



Understanding Children's Work
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Understanding children's work and youth employment outcomes in Mongolia

Report on child labour and youth employment

June 2009

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Country report

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As part of broader efforts towards durable solutions to child labor, the International Labour Organization (ILO), the United Nations Children's Fund (UNICEF), and the World Bank initiated the interagency Understanding Children's Work (UCW) Program in December 2000. The Program is guided by the Oslo Agenda for Action, which laid out the priorities for the international community in the fight against child labor. Through a variety of data collection, research, and assessment activities, the UCW Program is broadly directed toward improving understanding of child labor, its causes and effects, how it can be measured, and effective policies for addressing it. For further information, see the Program website at www.ucw-project.org.

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ABSTRACT

Overcoming the twin challenges of child labour and youth unemployment will be critical to progress towards the Millennium Development Goals, as both can lead to social vulnerability and societal marginalisation, and both can permanently impair productive potential and therefore influence lifetime patterns of employment and pay. The two issues are closely linked, pointing to the need for common policy approaches to addressing them. The current report examines the issues of child labour and youth employment in Mongolia. Guided by observed outcomes in terms of schooling, work activities and status in the labour market, it considers the economic as well as the social determinants of child labour and youth employment.

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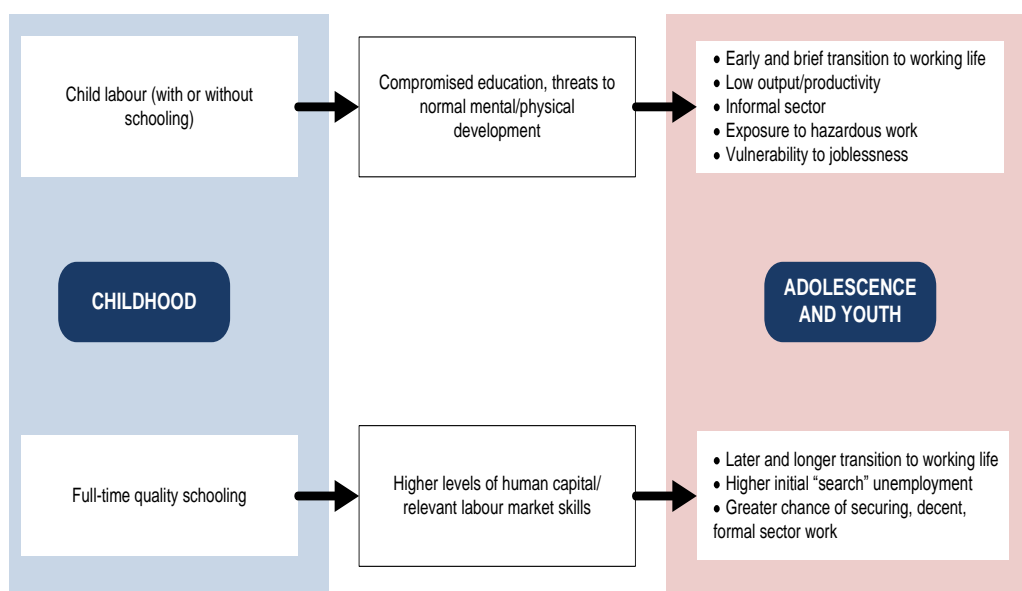
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EXECUTIVE SUMMARY

1. Overcoming the twin challenges of child labour and youth unemployment will be critical to progress towards the Millennium Development Goals, as both can lead to social vulnerability and societal marginalisation, and both can permanently impair productive potential and therefore influence lifetime patterns of employment and pay. The two issues are closely linked, pointing to the need for common policy approaches to addressing them (see figure below). Employment outcomes are typically worst for former child labourers and other early school-leavers, groups with least opportunity to accumulate the human capital needed for gainful employment. The link between child labour and labour market outcomes can also operate in the other direction: poor future labour market prospects can reduce the incentive of households to invest in children's human capital.



2. The current report examines the issues of child labour and youth employment in Mongolia. Guided by observed outcomes in terms of schooling, work activities and status in the labour market, it considers the economic as well as the social determinants of child labour and youth employment.

3. The report was developed under the aegis of the Understanding Children's Work (UCW) Program, a research co-operation initiative of the International Labour Organisation, UNICEF and World Bank. It is the product of a collaborative effort involving the National Statistical Office, other concerned Government ministries, local research institutes, the UCW Program secretariat and the ILO/IPEC, UNICEF and World Bank Mongolia country offices.

Children's work

Involvement in children's work

4. Children's involvement in employment is not uncommon in Mongolia. An estimated 36,000 children aged 7-14 years were in employment¹ in the 2006 reference year. A comparison with previous survey data suggests an upward trend in children's work: an estimated seven percent of 7-14 year-olds were in employment during the 2002-03 reference period against 10 percent in the 2006 reference year. The additional children in employment were primarily working students, i.e., children combining employment responsibilities with their studies.

5. Aggregate estimates of children's activities mask important differences by residence, region, age and sex:

- Children's employment is overwhelmingly a rural (agriculture sector) phenomenon.
- Sub-national data from the Mongolia Labour Force Survey 2006 also point to large regional differences in children's employment, underscoring the need for the geographic targeting of child labour elimination efforts.
- Boys in the 7-14 years age group are somewhat more likely to be in employment than girls of the same age, but this difference is more than offset when involvement in other productive activities is also considered.
- Child employment rises sharply with age, but numbers of even very young working children are far from negligible.

6. Children's work is concentrated overwhelmingly in the agriculture sector. Indeed, over 90 percent of total economically active 5-14 year-olds work in agriculture, against five percent in services and less than one percent in manufacturing. Almost all children in employment work for their families as unpaid labour, with little variation by age, place of residence or sex. Very few economically active children (less than one percent) work as paid employees in formal entities.

