



AMCHAM MONGOLIA POLICY BRIEFING

PARLIAMENTARY ELECTION GUIDE

JUNE 2024



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BACKGROUND

Mongolia will hold its 8th parliamentary election on June 28, 2024.

Mongolia is a young democracy recognized by the international community for holding fair, democratic, and peaceful elections for over 30 years, except for one major protest with casualties following the parliamentary elections in 2008.

This year's elections will be unique, given the approval of a new electoral law and amendments made to the Constitution of Mongolia in June 2023; the number of seats in Parliament was increased from 76 to 126. The elections will be held using a mixed system of majoritarian representation for 78 seats and proportional representation for 48. A party majority requires 64 seats.

The Parliamentary Election Guide provides an overview of the new election system, the amendments to the Constitution, a comparative review of the major political parties' platforms, and AmCham's recommendations for supporting a free market and free enterprise.

AmCham Mongolia is an unbiased, non-partisan organization representing the interests of its members. The Chamber is committed to constructively engaging with newly elected authorities regardless of their political affiliation.



Constitutional amendments and a new election system

Twenty-one political parties and coalitions submitted materials for a [record number](#) of 1,336* candidates. There are also 42 independent candidates running for seats.

Constitutional reforms ensure the fair distribution of seats and a better representation of diverse voices. This will enhance legislators' service to their constituencies and improve responsiveness and accountability.

Mongolia's electoral districts were adjusted, bringing the total number of districts down from 29 to 13, with seven provincial districts and six municipal districts. The [latest changes](#) made for this election were designed to refocus the electoral system at the regional and national levels, increase transparency, strengthen multi-party governance, and encourage more women and young people to engage in the electoral process.

Election campaigns are limited by law to a specified 14-day window. The limited timeframe makes it challenging for new and young candidates to reach voters, particularly in the large electoral districts. On the other hand, voters may be overwhelmed with an influx of candidate information. Voters in some districts will have to choose from 100 to 300 candidates for 10 seats.

The electoral changes and their implications will likely increase the focus on national rather than specific constituency issues while increasing spirited debate within Parliament.

A concern for the Mongolian parliamentary elections is the [decline in voter turnout](#). It is important to promote the participation of a diverse group of young people during elections, including mechanisms to expand opportunities for youth with disabilities to be informed and included in voter representation.

A comparative overview of political party platforms

The [platforms of the major political parties](#) are similar in some key principles and in addressing Mongolia's development challenges. All political parties have reiterated their commitment to fundamentally democratic values, freedom, a free market, support for the private sector, and investment promotion.

However, it is essential that rhetoric translates into policy action to support the country's private sector-based development path and retain and attract investment.

*https://asiahouse.org/research_posts/2024-mongolia-election-analysis/#_ftn1

*<https://thediplomat.com/2024/01/challenges-in-mongolias-upcoming-election/>

*<https://ikon.mn/elections/2024>

THE MONGOLIAN PEOPLE'S PARTY

The Mongolian People's Party (MPP) was founded as a communist party in 1920 and is the oldest political party in Mongolia. Following independence, it governed Mongolia as a one-party socialist state. The MPP remained as Mongolia's governing party after the 1990 democratic revolution until it was defeated in the 1996 election. From 2004 to 2008, it was part of a coalition government with the Democratic Party and Motherland Party. The party returned to power following the 2016 election and retained its supermajority in 2020.

The MPP's 2024 political platform is primarily based on regional development goals. A significant section of their party platform refers to a detailed outline of social and economic development goals for the Khangai, Western, Northern, Gobi, Central, and Eastern regions and promotes a "20-minute smart and resilient to emergency" concept for Ulaanbaatar's development.



**МОНГОЛ
АРДЫН НАМ**

THE DEMOCRATIC PARTY

The Democratic Party (DP) emerged as an alignment of smaller pro-democratic parties following the country's democratic reforms and has been the major opposition party for many years. In 2012, the DP won 34 seats in the country's 76-seat unicameral legislature, which was only a handful short of the simple majority requirement to unilaterally govern the country. The DP suffered a severe loss in the subsequent election, with the MPP obtaining a supermajority in 2016. In June 2020, the DP won 11 of 76 seats in Parliament. Until 2022, the DP has had internal divisions and faced leadership challenges. In 2023, L. Gantumur was appointed chairman of the DP.

The DP's agenda for the 2024 parliamentary elections is based on a combination of policy initiatives targeting specific population segments and regions structured by electoral districts. A notable section of the platform contains policy reforms in financing and access to social and economic services for various population groups, including youth and industry-specific segments (e.g., self-employed, construction workers, etc.).



THE HUN PARTY

HUN Party (KHUN) was founded in 2011 as the National Labor Party. The party branded itself as a newcomer to Mongolian politics, emphasizing human-centered policies, fighting corruption, and promoting transparency. In 2020, it won one seat in the State Great Khural with the Social Democratic Party and Justice Party as the Right Person Electorate Coalition. In 2022, the National Labor Party changed its name to the HUN Party and declared the party's political position as center-right. In the 2021 presidential election, the party's candidate won second place, with over 20 percent of all votes, outmaneuvering the Democratic Party as the main rival to the MPP for the first time.

