

5-2016

Democratic Revolution and Capitalist Development of Mongolia

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Democratic Revolution and Capitalist Development of Mongolia

by

Batbayar Erdenebat

Starred Paper

Submitted to the Graduate Faculty of

St. Cloud State University

In Partial Fulfillment of the Requirements

for the Degree of

Master of Social Responsibility

May 2016

Starred Paper Committee

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Abstract

Mongolia, commonly referred to as Minegolia, was one of the longest, purely communist countries in existence. In 1921, political elites and military leaders successfully created a communist revolution (People's Revolution), established their first constitution, and announced independency to the world, with support of the Soviet government and army. For eighty years MPRP, a one-party system, ruled the country. Following the collapse of the Soviet Union in 1990, eastern European and other communist countries demonstrated change and a new era of development. This democratic revolution was a western way of civilization, but it didn't exclude Mongolia. Young scholars, elites, students, teachers, and workers wanted freedom, human rights, a market economy, and private property, thus 1990 democratic revolution demonstrations succeeded in bringing capitalist development to the country. However, after 26 years of democratic capitalist development, there aren't greater economic opportunities, freedoms, or equality. In fact, people are actually getting poorer while unemployment is at an all-time high. Furthermore, the government, politicians, and political parties are corrupt, which adds to peoples' dissatisfaction. The presence of multinational corporations, combined with exploitations of Mongolian mineral resources, allows for only a few percent of elites and already wealthy business individuals to make even more money, while everyone else is poorer than ever before. The first step to fixing the problems in the country lies within education; every citizen needs to be made aware of what has happened in order to find the cause behind the problems. Once the contributing factors behind the system failure are brought to light, they can be analyzed and the policy can be put onto the right path for development.

Acknowledgement

First of all, thank you so much for my advisor, supervisor Dr. Ajay Panicker. In addition, thank you so much for my committee members Dr. Tamrat Tadame and Elizabeth Sheelds. Your support, superior love is grateful. As a student, it is my honor to being your student. Thank you all again.

Table of Contents

Chapter

1.	Introduction.....	3
	Problem Statement	3
	Significance of the Problem.....	4
	Objective of the Research	4
	Research Questions.....	5
2.	Literature Review.....	6
	What is Democracy? Ancient Athenian Democracy (Origins).....	6
	Mongolian Democratic Revolution.....	8
	Timeline of Mongolian Democracy	
	Before 1995.....	9
	After 2008	10
3.	Communist vs Capitalist Mongolia	13
	Pre-Communist Mongolia.....	13
	Fall of Communism	13
	Globalization.....	14
4.	Mongolian Politics and Two Major Parties	18
	Introduction to Mongolian Politics	18
	Power Distribution of Government Branches	
	Legislative Branch	18

Executive Branch	19
President	19
MPRP (Mongolian People’s Revolutionary Party)	
Former Communist Party (Today’s MPP Mongolian People’s Party)	19
MPRP as a Communist Party.....	20
Economy during MPRP Leadership	20
Democratic Party (DP).....	21
5. Environmental Issues	23
Mining Impact.....	24
Air Pollution in Capital City Ulaanbaatar.....	26
Immigration Issues of Mongolia.....	27
Immigration under Capitalism	27
Theorizing Migration under Capitalism.....	29
6. Methods.....	33
7. Discussions and Findings.....	36
8. Conclusion	39
9. References.....	41

Chapter 1: Introduction

My name is Batbayar, 27 years old who was born into a typical middle class, Mongolian family. I was a happily-raised child who, like most of my generation, was always taught that democracy was the way to a bright future, and that capitalism was the only path to development. My parents were raised exactly the same way, the only difference being that they were taught communism was the only way to reach freedom and equality. Nearly three decades ago, Mongolia transformed its political, economic, and social regime from state socialism to democratic capitalism. Every citizen believed that Mongolia had found its true freedom and development, which we undeniably did. Today Mongolia is a fast developing business and cultural center. Democracy opened up a whole new world to Mongolian citizens. For example, I came to the United States of America six years ago, and started my own American dream; living, working and studying in the most iconic country of freedom and liberty, under the democratic system Mongolians have dreamed of. However, while I don't see freedom, liberty, equality, opportunity, and democracy in my own country, I also don't see any of them in the United States of America. Democracy is dominating headlines, and there is so much debate and conjecture on the topic, but it's hard to know what to believe. As a young citizen of a young democratic country, I feel like I need to find definitive answers. Mongolian democratic transformation, capitalist development, and the aftermath of this transformation is investigated in current paper.

Problem Statement

Twenty six years of democratic capitalist development in Mongolia has not brought economic equality in the society, nor has it brought equal opportunities or juridical equality for everyone, which is what everyone dreamed it would bring. The nation's economic circumstances are rapidly failing, and people are getting poorer. Until 1990, there was no mass

poverty in Mongolia, especially in rural areas. Because the political regime was socialist, wealth distribution was systematically planned and included Soviet subsidies. Smith (2007) wrote in an article that “state socialism eliminated poverty by welfare state in Mongolia before post-socialism.”

Significance of the Problem

In today’s fast paced global economy demand that governments make right policy which improve citizens wellbeing, economic and social equality, can secure democracy. But Mongolian people have high dissatisfaction with the government policy, and people have no trust to political parties and politicians. People don’t know what and who they believe. The significance of this problem is people are lost in messy social and political environment. Because of huge inequality, Mongolian democracy is fading away. Young people have interest to immigrate developed nations in order to pursue their economic opportunity and dream. As a result, Mongolian independence is weakening, meanwhile foreign and domestic few people getting advantage and greedy corporations are exploiting the country. Once Woodrow Wilson said that “The government, which was designed for the people, has got into the hands of the bosses and their employers, the special interests. An invisible empire has been set up above the forms of democracy”. There are far too many issues that must be fixed under Mongolian democratic development. The current state of democracy in Mongolia undermine the nation’s development and the equality of people, and progressive reforms are needed.

Objective of the Research

The objectives of the research were dedicated to know truth of Mongolian Democracy today, tangible results of capitalist development and the explore the truth of previous communist

history of Mongolia that has been darkly press released, for younger generation people like myself.

Research Questions

- What is a democracy?
- When and how Mongolian new, democratic revolution happened?
- Who were the key people of the movement?
- What really happened post-democratic revolution?
- What kinds of social disorders, problems caused by capitalism?
- What we don't know about past communist era of Mongolia?
- What did I don't know about the truth?
- Why young generation brainwashed about the history communism?
- Why did I support Democratic Party?
- Should I be democrat or people's party supporter?
- Why Mongolian people migrate to foreign nations?
- What would happen when their live in foreign developed nations?
- What should we do in order to fix the problem?
- How can we change the society as a whole?

