent University
ORSAM Middle East Advisor, Ahi Evran Uni., Head of Dep. of International Relations



Mithatpaşa Caddesi 46/4 Kızılay/Ankara
Tel: 0(312) 430 26 09 Fax: 0 (312) 430 39 48
www.orsam.org.tr, orsam@orsam.org.tr
www.blacksea.org.tr, blacksea@blacksea.org.tr