

➤ EASTERN ECONOMIC FORUM

➤ TEACHERS' STRIKE

➤ STUDY ON LEGAL MISCONDUCT

IV PAGE

*Jargalsaikhan Dambadarjaa,
Mongolian political and economic observer, columnist*

Existence of **SOCIAL ORDER**

II PAGE

The DeFacto Gazette

INFORMING | INSPIRING | EMPOWERING

Tuesday, 2018.09.18 №63

A WEEKLY INDEPENDENT, NONPARTISAN, ANALYTICAL NEWSPAPER COVERING THE POLITICS
AND ECONOMICS OF MONGOLIA-IN ENGLISH, JAPANESE, AND MONGOLIAN

www.defacto.mn

SOCIAL ORDER

**PROTECTING
NATIONAL
SECURITY**

**PROVIDING
PUBLIC
SERVICES**

**MAKING
ECONOMIC
DECISIONS**



№ 447

JARGALSAIKHAN DambadarjaaFor weekly articles,
visit <http://jargaldefacto.com/category/23>

Existence of **SOCIAL ORDER**

The term 'social order' is used in two senses. In the first sense, it refers to a structure or a system that forms, maintains, and enforces certain patterns of relations and behaviors. For example, this would include the ancient, the feudal, and the capital social order, as well as the democratic, market economy social order being formed in Mongolia.

In the second sense, 'social order' refers to the opposite of social chaos or disorder. It refers to a social stability based on the existing social order accepted and maintained by members of society.

“ Social order is an enabler of socio-economic development and the prosperity of people's livelihoods. ”

MAINTAINING SOCIAL ORDER

Maintaining social order means that the people abide by the set of laws a country has. It is one of the four primary duties of the state. The other three duties include protecting national security, providing public services, and making economic decisions.

protected from foreign threats. The military protects the country from overt threats while intelligence looks after covert threats. The police make urgent responses to criminal activities.

Ensuring social order plays an important role in daily lives of people. In order to have social order, everyone needs to follow the law, and anyone who breaks it must be held accountable. The laws must uphold human rights and freedom and apply to everyone equally regardless of their race, wealth, family origin or religion. Only the government must have the exclusive right to enforce the laws of a country in its territory.

The other duty of the state is making economic decisions that impact on businesses in their operations including conducting sales and obtaining loans. The government makes those decisions working together with financial experts, economic advisors, and business leaders. These decisions often have a detrimental effect on the overall economic progress of the country as well as loan opportunities that businesses and people would have. For example, the central bank sets the interest rate of loans, and the government can issue bonds in domestic and international markets.

Firstly, the state has the duty to provide public services to everyone including the rich and the poor. Examples of this type of services include firefighting, police, and public transportation. The government doesn't have the right to restrict anyone's freedom to obtain education or get medical services.

“ The state of social order depends on how well developed the laws are and how well they are enforced and complied with. Social order can change subject to the availability and quality of public services, guarantee of national security, and consequences of economic decisions. ”

Another duty of the state is protecting national security. In other words, they need to ensure that the country is

► MONGOLIA'S SOCIAL ORDER

In 1992, Mongolia's first parliament had an irregular session and approved the policy direction of state activities aimed at ensuring social order.

At the time, the parliament set out to establish a social order where the law is respected and abided by at all times and in all parts of social life, and revised all relevant laws in accordance with the constitution. They said that the desired social order would be established "by taking a comprehensive set of economic, social, and legal measures aimed at restoring the traditions of the state, ensuring the law is abided by in all spheres including political, economic, and social, and fighting crime and violations of law."

Now that 26 years have passed, let's have a look at whether we've successfully established our social order. For one, we have plenty of laws in effect today. According to the Ministry of Justice and Internal Affairs, Mongolia has 449 independent laws and 2,472 parliamentary decrees as well as 369 laws through international agreements and conventions. Approximately 300 of those independent laws actively regulate social relations. In addition, there are a total of 976 registered decisions relating to administrative norms that have to be complied with by the public.

This begs the question of why we are increasingly seeing more corruption, crimes, and traffic accidents every year. The reason lies in the fact that Mongolians are currently unable to follow and enforce the laws and rules that were set. People think that they don't need to follow the law while the government is not able to hold those who broke the law accountable. The Mongolian government is rotten with corruption, losing its ability to enforce accountability.