Involvement in household chores

7. A large proportion of children are engaged in other productive activities, and specifically household chores. This form of work falls outside the international System of National Accounts (SNA) production boundary and is typically excluded from published estimates of child labour. An estimated 78 percent of 7-14 year-olds was engaged in household chores in own parents' or guardians' home during the 2006 reference year. Involvement in household chores tends to start earlier than employment and is time-intensive. Girls are more likely to perform household chores than boys, and ignoring this form of work therefore biases estimates of children's work in "favour" of boys.

¹ *Children in employment* is a broad concept covering all market production and certain types of non-market production (principally the production of goods for own use) (see also Box 1). It includes forms of work in both the formal and informal sectors, as well as forms of work both inside and outside family settings.

Education impact of children's work

8. The degree to which work interferes with children's schooling is one of the most important determinants of the long-term impact of early work experience. Empirical evidence suggests that work interferes both with Mongolian children's ability to attend school and to perform effectively once there, underscoring the importance of child labour as a barrier to achieving Education for All and positive youth employment outcomes in the country. Age-specific attendance rates show that working children lag behind that of their non-working counterparts at almost every age, while average school life expectancy shows that working students aged 7-13 can expect to remain in school about 2 years fewer than their same-aged non-working peers. Average grade for age suggests that employment also slows grade progression in Mongolia.

Determinants of child labour

9. As most primary school-aged children (excluding those who live on their own) exercise little control over their time allocations, determining why children work requires investigating why parents choose to engage their children in work rather than sending them to school or leaving them idle at home. Multivariate analysis permits an identification of some of the factors influencing household decisions relating to children's time use; key results are summarized below:

- *Child age and sex.* The analysis shows that the probability of a child working increases with age. Parents' decisions concerning whether to involve their children in school or work also appear influenced somewhat by gender considerations, although the magnitude of the effect is not large.
- *Education of household head.* The effect of an increase of parents' education levels on the reduction of child labour is strong and positive. Children from households where the head has higher education are less likely to work full-time, and more likely to attend school full-time, than children from households where the head is illiterate.
- *Household income.* The level of household income appears to play an important role in decisions concerning children's work and schooling. Moving from the lowest to the highest income quintile, for example, decreases the probability of children full-time employment and raises the likelihood of him or her attending school full-time.
- *Place of residence.* Children's living location has a strong influence on their time use, highlighting the importance of targeted and area-specific approaches to reducing child labour and raising school attendance. Children living in cities and towns are nine percent more likely to be attending school full time, and six points less likely to combine work and school, compared to their counterparts living in the countryside.

Involvement in child labour

10. A final important question relating to children's work is the extent to which this work constitutes "child labour" for elimination in accordance with national legislation and international labour standards. It is this narrower subgroup of children in employment that is most relevant for policy purposes. For an approximation of child labour based on national legislation, it is necessary to look

at all 5-14 year-olds children in employment and all 15-17 year olds in hazardous work. Child labour based on these criteria is common in Mongolia. Over 43,000 children below the absolute minimum working age of 15 years are at work in economic activity and an additional 13,000 children aged 15-17 years are in hazardous work. Putting the two groups together yields over 56,000 children aged 5-17 years in child labour.

Youth labour market outcomes

Youth time use patterns

11. Almost 50 percent of 15- to 24-year-olds are still in full-time education while 28 percent are either in full-time work and six percent are actively seeking work. Work and schooling are not of course necessarily mutually exclusive: an additional five percent of 15-24 year-olds combine the two activities. 13 percent of young people, are "inactive," that is, neither in the labour force nor in education, a category which includes discouraged workers and disabled people. About two percent of youth are underemployed, meaning they are available to take an additional job during the four weeks prior the survey.

12. The time use profiles of young people are also strongly affected by underlying differences in the rural and urban labour markets. Rural young people are much more likely to be employed, and less likely to be unemployed, compared to their counterparts living in cities and towns. This is largely due to the role of agriculture in absorbing rural youth. Urban young people, on the other hand, benefit from greater education opportunities, staying in school longer and joining the labour force at a later age. They are more likely to be in education overall, and to be in education full-time.

Trends in the time use patterns of young people

13. A comparison of the results of labour force surveys covering the 2002-03 and 2006-07 reference periods suggests that more young people are staying in education longer: involvement in education rose by about six percentage points during the period between the two surveys. However, it does not appear that young people are delaying employment for further education. Indeed, overall involvement in employment declined only very slightly (0.5 percentage points) during the period between the two surveys. Rather, the gains in education are a result of more young people combining employment with further education and of more young persons opting to stay in education rather than facing the prospect of joblessness.

Composition of youth employment

14. Non-wage labour performed within the household is by far the most important form of youth work. More than half of employed young people work without monetary wages for their families. Of the remaining working youth, 25 percent work for wages and 21 percent are self-employed. Hence, the majority of youth

seem to be engaged in non- (or low-) paying activities. These aggregates mask large differences between the rural and urban youth labour markets. Unpaid family work is preponderate in rural areas, while wage employment is most important in cities and towns.

Youth unemployment and joblessness

15. Levels of measured unemployment are relatively low among Mongolian young people: seven percent of the total population aged 15–24 years and 17 percent of 15- to 24-year-olds in the labour force are unemployed. Levels of joblessness, arguably a better measure of youth employment disadvantage because it also captures discouraged workers, are higher. Some 17 percent of 15- to 24-year-olds males and 20 percent of 15-24 year-old females are jobless. It is worth noting that unemployment and joblessness are lower for the 15–17 age group than for the rest of youth: this might indicate that youth entering the labour market with higher levels of human capital, will likely face more difficulties in finding employment.