Chapter 2: Literature Review (Democracy)

What Is Democracy? Ancient Athenian Democracy (Origins)

During 500 B.C, ancient Athens established classical Democracy. Politically, Athens was not limited to myth, and it wasn't just a symbol in historical reality. Instead, it represents the notion of pure, original democracy of classical times. It gave the idea of community that governs itself, and power with authority of popular mandate, rather than just being governed by a small group of individuals or interest groups (Cole, 2006). Samons (2004) wrote that the early stage of Athens democracy is starting from the 'Polis' government. Ancient Greece, dominated by independent, self-governing cities, is said to be above 'Poleis'. Simple understanding of polis is having a town or a city center surrounded by farmed land, which is owned by polis citizens. Sparta, Athens was the largest known polis government. Therefore, polis relied on assembly, which were male citizens polis voted to elect. They approved legislation, and made decisions about war and peace. One of the defining qualities of Athens's democracy was combining the basic idea of power to the people and the absence of property qualification for citizenship (Samons, 2004).

The population of Attica was divided politically into groups according to wealth. The original land-owning aristocracy, the Eupatrids (or well-born), naturally constituted the largest part of the highest class. This class, through its Council of Elders the revered Council of the Areopagus (Meeting place of Councils) constituted a ruling oligarchy (MCWorther, 1951). There are some notable peoples' names related to the world's first democracy.

Firstly, during the 7th century, business professional men, middle class or industrialists, were growing in number and increasing with importance of trade and commerce in Athens, meanwhile the lowest class, such as small farmers and free laborers were getting into such

economic hardship condition that something had to be done with it. The Council in 620 B.C made a decision that appointed one of its members, Draco, to work with laws that he should regard as necessary. Basically, Draco's code gave no relief, but created harsh punishment for even the smallest minor infraction of the harsh and severe laws (Phillip, 2008). It was similar to today's harsh punishment laws for minor incidents.

Secondly, Solon, who was a member of a noble family, was appointed to reform the laws and establish a constitution. Solon's liberal and changing ideologies marked the beginning of a movement toward true democracy in Athens. He first promised to take care of things that were economic burdens and involved heavy indebtedness, allowing for the sale of men into slavery for payment of debt, and extremely harsh land mortgages.

The third important name in Athenian democracy is Cleisthenes. Like Solon, who reformed Athenian first legislator Draco's laws, Cleisthenes enacted Solon's legal reforms. In the history of Athenian democracy, he is considered a founder. According to McWhorter, Cleisthenes' most interesting and famous measure was "eliminating sectionalism due to Plain, Shore, and Hill divisions and partisanship rising from family-clan-tribe allegiance." In the earliest period, combinations of families had formed clans, and the clans made up four tribes. Therefore, he divided Attica into three regions which includes city, coast, and inland. People in each of these regions divided into ten different groups, which gave a total of 30 groups in all. Each of these groups elected generals and even councils at Areopagus. Basically, his innovation was the beginning of the electoral, representative democracy. McWhorter (1951) stated that "From the days of Cleisthenes Athens moved on steadily toward pure democracy, in which office-holding, membership in the Council of Five Hundred, service on the various juries,

attendance upon the meetings of the Assembly, participation in practically any state activity would be open to any male citizen of suitable character”.

Idealistically, classical democracy was believed to grant true freedom to those who obeyed law. However, problems with democracy has always existed. For example, Cole Matthew (2006) argued in *‘Democracy in Britain’* that “Under the democracy, citizens were allowed to do what they want, which results bad that each person lived for his fancy and full of liberty, freedom of speech allow people what they like.” Charles C. Williamson claims that old liberalism is dead: The positive idea is that liberty exists in the presence of opportunity. Equal opportunity was now required in democracy in order to secure the real freedom of people. Politically, in the modern democracy, power should definitely be made a part of public policy before the country falls into the hands of monopoly (Williamson, 1910).

Mongolian Democratic Revolution (1990)

Fukuyama, Diamond, & Plattner (2012) wrote that “The third wave of democratization that begun with Spanish and Portuguese transitions in the 1970s and which now followed by fourth wave in the Arab world consisted largely of political revolutions that sought to put in place regimes whose first objectives was to secure electoral democracy and political rights in the countries coming out of authoritarian rule”. In the research article of Mueller (1999), by the end of 20th century it was very easy to find democracy in countries like Mongolia that have very poor economics, that have yet to develop much of middle class, and are still quite backwards with industry, literacy, communication, transportation and the trade market. Early principles of Mongolian democracy and its ideologies are based upon equal law, economic opportunities, and liberty of individual rights. It was created to secure electoral democracy and political rights in countries coming out of an authoritarian rule. According to Batbayar (2003), the first priority of

the democratic movement was to end the one-party dictatorship regime in a country that was controlled directly from Moscow by Soviet dominance. The democratic movement was supported by thousands of people all around the nation, and was not only the most powerful social revolution, but also the most peaceful, as not even a single man's nose bled during the strike. Since 1990, young Mongolian democrats were full of motivation and dreams of a brighter Mongolian future as they claimed great victory over the communist government. Reviews that followed attempted to demonstrate powerful democratic transformation which begun in Eastern Europe, wipe off Soviet-dominated Mongolian communist regime.

Timeline of Mongolian Democracy

Before 1995

On March 4th 1990, a mass movement rally marched from the Freedom Square to Sukhbaatar Square. Demonstrators were handing out banners and flyers against ruling parties, and calling changes to the constitution. This demonstration quickly began the historic 1990 hunger strike (Daniel, 1990). The movement was massive. Within a month, activists organized teacher and worker strikes all over the country, the most powerful being the hunger strike at Sukhbaatar Square.

On March 8th and 9th, during the hunger strike, First Deputy Chairman of The Council of Ministers Byambasuren, met the hunger strikers with some MPRP (Mongolian People's Revolutionary Party) members and called for "Emergency Measurements" against the hunger strike, which was opposed by Ministry of Safety minister and President Batmunkh (Sanders, 2010). The emotional and inspiring moment was when the MPRP Central Committee, all MPRP parliament members, secretaries and 13 Central Committee members gave up efforts.

In February 1992, Mongolia adopted its first democratic constitution. Four months later the first free and fair election happened (Severinghaus, 1996). However, going against expectations, the former communist party won the election.

Many important laws were passed in 1995, dedicated to further straighten Mongolian democracy. They included the New Civil Service Act, Law on Control, and Auditing of State Management. In addition to these, several essential draft laws were passed that included anti-corruption laws, regulation of nongovernmental organizations, the creation of independent free media, as well as many others. New democratic governments have structural adjustments and are fastened with economic reforms, even though they pushed thousands out of work and under the poverty line. The government has freed prices, closed insolvent banks, privatized huge assets of the economy, and turned the nation into a free-trade zone with zero tariffs (Chang, 1998). Poverty existence is directly connected to market economy since mass privatization and de-industrialism created high unemployment in the country.

