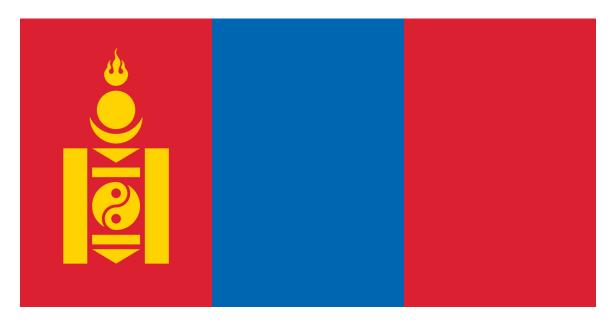


AN ASSESSMENT OF MONGOLIA'S DEMOCRATIC REFORMS & THE ANTI-CORRUPTION DRIVE



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Introduction

The European Union aims to achieve "<u>strategic autonomy</u>" by reducing dependencies. In alignment with this objective, the European Commission unveiled an economic security strategy last week. This is not an easy goal to achieve. In the face of growing threats to Europe and democracies, the European Union needs reliable and democratic partners across the globe to fulfil its strategic autonomy aspirations.

This is where we should be talking about countries like Mongolia, given the shared values of democracy and fundamental rights. The country receives little attention in Brussels, but arguably deserves more as it takes important steps towards higher democratic standards. To put this in context, consider that <u>Freedom House</u> rates Mongolia as "free" with an overall score of 84 out of 100 in its latest global ranking. That is a better score than those of <u>all current EU candidate countries</u> (the highest of which is North Macedonia at 68) and several EU Member States, including Poland, Romania, Bulgaria and Hungary.

Enhanced cooperation among free and democratic countries is likely more crucial than ever. Many democracies confront diverse internal and external threats. Regrettably, it is uncommon today to observe countries actively working to enhance their democracies. Hence, it becomes essential to gain a better understanding of countries like Mongolia.

There is also an additional factor to consider, given Europe's pressing needs. The EU has identified specific raw materials as constraints on its strategic autonomy plans, and coincidentally, Mongolia possesses them. The country could potentially play a role in Europe's future plans.

Mongolia's Democratic Reforms & the Anti-Corruption Drive

2023 was an important year for Mongolia. According to the <u>lunar</u> <u>calendar</u>, it is the year of the female black rabbit, an animal seen as quiet and thoughtful. According to the country's government, it is also the "Year of Fighting Corruption" – and given the importance of fighting corruption for democracies, there is no reason to be quiet.

Following a peaceful revolution in 1990, Mongolia has transitioned to a multi-party electoral democracy with institutionalized political rights and civil liberties. But <u>corruption</u> remained a persistent problem, so much so that two scandals – one involving coal exports and the other cheap education loans by politicians – prompted <u>massive protests</u> in December 2022. Popular discontent led to a governmental push for reforms in the spring of 2023, including the introduction of a <u>mixed electoral system</u> to increase the representativeness and responsiveness of parliament. Anticorruption efforts are seen as a crucial element of these reforms and are one of the country's priorities. Mongolia's success in fighting corruption has important implications, both for the future of domestic politics and international relations.

So what has Mongolia done thus far? In April of last year, the country's Independent Authority Against Corruption (IAAC) unveiled a comprehensive <u>2030 national strategy</u> to combat corruption across all facets of public life. The strategy's objectives include public service reform, improving citizen participation and public awareness, strengthening the independence of state institutions, reducing the risk of corruption in budgeting and procurement as well as tackling theft, embezzlement, and waste. As part of this process, the IAAC adapted over 40 laws and implemented recommendations from international financial institutions and development organizations.

In the short term, directing this much attention to corruption can be expected to increase the perception of the problem. In 2023, the IAAC already received twice as many public complaints and tips about corruption-related crimes as it did in the previous year. When the government invests more resources in enforcement to detect and recover illegally hidden assets, it will have to (and already did) initiate more criminal prosecutions, which will in turn be covered by news media in greater numbers. In the long run, however, this increased level of scrutiny and publicity, a deliberate initiative by the government to increase transparency, is expected to have a significant impact on the eradication of the problem.

The new anti-corruption strategy is already showing results. Figures due to be released by the IAAC in this week have found a significant decrease in corruption losses. In 2022, according to the preliminary findings, 5 trillion MNT (Mongolian Tugriks), or about 1,35 billion Euros at the current exchange rate, disappeared as a result of corruption, with MNT 2,3 trillion (or about 622 million Euros) in recovered assets. In 2023, the corresponding numbers were MNT 845 billion (or about 229 million Euros) lost and MNT 17 billion (or about 4,6 million Euros) recovered. This represents an 83% reduction in losses during the "Year of Fighting Corruption", indicating a remarkable success for Mongolia.

There are several other indicators for improvements from 2022 to 2023, according to an IAAC review. Mongolia's public sector saw increases in the following numbers, among others: audits of declarations of private interest, assets and income; resolutions of public complaints; reviews of public declarations of preliminary private interest by candidates for public service; criminal inquiries opened and resolved; and criminal cases brought and tried.

Looking ahead to consolidate these positive trends in 2024, Mongolia's government has declared its intent to continue the national anticorruption strategy with a focus on whistle-blower protection, illegal

incomes of politicians, the extradition of fugitive public officials, recovery of stolen assets, and greater transparency throughout government. Several new laws to address these issues have been drafted and are going through the legislative process. In January of this year, the Mongolian government formed a <u>National Committee</u> to facilitate the implementation of anti-corruption measures across all ministries, public agencies, and state-owned legal entities, all the way down to the local level.

Conclusion

The scope of Mongolia's recent initiatives suggests that this is not merely a political but a societal effort, if not a more profound cultural shift. The country has long recognised that there is a positive correlation between transparency and democracy – and that the fight against corruption serves both. Such initiatives are rare in the world and even more rarely seen in the region. A recent <u>global review</u> found that perceived corruption levels appear to be stagnating. More countries declined than improved in their scores. Mongolia wants to be part of the latter group and is taking meaningful steps to achieve this goal. Even if – and because – there is <u>more work to do</u>, Europe should pay attention and support Mongolia's progress.

It is important to recognize the efforts of countries like Mongolia, effectively engage with them, and seek further cooperation. The future of democracies worldwide and the EU's strategic autonomy plans may depend on it. No democratic country is perfect, including many European democracies, but the path forward involves more dialogue and the establishment of support mechanisms. This is the only way liberal democracies may prevail globally.