



## **MONGOLIA: MANAGING THE TRANSITION FROM NOMADIC TO SETTLED CULTURE**

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The twentieth century was a century of transition for Mongolia. In the early 1900s Mongolia reestablished its independence from Manchu domination and after periods of both independence and subordination to Russia and China it became a communist state in 1924. Now it is changing its political and economic system from communism to democracy and, consequently, society is transforming itself from its previous base of nomadic animal husbandry to one based on settled industries in an urbanized environment. The transition began in the last century and is still continuing. This chapter analyzes Mongolia's cultural transition using the case of land privatization to demonstrate the actual and potential pitfalls that must be faced by societies and the governments that represent them as they move from one form of society to another. This chapter also describes the political efforts and the fight to legalize land privatization and ownership. Though all Mongolian political parties agree that land privatization is necessary, some parties, basing their position on political values, criticize the government for being unprepared for land privatization. Also discussed are the main arguments related to the social aspects of today's society and its influence on the issues.

There are two sets of competing values. The first is that of the traditional nomadic mentality that resists the concept of land privatization. This is one psychological aspect of the nomadic worldview of the Mongols. The second is that of the political elite (of both government and opposition parties) that supports land privatization as necessary concomitant to transform Mongolia into a modern society.

## **HISTORICAL CONTEXT: NOMADIC LIBERTY VERSUS LAND OWNERSHIP**

The Hunnu Empire, the nomadic people's first empire in what is now Mongolia, was founded in 209 BC.<sup>1</sup> The current heritage of Mongolian statehood has profound roots in the Hunnu Empire.

The very first border agreement between Mongolians and Chinese was made by the Shanyui (king or emperor) of the Hunnu Empire and the emperor of the Han dynasty in 198 BC. The Spring and Autumn sessions of the State Great Hural (Mongolia's parliament) have their origin in the Hunnu Dynasty.

One of the principles of nomadic statehood, perhaps the most important one, was stated by Modun Shanyui, the first Shanyui of the Hunnu dynasty. He said: 'the land is the ground of the state'. Later, this quote was interpreted as a restriction of land ownership and the precept was strictly followed by successors of the nomadic statehood heritage. The state enjoyed a monopoly on control of the land and land was the foundation of nomadic liberty.

Nomadic liberty is fundamental. Mongolians as a nomadic nation do not like boundaries or limits. The mentality and lifestyle determined by animal husbandry cannot simply recognize any limits in any dimensions, including time and space. Liberty for Mongolians means 'no limits'. Many Mongolian folk tales and myths conflate time and space as they ignore the, to them, artificial boundaries imposed by these constructs.

Unlimited nomadic activity means that there can be no private ownership of land. Land in a nomadic society is like the air or the ocean, it is impossible to divide and possess. It is not even public property, but simply a limitless expanse where we live and move. Nomads want to travel everywhere and across everything, without any limit. Can you imagine their thoughts if a stranger appeared before them, saying 'This piece of land is mine' and prohibiting them to go across it? To own a little piece of landmass of the universe, saying 'It is mine', sounds to them like 'this cubic meter of air is mine, so, you cannot breath it!'. It is impossible to imagine.

One reason for the Mongol Empire's greatness was the absence of any understanding of 'border', of land limits. The nomads were just traveling and looking for good pastureland. When they saw a settled town or cultivated area, they did not understand the different culture and lifestyle. In the same way, the

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<sup>1</sup> However, there is discussion among scholars (especially those of inner Mongolia), who are well versed in ancient Chinese historic documents and characters, attempting to prove that the history of nomadic statehood precedes the Hunnu Empire by more than three hundred years.

settled cultures too, usually described nomads as barbarians. Thus, the leader of the town would say, ‘go away from our land’, and the Mongols would get angry and destroy them. It was the clash of civilizations of the day.

Modun Shanyui’s original testament is alive today (indeed, even the great Chinghis [Genghis] Khan was not so brave as to break this testament) and all Mongolian dynasties have followed these words. There is no societal tradition of private land ownership, but today, with the move to an urbanized and settled society the issue has to be rethought.