After 2008

The Oyu Tolgoi (Turquoise Hill) Investment Agreement and development of Oyu Tolgoi copper-gold mine was signed between the Mongolian Government and the Anglo-Australian 'Rio Tinto' Corporation, which is headquartered in Britain, in 2009. The Investment Agreement had an initial 30-year term with 20-year extension (Oyu Tolgoi, 2015). As of 2011, Mongolian government had given away 30 percent stake to foreign multinationals, 10 percent to local corporations, and 10 percent stake to Mongolian people (Tudor, 2011).

Investment agreements made between Mongolian government and foreign multinationals on the world's biggest mining pits has proven to be disastrous. The key politicians, such as former Prime Minister Bayar, Minister of Finance Bayartsogt, and Minister of Nature Gansukh,

announced that the Oyu Tolgoi investment agreement with Rio Tinto Group would change the country forever. But the sad truth was that Prime Minister Bayar was suspected of money laundering, corruption, and real estate business in America, and media investigations revealed that he owns 4 to 5 luxury mansions in the US states of Washington, California, and New York, as well as in British Columbia, Canada (Golomt, 2015). The International Consortium of Investigative Journalists revealed that Ex-Minister of Finance Bayartsogt, who graduated from Harvard University by way of a World Bank scholarship, had been hiding his offshore account money in Swedish banks. He later admitted to having an offshore Swedish bank account, and apologized on TV (Bayartsogt, 2015). The Minister of Ministry of Nature is in prison today as a suspect of corruption. If he pleads guilty, he will be sentenced to 15 years in prison (Gansukh, 2015).

Mongolia's current economy solely depends on the country's main export commodities, coal and copper. With coal and copper prices dropping on the global market, Mongolia has suffered a loss of over \$800 million (Theunissen, 2014). In 2012, Mongolian officials were seeking to sell a five-year bond with a yield of 4.125% to 4.25%, and a 10-year bond that will yield 5.125% to 5.25% (Alex, 2012). Alex (2012) added that "Mongolia was the emerging-market world's wunderkind just a few years ago. Gross domestic product grew a blistering 17% to \$8.6 billion in 2011, just two years after the country needed a loan from the IMF to bailout its banking system". External Mongolian situations have become extremely vulnerable over time in the wake of large external debt repayments scheduled for 2017-18. 580 million US dollars of the Euro bond is scheduled in March 2017 and 500 million US dollars of the Chinggis bond will be paid in January 2018. Drawings of the bilateral currency swap facility with the PBOC (People's Bank of China) will also have to be repaid in 2017 (Mongolian , 2014, p4). The country's main

economic source is the mining sector, directly controlled by multinationals. In addition, Tudor (2011) wrote that “Goldman Sachs Group Inc., Deutsche Bank AG, BNP Paribas SA and Macquarie Group Ltd. won the battle among bankers to handle the IPO of state-owned Erdenes-Tavan Tolgoi Co”. The Oyu Tolgoi project has turned out to be a huge scandal which has caused conflict between government and foreign investors.

Chapter 3: Communist vs Capitalist Mongolia

Pre-Communist Mongolia

In the 13th century, Mongolia was one of the biggest Empires. Mongols united under Chingis Khan and created the Great Mongol Empire. Since ancient ethnic civilization, Mongols' livelihood has been wholly dependent on environment and nomadic animal herding. The country colonized under the Manchu Empire for two hundred years, until the 1921 People's Revolution freed the country with the help of the Soviet Union Red Army. Throughout the 18th and 19th century, China governed Mongolia. The collapse of the Qing Dynasty in 1911 offered opportunities towards independence, but during 1911 to 1921 the country was chaos. Intrusions of Chinese warlords, Japanese agents, local elites, Buddhist religious establishment groups, White Russian military, and Red Russian military all competed for power in the country. Some Mongolian nationalist army elites visited Moscow in order to request Soviet help against Chinese control over Mongolian territory. Vladimir I. Lenin received them and promised Soviet army help and independent proletariat state if Mongolia bypassed capitalism and adopted the Marxist Soviet system (Bradsher, 1972)

Fall of Communism

The period of communist control started around 1917 in the case of the Soviet Union, and during 1945 in the case of Central and Eastern Europe (Fowkes, 2002). In the case of Mongolia, communism started in 1921, according to the Mongolian people's revolution. It changed the former monarchy system into a constitutional authoritarian government system conducted by the Soviet Union. Nearly 80 years of one-party (Mongolian Communist Party) system and Soviet dominance controlled Mongolian people until late 1989. In the late 1980s and early 1990, many East European countries made a political transition after the collapse of the Soviet Union. This

democratic movement did not exclude my home country of Mongolia. In the fall of 1989 and the spring of 1990, new currents of political regime began to emerge in Mongolia, initiated by The Mongolian Liberal Democratic Party, inspired by the glasnost policies of Mikhail Gorbachev and the collapse of the Communist regimes in Eastern Europe (Choikhand, 2006).

Globalization

Within globalization, during the 1990s, the country lost its industrial potential. Almost all of its factories closed down, thousands of people were thrown into the streets as they became unemployed, and mass privatization was held by the government. Anyone can see how globalization, privatization, and capitalist development significantly affects Mongolians since one third of the population live in capital city Ulaanbaatar. Their major economic source is the mining industry, which is controlled by wealthy nations' multinational corporations, which makes it an import-dependent, raw-material-only export market. The entire telecommunication and banking sectors are controlled by foreign corporations. In Ulaanbaatar, the city has raised modern buildings, fancy shopping malls, and the city itself has been separated between the rich and poor. The entire south side of the city is populated with rich people, including foreigners who live in gated luxury condos, mansions, while suburban areas are heavily populated by poor, unemployed urban migrants.

Edward (2006) stated "Mongolians have remembered Genghis Khan as the founder of a vast empire who delivered such advances as free-trade zones, census-taking, international postal systems and equality before the law to backward medieval Europeans. The far-reaching Mongol rule of the 13th and 14th centuries was a form of globalization practiced long before the term was invented". However, the historically powerful nation is facing the harsh side of capitalism, and struggles with unequal wealth distribution and environmental devastation under globalization

that was created by Europeans and Euro-Americans today. New democratic capitalistic development, deep greed of natural resources, free market economy, globalization, and inequality in Mongolia is rising fast.

Globalization circumstances are easily seen in the capital city Ulaanbaatar. The roads are filled with expensive Japanese, European, British, and American SUVs that are stuck in an enormous traffic jam under the deep brown polluted air, which is surrounded by mostly urban migrants and poor people in heavily populated suburban “Ger Districts”. Modern technology, such as latest iPhones and Samsung Galaxies, are used by animal herders in the Gobi Desert (Juergensmeyer, 2012). Mongolia has been exploited by the deep hunger of foreign multinational corporations’ who are seeking mineral resources. Indeed, they get cash for this exploitation, but the money goes directly to the materialistic interests of people. According to Juergensmeyer (2012), post-Cold War globalization in Mongolia emerged with two confusing political systems, socialism without socialism (such as equal social distribution), and democratic capitalism without democracy, with huge inequality in the society. In one word he defines it as managerial capitalism.