Youth labour market disadvantage

16. Differences between youth and adults in terms of work characteristics provide one indication of youth labour market disadvantage. The sectoral composition of youth and adult employment differs in urban areas as well as in rural areas: compared with adult workers, employed urban youth are more likely to be in non-waged family farming and production and less likely to be in self-employment and in services. Employed rural youth are more likely than employed rural adults to be in agriculture and in unpaid family work, and less likely to be in production and services. The proportion of working youth and adults in wage work differs little in urban contexts, but is much higher among employed adults in rural settings.

Long-term unemployment

17. The long-term unemployed (i.e., for a duration of one year and more) form a large share of total unemployed Mongolian young people. More than 28 percent of unemployed youth population have been seeking a work for more than one year and an additional 37 percent for more than three years. Overall, more than 65 percent of the unemployment youth is in long-term unemployment. But long term unemployment is not a phenomenon that is limited to the youngest segment of the Mongolian labour force: 77 percent of unemployed adults are also in long term unemployment. This indicates that the Mongolian economy faces severe problems in absorbing a part of its unemployed work force.

18. Results of multivariate analysis show that young males are more likely to be long term unemployed than their female counterparts. Youth living in urban areas face also much more problems than their rural counterpart in securing a job without long spells of unemployment. Taking into account the other characteristics, it emerges that first time job seekers are in fact more likely to be in long term unemployment. The level of education is also an important determinant of long-term unemployment. As the level of education increases, the risk of individual long-term unemployment decreases. This finding stresses again the role

of human capital accumulation (and hence of child labour) in determining youth outcomes in the labour market.

Transition from school to working life

19. The transition of school to working life appears lengthy for Mongolian young people. The average school-leaving age of children and youth (i.e., the starting point of the transition), conditional on ever being at school, is 19.8 years while the average age of entering into work for the first time is 22.3 years. This means that there is an average time lag of two and a half year years between leaving school and entering work for the first time. Youth in rural areas find employment more quickly than their counterparts in urban areas, suggesting labour entry problems are especially relevant in urban areas.

Human capital levels and youth labour market outcomes

20. Regression analysis suggests that more-educated youth face greater difficulty in finding employment, although data limitations mean that this result should be interpreted with caution. Gender effects also appear large: the probability of a girl being in employment is lower than that of a boy according to any level of education. The level of income is significant for the most-educated youth. If household resources are important for finding a job, credit rationing or social networking might be important elements in the determining of youth employment.

21. The conditions of the local labour market appear to substantially influence the probability of finding employment. An increase of the adult employment ratio in urban area generates an increase in the probability of finding employment: this effect is stronger for youth that have low level of education and not significant for youth with at least some higher education. The same pattern is found in rural areas. The supply of youth labour as proxied by the share of young population, is significant in the urban area and for youth that have lower secondary or less education. Again the effect is large for youth residing in rural areas.

Migration, child labour and youth employment outcomes

22. Since transition in the early 1990s, rapid structural adjustment of the economy has hit Mongolian families hard and migration has become a drastic strategy for coping with insecurity. The rate of migration has increased rapidly; since the mid-1990s, growing numbers of migrants have moved from rural areas and rural *soum* centres to urban areas, and especially to Ulaanbaatar. According to the 2000 population and housing census (NSO, 2001), migrants constitute one third of the total population in Ulaanbaatar and about half of the total population of Mongolia lives in Ulaanbaatar.

Effect of migration on children's and youth activity status

23. A particularly question for policy purposes is whether internal migration affects household decisions concerning children's schooling and work. The

descriptive data do not indicate that migrants are in a disadvantaged position. Indeed, school attendance is higher and employment is substantially lower among migrants compared to non-migrants in this age group. A similar picture emerges for young persons aged 15-24 years. Migrant youth appear to be more likely to be in school and substantially less likely to be working. What is more, this difference does not appear to be determined by the difficulty of young migrants to find a job, as their unemployment rate is slightly lower than that of the non migrants. Migrant young persons, however, appear to be marginally more likely to experience joblessness.

24. The previous observations are based on average across groups, and could be driven by unobserved differences in background characteristics among migrants and non-migrants (e.g., household income, parents' education, etc.). Regression analysis offers a more robust means of looking at the impact of migration. Regression results suggest that some migrant children do experience a degree of disadvantage. In particular, children moving from rural areas to urban areas seem to be more likely to work while attending school, with respect to the non-migrant children. These effects, however, are not very large or well-defined. But overall, migrant children and youth population, as captured by the labour force surveys, do not seem to experience any large disadvantage with respect to their non-migrants peers in terms of access to education, early entry in the labour market, or in terms of access to jobs once they become older.

25. This conclusion contradicts, to a certain extent, the non-quantified perception that migrants (especially child and youth migrants) face serious difficulties. Two considerations can be made in this respect. First, the perception of migrants disadvantage might refer to individual episodes that are overall not quantitatively relevant. Second, the labour force survey might not be well suited to capture the situation of the more vulnerable migrants (illegal settlers, recently arrived migrants, etc.), as they are unlikely to be included in the sample frame. Moreover, the survey does not allow us to distinguish between permanent and temporary migrants, who are likely to be in very different conditions in terms of labour market status and education outcomes.

26. Nevertheless, our results are consistent with the main findings of the survey report on Internal Migration Dynamics and its Consequences in Mongolia. This study, carried out by the Ministry of Social Welfare and Labour, Population Teaching and Research Center and UNFPA in 2009, indicates that internal migration flows led to an improvement in migrant children's education in Ulaanbaatar and Orkhon.² Indeed, survey respondents pointed out to the greater availability of education services in destination areas compared to origin areas. Similarly, internal migration increases labour market opportunities of migrants. Survey respondents indicate job opportunities as the main advantage of migration. However, employment opportunities for these migrants are found generally be restricted to a narrow range of low-paid and lower-skilled employment. Further research is needed to assess the impact of migration flows on job quality.

² Ministry of Social Welfare and Labour, Population Teaching and Research Center, United Nations Population Fund, "Mongolia: Internal Migration Dynamics and its Consequences", 2009.