## **POLITICS AND LEGAL RULE**

There have been attempts to privatize land in the past. The Uigur and Kidan dynasties implemented a policy to privatize land under the influence of (Chinese) settled cultures. Unfortunately, these attempts were ended by the collapse of their mighty dynasties. A third attempt was made during the Bogd Khan Kingdom of Mongolia (1911-1924), but the result was the same, and was ended by the people’s revolution in 1921. All three attempts were taken under the influence of powerful and imperialist neighbors and the results were quite destructive. The current process is the fourth attempt at promoting land privatization.

During the Communist regime all land was state property. The 1960 Constitution stated that:

All land, treasures under it, forests, rivers, their resources, state enterprises, mines, Power Stations, railroads, highways, air and naval navigation, communications, banks, agricultural industries, social welfare facilities, basic apartment and buildings stocks, raw materials and products of state industries, commercial organizations, cultural and scientific facilities and all property of state organizations shall belong to state ownership and are the property of the people. <sup>2</sup>

The statement is, of course, an example of Communist ideology, centralizing the economy and restricting private property. Concurrently, it strengthened and harmonized with the Mongolian traditions of state monopoly on land. Consequently, there were no land-related social problems in Mongolia during the Communist regime.

The democratic revolution led to the concept of land privatization as a basic tenet of economic reform. In 1992, during discussions over a new

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<sup>2</sup> Article 10. The Constitution of The People's Republic of Mongolia, adopted in 1960. It was the third and last Constitution of the Communist regime, terminated by the New Democratic Constitution in 1992.

constitution, one of the thorniest issues was over an article in the new constitution on land. The draft of the constitution presented a completely new idea (for Mongolia) of land ownership and granted citizens of Mongolia the right to own private land. Discussion of this specific article lasted ten days and the result was that restrictions on the ownership of pastureland would remain, but private ownership would be permitted for land near the big cities. The 1992 Constitution stated:

Only a citizen of Mongolia may be permitted to own land, except pastureland and areas under public and special use. This provision does not apply to the ownership of the subsoil thereof. A citizen shall not transfer his or her private land to foreign or stateless person in any manner of selling, bartering, donating or pledging, nor give others possession or usage without the permission of the respective government authority.

The Government may hold landowner responsible in regard to land, or change land on basis of national necessity. The Government also may terminate land ownership in the case of that land being used against the public health, environmental protection and national security interest.

The Government may allow temporary usage of land by a foreign or stateless person with payment in accordance with law.<sup>3</sup>

This was a compromise between the two sides of the debate but at least caution about the concept of private ownership may be seen. The debate continues today.

In order to implement the Constitution, the Law on Land of Mongolia was adopted in 1994. It had a specific provision allowing citizens to own private land but this was not implemented. The government of the day, which consisted of ex-communists of the Mongolian People's Revolutionary Party (MPRP),<sup>4</sup> decided to delay land privatization.

Democratic forces, as they usually call themselves, have always pursued land privatization. In 1996-2000 there were several attempts by the government, which by then consisted of leaders of the Democratic Coalition,

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<sup>3</sup> Paragraphs 3, 4 and 5, Article 6, The Constitution of Mongolia, adopted in 1992 by the People's Great Hural of the People's Republic of Mongolia. It was Mongolia's first democratic constitution and the result of the peaceful and bloodless democratic revolution of 1990.

<sup>4</sup>The former communist party of Mongolia. It was founded in 1921. The party ruled Mongolia for over 70 years and is still one of the major parties of Mongolia.

to adopt a Law on Land Privatization.<sup>5</sup> But the attempts faced strong resistance from the one-time communist opposition leaders of the MPRP. The opposition's main argument against land privatization was that society was not yet ready. The opposition prevailed.

Despite the political arguments and counter-arguments and a series of political crises in which each side blamed the other for delays in the privatization process, the government finally decided to issue certificates of land possession and use to implement the 1994 Law on Land and to promote economic and social reform. Citizens now have the right to possess land for sixty years in accordance with the law, but in practice the license term was limited to only one year during the MPRP government before 1996. The certificates changed this situation, granting citizens the right to possess land for minimum terms of fifteen years. The certificate may be purchased by one individual and may be transferred through inheritance.<sup>6</sup>

The issuance of the certificates has had a tremendous impact on society. Land was already being bought and sold but such purchases were illegal. As soon as the certificates were issued, land purchases was legalized, and the market became much more active. Technically, this was not a real estate sale but the sale of a certificate of land possession and use. However, it was in fact the purchase of land. Moreover, the certificates re-emphasized a change of perceptions about land and its relationship to society and social activity.

