

Unemployment and Impoverishment in Mongolia: A Close Look at the Reality

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I. Introduction

"Mongolia's transition from a socialist to a democratic state has brought huge benefits offering fresh vistas of political and economic opportunity. But not everyone has gained in the first decade of the transition" (Human Development Report Mongolia, 2000, p.9). Owing to the relatively well-maintained social protection system put in place during the communist era, Mongolia was able to claim certain successes in its social development prior to the 1990s. However, the social protection system has deteriorated along with the deterioration of the economy during the process of transitional reform. At the same time, new social problems have emerged, such as unemployment and poverty.

The results of the two Living Standards Measurement Surveys (LSMS)¹, which were conducted in 1995 and 1998, revealed a strong correlation between unemployment and poverty in Mongolia. Furthermore, in 2000, a survey based on a participatory approach - the first of its kind - enabled poverty statistics to be augmented with qualitative indicators. This "Participatory Living Standards Assessment" (PLSA)² again demonstrated that the source of poverty is decreased employment opportunities. Moreover, it reported that the deepening of income poverty leads to other types of poverty, such as human insecurity, poor access to institutions, weak governance and corruption.

Indeed, the Population and Housing Census of 2000 (hereafter referred to as the 2000 Census)³ reported an unemployment rate 3.8 times higher than the country's official rate. Therefore, this paper tries to gain some insights into the true situation in Mongolia regarding unemployment and impoverishment, which continue to be the most critical problem affecting the nation.

II. Discrepancies in Registered and Actual Unemployment

During the initial years of Mongolia's economic transition from a centrally-planned economy to a market-oriented one, the start of which dates back to the early 1990s, the Mongolian economy underwent a substantial

contraction followed by a lengthy recession. It experienced consecutive negative growth of 2.5-9.5% in 1990-1993, although the economy began to regain its momentum from 1994, to some extent. GDP grew at modest rates of 1.1-4.0% in 1994-2001, apart from a surge of 6.3% in 1995.

During the 1990s, there were few opportunities for laid-off workers and new entrants to the labor market to find suitable jobs, as the labor market was shrinking due to a massive decline in industrial activity, especially in the manufacturing sector. The output of the manufacturing sector declined by 72% on 1990 levels in 2000. On the other hand, in years to come, a substantial number of new entrants to the labor market is expected to be accounted for by those who are currently studying, as well as the younger generation reaching working age. 33% of the country's total population was aged under age of 15 as of 2001.

Prior to 1989, unemployment was not officially recorded in Mongolia. However, after 1990, when the unemployment rate began to be officially recorded, unemployment ranged between 4.6% and 8.7%⁴ during the period 1990-2001. Nevertheless, these numbers represented only part of the true picture, as they include only those who had registered with the Employment Regulation Office. According to the 2000 Census, only one in four of those actively looking for a job was registered with the Employment Regulation Office; thus, the actual unemployment rate is said to be 17.5% - almost four times higher than official figures would suggest. The Census numbers indicated that the male unemployment rate (18.2%) was higher than their female counterparts (16.6%), going contrary to the yearbook data (Table 1).

Among the prime reasons for not registering with the office are: (i) a lack of incentives to register due to limited eligibility for and the paltry value of unemployment allowances⁵; (ii) poor development of the labor market, with the Employment Regulation Offices offering only limited services matchmaking job seekers and employers; and (iii) low awareness among the population of the existence and roles of such offices.

¹ Conducted by the National Statistical Office (NSO) of Mongolia in cooperation with the World Bank and UNDP.

² Conducted by the NSO with the assistance of the World Bank and other donors.

³ Conducted by the NSO on behalf of the UNSD and UNFPA.

⁴ The unemployment rate is the proportion of unemployed persons registered with the Employment Regulation Office of Mongolia, to economically active population.

⁵ According to the "Law of Mongolia on the Issuance of Unemployment Allowances from the Social Security Fund", a person will be eligible for receiving unemployment allowance if he/she has paid the fund's unemployment insurance premiums for not less than 24 months, with continuous payments having been made for the last 9 months prior to him/her becoming unemployed. Unemployment allowances are paid to the beneficiary for a maximum of 76 working days.