Many developing countries adopted neoliberal economic philosophy since 1970-1980. Policies concerning structural adjustment and economic manipulation reached Mongolia with the help of World Bank and IMF. After the collapse of the Soviet Union system, Mongolia adopted western liberal democracy with a free market economy that was created by Washington consensus. According to Munk-erdene (2011,p63) in 1991, under the World Bank, IMF, and Asian Development, the bank’s economic development was well known, as structural adjustment established a free market economy in Mongolia. In 1992, parliament election was dominated by Mongolian People’s Party (Former Mongolian Revolutionary Party), which slowed down

neoliberal acceleration in the country between 1992 and 1996. However, in 1996, the Mongolian Democratic Party that pursues American and European right-wing party's political ideologies, won 50 of 76 parliament seats. Therefore, 1996 marked the great privatization and structural adjustment period of new Mongolian history (Munk-erdene, 2011). According to Marxist David Harvey's Accumulation by Dispossession theory, neoliberal policies are driven by privatizing public wealth or state enterprises into private hands in order to control wealth and power in the region (Harvey, 2004).

Choikhand (2006,p124) Wrote that "The Mongolian government has a different perspective on government intervention. The government is more focused on the privatization of public assets. It uses shock therapy measures with the assistance of international donor organizations. In addition, the Mongolian government reduced its activities, budget and became less influential in the market". On the other hand Buyandelger (2013) argued post socialist, neoliberalism in Mongolian society may not be understood by ordinary Mongolian people, and explains that neoliberalism is a way and to speed up and end the painful transformation period from communism to democratic capitalist development, which will bring Mongolia and Mongolian people to the next level, preventing the previous power from re-establishing their rule again. As a result of the speedy neoliberal development, corruption in carrying out these policies can be long lasting, and impoverishment may become impossible to cure (Buyandelger, 2013). Mainstream media and liberalists have been claiming that neoliberalism is the only way to reach goodness of life in 21st century, but unfortunately, peoples' quality of life has been dropping dramatically fast in Mongolia. Political liberalization successfully emerged with a strong civil society and concluded with semi-parliamentary government control for a smooth, powerful introduction of liberal democracy, but that economic liberalization is strongly dependent on

foreign economic institutions such as International Monetary Fund, World Bank, Asian Development Bank, World Trade Organization, and US agencies for international development and Japanese international cooperation agencies (Choikhand, 2006,p124-125).

Chapter 4: Mongolian Politics and Two Major Parties

Introduction to Mongolian Politics

Mongolian politics are controlled by party systems, wealthy corporations that contribute political campaign donors, and wealthy individuals and their families. New political institutions have been formed throughout the 20th century, and adapted different sections for population, primarily for the elite. In this regard, political parties are the most active and powerful players in the political field. Morozova (2010) wrote that “In present day Mongolia, it has become impossible for a businessman to be successful without a party affiliation (the MPRP or the DP), for politicians have strong influence upon the fate of private entrepreneurship (especially in the sphere of land ownership, construction and transportation”. Hence, government controls every aspect of business and policy making. Elites, corporations, and wealthy individuals became means of adapting two major parties, MPP (Mongolian People’s Party) and DP (Mongolian Democratic Party). Compared to ancient democracy, modern American democracy, and European democracy, the Mongolian democratic state is relatively young and inexperienced. Hence, political disaffection on an individual level under the new democracy is very high. Mariano Tocal (2006) explains that political disaffection in new democratic states is because “citizens in new democracies do not have the ‘recent and prolonged’ experience that would enable them evaluate the functioning, achievements, and performance of their newly established democratic institutions”. The Mongolian government consists of three main branches.

Power Distribution of Government Branches

Legislative Branch

Legislative branch State Great Khural (Parliament). The 1992 constitution restructured the legislative branch of government by creating a unicameral parliamentary legislature. This is

the highest organ of the state power. State Great Khural consists of 76 members, of which 48 are directly elected from the districts, and 28 are appointed by the political parties by proportional representation. The Parliament has the power to draft legislation, enact and amend laws, approve the annual budget, approve foreign and domestic policies, declare states of emergency and war, and ratify international treaties and agreements (Government and Politics, 2015).

Executive Branch

The executive branch office head belongs to the Prime Minister. The Prime Minister and Deputy Prime Minister are appointed by the ruling party, thus they are confirmed by president. The Prime Minister chooses his or her cabinet members when they are confirmed by parliament. The Cabinet consists of 16 ministries, which run various projects and programs, and create policies in their relevant areas. The main function of the executive branch is to implement Mongolian law, and duties directly contribute to country's economic and social development (Government and Politics, 2015).

President

The President of Mongolia is directly elected by popular vote and is the head of state, commander-in-chief of the armed forces, and head of the National Security Council. Presidential candidates are nominated by political parties when their party has at least one seat in the parliament. Thanks to the constitution, the president is empowered to propose the nomination of Prime Minister, can terminate the entire executive branch cabinet, and can dissolve legislations and veto all or parts of legislation passed by the Parliament. Moreover, the president has the power to appoint judges and ambassadors (Government and Politics, 2015).

MPRP (Mongolian People's Revolutionary Party) Former Communist Party
(Today's MPP Mongolian People's Party)

Mongolian political life is controlled by two main opposition parties MPP (Mongolian People's Party) and MDP (Mongolian Democratic Party). MPP represents left wing politics, while DP represents right wing politics. Each major politician as well as government officials in the legislative and executive branches are elected from these two main parties. Before we talk about MPP, we must focus on the former communist party MPRP, because MPP is a new democratic, transformed version of MPRP.

MPRP as a Communist Party

The relationship between the USSR and MPRP from the 1920s has been controversial and deeply connected to each other. Most people, especially right wing liberals, described Mongolia as a satellite state of USSR, who was directly controlled by Moscow. However, others like Owen Lattimore (an American author, great educator, and influential scholar of China and Central Asia, who specialized in Mongolia), described the USSR as having an extremely important impact on Mongolian politics, but that MPRP leadership wasn't always a Soviet puppet. MPRP ideologies were based on the Soviet Communist Party, with principles of democratic centralism, which caused many disagreements and resistance to Soviet demands.