Land is now in demand and prices have risen. Taller and taller buildings are being constructed. Cities, mainly Ulaanbaatar, have begun to spread.

Legally, land is still technically state property, but in practice is not. As such, the concept of land possession is ill-defined and developing in a chaotic way. Land claimants typically erect fences marking what they believe to be their possession. The size of an individual land tract is often limited only by its location and access to infrastructure. There has been almost no registration. The government has been unable to exercise its powers as the ultimate owner, technically, of land, and civil servants have been deeply corrupted.

The government established as a result of parliamentary elections in 2000, in a change of its position before 1996, is keen to promote land privatization.

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<sup>5</sup>The coalition was the ruling political force in Mongolia from 1996 to 2000. It consisted of the Democratic Party of Mongolia, Social-Democratic Party of Mongolia and National Progress Party of Mongolia. The coalition was broken up in 2000 and later reunited as a new party, the National Democratic Party of Mongolia (NDPM). It is one of the major parties of current Mongolian political life.

<sup>6</sup> Section 2, Article 30, Law of Mongolia on Land.

The government's most reformist step has been the adoption of a new law on land privatization. On 17 June 2002, the 'Law on Allocation of Land to Citizens of Mongolia for Ownership' was adopted nearly unanimously by the State Great Hural. However, there was some dissension, even within the government, about whether Mongolia was ready for private ownership of land.<sup>7</sup>

A small opposition party, the Civil Courage Republican Party (CCRP),<sup>8</sup> supported land privatization but was also concerned that land privatization without any preliminary program for preparing for it might have tragic consequences, going against all traditions and morality. The CCRP called for a concrete program implementation plan that would first prepare the country for this momentous step. Professor Dashnyam L. Goroechin, one of the CCRP leaders and a presidential candidate in 2001, emphasized that privatizing land was not to be taken lightly, invoking the testament of Modun Shanyui and Mongolia's nomadic heritage.<sup>9</sup>

The CCRP leaders warned the government that land privatization without any concrete strategy of implementation could have tragic consequences similar to or worse than a scandal surrounding the privatization of small and medium-sized enterprises. They also cited results of a research project by specialists from the University of California, under contract to the government of Mongolia, which concluded that 'privatization in Mongolia was completely unsuccessful. Shareholders existed only in theoretical terms, but not in real life'.<sup>10</sup>

The 'Law on Allocation of Land to Citizens of Mongolia for Ownership' is the first decisive break from the two thousand year-old testament of Modun Shanyui. and the most serious challenge to the nomadic heritage, mentality, and lifestyle. It is shaking all of society and public opinion remains divided; city-dwellers welcome the law, but nomads in the countryside look at it with deep misgivings.

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<sup>7</sup> '2.400.000 *irgen gazar omchilno*'. (2.4 million citizens may become land owners). Report from Party group session of Parliament. *Odriin Sonin* (Daily News) 11 June 2002, No. 143 (1016).

<sup>8</sup> The party was founded in 2000 by one of the political factions of the Democratic Coalition. Since its establishment the party is recognized as the third force in current Mongolian political life, next to the two major parties, the MPRP and the NDPM.

<sup>9</sup> G. Otgon, 'Gazriig omchluulebiig yagaan tasalbariin budliantai zurlev' (Land Privatization is Compared to Privatization by Security Stock Scandal) *Zuunii medee* (The Century Sensation). June 18, 2002. No 151 (1037).

<sup>10</sup> *Ibid.*

**TRADITIONALISTS VERSUS PRIVATIZATION SUPPORTERS**

The land privatization law is the clearest example of the changing mentality in Mongolian society and is part of the current Mongolian cultural conundrum. Mongolian society is composed of two different cultures: nomadic and urban.<sup>11</sup> More than two thirds of the population is settled in an urban area, but animal husbandry is still a significant component of the economy.<sup>12</sup>

The nomadic heritage is now facing a transition to settled culture and urban life. This is the most difficult problem for Mongolian culture and society today. On the one hand, there is an attempt to preserve national identification and cultural heritage, but on the other there is the unavoidable phenomenon of urbanization. Many of the customs appropriate for the nomadic lifestyle do not fit well in an urban lifestyle.