Table 1 Comparison of Recorded and Actual Unemployment Data in 2000, %

Indicators	Yearbook*	Census**
Total unemployment rate	4.6	17.5
-male	4.1	18.2
-female	5.0	16.6

Source: *-NSO, Statistical Yearbook 2001;

**NSO, Population and Housing Census 2000.

The labor force, or economically active population, is defined in the 2000 Census as the total number of employed and unemployed people aged 15 years old and above (i.e. population of working age) at the time of the census, with a person being considered as employed if he/she worked at least one day during the last week prior to the census data being collected. The unemployment rate is the proportion of the labor force that is not working, but is actively looking for work. It should be noted here that those who could potentially be counted in the labor force were considered to be economically inactive if they did not work during the previous week and were not actively looking for work at the time of the census, because they felt that no work was available for them. These persons were included neither in the labor force figures nor the unemployment ones. They are classified in the census as "discouraged workers". If we take these discouraged workers into account in both the labor force and the unemployed, Mongolia's unemployment rate jumps to 24.7%, and increases further to 33.7% in urban areas (Table 2).

Table 2 Number of Employed and Unemployed Population Aged 15 and Above, 2000

	Total		Urban		Rural	
	Number	%	Number	%	Number	%
Labor force (broad definition) ⁶	1,034,400	100.0	551,900	100.0	482,500	100.0
Employed	779,100	75.3	366,000	66.3	413,100	85.6
Unemployed	164,900	15.9	117,800	21.3	47,100	9.8
Discouraged workers	90,400	8.7	68,100	12.3	22,000	4.6
Total unemployed and discouraged workers	255,200	24.7	185,900	33.7	69,400	14.4

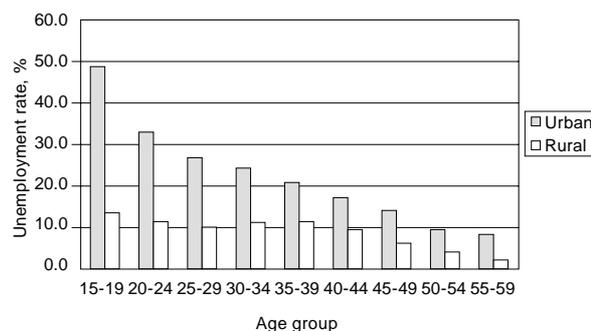
Source: NSO, 2001a.

As the 2000 Census revealed, unemployment rates in urban areas were substantially higher than those in rural locations for all age groups (Figure 1). This pattern was true for both male and female residents (Table 3). Furthermore, the 2000 Census reported that unemployment rates in village and *sum*⁷ centers were higher than in the capital and provincial centers, standing at 30.9% and 27.8% respectively in the former areas, compared with 24.0% in the latter (NSO, 2001c).

Since young people prefer to work and settle in urban areas rather than being employed in agriculture or herding livestock, many of them find it difficult to find work in the limited labor market; at the same time, the percentage of people in this age group entering the labor market is relatively high compared with other age groups. According to data from the 2000 Census, those in paid work employed

by others accounted for 43.1% of the total employed, while self-employed workers and unpaid family workers comprised 56.5% of all employed people in Mongolia in 2000.

Figure 1 Unemployment Rate by Residence and Age Group in Mongolia, 2000



Source: NSO, 2001a.

Table 3 Unemployment Rate by Age Group, Residence and Sex, 2000

Age group	Total, %			Urban, %			Rural, %		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
15-19	25.5	24.4	27.2	48.7	47.1	51.0	13.7	12.5	15.3
20-24	21.0	21.5	20.4	32.8	33.5	31.8	11.2	11.0	11.4
25-29	18.5	19.7	17.0	26.4	28.7	23.8	10.0	10.3	9.7
30-34	18.4	19.0	17.8	23.9	25.7	22.0	11.4	10.8	12.0
35-39	16.9	18.2	15.5	20.5	22.6	18.4	11.4	11.8	10.9
40-44	14.0	15.7	12.3	17.2	19.4	15.1	9.2	10.3	8.1
45-49	10.6	13.0	7.6	13.7	16.8	10.1	6.2	7.9	4.0
50-54	7.0	9.6	2.5	9.4	12.8	3.5	3.9	5.6	1.3
55-59	4.5	5.8	0.9	7.9	9.6	2.1	1.8	2.5	0.3
Total	17.5	18.2	16.6	24.4	26.0	22.4	10.2	10.2	10.3

Source: NSO, 2001a.