Economy during MPRP Leadership

MPRP economic policies promoted collectivism, which turned groups like herders into workers. For instance, herders could own few of their animals, but most of those animals were property of the state. Mongolia's rich copper and molybdenum reserves initiated mining enterprises, which capitalized from using the abundant supply of animals to develop industrialization. In terms of collectivism, state welfare herders were government workers, and some of them moved to towns and cities in order to be a labor force of the growing industrialism. Which means there was no unemployment or mass poverty in the country. By the mid-1980s,

MPRP economic policies had created impressive gains into the economy, which had invested significantly into the social sectors and welfare, such as boarding schools for rural herders' and farmers' children, and an increased number of schools and teachers which provided free food, textbooks, and uniforms for students (Morozova, 2010). With the help of the Soviet Union, MPRP government founded the first Mongolian University, and many students studied in the Soviet Union for engineering, health science, arts, and economy majors for undergraduate and graduate degrees. Due to this government social welfare and mass investment to education, people were highly educated. When bourgeois ideologies came to Mongolia at the beginning of the 1990s, party shifted to democracy under the old communist name. Until 2010, MPRP was a very controversial name because reformers and young citizens referred to the party as being communist, which was very inappropriate for the newly-established, democratic capitalist country, so it had to change its original name. Conversely, a lot of older citizens in their fifties and above agreed with the transformation of Marxist-Leninist ideologies, but believed the name should have remained the same, since they considered it to be a symbol of Mongolian independence. However, in 2010, this debate ended when the MPRP renewed its name as the Mongolian People's Party during their 15th Congress.

Democratic Party (DP)

The Mongolian Democratic Party is associated with the capitalist reform, progress, and the new and global culture in Mongolia, and are the main supporters of a neo-liberal course (Morozova, 2010). DP could not achieve office during the 1992 parliament election, so after the MPRP won the election, they ruled the country until 1996. The 1996 parliament election was a notable event in new Mongolian history. Pomfret (2000) described the 1996 election, saying "Mongolia embraced democracy and rapid economic reform, which exacerbated the decline in

output and high inflation. Despite expectations of a political backlash, the 1996 elections produced a pro-reform government which accelerated economic liberalization and Mongolia was pursuing a policy of almost complete free trade market economy”. DP government of 1996-2000 initiated broad reforms, and privatized major programs such as livestock ownership, apartment ownership, small to medium enterprises, and the entire banking sector (Noerper, 2007). Moreover, this four years of Democratic Party-ruled parliament abolished important taxes, and a new massive tax cut policy was held by government in order to make them smaller and more efficient. Noerper (2007) wrote that “reform efforts were hampered by the lack of educated and experienced officials at the various levels of administrative management. Some reforms failed to prove sustainable; many were promulgated by Western agencies and international advisors without complete acceptance by the Mongolian institutions”. Democratic reforms were carried out by a few young leaders who weren’t informed about changes in Eastern Europe and the former Soviet Union. Most of them were pro-Western-minded people with strong support from Western governments and institutions. These leaders were inexperienced and unprepared to conduct systematic reforms.

Chapter 5: Environmental Issues

Environmental devastation is another urgent problem in the country. For example, the capital city Ulaanbaatar is the most polluted city in the world. Two thirds of the city's residents live in 'Ger Districts' which are essentially tents without heat, water, or access to energy in the minus 30° C weather. Residents resort to burning raw coal in order to keep warm, which poses a huge problem in regards to pollution. Coal burning emits 87 percent of total utility-related nitrogen oxide pollution, and 94 percent of utility-related sulfur dioxide pollution (Merrier, 2016). Moreover, Parenti (2011) wrote in his book "Strip mining and deforestation by coal and timber companies continue to bring ruination to wildlife and watersheds. Mining companies are now resorting to mountaintop removal, a radical strip-mining process that blows off the entire top of a mountain to get at the coal in a quicker, more profitable way."

Climate change and environmental devastation is a hot topic all around the world. It is obvious that capital accumulation is the base of this environmental devastation, which includes excessive greed for oil, coal, and gold, as well as many other natural resources. We are all well-aware of unfortunate incidents such as the Nigerian environmental catastrophe. Multinational corporations and top oil magnets such as Royal Dutch Shell, Exxon Mobile, and ENI have seemingly endless greed, and their increasingly selfish behavior has polluted vast amounts of land, forests, and rivers in places like Nigeria. Thousands of oil spills have occurred for decades since 19th century. As a result of these oil spills, people have lost their livelihoods, since they can no longer fish, farm, or maintain access to clean water. Under the fancy names "globalization", "free trade", "market economy", and "democratization", multinational corporations and local government officials are destroying nature, polluting the environment, and exploiting people. Similarly, the Mongolian mining industry is destroying nature and herders'

livelihood. In addition to this, mass internal migration has caused overpopulation in the capital city Ulaanbaatar. Tremendous numbers of ‘Ger Districts’ burn raw coal, making city air pollution deadly.

As a positive, motivated, young citizen of Mongolia, I want to imagine my own country as having a beautiful environment, with an egalitarian society containing a happy and healthy Mongolian people. Unfortunately, I am not able to be as positive and motivated as I want to be, because what I see instead are dusty, sandy, uncompensated mining holes where my imagined beauty should be. Under the great Mongolian democracy, I can see exactly the same environmental and societal situation that Nigeria has happening in Mongolia. Foreign multinational mining corporations are pouring into the country in order to feed their hunger for coal. Corrupted politicians make policies that support these greedy companies, instead of supporting their own people. American, Chinese, Russian, Japanese, Korean, and Canadian mining corporations are competing against each other in the country for their mining accumulation. Those politicians who once promised equal opportunity, true democracy, economic development, and educated and wealthy Mongolian citizens during their parliamentary campaigns are now showing their backs on Mongolian people, but at the same time making laws and policies for the corporations that take advantage of our abundant natural resources, poor people, and the corrupted policy makers.

Mining Impact

The Mongolian business economy is monopolized by only a few giant corporations and conglomerates. Most of the CEOs of those corporations are in a legislative branch called ‘Ikh Khural’, which is now Mongolian parliament. Their only purpose was to accumulate wealth, but now they work as politicians who create laws that favor their businesses and make policies

against public interest. Each parliament member and minister of government have their own businesses which are registered under their wife, children, sibling(s), and/or friends' names. Almost all of their companies have control over main industries such as mining, telecommunication, transportation, media, and agriculture, the latest example of this being mining magnet MAK Corporation. CEO Nyamtaishir's son was elected to be a parliament member by the People's Party. MAK Corporation is the biggest financial supporter of the People's Party campaign, allowing MAK Corporation lobbyists and the CEO's son to successfully pass the 'Noyon Uul' mining project. Noyon Uul is a mining project commissioned for sales operation by the Mongolian government. The project's main investor is Australian Guildford Coal Corporation, and the project is about 1000 km southwest of the capital Ulaanbaatar, and about 130km in size. The project is also strategically located about 50km east of Nariin Sukhait, which includes South Gobi Resources' Ovoot Tolgoi mine and the MAK mine, which produces and exports coking and thermal coal to Chinese customers (Baruun Noyon Uul Mine Commissioned, 2014). Noyon Uul is essential land for herders' livelihood, and an important place of ancient history. It contains more than 200 large burial mounds, timber burial chambers and tombs of the aristocracy of the Xiongnu, and graves of Attila the Hun's ancestors (Miniaev & Elikhina, 2009). Even though this project faced sharp local and environmentalist resistance, and went against Mongolian law that "prohibited mineral exploration and mining operations at headwaters of rivers, water protection zones and forested areas", politicians made the change to the constitution and then passed the bill. Moreover, former Prime Minister Sukhbaatar Batbold owns 'Oyu Tolgoi' mining pit which is the largest coal mining pit in the world. Many politicians, whether democrats or People's Party, have their share in Oyu Tolgoi and Tavan Tolgoi minings. Political and business leaders make up the top one percent of the

country's population who own every large mining pit, are shareholders of operating mining projects, and have businesses monopolizing every essential industry, such as mining, food, transportation, financing, and media.