However, as the government is pursuing land privatization, social opinion is divided. One group supports land privatization for economic reasons, saying that land ownership is a part of global culture and is unavoidable. The other side recognizes the winds of change are blowing but believes land ownership must be limited. They resist complete land privatization or the transfer of the land from state ownership to private property. Extremists within this traditionalist group, whom I would refer to as ultra-traditionalists, call on the people to protect '*bel, bil, mal*' or 'land, language and animals.'

Ts. Nyam-Osor, leader of an ultra-traditionalist party, has penned a naïve and romantic image of a 'pure Mongol state' of the future. He imagined a Mongolia in which there were no cities or towns; everything should be movable and nomadic. Mongolians should live in traditional *kbots*.<sup>13</sup> The president should have one *kbot*, consisting of his administration and counselors, in a place surrounded by the beauty of nature. The prime minister should also have a *kbot*. Each minister and parliament member should also have his or her own *kbot*.<sup>14</sup>

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<sup>11</sup> Alicia J. Campi. 'Moving Mongolian nomadism into the 21<sup>st</sup> century: Cultural and ecological preservation coupled with economic vitality and national security', Research thesis (Washington, 1997), p.7.

<sup>12</sup> 'Human development report Mongolia 1997', (Ulaanbaatar, 1997), p.3.

<sup>13</sup> A nomad unit that consisted of several families. Historically, a khot consisted of ten families and has been the basic administrative and military unit in Mongolia since the Hunnu Empire. After the collapse of the communist regime and disintegration of 'negdel', the centralized socialist animal husbandry unit, herders organized in the form of khots again. But the khot is no longer an administrative unit, simply an animal husbandry unit.

<sup>14</sup> Ts. Nyam-Osor '*Minii medeb Chingis*' (Chinggis [Genghis] Khan As I know) (Ulaanbaatar, 1995), pp.19-22.

Ultra-traditionalists consider poverty, famine and luxuries to be a phenomenon of settled culture. In the history of Mongolia there has not been one single famine. Famine was a kind of natural selection, and one who was starving just died somewhere on the great. Hunger and famine were not viewed as a social problems, but as an individual struggle against nature. There were no street children, only orphans who were taken care of by the tribe.

We may see, therefore, that the question ‘to be or not to be’ for Mongolia as a nation, is hidden in the nature of disputes over whether to privatize the land.<sup>15</sup> Land privatization, in this formulation, is a matter of national security and concerns the existence of Mongolia itself. Resistance to land privatization is supported by herders and traditionalist philosophers and poets.

Supporters of land privatization usually explain the matter from an economic point of view.. D. Oyunchimeg, former vice-director of the State Department of Geodesy and Cadastral Mapping, says that ‘if we do not privatize the land we will be like a poor man sitting on a treasure’.<sup>16</sup> She explains that eighty percent of national wealth is in the land. In the global financial and banking system, eighty to ninety percent of all loans are granted for land purchases. Her calculations are that about twenty thousand hectares (fifty thousand acres) of land in cities and towns will be privatized and that one hectare costs approximately US\$400,000. This makes the land worth some US\$8 billion. That would represent a huge investment in the national economy.<sup>17</sup> The significance of the money becomes clear if one compares it to the US\$874.6 million foreign debt Mongolia incurred in the last decade.<sup>18</sup> There is about another US\$10 billion in foreign debt owed to Russia from the period of the communist regime.

Supporters of land privatization do not worry much about the impact it will have on national security and cultural identity. If land belongs to private owners, related cultures will simultaneously emerge. The same tendency is

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<sup>15</sup> Khavkh N. Sanjmytavtoin. ‘*Mongolchuudiin gazar ezemshib ulamjalt togtolcoo hiigeed nuudliin soyol irgensbil (mal aj abui)*’ (Mongolian Traditional System of Land Possession and Nomadic Civilization (Animal Husbandry) ‘*Undesnii Ayulgui Baidliin Uzel Barimtlalin Shinjleh Ubaanii Undes; Erdem shinjilgeenii hurliin embetgei*’ (Scientific Rationales for National Security Concept: papers presented to scholars' conference) (Ulaanbaatar: National University of Mongolia, The Institute for Strategic Studies, 2001), p.79.