Addressing the twin challenges of child labour and youth employment: a discussion of policy options

Policy options for eliminating child labour

27. Achieving Mongolia's time-bound objectives for eliminating child labour requires a policy response targeting three broad groups: (1) children at risk of involvement in child labour; (2) children already harmed by exposure to child labour; and (3) children in the worst forms of child labour requiring immediate, direct action.

28. In the context of the current financial crisis and global downturn, there is a strong need to protect progress made with regards to the elimination of child labour, the achievement of Education for All, and the attainment of MDGs in education and health. Investment in human capital (education, health and elimination of child labour and its worst forms) should be therefore placed at the core of the agenda for addressing the current economic crisis in Mongolia. Sustainable solutions to the economic crisis should include counter-cyclical investments (that is, protect or increase public spending on fight against child labour, education and health), maintaining aid commitments, promote special measures to help the poorest (safety nets), increase efficiency and transparency in the economy.

29. Empirical analysis conducted for this study points to a number of general strategies for reaching these groups. Better schooling, combined with mechanisms to reduce social risk, is particularly important to preventing children from entering child labour, and to stopping children already in work from moving to worse forms or leaving school prematurely. Remedial schooling and other "second chance" learning opportunities are important to mitigating the adverse effects of work on children's education. Better formal workplace inspection instruments, through the State Specialized Inspection Agency (SSIA) and through bodies such as the National Human Rights Commission, are needed to guide "direct action" to remove and rehabilitate children in worst forms of child labour.

30. It is worth recalling that by far the greatest number of child labourers in Mongolia is found in rural, agricultural areas, and the policy response should be tailored to these areas in particular. Only 3,400 (two percent of) urban children were in employment in 2006 against 33,200 (20 percent of) children living outside cities and towns. But remaining pockets of child labour in urban areas should also not be neglected. Although children in urban areas face a lower overall risk of child labour, evidence from rapid assessments³ and other sources suggest that many of the worst forms of child labour are concentrated there. Children working in domestic child labour outside their own homes, who are particularly vulnerable to exploitation and abuse, is one such example. Street children, often not captured by household surveys at all, is another example.

31. Achieving sustainable reductions in child labour also requires a supportive national political, legal and institutional environment. Political commitment is needed to ensure that child labour is mainstreamed into the National Program of Action for the Development and Protection of Children (NPADPC) and other

³ See, for example, ILO/IPEC, Baseline Survey on Child Labour in the Informal Sector in Ulaanbaatar and Selected Aimag and Soum Centers of Mongolia. "ME Consulting" LLC, 2006.

broader development plans and programmes. These include the MDG-based long-term National Development Strategy (2007-2021) and the Government Action Plan (2008-2012). The Government reports that while there has been an intensification of efforts against child labour through the NPADPC, there is still a need to integrate child labour issues more effectively into broader policies addressing children's concerns, and to strengthen programming capacity relating to child labour at national, provincial and city and district levels. The Government also cites the need to improve the knowledge base on child labour, and to effectively mobilize employers and trade unions, NGOs, communities, the public, media, children and parents against child labour.⁴

32. Labour legislation consistent with international child labour standards is necessary both as a statement of national intent and as legal and regulatory framework for efforts against child labour. As was noted above, while the Government has made a number of important legal commitments against child labour, important gaps remain in terms of legal protection against child labour in the country. As child labour is an issue that cuts across sectors and areas of ministerial responsibility, progress against it also requires that institutional roles are clearly delineated, and that effective coordination and information-sharing structures are in place, starting with the reconstituted National Steering Committee on Child Labour.

Policy options for promoting decent employment for youth

33. The empirical analysis presented in this study highlights the severity of the weaknesses that exist today with respect to both the supply and demand in youth labour market in Mongolia. Youth employment is now recognized as a high priority in Mongolia, the challenge being the developing and putting in place of specific policy measures as well as action plans aimed at youth employment. Significant investments are made in Mongolia on programs targeted to unemployed youth although coverage remains low and the impact of these programs remains limited and often un-assessed.

34. It is important to note that youth policy should be considered in a more integrated manner, linking education concerns to macro-economic policies, issues of employment, social justice, and democratic participation. It is only through coordinated efforts in these various policy areas that policy interventions can start making a structural impact

35. On the basis of the empirical evidence presented in this report and the international experience we will discuss a series of policy options focused on four pillars: improve skills and employability for the labour market, promote decent work in the informal economy, promote youth entrepreneurship and strengthen labour market institutions.

36. This report points out to the important role of educational attainment in explaining youth labour market outcomes in Mongolia. Improving the job skills and employability of young people requires action on three levels: first, there is a need to strengthen the quality of basic education; second, to extend the effectiveness and reach of vocational training programmes; and third, to provide

⁴ "Child Protection Today" report of children of Mongolia to the UN Committee on Child Rights on implementation of the CRC in Mongolia, 2008.

second chance, remedial education to young persons denied a complete course of basic education, a group which includes persons forced out of school at an early age in order to work. Taken together, these measures would help equip young persons with the skills and job experience demanded by employers in the formal labour market.

37. Given the important percentage of young people currently working in small family businesses and self-employed in the agricultural sector, it is important to work with local authorities and communities to help young people start and improve their own business with decent incomes. The incidence of entrepreneurship is very low in Mongolia—entrepreneurs account for less than two percent of the labour force. Promoting youth entrepreneurial activity is an important potential means of employment creation in the country.

