

## ***Lessons Learned or Still High Political Temptation? The Case of Mongolia (Summary)***

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Over the last decade Mongolia has navigated stormy global economic and financial times. However, state institutions are still not mature enough to adapt to the free market challenges they face. With its past socialist inertia, Mongolian policymakers are still dealing with voters who lack modern education on how a liberal state should function. While Mongolia has a young vibrant democracy, this has encouraged short-term election-motivated (even debt-fueled) “policies” rather than providing long-term, solid reforms that would encourage healthier state

regulation. The biggest lesson for Mongolia is that too much politicization of economic and fiscal issues leads to a cyclical and unstable monetary and budgetary policy. Mongolia should have invested more in public education and policy liberalization to avoid volatility and extreme shifts in its political landscape. Open and participatory policymaking, with stable implementation and routine evaluation, can better serve all-round growth.