<sup>16</sup> D. Oyunchimeg, ‘*Gazriig es huwichebal Altan deer sunsan Guilgachin bever ulden?* (Poor Man Sitting on a Treasure; Land Privatization), *Zuunii Medee* (The Century Sensation). 28 June 2002. No. 160 (1046)

<sup>17</sup> *Ibid.*

<sup>18</sup> S. Oyun. ‘*Mongoliin Shinechleliin Huvi Zaya?* (The Current Political, Social and Economic Situation in Mongolia and the Fate of Transition) (Ulaanbaatar, 2002), p.17.

possible to observe even today. After privatization, the tendency will be even more serious and active, because it will have a practical economic value<sup>19</sup>.

Supporters of land privatization even have some radical opinions about re-phrasing the constitutional provision. The Constitution permits only citizens of Mongolia to own land. Some say this is unfair and must be changed to all persons, including foreign and stateless persons. 'Let some John, Ivan and Zhan have private land in Mongolia, and the national interests of America, Russia and China will concentrate here', they say.<sup>20</sup> Therefore, land ownership by foreign citizens will have no negative impact on national security, only a positive one.

It is difficult to say which one of these two views is correct. One is too romantic, sometimes even naïve. But other is too utilitarian and almost ignores its affect on culture and society. If the next century will be the era of a 'clash of civilizations' as foreseen by Huntington, this civilizational aspect must not be ignored.

### **GENERATIONAL AND CULTURAL CHANGE**

Traditionalists are not very active in Mongolian politics, but are more so in cultural spheres. Generally, all major political parties agree on land privatization. Even the conservative party, the CCRP, supports it provided that preparatory and implementation programs are first put in place.

This broad support for land privatization may be explained by the following social and economic developments.

Mongolia is one of the most youthful countries in the world. Seventy-five percent of the population is under thirty-five years old, a trend that gained pace in the rapid urbanization of the 1970s and 1980s. It is driving people away from the nomadic life. Many people are third- to fifth-generation city dwellers. Youths today are attracted to a western lifestyle, not the nomadic traditions of generations ago. They are filled with a radical desire to reform every sphere of life. The urban lifestyle, which took root under the cultural influence of Eastern Europe during the communist regime, has provided fertile ground for the development of liberal ideas. This urban liberalism is eager to abolish any tradition that stands in the way of the construction of a new civilization.

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<sup>19</sup> Oyunchimeg, *op.cit.*

<sup>20</sup> *Ibid.*

Immigrants from rural areas to cities feed this mindset because they come to cities seeking an opportunity to improve their lives. The development of urban culture means more opportunity for them. More than two thirds of the population is now settled in urban areas.<sup>21</sup> This shows that Mongolians are no longer nomads, but have become settled or semi-settled people.

Only some twenty-five percent of the population lives in the countryside, following a traditional way of life. This means that the majority of the population is already in a settled cultural environment. More than twenty-five percent of the population lives in Ulaanbaatar. Another ten percent lives in four other major cities: Darkhan, Erdenet, Choibalsan and Choir. Others live in small villages or province towns.

In the twentieth century the government of Mongolia always supported urbanization. American scholar Alicia J. Campi presented the following data:

Mongolia began the twentieth century with a very rural population. In 1925, 86.6 percent of the people were self-employed herders and craftsmen. In 1956, 78 percent of the people lived in the countryside. By 1989 collectivization and urbanization policies turned 72 percent of the people into factory workers and public administrators. The rural population was down to 27.8 percent... In 1990 35.5 percent were in industry, 28.2 percent in trade, and only 18.7 percent were in [nomadic] herding'.<sup>22</sup>

However, nomadic animal husbandry is still an important part of the national economy of Mongolia. In the last decade, economic growth was observed only in animal husbandry, in which all animals were privatized and herding was based on private initiative. Some observers wondered if Mongolia was stepping backward into a feudal society based on primitive business relations.<sup>23</sup>

In fact, the rapid growth of livestock exceeded the natural productivity of the pasture lands. There are twenty-six million head of livestock,<sup>24</sup> but Mongolia's pasture land cannot sustain those numbers. The result of this

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<sup>21</sup> 'Human development report: Mongolia 1997' (Ulaanbaatar, 1997), p.3.