38. The vast majority of the active youth population lives without social protection, on the verge of insecurity, and with only marginal support from the programs put in place by the authorities to help them find a job or move from the informal to the formal sector. The protection of the group of young workers in the informal sector should be one of the major objectives of the Mongolian youth labour market policies. The challenge is to effectively bring into play informal sector's potential for job creation and generation of income, while steering it progressively towards decent work. The priorities in tackling the decent work deficit in the informal economy also include the provision of information and training to raise awareness in the informal economy about regulations, rights and obligations. It may also imply opening up formal institutions to informal economy participants, for instance, to give them access to training facilities to invest in knowledge and skills, or to enterprise support services and micro-credit institutions allowing their use of financial resources, information, markets, public infrastructure as well as social services. Identifying the specific factors contributing to the dynamics of formality/informality in national and local contexts and understanding its diversity is a necessary, though complex, step for developing appropriate policy responses. There is therefore a need to improve statistical information on the informal sector employment in line with internationally recognized methodologies and national policies, conduct regular studies on social protection issues of children and adults working at high-risk sectors, and identify need for state social services.

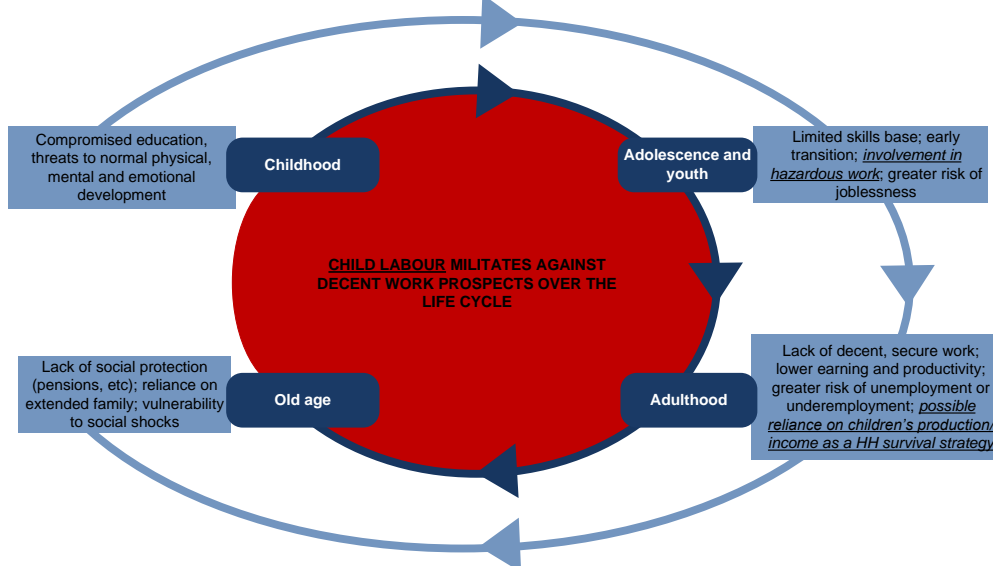
39. Public employment services (PES) should play a more active role in providing information, counseling and training not only to the unemployed, but also the discouraged workers and jobseekers who are still at school. This can help increase the quantity and quality of job matches between employers and job seekers, reduce the spells and duration of unemployment and generally increase the efficiency of the labour market. Labour market information systems need to be further developed (the nature and location of employment, wages and working conditions and opportunities and assistance in using the information), through better management of administrative records, short-term qualitative surveys, and regular employer and household surveys. Having current labour market information is essential to monitor changes in employment and anticipating labour supply needs. The effectiveness of programs aimed at promoting youth employment should be assessed in terms of their capacity to generate jobs in relation to their costs.

1. INTRODUCTION

40. Overcoming the twin challenges of child labour and youth unemployment will be critical to progress towards the Millennium Development Goals. The International Labour Organisation (ILO) estimates that there were some 190.7 million children aged 5-14 years at work worldwide in 2004, accounting for around 16 percent of total children in this age group. Of these working children, 73 million were below the age of 10 years. ILO estimated that youth in 2002 made up 41 percent of the world's unemployed, 88 million persons in absolute terms. The effects of child labour and youth unemployment are well-documented: both can lead to social vulnerability and societal marginalisation, and both can permanently impair productive potential and therefore influence lifetime patterns of employment and pay.

41. The importance of quality education and an environment promoting normal physical, mental and emotional development as a starting point for decent work over the lifecycle is well established (Figure 1). Children whose education is denied or impeded by child labour enter adolescence lacking the skills base needed for gainful employment, leaving them much more vulnerable to joblessness or to low paid, insecure work in hazardous conditions. These poor job prospects will continue into adulthood, and low earnings, insecurity and unemployment spells are likely to characterise their work experience as adults. More likely to be poor, these adults are also more likely to have to depend on their children's labour or productivity as a household survival strategy, thus perpetuating the child labour-poverty cycle.

Figure 1. Child labour and decent work over the lifecycle

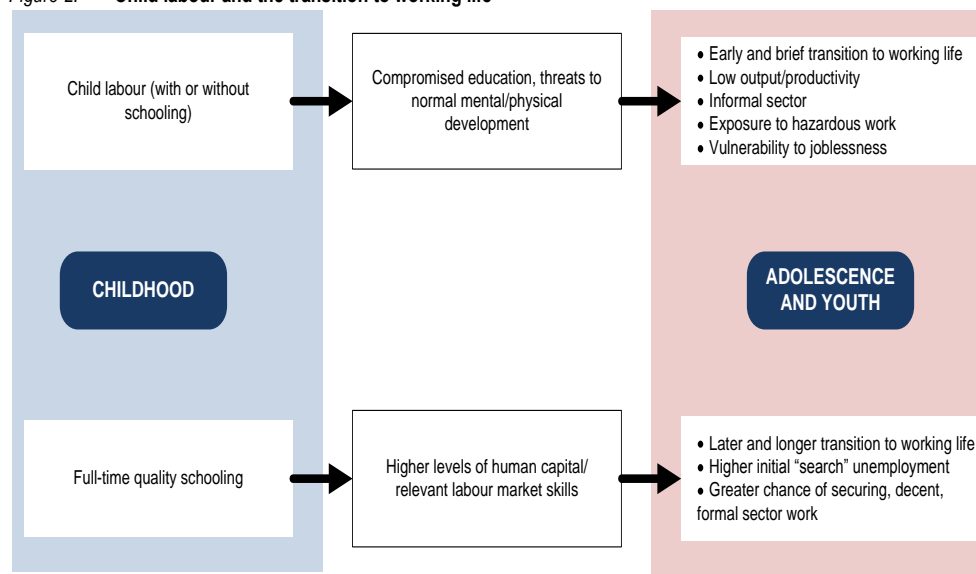


42. The issues of child labour and youth employment are therefore closely linked, pointing to the need for common policy approaches to addressing them. Employment outcomes are typically worst for former child labourers and other

