Mongolia

Self-Rule

Institutional Depth and Policy Scope

Mongolia is a landlocked country in Asia, bordered by Russia to the North and China to the

south, east, and west. Mongolia has an area of 1,564,116 sq km and an estimated population of

2.9 million people (CIA 2014). It is presently divided into 21 *aimag* (provinces), the *niislel*

Ulaanbaatar (or Ulan Bator) (capital), 31 cities, and an unknown amount of towns and villages.

The *aimag* are further divided into 331 *soums* (subdivisions) while the *niislel* is further divided

into nine *durregs* (districts) which are in turn divided into 151 *khoroo* (subdistricts). There has

been an effort by the central Mongolian state to decentralize authority to the *aimag* level since

1992 (Mearns 2004). The capital of Ulaanbaatar appears to have the same government

structure as the 21 *aimag,* but it is distinct from the *aimag* in the constitution of Mongolia

(C1992, Art. 57), and comprises nearly half the country's population. Beginning in 1994

Ulaanbaatar was granted additional fiscal and borrowing authority. Additionally, the governor

of Ulaanbaatar is included in national cabinet meetings and can have non-binding consultations

with the Prime Minister concerning national policy that applies to Ulaanbaatar. Hence we code

it as an autonomous region. We do not code the *aimag* due to our population threshold of

150,000 people.

Mongolia has at different times in history been an independent empire and a territory

of China. From 1924 through 1989 Mongolia existed as a satellite state of the Soviet Union

called the Mongolian People's Republic. During this time Mongolia was governed by Soviet-backed central authorities and had no elements of decentralization. However, following the adoption of Mikhail Gorbachev's *perestroika* and *glasnost* policies, the Soviet Union began to ease control of Mongolia beginning in 1987, including the removal of Soviet troops stationed there. In 1990 a peaceful democratic revolution occurred, which brought about Mongolian independence in 1992. We do not score Mongolia until the 1992 Constitution due to the occupation and control of Mongolia by the Soviet Union.

Independent Mongolia has had one constitution, which was drafted in the immediate aftermath of the fall of the Mongolian People's Republic and enacted in 1992. The constitution was amended twice, in 1999 and 2001, but none of these amendments apply to subnational authority.

The 1992 Constitution implemented decentralization policies which empowered the *aimag* and Ulaanbaatar with some regional authority and local government capacity (Art. 59 and 62). Each *aimag* and Ulaanbaatar has a parliament and a governor. The parliaments are directly elected while the governor is nominated by the parliament but selected by the central state. These local governments are empowered to make independent economic and social policy (Art. 62). In particular, the *aimag* and Ulaanbaatar were empowered with budget setting authority (Law on Administrative Units 1992).

Due to the presence of a non-deconcentrated, general-purpose administration, from 1992 through 2018 Ulaanbaatar scores 2 on Institutional Depth. It has control over local economic policy control through the budget, and hence it scores 1 on Policy Scope.

Fiscal Autonomy

In 1994 Ulaanbaatar was granted the authority to set the base and rates of minor local taxes such as those for land and livestock (Law on Legal Status 1994). Prior to that point neither *aimag* nor Ulaanbaatar had the authority to set bases or rates of any taxes. From 1992 to 1993 Ulaanbaatar scores 0 on Fiscal Autonomy, and from 1994 to present scores 2.

Borrowing Autonomy

While the *aimag* do not have the authority to borrow, the 1994 Law on the Legal Status of the Capital City grants Ulaanbaatar the right to borrow for development purposes (Law on Legal Status 1994). Specifically, Ulaanbaatar can borrow for infrastructure improvement. Prior to that point neither *aimag* nor Ulaanbaatar could borrow to finance regional development programs. From 1992 to 1993 Ulaanbaatar scores 0 on Borrowing Autonomy, and from 1994 to present score 1.

Representation

The 1992 Constitution established directly-elected local parliaments for the *aimag* and Ulaanbaatar, as well as centrally-appointed governors nominated by the local parliaments (Art. 59, 62). The local parliaments can nominate a candidate for governor, but the Prime Minister may refuse to appoint a candidate (Art. 60). If this occurs the local parliament must nominate a new candidate until the Prime Minister determines a candidate can be appointed. We judge the

ultimate central veto over the appointment process as firm enough to conceive this as dual governance rather than as a regional assembly-appointed executive subject to symbolic central oversight. From 1992 through 2018 Ulaanbaatar scores 2 on Assembly and 1 on Executive.

Shared Rule

Due to the fact that the *aimag* of Mongolia fall below our population threshold, the shared-rule section below only focuses on Ulaanbaatar.

Law Making

The 1992 Constitution created a 76-member unicameral National Parliament, with directly-elected members from population-based electoral districts (Art. 21). Ulaanbaatar does not possess distinct representation in the national legislature compared to the rest of the *aimag*. Ulaanbaatar scores 0 on bilateral and multilateral Law Making from 1992 through 2018.

Executive Control

There are no routine meetings between the central government and all *aimag* regarding national policy making. The 1994 Law on the Legal Status of the Capital City established bilateral meetings between the governor of Ulaanbaatar and the Cabinet and Prime Minister regarding national policy affecting Ulaanbaatar. The outcome of these meetings is not legally binding. From 1992 to 1993 Ulaanbaatar scores 0 on multilateral and bilateral Executive

Control. From 1994 to 2018 Ulaanbaatar scores 0 on multilateral Executive Control and 1 on bilateral Executive Control.

Fiscal Control

There are no routinized meetings between the central state and the subnational units concerning distribution of national tax revenues. Local annual budget formation includes negotiations between the subnational authorities and the central government over how much of the local budget will come from centrally collected revenues (IMF 2001). However, these negotiation meetings are not enshrined in law, meet on an ad hoc basis, and do not concern taxation policy. Ulaanbaatar scores 0 on multilateral and bilateral Fiscal Control for 1992 through 2018.

Borrowing Control

There are no routinized meetings between the central state and the subnational units concerning distribution of national borrowing policy. Ulaanbaatar scores 0 on multilateral and bilateral Borrowing Control for 1992 through 2018.

Constitutional Reform

An amendment to the constitution can only occur through a three-fourths majority vote by the unicameral National Parliament (Art. 69). Subnational governments have no authority to

initiate, delay or pass constitutional amendments that apply to the whole country. Additionally,

Ulaanbaatar does not have authority to initiate, delay or pass amendments that apply

exclusively to them. Ulaanbaatar scores 0 on multilateral and bilateral Constitutional Reform

from 1992 through 2018.

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Self-rule in Mongolia

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
Ulaanbaatar	I	1992-1993	2	1	0	0	2	1	6
	I	1994-2018	2	1	2	1	2	1	9

Shared rule in Mongolia

			Law Making						Executive Control		Fiscal Control		Borrowing Control		Constitutional Reform		Shared Rule
			L1	L2	L3	L4	L5	L6	M	B	M	B	M	B	M	B	
Ulaanbataar	I	1992-1993	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	I	1994-2018	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1