Public services, especially medical, education, public transportation, and infrastructure, have become obsolete,

and have almost reached the point where they break our social order. For example, the endless traffic jams have turned into a major source of frustration testing the resilience and patience of people day in and day out. Freeing up the central road to make way for government officials is fueling the problem.

The protection of public security is also under threat. People have increasingly been consuming more medication while one out of three is counterfeit. Customs is turning a blind eye when thousands of trucks cross the border carrying coal without documentation. We aren't even touching the topic of food security here.

For many years the economic decisions made by the government have lacked economic analysis and focused only on serving the interests of a specific group of people. The full reports of loans named after khaans have still not been made available. Besides a few people being questioned on the matter, there is complete silence. Instead of fighting corruption, the authorities are fighting the head of the Independent Authority Against Corruption. Under the name of price setting, specific groups are making gains illegally. The mining sector is now controlled by 'ninjas' instead of the government.

“ *In order to maintain social order, laws must be enforced, and justice has to be established.*

One hundred and seventy years ago French philosopher Frédéric Bastiat wrote "The purpose of the law is to cause justice to reign. Justice is achieved only when injustice is absent." ”

2018.09.12 ■



EASTERN ECONOMIC FORUM

The fourth Eastern Economic Forum was held in Vladivostok, Russia this year. Country leaders, such as the President of China, Xi Jinping; Prime Minister of Japan, Shinzo Abe; Prime Minister of the Republic of Korea, Lee Nak-yeon; as well as our President, Battulga Khaltmaa were in attendance.

The forum is devoted to attracting foreign direct investors from Asia to eastern Russia, hence called the Eastern Economic Forum. It was President Putin's initiative to have other countries' representatives come to Vladivostok every September and hold an economic summit. Inputs of a country like Mongolia to such forum is more political and symbolic.

Many businesses that have been working on investment contracts throughout the year utilize the forum to finalize and sign agreements. There hasn't been much information about Mongolian businesses signing contacts as our economy is relatively too small to invest in mega projects in eastern Russia. However, there was a talk about opening a Mongolian trade representative office in Vladivostok, which will hopefully give more information to Mongolian private sector about business opportunities in the eastern Russia.

Last year, the two presidents from Mongolia and China met in Qingdao to talk about the "Economic Corridor" where a natural gas pipeline would be built from Russia to China, going through Mongolia. If it is implemented, we're also looking at upgrades and construction of power plants, natural gas, petroleum, fiber optics, auto and railroads.

Mr. Jarsky, the Head of the Russian Pipeline Group has recently made a comment that the pipeline going through Mongolia is not very likely. Russia comprises a quarter of the world's proven resource of natural gas, which is about 47 million cubic meters in volume. Seventy percent of production is in Western Siberia, with Urengoy, Yamburg and Medvezhye being the three largest natural gas fields. The rest is located in Eastern Siberia. The pipeline to China is 2200 km, estimating at \$55 billion. The project is almost done, except for the last 40 km, which is proving to be very hard with all the Western sanctions on Russia and depreciation of the ruble.

In May 2014, a negotiation was made between China and Russia to buy \$400 billion natural gas



through that pipeline after 10 years of negotiating. The pipeline would be 14 hundred millimeters in diameter and can transport 38 billion cubic meters a year for 30 years, which is the biggest deal Russia has made since the Soviet Union. With the project, Power of Siberia I, almost done; Russia is also talking about building another pipeline to Kazakhstan, called the Power of Siberia II. The price agreement on Power of Siberia I is 380 dollars per 1000 cubic meters of natural gas.

Although the project is almost completed, it is very far from the main consuming cities. A lot of large cities in China need natural gas more than ever before in an attempt to decrease carbon emissions. Beijing and Shanghai, for example, need 10 days worth of reserve to sustain this motive.