early school-leavers, groups with least opportunity to accumulate the human capital needed for gainful employment. Indeed, today's jobless or inadequately employed youth are often yesterday's child labourers. The link between child labour and labour market outcomes can also operate in the other direction: poor future employment prospects can reduce the incentive of households to invest in children's human capital (Figure 2).

43. The current report aims to examine the issues of child labour and youth employment in Mongolia. Guided by observed outcomes in terms of schooling, work activities and status in the labour market, it will consider the economic as well as the social determinants of child labour and youth employment. The report also analyses the link between migration, child labour and youth employment outcomes. Since transition in the early 1990s, rapid structural adjustment of the economy has hit Mongolian families hard and migration has become a drastic strategy for coping with insecurity. The rapid increase of migration poses important questions for policy purposes, and specifically whether internal migration affects household decisions concerning children's schooling and work.

Figure 2. Child labour and the transition to working life



44. The report was developed under the aegis of the Understanding Children's Work (UCW) programme, a research co-operation initiative of the International Labour Organisation, UNICEF and World Bank. It is the product of a collaborative effort involving the National Statistical Office, other concerned Government ministries, local research institutes, the UCW programme secretariat and the ILO/IPEC, UNICEF and World Bank Mongolia country offices. The 2006 Labour Force Survey (Child Labour module) is the primary dataset used in this study.

45. The remainder of the report is organised as follows. Section 2 briefly reviews the national context, and specifically major socio-economic factors underlying the

child labour and youth employment outcomes in the country. Section 3 examines children's involvement in work – its extent and nature, its determinants, its consequences on education and how work involvement is changing over time. Section 4 then turns to young persons aged 15 to 24 years. It provides a profile of youth labour force status (i.e., descriptive statistics on youth employment composition, unemployment, joblessness, relative wages, and related indicators) as well as factors influencing labour market outcomes. Section 5 looks migration in Mongolia and its links with child labour and youth employment outcomes. Section 6 reviews policies and legislative framework to eradicate child labour and promote decent work for youth in Mongolia. Section 7 looks at strategic options for accelerating and strengthening national action addressing the twin challenges of child labour and youth unemployment.

2. NATIONAL CONTEXT

46. Mongolia is a land-locked country in northeast Asia bordering China in the south and the Russian Federation in the north.¹ The Mongolian climate is extremely harsh with very long and cold winters and dust storms in the spring. Its geography is dominated by grassy steppes, mountains, and vast desert and semi-desert regions with less than one percent of its land classified as arable.

47. The country benefits from a range of potential world-class mineral deposits, and has attracted considerable investment in exploration in recent years. With a population of only 2.6 million (2007) in a vast territory of over 1,500 million square kilometers, the country has one of the lowest population densities in the world. The country's "tyrannies of distance and isolation" pose a great challenge to the equitable delivery of services and to generating growth that is broadly shared regionally.²

48. Rapid rural-urban migration and degradation of natural resources (forests, wildlife, and pastureland) are challenges that require immediate attention. The capital city Ulaanbaatar has grown from about a quarter to nearly half the population in recent years, rapidly increasing pressure on land and water, utilities, and services and contributing to increasingly hazardous levels of air pollution. In rural areas, pastureland is being degraded due to a combination of desiccation and overgrazing. Forest and wildlife is being lost to illicit harvesting; in some areas at alarming rates.

49. After circa 70 years of planned economy and one-party rule, Mongolia made a successful transition to a democratic political system in 1991. A new constitution was adopted in 1992, embracing the principles of democracy and private ownership. The abrupt shift to a market-guided economy (through so-called economic "shock therapy")³ led to the sharp contraction of the economy (real GDP fell by about 23 percent between 1989 and 1993), together with rampant inflation (peaking at 321 percent in late 1992) and soaring unemployment (peaking at 74,900 in 1994), and to the faltering of social services and employment. Market forces have increased the disparity between the living standards of rural and urban populations, and widened the income gap between haves and have-nots. The recovery began in 1993 and since 1995, the massive deterioration in living standards has been arrested although not completely reversed.

50. The current decade has been one of strong macro-economic performance in Mongolia, with an average GDP growth of almost seven percent between 2000