Air Pollution in Capital City Ulaanbaatar

Air pollution is dangerous in Ulaanbaatar Mongolia. During wintertime (mid-November to mid-march), air pollution reaches its highest level. Frangos (2013) described Ulaanbaatar's air pollution, saying "the world's coldest capital is seeing the downside of its country's rush from nomadism to modernity. The air in Ulan Bator is choked with smoke from fires that now-settled nomads burn in their homes to stay warm in minus-30-degree Fahrenheit weather." Because of mass internal migration, city population has reached over one million, which is the biggest contributor to this air pollution

As of 2012, rural poverty was around 35.5% and urban poverty was at 23.2%. According to Eradicate Extreme Hunger and Poverty (2014), low growth of the agricultural sector and no possibilities to recover from the Zud (harsh winter resulting in the loss of livestock) is the cause of the rural to urban migration process in the country. Extremely poor people are moving to cities, like the capital city of Ulaanbaatar, in hopes of finding alternative livelihoods, but have limited access to market due to the isolated location.

Urban migration started changes in the market economy, politics, and the new society since 1990. Alгаа (2007 p4) observed that during 1991-1996, increased urban migration started with privatization of livestock and people's recruitment into herding, and this process predominated during 1996-2000. Livestock privatization sparked economic activity in Mongolia's pastures. That and the total collapse of the economy in the country's provincial prompted tens of thousands of Mongolians toward urbanization (John, 2000).

Chapter 6: Immigration Issues of Mongolia

Immigration under Capitalism

Each second, airplanes land in every major cities' airports across The United States, and millions of foreign people arrive in America for multiple reasons of their own significance for life and their family. There are many different reasons they come to the United States, and those reasons can range from business or pleasure to studying abroad and exchange programs. However, I would say roughly almost half of those people who came from third world and developing countries are expecting to start a new life by creating their own American Dreams here. Many of those new arrivals come from Mongolia due to their economic hardship and social inequality, and are trying to escape from poverty in their home country.

The history of America related to new arrivals, basically the immigrants. Those who came from European countries (mostly Protestants and Catholics) have developed America and American capitalism to the highest level as today's economy and power. But contemporary immigrants and the new arrivals are a different story.

Immigrants, more particularly undocumented Mongolian immigrants, are facing harsh conditions in their way of living, both socially and politically. For example, they're denied basic human rights such as education, health care protection, and support from the government. It's not their fault for being undocumented and staying in United States, and the government is not able to treat them as citizens or documented people. Thus, it's a real conflict that demands some serious attention. Unfortunately, Mongolian government also does not contribute any practical policy toward those who immigrated or live in foreign country. External migration has been significantly increasing. During the mid-1990s, Mongolian people began migrating to developed nations so that they could improve their economic situations and support their families back at

home. The United States of America has approximately 15,000 migrant Mongolian workers and students, while South Korea has 25,000, Japan has 4,000, and western European countries have 30,000 workers and 35,000 students (Tsookhuu, 2011). It's a problem that most of the skilled, educated, and young Mongolian citizens leave the country in search of opportunities abroad (Akaha, 2006 p46-47). Smith (2007) wrote that "since democracy established Mongolia received aid from Japan, Europe, the United States, Korea, China and Russia. This aid had been spent on democratization, poverty, agriculture and infrastructure, goods and services improved after the transition, but poverty had not reduced and inequality increased."

I am a great example of this issue. As an international student and foreign citizen, someone who lives in a foreign country without family and friends, I have deep sympathy for Mongolian immigrants whose social status is much lower, hold low class occupations, and conflict society. Five years of my American life (which excludes the last two years as an SCSU student), was spent as an undocumented, out of status worker in Chicago, Illinois. When I first landed in America I was a 21-year-old who did not speak English, and had no family or friends. I will never forget what I have been through in America, having slept in the streets of Chicago numerous times. I am thankful for my endless dreams and ambition. In order to survive, and in order to achieve my dreams, I started working as a dishwasher in Chicago's Chinatown. I got paid 6 dollars an hour, and worked 12 hours a day, six days a week. I lived with my five other friends in a one-bedroom apartment in one of Chicago's poorest, hugely Hispanic-populated west side neighborhood. I worked in the restaurant business, the city of Chicago cab industry, beauty industry, and so on. During those times I was manipulated countless times by my business employers, harassed by police, and had to deal with the American government's harsh immigration policies. I was arrested and jailed two times by police just for being a poor young

foreign citizen who was working illegally in order to survive and reach my goals. I never stopped dreaming of education, creating my own company, and going back to my country with knowledge, thus I can contribute to Mongolian society and start my own company in my homeland.

Theorizing Migration under Capitalism

First of all, we need to study the social structure to find what change caused these people to migrate to The United States of America. Generally, people don't want to leave their homeland and immigrate to a foreign country, since it's natural that human beings are adapted to their homeland and strongly attached to their family and loved ones. They usually only face immigration in extreme circumstances, such as war, economic hardship, lack of jobs, human rights violation, and poverty. Today the biggest countries that are frequently facing the immigration issue are America, Western European countries, and Australia. Millions of people come to America to find better jobs and education for their children, and they usually come from Central and South America, Africa, and Asian countries. Basically, citizens of underdeveloped countries are more likely to migrate to the United States because of their lack of economic opportunities, employment, political and business stability, and equal human rights or social justice in their own country. Massey & Zenteno (1999) wrote that "people may begin migrating for a variety of reasons. They may seek to relocate abroad permanently to earn higher lifetime incomes, as posited by neoclassical economics. They may seek to manage risks and overcome market failures by migrating abroad temporarily to accumulate savings or diversify sources of income, as specified by the new economics of labor migration. They may move in response to deliberate recruitment efforts by governments or employers, as argued by segmented labor

market theorists, or they may emigrate because they have been displaced from a traditional livelihood by structural economic transformations, as predicted by world systems theorists”.

Historically, most immigrants in the early years were peasants and basic working class laborers. Their journey to the new land was due to dissatisfaction with the living conditions present in their homeland (Lucille, 1951). Religious aspects affected immigration movements deeply. Religious oppression, for example, forced thousands of immigrants to leave their homeland. According to (Lucille, 1951), in 1871, almost entire inhabitants of Prussia, including Prussian Poland, had to speak in German, and laws that gave government control to parochial schools made Catholics leave the country.