The HUN Party's platform in 2024 states that it will promote a small, efficient, and professional corruption-free government that respects human rights. The party's platform focuses on supporting investment in the well-being of Mongolians through inclusive, equal, and quality education and quality medical services by implementing pension reform.



Please refer to the Annex for a table comparing the platforms of the three key political parties on major development issues.

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AmCham Mongolia's policy recommendations

AmCham Mongolia is a politically neutral chamber that advocates for an enabling business environment in Mongolia and promotes U.S.-Mongolia bilateral commercial relations.

The Chamber is committed to constructively partnering with the authorities regardless of political affiliation.

The new government's economic policy agenda will be closely monitored. It is critical to ensure that the government translates pro-investment rhetoric into concrete policy actions.



Policy reforms to support the business environment and regain investor confidence are key priorities. These include the adoption of important pieces of legislation (amendments to the Investment Law and the Minerals Law), revisiting controversial legislation (including laws associated with the Sovereign

Wealth Fund), and concluding long-delayed investment agreements with major investors.

Addressing systemic corruption is paramount to advancing the country's development.

Bold reforms for state-owned enterprises (SOEs) remain an essential policy agenda. The current government has made some fragmented efforts to streamline corporate governance and enhance transparency. However, a comprehensive roadmap with a clear timetable is needed to reform, privatize, and publicly list mushrooming SOEs.



Geopolitical challenges are volatile, and with continued pressure and dependence on Mongolia's two immediate neighbors, more efforts are needed to consistently pursue the third neighbor foreign policy.

The current government is pursuing the New Revival Policy, and it's unclear if the new government will continue the program and what major policy shifts may develop.

The sanctity of contracts is a major issue brought up by investors. There have been cases of attempts to revise existing investment agreements in past years.

The civil service, including mid-level career civil servants, heads of departments, and ministry divisions, will likely face major reshuffling. The current government structure may also be restructured, including the composition and number of ministries and agencies.

ANNEX: A COMPARISON OF THE MAJOR PARTIES' POLITICAL PLATFORMS

Key policy issues	MPP 	DP 	KHUN 
FDI	Protection of ownership rights and the intellectual property of investors	Criteria and capital requirements for foreign investors should be defined by sector	pro-FDI
SOE reforms	Corporate governance of SOEs should be enhanced, making them publicly-listed companies on the Mongolian Stock Exchange	Streamline the corporate governance of SOEs; introduce transparent, merit-based staff recruiting and promotion	Make SOEs public companies on the Mongolian Stock Exchange; increase independent board membership to 50%
Innovation and digital transformation	Expand the E-Mongolia system using generative AI technology to fully digitalize public services and licensing	Promotion of the digital economy and nurturing e-commerce to become a driving force for the economy	Support innovation, create tax-free IT and economic zones, privatize E-Mongolia, digitalize voting, and allow Mongolians living abroad to vote online
Economic reforms	Energy sources will be doubled through the development of several power plants	Stimulate economic growth by expediting mining exploration projects and undertaking mega projects in line with the global shift to a green economy	Private sector-based economy
Fighting corruption	Establish an independent court to deal with corruption cases	Anti-corruption efforts will tighten liability for corrupt officials and enhance recovery from corrupt practices	Appoint senior leadership of the Independent Authority Against Corruption and the National Audit Office from opposition parties

Foreign affairs, third neighbor policy	Advance commercial and economic relations and attract investment from the U.S., EU, Japan, India, and other countries to advance the third neighbor foreign policy	A national energy independence program will be implemented with third neighbors to develop nuclear and renewable energy projects	Promote the third-neighbor policy while maintaining strategic partnerships with Mongolia's two neighbors; implement a diaspora education program to educate Mongolian children living abroad
Public service reform	Some public services will be outsourced to the Mongolian National Chamber of Commerce and Industry	Comprehensive civil service reforms to deal with overlap and functional and organizational redundancies	Reduce the number of public servants by encouraging merit-based performance
Rule of law	Comprehensive reforms to enhance the accountability of judges and regain public confidence in fair and just judicial processes	Reforms for clear distinctions between prosecutors, attorneys, and investigators' functions; Witness and victim protection are critical, and marshal service will be re-established	Promote the rule of law and respect for human rights among law enforcement agencies and public servants
Political reforms	A legal framework will be put in place to provide independent oversight of Members of Parliament and recall them based on no-confidence votes from constituents	Advance legal reforms to adhere to the fundamental principles of the Constitution and human rights	Elect a president from a national assembly represented by rural constituents
Business environment	Minimize state intervention and ensure that the state will not compete with the private sector	Nurture start-ups by providing tax incentives and creating an enabling business environment	Develop and implement a comprehensive policy for attracting investment and trade to Mongolia; Economic diversification through less dependence on the mining sector
Tax reforms	Provide tax incentives for green procurement and goods contributing to reduced carbon emissions	Comprehensive reforms of the VAT tax regime	Comprehensive tax reform: improve the legal environment and adopt progressive tax