Structural changes in the Mongolian economy have affected not only unemployment patterns, but also internal migration. For example, there was a significant decline in urban population in 1998, when the figure fell to 49.6% of the total population from 57.0% in 1989, as a result of increased migration from urban to rural areas due to diminished opportunities and the massive lay-off of workers in urban locations, and increased opportunities in the agricultural sector, especially in livestock farming, arising from the nationwide privatization process. However, these movements were only temporary; due to huge livestock losses in consecutive *dzuds* in recent years, there was a significant movement back to urban areas in 1999-2001, and the number of urban dwellers as a percentage of the total population bounced back, reaching 57.2% in 2001. Nevertheless, there is still insufficient capacity in terms of employment and business opportunities in urban areas to absorb these extra workers; thus, unemployment in urban areas will tend to increase unless robust economic growth alleviates the high level of unemployment (NSO, 2001a).

Moreover, in urban areas, the highest rate of unemployment was reported among the least educated segment of the population, i.e. those who had not

⁶ Labor force (broad definition) is defined as the total labor force plus discouraged workers as defined in the text. Thus, the percentage of unemployed in the broadly defined labor force is lower (15.9%) than the percentage of unemployed in the definition of labor force that excludes discouraged workers (17.5%).

⁷ Mongolian term for an administrative division within a province.

completed primary education. Unemployment rates among those who had not completed primary education, who had completed the primary level alone and those who had completed their secondary schooling were 35.5%, 31.6% and 31.4% respectively. It was noticeable from these statistics that the unemployment rate among all age groups has always been higher in urban areas than the national level and rural locations, irrespective of people's levels of education. In particular, nearly half of the urban population in the 15-19 age group was unable to secure a job; neither did they have an opportunity to upgrade their education level, partly due to the increasing cost of education (Tables 3 & 4).

Table 4 Unemployment Rate by Education Level and Age Group in Urban Areas, 2000

Age group	Degree-level and above	Technical and other non-degree level	Secondary level	Primary level	Less than primary level
15-19	-	45.3	49.3	46.4	47.2
20-24	15.1	24.4	36.7	35.1	31.7
25-29	10.2	21.3	32.1	40.8	39.0
30-34	8.5	20.3	29.8	34.1	34.1
35-39	8.0	17.4	26.9	33.5	35.8
40-44	6.7	14.9	23.4	25.3	31.1
45-49	4.8	11.3	20.1	20.4	25.7
50-54	3.8	8.4	14.9	14.0	16.3
55-59	3.4	7.7	12.8	10.7	10.5
Total	7.9	17.9	31.4	31.6	35.5

Source: NSO, 2001a.

III. Evolution of Poverty in the 1990s

Before 1990, basic needs were met and the full range of guaranteed social services was provided through the mechanism of central planning, therefore there was no officially registered poverty. According to the Participatory Living Standards Assessment (PLSA) made in 2000, the living standards of the population were generally similar until 1992. Between 1992 and 1995, newly poor and rich people emerged, and polarization between the poor and the rich intensified further during 1995-2000. While those groups with access to information and having "connections" with local officials were able to take advantage of new economic opportunities and become quite wealthy, many were not. The number of poor and extremely poor households increased substantially during 1995-2000 at the expense of moderately well-off households, as more people fell into poverty than escaped from it (NSO and WB, 2001).

By the end of 1992, the government estimated that about 16% of the population lived below the poverty line, a figure that increased to 18% in 1993 and 26.5% by March 1994. According to the LSMS, poverty incidence increased further to 36.3% in 1995, and 35.6% in 1998. It should be noted here that a greater incidence of poverty was reported in urban areas in both periods, given that more than 50% of the total population was living in urban areas. These urban areas include the capital city, provincial centers and villages. The high rate of unemployment, due to the closure of public sector enterprises and migration from rural areas, has contributed to 48% of the population in the provincial centers being poor (Table 5).

Table 5 Percentage of Mongolians Living Below the MLS (poverty line), %

	1995	1998
All urban	38.5	39.4
Ulaanbaatar city	35.1	34.1
All rural	33.1	32.6
National	36.3	35.6

Source: NSO, LSMS (1998).

The Minimum Living Standard (MLS) was used to establish the poverty threshold. According to the "Law on Defining the MLS", 14,700-19,300 Tg⁸ (i.e. equivalent to US\$ 13.4-17.6) per capita per month was considered to be the MLS as of the end of 2000. Households with an income per household member lower than 40% of the MLS or who cannot provide for their food needs are considered to be extremely poor households (GOM, 2002).