Depending on current Mongolian political and economic circumstances, Mongolian people have a lot of interest in immigrating to the United States of America. It's impossible to blame those people who want to migrate to developed nations like The United States of America in order to improve their financial situations, and secure their children's future and education. However, in order to be successful or achieve their goals in first world, advanced capitalist societies like North America, Mongolian people have to understand and be prepared for the brutal capitalist society.

According to the “*Protestant Ethics and the Spirit of Capitalism*” Protestantism is the emergence of capitalism, and the origin of capitalist development. The main explanation of this relationship is argued by Max Weber. According to Weber, Protestants, more specifically the Calvinism created, played a main role in developing modern capitalism. Protestants, for the first time ever, eliminated magic from the religion (Weber, 1930, page 71). For example, Calvinism and Protestants did business and saw profit as the salvation of human beings. In other words, there is no magic to save the world, and instead of believing in magic, the real salvation and

“realistic magic” that changes someone’s whole life is work ethic and making profit. This sounds to me like the real capitalist ideology and fundamental destiny of capitalism. According to the (Weber, 1930, page 56-80), to make profit for as long as a human can and pursuing material wealth is what god favors to be saved. It is called predestination. This ideology of predestination and pursuit of wealth is the start of capitalism and its base of modern development. Rationalized behavior, systematic, logical, and disciplined mannered individuals can be productive and efficient or successful in capitalist society. In that way, you will be predestinated for being saved by god (Weber, 1930).

Since Mongolia has transformed state socialism to democratic capitalism the country’s economy, political, and social life are getting worse than when under previous regime. However, there is no way to going back to communism because human nature hasn’t stopped moving forward to the development. In order to reduce this mass migration, or improve already migrated peoples’ lives in foreign countries, we must educate the citizens. According to (Durkheim, 1897, page 170-175) Protestants are more educated than Catholics since they pay close attention to their children’s education, starting from elementary education until higher. Education seems like a solution for any social disorder like migration, however, in this case education makes people more individualistic and skilled, which means they’re more skilled and wealthy, and chance of survival is higher in foreign countries. Moreover, capitalism was created by Protestants, who have a strict work ethic, driven by a profit-making purpose. If the individual works hard, he will make more money. Therefore, this basic ideology developed capitalism. Conversely, in Mongolian culture, peoples’ attitudes are very communal, with a close bond to the community. They’re deeply dependent on family, friends, and their own community, while Europeans and Americans (Protestants) are more of an individualistic people. Capitalist society makes people

more individual and self-centered because the spirit of capitalism is free market. At the same time, market is the main institution to create capitalist social individualism (Durkheim, 1897, page 165). Therefore, twenty-six years of capitalist development in Mongolia shows that we are way too far from these European and American capitalist societies in regards to work ethic, valuable time spending, and hard discipline for life earnings that Weber mentioned in his book. Twenty-six years of copy-and-paste democratic capitalist development from other countries is not the real democratic capitalist development in my country. Because of Weber's approach and explanation about capitalism, I understand that people of Mongolia and their social behavior are not ready to succeed in real capitalism. They think their behavior and ethic is capitalist, but actually it's not the same as Americans or other pro-capitalist countries like Japan or Germany. I assume that in order to develop the country and compete in modern economic warfare, we must learn the basic fundamental behavior and ethics of European and American capitalist societies.

Chapter 7: Methods

Data collection technique for this research was previously conducted researches on Mongolian democratic revolution and capitalist development. My research data collecting technic is entirely documentary analysis involves obtaining from existing documents. According to my data collection, I reviewed multinational scholars' academic works and books including Mongolian, American, Russian and Chinese scholars. In addition, I conducted intensive field observation throughout Mongolian media and press. Nowadays, media broadcasts tons of social problems in the country. I established my research questions depending on today's social issues that covers every aspect of Mongolian society such as poverty, unemployment, government corruption, environmental issues and many more so that I can find out what is the main factor to those social issues, deep inequality of Mongolian current circumstances.

According to my research, project target population is Mongolian people in general. All of my unit analysis usually concentrated on young generation Mongolian citizens who born and raised Mongolian post-democratic capitalist development. The main purpose is to understand particularly the results of Mongolian social change, and its aftermath. Because young people of Mongolia, their tendency toward communist history is very negative. At the same time, people confused between democracy and capitalism. On the other hand, many people blame democracy due to the results of present society and economy. But my research reveals that Mongolia already created peaceful, one of the greatest democratic transformation in the world. However, Mongolian political parties, politicians and the people were not ready for this fast transformation.

During this transformation movement, American participation was deep. More specifically, the American Republican Party was the main supporter of new Mongolian democrats (Nate, 1997). According to Nate (1997) "American hordes, led by the Republican

Party, have invaded the steppes of Mongolia in recent years. Instead of cavalries, they have comprised teams of election strategists and campaign organizers, who mobilized a once ragtag Mongolian opposition to achieve victory in national elections”. The Republican Party’s help to the Mongolian democratic opposition began in late 1991. Secretary of State James Baker returned from an official visit to Ulan Bator and said, “I think we need to do something there to help the democratization process” (Nate, 1997). In addition, Chinese officials were carefully observing the Outer Mongolian Democratic Movement with concern that it could spill over into Inner Mongolia. It was possible that Inner Mongolians could start to demonstrate their freedom and independence (Daniel, 1990). Tibet, Uighur, and Inner Mongolian ethnic groups are not free (even today), and have not yet been granted the autonomy promised them under China's constitution. Independent labor unions do not exist (John, 1999).

Mongolia Democratic Party is very proud of that they establish democracy and try to own Mongolian democracy under their party name. It was not only Democratic Party’s contribution. It was entire Mongolian people’s contribution and their motivation of changing the society into open world. Moreover, second democratic election was held in 1996 and democrats won majority. During that time the Mongolian Democratic Party (Young Democrats) took 71 seats out of 76. In the late 1995 and early 1996 the beginning of real capitalist free market development began. The most notable political event of the year was a visit from American first lady (and current Secretary of State) Hilary Clinton. During her visit she announced that there would be an assistance package of \$3.5 million for energy and \$1 million for the improvement of children’s health (Severinghaus, 1996). Former Soviet satellite quickly turned to first world aid receiver. The annual international donors meeting regarding Mongolia was held in February of

1996 in Japan, with the IMF being the leading agency expected to report on Mongolia's economic performance (Severinghaus, 1996)

Buyandelger (2013) defined neoliberal transaction (shock therapy) in Mongolia as "The disintegration of socialism affected all aspects of society, but shock therapy- the rapid dismantling of state enterprises and disorganized privatization made the changes in the economic sphere much more visible than other aspects of change." As communist rule ended, Mongolia's only world class commodities in the global market were coal, copper and cashmere. Mongolia is also a victim of globalization and the market economy. Pressure from the World Bank, the International Monetary Fund and the Asian Development Bank, for example, forced Mongolia to lift a ban on the export of raw cashmere in the mid-1990s. As a result, China will buy almost all of Mongolia's production, leaving Mongolia's own processing industry with no future (John, 2000). Basically, market economy applies success stories to big economies such as the United States and Japan. Unfortunately, it just doesn't work in such a small country like Mongolia. Mongolian neoliberal development and structural adjustment policy was accompanied by superpower institutional agencies such as IMF, WB, and Asian Development Bank following the 1990 democratic movement (Munk-erdene, 2011).