The President of Mongolia, as well as the governor of Irkutsk suggests that the closest path to Beijing is from Kovykhtinsky gas field (Ковыхтын орд газар) nearby Irkutsk to Irkutsk to Ulaanbaatar to the Chinese border to Beijing. China became one of the largest importers of natural gas, replacing Japan as the top importer. 60 percent of the natural gas consumption is brought by pipelines from neighboring countries, but the remainder is brought in the form of Liquefied



Natural Gas (LNG). By 2040, it is estimated that China will use 340 billion cubic meters of natural gas and by 2020, consume 360 billion.

It was also discussed that Russia would give one billion rubles of soft loan to be used for upgrading the Ulaanbaatar Railway, as well as the power stations. In the past years, due to the political instability, Mongolia has been slow to respond to loan proposals. As for the power stations, 3 of the 4 power stations were

built with Russian technology, which might not be up for renovation. However, the railway renovation is a much needed and a long-awaited initiative. Mongolia needs a parallel railway to become more efficient. Ulaanbaatar Railway has had three times more cargo last year than a year ago. One assumption is that it will only be done if a Russian person becomes the CEO as it has historically always been Russians making changes in the railway sector.

TEACHERS' STRIKE

The teachers' strike has been temporarily suspended. One of the suggested solutions was to increase the teacher's salary by the number of students over the norm. Social pressure has been put on teachers for going on a strike as their salary has already been increased by 8-30 percent.



There should be two schemes of payment: one for the job functions and one for the overload of work. Though, it is not easy to simply raise salary as inflation follows it, especially with our 8% inflation rate.

The Mongolian economy doesn't have space for this expansion either. The Minister of

Finance, Ch.Khurelbaatar, recently said that “When I had just become minister, we had to pay 1.4 trillion tugriks just for our loan interests when our total fund was 1.7 trillion tugriks”. It is unclear how we have loans with interest rate so high. Where is the comprehensive expenditure report on the Chinggis, Kublai and many other “khan-named” bonds?

A normal economy should do as much as it can to contribute to the education and healthcare systems.

State-owned businesses should be cut down to the minimum as there are many that only get subsidized with state budget for their profit losses. It has been unbalanced for a long time and we need to bring it back. Although the economy is already past its capacity, politicians think differently and try to spend as much as they can while they borrow more money, hoping that the next politician would pay for it.

STUDY ON LEGAL MISCONDUCT

A study was conducted by the Asia Foundation in partnership with the Global Affairs Canada and the Mongolian Bar Association on the legal misconduct and the verdict of Mongolian legal environment. Mongolian Bar Association, like any other legal association, is an NGO that aims to improve ethics and professional behavior of lawyers and people working in the justice system. The ethics committee of this association has been receiving complaints of lawyers’ misconduct from clients.

Before conducting the survey, they put out a brochure on all the cases. There were 791 complaints connected to 933 lawyers, 50% of which have been moved to related organizations, but 40% of it was discussed in the ethics committee and 45% refused to discuss. There were many interesting cases in this brochure. For example, a prosecutor disappeared after taking half a million tugriks from a person in need of a prosecutor. Similar case happened also but the amount was 5 million tugriks.

The association made a couple of recommendations

in the 230-page study. Lawyers’ rights will be regulated by law under this committee, but only prosecutors are considered. Another conclusion made was that the database system of justice officers is not perfect and is one-sided. The ethics committee would give a warning and report to the authorities in an anonymous matter.

Bastiat has said that “Justice is achieved only when injustice is absent”. Mongolia has a long way to go in ensuring justice is absent...

This review has been edited here for space and clarity. You can watch the full 30-minute review on the Defacto website [\[HERE\]](#).



JARGAL DEFACTO MOBILE APPLICATION

The Defacto Gazette

➤ MONGOLIA

➤ ENGLISH

➤ JAPANESE



GOOGLE STORE

APP STORE



Subscribe or renew your subscription at www.jargaldefacto.com and www.defacto.mn websites.

EDITORIAL BOARD

Jargalsaikhan Dambadarjaa
Christopher Melville
Garrett Wilson

EXECUTIVE:

Editor-in-chief: Javzmaa Ganbaatar
Team: James E. Kaemmerer
Amar Batkhuu
Bilguun Otgonsuren

CONTACT US:

✉ editor1@jargaldefacto.com
☎ +976 94109342
🌐 www.defacto.mn
www.jargaldefacto.com