The PLSA survey pointed out that the number of poor people has increased in all places, with the reasons for this tendency being: the bankruptcy of enterprises, unemployment, the closure of cooperatives, some technical mistakes in the privatization process, the abandonment of the old trade network within the country, and the introduction of fees for health and education services.

Furthermore, it was indicated that the lack of a favorable business environment and the mismatch between private sector requirements for job vacancies and the existing capabilities of the unemployed were the prime reasons for high unemployment, and therefore income poverty. The participants in the survey described the negative consequences of poverty to be children's dropping out from school, deterioration of one's health, mental stress, violence, crime, homelessness, divorce, an increasing number of single parent households, wide-spread alcoholism, debt, and malnutrition.

The various surveys (LSMS, PLSA) revealed that five categories of household are likely to fall into poverty: (i) single parent households with many children; (ii) households with fewer than 100 head of livestock (depending on the size and structure of the household); (iii) the unemployed; (iv) the uneducated (i.e. without basic education); and (v) vulnerable groups (the elderly, the disabled, street children and orphans). The main reasons for poverty were defined as follows:

Thousands of people in urban areas became unemployed due to the collapse of many enterprises in the production and service sectors, which arose from the drastic changes that took place during the transition;

Although many herdsmen and rural people received livestock during the privatization of livestock herds, many have lost their livestock due to their lack of herding skills and lack of preparedness for meteorological difficulties;

Many children who dropped out of school during the first years of the transition remained without education and professional skills, and lost their opportunity for employment;

The real value of benefits and allowances granted by the state has decreased significantly compared with the

⁸ Mongolian Togrog = Unit of Mongolian currency. (The annual average exchange rate in 2000 was US\$1= 1097 Tg)

situation prior to 1990;

The real income of the population has decreased (GOM, 2002).

The PLSA reported that the increase in the proportion of poor and very poor households was even more marked between 1995 and 2000. "By 2000, poor and very poor households were perceived to account for the majority of residents in almost all of the urban communities surveyed, whether large or small" (p.13).

With the beginning of economic transition in Mongolia, people began to experience a radical change in their lives, from a stable, long-term income in the form of regular wages and state benefits to a much riskier environment of informal sectors and self-employment. Although some groups managed to adapt to these changes and exploit the new opportunities that arose, particularly in trading for those who had assets and "connections" to begin with, most of the others, particularly the young and the elderly, were less capable of such a shift.

Some examples of the responses of those interviewed for the PLSA survey are provided below.

"We used to be concerned about things like having a shower and beautifying ourselves - a lot of fancy things ...Now, we have stopped feeling like this. Food is becoming more important. Now, we only worry about food for today. Before, the maternity homes provided clothes and other necessities for the babies of herder women. That's why we say that the children born today are born in a beggars' time" 49 year old woman, Tariat (rural bag⁹), Arkhangai aimag (p.12).

"We survive only by picking up whatever waste food and other things that we can find in rubbish bins. There are many such old and young people, who are known as scavengers. They are generally people with no job, no money, and no relatives who can help them, who rely on assistance from others, who lack education and motivation, and who will do anything to survive. It is hard for me to tell you how difficult are their living conditions" Woman from Baganuur, satellite town of Ulaanbaatar (p.29).

"Since the transition to the market economy, we have stopped going to hospital. This is not because we have become healthier, but because we have become poorer. For someone with no money it is easy to die" Women's group, Sukhbaatar district, Ulaanbaatar (p.36).

Transfers from other households were very often the major, if not the only, source of survival for most poor households. For example, in rural communities poorer households herd for the richer households or do odd jobs (cutting wood for fuel, slaughtering animals, cleaning and repairing shelters, helping to move camp) for them in return for food, shelter, clothes, and/or cash.

"Both my children look after livestock for other families during the summer. In return, these families have agreed to give them forty notebooks and a pair of boots in the autumn. We are not able to borrow from others because people and shopkeepers tell us that we will not be able to repay them. My son got married and lives separately from us now. We hope that he will not ask us for help or cause us

any trouble" Ganbaatar, a man below the middle income category, Munkhkhairhan (*sum* center), Kovd aimag (p.19).

"Baatar and Ouyun sent their 14 year old son to herd livestock for a rural household in November. He returned home for Tsagaan Sar¹⁰ with goat meat and intestines. He has also been promised two goats and a cow" Esunbulag (*aimag* center), Govi-Altai aimag (p.19).

Many communities indicated that accessibility to urban centers, particularly Ulaanbaatar, has an important impact on their livelihoods, in terms of access to markets, services and information.