During planned economy communist regime, Mongolia was industrial country. Mongolia could provide hundred percent local needs such as food, clothing and so on. But market economy, new political regime turned Mongolian local industrial potential to zero. Now we export raw coal, raw cashmere meanwhile we import every products that we used to produce locally. Mongolian deindustrialized and engaged in 'shock therapy' that led to a wealthy elite, a small, pressured middle-class, and an impoverished majority (Plumb, 2014, p1-2).

Chapter 8: Discussion of Findings

I attempted to manifest Mongolian's political transformation onto paper, and explain the process of social transformation while researching the negative sides of 26 years of Democratic Capitalist development. Throughout my entire life, I have been taught by media and every level of my educational institutions that Mongolian communist leaders, as well as the entire socialist state, were dark and dangerous. I used to firmly believe that the previous political regime and society was extremely harsh and unequal. My generation of people all blame the past, history and the heritage of our country, without having proper knowledge and research.

Two years of my graduate program in Social Responsibility truly opened up my eyes, starting from the origins of capitalism in American history, to neoliberal capitalism, to the entire world market economy, and the relationship between rich and poor. Each and every Mongolian person knows that something is wrong in Mongolia. Everybody knows that poverty is significantly rising, that the natural environment is being devastated, and that inequality is at its highest level in the history of country. People are confused, including myself, and we don't know who to believe. That's why I strongly decided to do research on my own country; I wanted to know the truth behind my generation's democratic capitalist development, and explore the truth of pre-democratic society in my country.

Until 2014, I was a supporter of the Mongolian Democratic Party. Before I had political and philosophical knowledge, I thought of the Democratic Party as revolutionary heroes who released Mongolian people from the hell of communism, freeing us to wonderful capitalism. At the same time, I was blaming the People's Party (Former Communist Party) for being monster communists. Because of my personal, real, pro-capitalist American experience, I found my political philosophy, choice, and ability to distinguish negatives and positives from capitalism.

Mongolia already made the choice and transformation, so even though capitalism and democracy have tremendous negatives, there is no going back to the socialism, nor can we change to anything else yet. As a young person, I am standing in front of only two choices in Mongolian society: should I be capitalist, or will I be worker for my entire future?

Throughout my research, I did not try to blame capitalism itself or mention negatives of Mongolian democracy, since many small, poor nations like Mongolia are facing similar problems. Instead, I think the focus should be on how to fix the huge problems in the system, and how to develop the country with equal democracy and economic opportunity. The main findings from my research was new information to me, which includes the truth about the past communist era, and it was really mind-changing. According to my data collection, I found that Mongolia and Mongolian peoples' lives were much better than today's situations. Those badly named, ruthless communist leaders were actually real nationalist leaders who could protect Mongolian independence from Russian and Chinese geopolitical interests, and they were much better than today's materialistic and corrupted leaders.

I can't say that I'm jealous of how my parents' generation lived, but it is obvious that modern day Mongolian people are facing economic torture and mental sorrow. All of these problems involve taking responsibility, and acquiring a hard capitalist mentality. According to my research, I found that Mongolian people want more and more freedom, but don't want to contribute to the society under democracy. They're quick to blame leaders, economic challenges, and the political environment rather than themselves. They need to maintain a capitalist ethic so that they can be successful in life under the capitalist system, which is why my suggested solution involves educating the Mongolian people more about capitalist ethic and democratic responsibility. I strongly agree with Max Weber's "*Protestant Ethics and the Spirit*

of Capitalism". If we can deeply understand the spirit of capitalism and ethics of the system, we can develop and create a good society and individuals. Every citizen should be hardworking and more responsible (Weber, 1930). If we can all be united and educated, and work hard together, there is no wall that can stop us from developing into one of the Asian tigers, like Malaysia or Singapore.

Chapter 9: Conclusion

Long time communist rule ended in Mongolia 26 years ago. Young scholars, elites, students, and citizens marched in the streets of Ulaanbaatar demonstrated change to the communist government. Massive rallies held in Ulaanbaatar and which expanded to all around the country. It was great victory over the communist government that ruled the country 80 straight years. Moreover, it was emotional, successful civil society contribution that could make political revolution. Today's Mongolian Democratic Party and many current political and business elites were main engine of this movement.

I personally grew up in this new democratic capitalist society for my entire life. Every aspect of my life I heard and taught that previous communist leaders, party, and the society was a nightmare. I remember that my grandmother used to hate Western Capitalist countries. I always wonder that why would my grandmother hate capitalism so much. Why would she very loyal to her communist society and the political party. I remember one time she said that poor single mother like myself can't afford to send my children to good schools so that they can get higher education unless it was communist system. During communism, and planned economic society government fully provided free education and health care to all people no matter what class people they are. Now I realize that if my grandmother wasn't live under communist regime, she couldn't have sent my mother to Russian top University. If my mother did not successfully graduate that University, and achieved her life with her major career, I can't imagine how my life would have been. However, my generation people always believed that 1990 democratic revolution freed our society and provided true equal opportunity to the people. But we all know that today Mongolia itself and Mongolian people are facing the highest inequality, social class difference, gap between rich and poor in the modern Mongolian society. Thus, I am very

confused that we created democracy but inequality is raised. We blame communism, but poor people like my grandmother had great opportunity to send her children to foreign top Universities, and get necessary health care for free. Therefore, I needed to find out definitive answer for truth about the past communist regime in my own country comparing to my pro capitalist American society, education and life experience.

Unfortunately, 26 years of Mongolian democratic society, capitalist economy brought huge inequality, poverty, unemployment and many more social disorders. There is no chance to poor single mother like my grandmother sending her children to University in order to get them educated or take her kids to doctors to get medical help without money. People have no chance to get higher education if they can't afford it. Thus, according to my research Mongolian capitalism creates generational poverty. If you born in poor household, you will be poor forever. On the other hand, in communist Mongolia even my grandmother was poor single mother, her children are different story. Her children could achieve good life, my grandmother's grandchildren can be more successful. Now I am very glad that my family, mother, father and grandmother's life started in Mongolian communism so that I could born and raised middle class, educated family with money that can buy every essentials for myself.

Mongolian economy, people's life is getting poorer than ever. Very few elites, families are richer than ever. The beginning chapter of Mongolian democratic revolution, capitalist development was to bringing strong economy, wealthy individuals who owns property. However, current result is opposite. Current state of Mongolia is ruling under pure oligarchy not under true democracy.

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