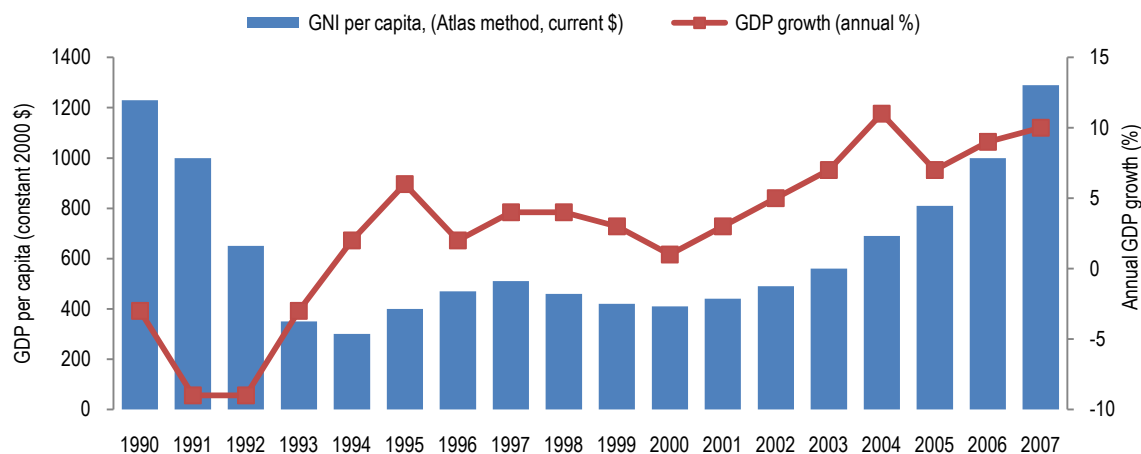
¹ This section is drawn primarily from the following documents: (1) *Mongolia Poverty Assessment*, Report No. 35660-MN, Poverty Reduction and Economic Management, East Asia and the Pacific Region, Washington, 13 April 2006. (2) *Memorandum of the President of the International Development Association to the Executive Directors on a Country Assistance Strategy of the World Bank Group for Mongolia*, April 2004, Southeast and Mongolia Country Unit, East Asia and Pacific Region; (3) *Economic Growth Support and Poverty Reduction Strategy*, July 2003, Government of Mongolia; and (4) *Mongolia Macroeconomic Brief*, February 2006, World Bank

² <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/MONGOLIAEXT/TN/0,contentMDK:20190297~pagePK:141137~piPK:217854~theSitePK:327708,00.html#ChallengesAhead>

³ These reforms included: the phase liberalization of state-controlled prices and tariffs, privatization of state owned enterprises, establishment of a two-tier banking system, liberalisation of foreign trade, adoption of a floating exchange system, implementation of tight monetary and fiscal policies aimed at reducing inflation, adoption and enforcement of laws to encourage fair competition, and creating a favourable environment for private sector development.

and 2007 and a concomitant rise in per capita incomes (Figure 3). Sources of growth, however, have become increasingly concentrated, heavily dependent on mining and livestock sector activities. Mongolia's reliance on the exports of a few key commodities, i.e., gold, copper, cashmere, has made its economy particularly vulnerable to fluctuations in commodity prices and natural disasters.⁴

Figure 3. GNI per capita and annual GDP growth, 1990-2007



Notes: (a) Atlas method (current US\$). GNI per capita (formerly GNP per capita) is the gross national income, converted to US dollars using the World Bank Atlas method, divided by the mid-year population.

Source: World Bank World Development Indicators

51. Reducing income poverty remains a major challenge in Mongolia, although here too trends are positive. In 2003, the government completed a new Poverty Reduction Strategy Plan - Economic Growth Support and Poverty Reduction Strategy (EGSPRS) – a comprehensive medium-term framework of strategies, policies and programs to reduce poverty by promoting sustained and equitable growth and by focusing on the education, health and social welfare sectors. World Bank estimates⁵ indicate that national poverty incidence⁶ fell from 43 to 36 percent in the period between 1998 and 2002-2003,⁷ and declined further to 32 percent in 2005.⁸ The 2002-03 poverty figures showed considerable geographic

⁴ World Bank, *Mongolia, Sources of Growth. Country Economic Memorandum*. Document of the World Bank Report No. 39009-MN, Poverty Reduction and Economic Management Unit East Asia and Pacific Region, July 2007.

⁵ World Bank, *Mongolia Poverty Assessment*. Report No. 35660-MN, Poverty Reduction and Economic Management, East Asia and the Pacific Region, Washington, 13 April 2006.

⁶ I.e., consumption-based poverty headcount.

⁷ Official poverty estimates published for years 1998 and 2002 are not comparable because they were based on different geographical coverage, inconsistent consumption aggregates, and incompatible poverty lines. The World Bank Mongolia Poverty Assessment makes an attempt to construct a closely, albeit imperfectly, comparable consumption aggregates based on the 2002-2003 Household Income and Expenditure Survey and Living Standard Measurement Survey (LSMS) and the 1998 LSMS. It is based on a subset of consumption aggregates and a subset of household samples from 9 out of 22 aimags (administrative units) of the country.

⁸ World Bank derives the latter figure from forward projections based on macroeconomic data of sectoral GDP and employment growth rates. It states that in the absence of household surveys during the last four years, this result should be interpreted with caution.

variation: rural areas had a poverty incidence of 43 percent compared with 30 percent in urban areas; more than half of the population in the West was classified as poor, about twice the rate in Ulaanbaatar (Table 1). To a considerable extent, these geographic differences reflected differences in urbanization: the two regions with the highest poverty incidences, the West and Highlands, were also the two with the lowest rates of urbanization. The West also has the largest average household size, and highest dependency ratio.⁹

Table 1. Poverty levels, by residence and region, 2002-03

Residence and region		Poverty Headcount (%)	Poverty Gap (%)	Poverty Severity (%)
National		36.1	11.0	4.7
Residence	Urban	30.3	9.2	4.0
	Rural	43.4	13.2	5.6
Region	West	51.1	14.6	5.7
	Highland	38.7	12.3	5.2
	Central	34.4	10.1	4.3
	East	34.5	12.4	6.6
	Ulaanbaatar	27.3	8.1	3.3

Source: World Bank, *Mongolia Poverty Assessment*. Report No. 35660-MN, Poverty Reduction and Economic Management, East Asia and the Pacific Region, Washington, 13 April 2006, p. 6.

52. A composite profile of a poor Mongolian is a person who lives in rural areas, has many children, works with livestock, and has lower secondary or less education. Poverty incidence was significantly higher for households headed by someone who were employed in agriculture (livestock) or not employed (i.e., unemployed or out of labour force). These households also made up the majority of (about 64 percent) of the total poor population. In terms of poverty and employment, households whose heads were involved in livestock activities experienced the highest incidence and greatest poverty than those whose head was employed anywhere else.¹⁰ Herder households constituted the largest group amongst the poor and of all households with household heads engaged in some form of economic activity, herder households had the highest incidence of poverty.