"We are very far from the market and the only people who come here are traveling traders. But they discriminate against people according to their property and the number of animals they have. They look at a herder's enclosure and if there aren't many animals, they skip that household. Herders look through binoculars and go to households where the traders stop. They won't offer cash in return for our livestock products, only goods, but they sometimes pay cash to wealthy herders when they want to make a large deal" Men's group, Dashbalbar (rural bag), Dornod aimag (p. 34).

Residents of remote areas have to pay higher prices for many daily necessities, whether for food and services. Petrol prices in these areas are much higher than in the capital or less remote locations.

"The main reason for poverty is the rise in prices. We are suffering very much because of the increase in fuel prices. Our pensions and allowances provide no assistance, because increases in the prices of flour and rice are much higher than our pension increases" A group of men, Herlen sum, Dornod aimag (GOM, 2002, p.15).

Moreover, the PLSA survey indicated that rural livelihoods, and those of certain groups such as traders and casual workers, are highly seasonal in Mongolia. However, those in urban settlements with steady sources of income, either from salaries or from pensions and allowances, do not suffer such seasonal fluctuations in their income.

"Spring is the hardest time as food prices increase, households use up the last of their winter stocks of meat and dairy products, and many go short of food. Although in the autumn there is enough food, milk and dairy products, a lot of money is required to pay school fees and related expenses. By the end of winter, all money is spent in preparing for the Tsagaan Sar celebrations; most loans are taken out at this time" Bayanzurkh sum (rural bag), Khuvsugul aimag.

Generally, studies of poverty analyses reveal that there are a number of factors affecting both the income and expenditure patterns of households, and it is impossible to disclose all of them. Common or covariant shock and idiosyncratic shock (common shock is defined as a shock that affects all households in the locality, while idiosyncratic shock affects only a certain household) are considered to be the most common conceptual factors that affect poverty dynamics (see Baulch & Hoddinott, 2000). A common feature is that the poorest parts of a community

⁹ Mongolian term for a sub-district: the smallest administrative unit in Mongolia.

¹⁰ Mongolian New Year in the traditional lunar calendar. It is usually celebrated in late January or early February.

are highly vulnerable to such shocks as they often lack the capacity and ability to cope with them.

As the PLSA revealed, the loss of employment was the most commonly mentioned shock for poor and very poor households, followed by the illness of a household member and the associated cost of medical treatment. However, the cost of children's education was the most frequently mentioned factor among moderately well-off households and this often contributed to the impoverishment of such households, as it prevents them from accumulating assets to ensure that they are "risk-proofed" against other unexpected contingencies or shocks. Other shocks for households in the moderately well-off category were those that threatened household asset holdings or cash flow, such as natural hazards, fuel price increases, and the theft of livestock. Although the abovementioned factors were stated to be shocks affecting moderately well-off households, they also affected poor and very poor households, albeit to a lesser

extent. This is because fewer of these households are able to use and access education services compared with moderately well-off households, and they have fewer assets to put at risk.

The characteristics of poor and very poor households by location defined by the PLSA survey are provided in Table 6. It can be seen from these that there is not a great deal of difference between poor and very poor households, and poor households could easily become very poor ones, were they to experience negative shocks affecting their livelihoods. In particular, the income sources of poor households in rural locations (*aimag, sum* centers and rural *bags*) are extremely vulnerable to natural disasters, such as *dzud*¹¹ and droughts due to the resultant loss of livestock - the prime (if not only) means of making a living. In recent years, such phenomena have occurred frequently in Mongolia.

Table 6 Characteristics of Poor and Very Poor Households by Location

	Poor households	Very Poor Households
Ulaanbaatar	<ul style="list-style-type: none"> Have a poor house/dwelling or no home Irregular source of income Whole household lives off one person's salary/allowances Unable to work Some female-headed households No livestock, no land Monthly income is no more than 15,000 Tg Poor appearance, some collect garbage Sometimes sleep without having anything to eat 	<ul style="list-style-type: none"> No income at all Homeless, wander the streets Sleep in entrances of apartments Scavenge Have no relatives
Provincial centers and villages	<ul style="list-style-type: none"> Small dwelling with torn covers, most without a fence Few livestock (20-50 heads) Many children Household with only one employed member Would not survive without the regular support of relatives Some have to spend a lot on medical treatment Some addicted to alcohol Some are single-parent households 	<ul style="list-style-type: none"> Poor dwelling No source of income, no property, no livestock Big family One member of household may receive pension/ allowance Some engaged in vending, collecting dung Face constant hunger due to lack of food Some resort to stealing or begging Some have to send children to work for better-off households in return for some food or a little cash Single-parent households or alcoholic husband
Rural	<ul style="list-style-type: none"> Own about 150 head of livestock Big families Receive pension and allowances Could be able to sell some cashmere, but not enough to meet all expenses Unable to pay any taxes or even health insurance premiums Some grow potatoes on about a hectare of land and may have some pigs and chickens 	<ul style="list-style-type: none"> Herd size less than 50, so unable to make ends meet No support from relatives Big family Pensioners living on their own Many small children Some are single-parent households Always face lack of cash Are forced to trade their livestock in return for essential food items Unable to pay taxes or health insurance