<sup>22</sup> Campi, *op.cit.*

<sup>23</sup> Ole Bruun, Per Ronnas and Li Narangoa, *Mongolia: Transition from the Second to the Third World?* (Nordic Institute of Asian Studies: Stockholm, 1998). The book analyzed Mongolian social and economic developments in the last decade and expressed concern about Mongolian steps backward.

<sup>24</sup> G. Purevbaatar. 'Manai Eדיin Zasag, Ekologiin Ayulgui Baidal Suirliin Irmeg deer Baina (Economic and Ecological Security of the Country is Seriously Threatened), *Odriin Sonin* (Daily News) 17May 2002, No. 123, 124 (996, 997).

imbalance, combined with recent harsh winters in Mongolia, devastated herders in 2000-2002.

Natural conditions in recent years have hastened the decline of nomadism. The Zud, the harsh winter and heavy snow, was nature's way of balancing animal numbers and pasture capacity. In 2001-2002 some 4.2 million head of livestock were lost. The herders faced a third harsh winter the following year and specialists expected that about three million animals would die.<sup>25</sup> The Zud is a natural disaster that has a crucial impact on the nomadic economy. As a result of the Zud, nomadic animal husbandry is gradually being pushed out of the economy.

The communications, computer services, and banking sectors are aggressively taking the place of animal husbandry in the Mongolian economy. This has contributed to the weakening of nomadic traditions in society.

The declining economic significance of nomadic animal husbandry lends impetus to land privatization. In a typical scenario, families from rural areas come to cities and build fences around tracts of land for their private use. This usually triggers a dispute with the city administration. The administration says the land belongs to the city, but the rural families say they have nowhere to go. Finally, the city permits the family to stay where they are or moves them to another site, provides all the necessary documents granting a land lease to the squatters. Now, people migrating to the cities support the law on land privatization, expecting to obtain land of their own.

Rapid urbanization and the decline of animal husbandry has changed the nomadic mentality in a radical way. Campi observes correctly that 'Mongolian intellectuals for generations have been taught to regard the herders' life as non-progressive, old-fashioned, even though the repository of Mongolian heritage. The urban life is viewed as modern and somehow better despite the accompanying pitfalls'.<sup>26</sup>

In view of generational change and the urbanization process, the nomadic tradition of the Mongols will likely be even more quickly abolished and replaced by the modern or post-modern lifestyle of today's information society.

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<sup>25</sup> *Ibid.*

<sup>26</sup> Campi, *op.cit.*

### **CONCLUSIONS: CULTURAL TRANSITION TODAY**

In a narrow spectrum, land privatization is only a matter of changing traditions and the regulation of land capacity. In a wider spectrum, it is one of the expressions of the ongoing painful transition of a nomadic mentality to settled modern culture. The current situation of the Mongolian cultural problem in the case of land privatization can be described as follows:

- €# There is an ongoing process of change in the nomadic mentality. This is the most important part of the cultural transition that began in the beginning of the last century. Nomadic liberty that simply does not recognize any limits has to be changed and is changing now. It will face even more radical changes, or be abolished in the next century.
- €# The Constitution provides for land privatization and all political parties agree with it. They generally ignore the opposite opinion of the traditionalist minority. But there are many questions for them to address, such as when land privatization should be launched, how and by what strategy the policy should be implemented, and how the right of land ownership must be limited.
- €# The government and all political parties wish to change the traditional mentality as well. Implementing land privatization will affect nomadic values, which all Mongolian traditions are based on. Because of this, the policy must be well-planned and carefully implemented.
- €# The opinions of traditionalists are not taken too seriously. The arguments that they use are somewhat naive and romantic. But the truth is, land privatization has a great impact on Mongolian culture and this impact must not be ignored. On the other hand, the arguments of supporters of land privatization are too utilitarian. They ignore the social and cultural aspects of this momentous change.