

**MEETING OF THE COUNCIL OF THE SOCIALIST INTERNATIONAL
Cascais, Portugal, 4-5 February 2013**

**THE WORLD ECONOMY, OUR VISION FOR GROWTH, JOBS AND
SUSTAINABLE DEVELOPMENT**

3 main themes on the agenda: (I) The Eurozone Crisis: From here, which way forward” (II) Emerging and Developing Economies in an Out of Crisis’ Strategy” (III) “Multilateral Institutions and other International Actors in the Search for Fair and Sustainable Answers”

Chosen Agenda 2 “Emerging and Developing Economies in an Out of Crisis”

- On behalf of the Mongolian People’s Party, to extend warm fraternal greetings
 - Thank the Portuguese Socialist Party for hosting this event
 - MPP should be an active voice of the Socialist International in the Asia-Pacific region
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- Mongolia transformed itself into a vibrant multi-party democracy and fast growing economy over the last 20 years.
 - Under our Government, Mongolia entered into a phase of major economic take-off driven by the exploitation of its vast mineral resources (mining constitutes 20 % of GDP). Now the issue is to maintain the growth dynamism.
 - MPP, which led the Coalition Government during 2008-2012, paved the way for GDP growth, which is projected to continue at a double digit pace in the period of 2013-2017.
 - MPP, as center-left political force, worked hard to translate the economic growth into real benefits for the people of Mongolia. In fact, the current history of Mongolian development shows that the only way for progress in a country with the communist past is the cohesive left-centric policy.
 - Our party at the onset of the transition understood that the people with the complete equalitarian past, cannot digest a sudden move to the capitalist system with extreme polarization between the “haves” and “have nos”.

- Therefore, our party vowed for equitable society with a fair distribution of wealth and with a strong social security system. We understood from the early stage that such a system will preserve the social balance and cohesion, which will facilitate a smooth transition to a stronger market economic system.
- However, the consistent pull to the right by our competitor-party throughout the early transition period (especially between 1996-2000) had led Mongolia to such a right swing that we ended up with an extremely polarized population. Now our competitors have comfortably moved to the left quarters and competing with us in being “left”, blaming us in the rightist results. Therefore, Mongolia, thanks to its natural riches, has found itself not so much in the economic crisis as in the ideological crisis. Getting out of the bite of these vices is the real challenge we are facing today.
- We being a leftist party in power consistently tried to realize the social-welfare oriented policies. And we have achieved certain results, which are being exploited by our competitor-party in their favour today.
- Poverty has been on a downward trend and it decreased from 39 percent in 2010 to 29 percent in 2011
- Our Party delivered its promise to provide economic assistance to those who really need it and we progress in implementing the MDG-s at the national level.
- However, Mongolia faces many challenges in order to ensure sustainable and inclusive growth.
- For instance, there is need to strengthen institutional capacity to manage public revenues more efficiently and avoid the so-called Dutch disease, also eliminate the disparity of living conditions in urban and rural areas, improve infrastructure.
- However, the current political forces, who have formed the Coalition Government, represent diverse political extremes, including far-right and far-left parties
- Such a contradicting blend of ideas, naturally, lacks systemic consistency, and, thus, makes it even more

- difficult to address the present challenges, leading to more polarization among political forces and increased populism
- In this time of increased economic interdependence, the current crisis has exposed the vulnerability of globalization
 - It has made it clear that the laissez-faire approach has its limits: market liberalization is not a guarantee of growth, free markets do not automatically serve the public interests
 - As Progressives, we need to put extra efforts to re-educate our peoples about the core values of the center left social democracy: social justice, dynamic business environment, effective Governance, increased international cooperation. In these hard times, we should not let populists misinterpret the reality
 - For the MPP, it is of foremost importance to review our past lessons and offer a dynamic debate on the role of State, more equitable distribution of wealth
 - There is not a clear-cut recipe to cure all ills, so this Meeting of the Presidium of SI, represents an opportune occasion to share our ideas and find solution in this time of global crisis