IV. Conclusion

The foregoing reveals that unemployment and poverty have become a serious problem in Mongolia and, indeed, the actual unemployment rate is much higher than the figure based on those registered as unemployed. The 2000 Census revealed that, due to a lack of incentives to register, only one in four of those actively looking for a job have registered with the Employment Regulation Office, therefore the actual unemployment rate in the country is about four times higher than its current level of 4.6%. The unemployment rate is higher in urban areas than in rural

locations. In particular younger people (those up to the age of 25) with technical and non-degree-level training and secondary education find it harder to secure a job, and so they have higher rates of unemployment. Obviously, as these people often tend to be short of funds to obtain income-generating assets, they have little opportunity to run their own business. Moreover, due to the increasing cost of education in the country, they also find it difficult to upgrade their education level. Furthermore, the increasing trend of internal migration from rural and remote areas to urban locations tends to cause a rise in the unemployment

¹¹ Mongolian term for a severe winter preceded by a drought, when large numbers of livestock can be lost due to feed shortages and severe cold.

rate in urban areas, but migrants have few job opportunities compared with their non-migrant counterparts.

Therefore, the high actual rate of unemployment in the country is the biggest factor contributing to poverty. Accordingly, one may suspect that Mongolia's relatively low rate (in single digits) of annual inflation, which has prevailed since 1998, was achieved at the expense of such high hidden unemployment in the country, and therefore cannot be attributed to proper policy management.

As research has revealed, unemployment and economic insecurity in the form of income poverty has led to widespread social malaise, alcohol abuse, rising crime, domestic violence and marital breakdown, which all have many adverse consequences. Unless employment opportunities are generated, the situation may worsen further, thereby increasing the economic, social, and physical insecurities of the population.

Nevertheless, with the aim of addressing these acute problems, the government of Mongolia initiated the National Poverty Alleviation Program (NPAP) in June 1994 in consultation with and with the support of specialized UN agencies, international institutions and donor countries, and approved the two-phase (1st phase in 1996-2000, 2nd in 2001-2010) "National Program on Unemployment Reduction". In March 2000, the government concluded the Poverty Reduction Partnership Agreement with the Asian Development Bank and agreed on a three-year (2001-2004) Poverty Reduction Growth Facility with the World Bank. Parliament passed the "Law on Employment Promotion", which became effective in June 2001. Furthermore, the government outlined the medium term priority policy issues regarding poverty reduction in the Poverty Reduction Strategy Paper (PRSP); these included economic growth, the deepening of structural reforms, unemployment reduction, public sector management reform, support for regional and rural development, the improvement of access to and delivery of basic services, and an increase in the living standards of the people.

Based on the policy issues and strategic action plans outlined in the above documents, the government of Mongolia is making efforts to meet its international commitments under the Millennium Development Goals and aims to reduce the proportion of the people living in extreme poverty by at least 25% by 2005, and by half by 2015. In addition, it has a target of reducing the proportion

of people living below the officially defined poverty line (the MLS) by at least half by 2005, and by a further 25% by 2015 (GOM, 2002).

There can be no doubt that the action resulting from the above initiatives by the Mongolian Government has contributed to mitigating the adverse effects of rising unemployment and poverty in Mongolia; however, the outcomes have often fallen short of desirable levels, as described in this paper. The major shortfall has been the government's perception of poverty issues as a social issue alone, rather than being linked to comprehensive economic development policies. Therefore, this situation requires policy makers to embark upon a program of active revitalization of the entire economy aimed at creating employment opportunities, while maintaining the balanced development of the regions and place the economy on a sustainable growth path. In particular, there should be greater focus on the creation of employment opportunities for the younger generation, along with supporting educational services.

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