53. Unlike other countries, poor households in Mongolia must spend an important amount of their incomes on heating during long and harsh winters. A reasonable basket of minimal needs in Mongolia consists of only 44 percent food items and 56 percent non-food items, of which heating is a significant component.

54. Poverty in Mongolia is characterised by high levels of vulnerability: the transition added other insecurities to the existing climate-related vulnerability. Since the collapse of the socialist regime, the livelihoods of many families became vulnerable in the face of multiple, interlocking forms of insecurity:

⁹ World Bank, *Mongolia Poverty Assessment*. Report No. 35660-MN, Poverty Reduction and Economic Management, East Asia and the Pacific Region, Washington, 13 April 2006.

¹⁰ World Bank, *Mongolia Poverty Assessment*. Report No. 35660-MN, Poverty Reduction and Economic Management, East Asia and the Pacific Region, Washington, 13 April 2006.

- Economic insecurity stemmed particularly from unemployment and remoteness from markets. Even if social safety nets persisted, and pensions and allowances became for many households the only source of regular cash income, crises in the banking sector meant that pensions, allowances and salaries were frequently late, forcing people to dispose assets and into a cycle of indebtedness.
- Environmental insecurity acquired new significance, particularly for those new to livestock production. The effects of natural hazards were exacerbated by a growing concentration of grazing pressure, as the numbers of herders and livestock increased while pastoral mobility declined. Conflicts over pasture became endemic in many areas, particularly in central aimangs and the Khangai region.
- Social insecurity derived from changes in kinship and other social networks.
- Physical insecurity is particularly widespread among poorer groups. Unemployment and economic insecurity led to widespread social malaise, alcohol abuse, rising crime (particularly theft), domestic violence and marital breakdown, which compounded problems of economic and social insecurity.

55. The most vulnerable groups are those least able to absorb shocks and deal with stresses: (i) families with many children and no secure sources of income, (ii) single-parent households, (iii) 'new' herding households with few livestock, little herding experience, and with many children, (iv) newly established, young families, (v) poor families without better-off relatives who can help them or inherited assets, (vi) families that are entirely dependent on pensions and allowance which are often paid late, (vii) unemployed people, and (viii) those physically unable to work.

56. High vulnerability is somewhat offset by Mongolia's extensive system of social safety nets. This system costs about seven percent of GDP a year, of which 40 percent is devoted to social assistance for the poor and the vulnerable. However, the social assistance program that intends to benefit vulnerable population suffers from high levels of leakage (i.e., benefits to wealthier households) and exclusion (i.e., limited coverage of poor deserving households).

57. Clear signs of progress have also been recorded in terms of non-monetary poverty. During the period 1998-2003, access to electricity and water rose by 50 percent, ownership of selected consumer durables doubled, and primary and secondary enrolment rates rose by 10 percentage points. More recent figures point to continued progress in these areas. Health is another area where advances have been considerable: child malnutrition,¹¹ for example, fell from 12 percent in 1990 to five percent in 2004, and child mortality from 62 per 1,000 in 2000 to 43 per 1,000 in 2006.¹²

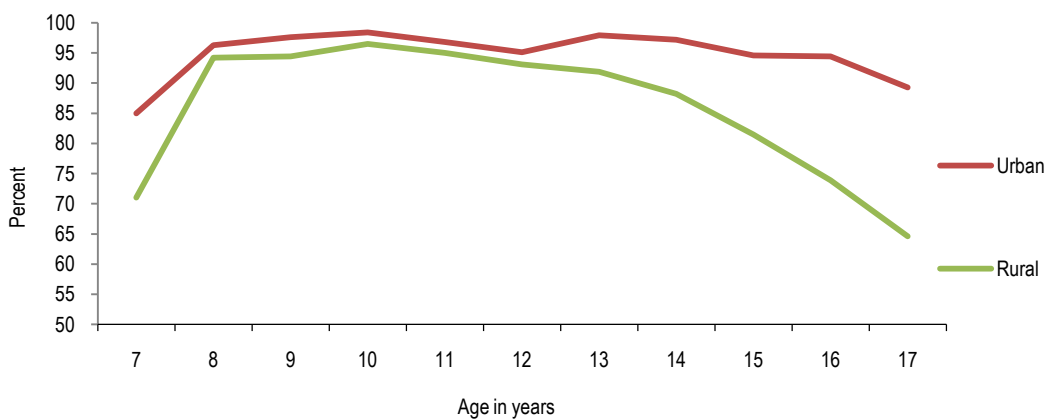
58. School enrolment has grown rapidly in recent years in Mongolia, and is approaching the level attained prior to the transition. All but about three percent of children now receive at least some schooling, though many leave the system prior

¹¹ Weight for age (% of children under 5). World Bank World Development Indicators.

¹² World Bank World Development Indicators.

to completing the secondary level (Figure 4). The problem is mainly rural: in particular, rural students do not have equal access to upper secondary education because rural schools shut down grades 9 and 10 during the 1997 reorganization and rationalization reform, while aimag center schools have only limited spaces. Attrition rates are also significantly higher among rural children, and educational quality, measured by exam results, is significantly worse in rural schools. Poverty directly, through out-of-pocket and opportunity costs, and indirectly, through parental background, contributes to dropout. Rural students who tend to perform worse and drop out after the 8th grade are highly likely to be poor. This attrition or dropout raises concern given its long-term implications from the vicious cycle or inter-generational transmission of poverty.¹³

Figure 4. Age-specific school attendance rates, 2006



Source: UCW calculations based on Mongolia Labour Force Survey 2006

59. Notwithstanding these advances, the country's development challenges remain considerable: poverty is widespread and inequality appears to be increasing; 38 percent of the population still lives without sustainable access to an improved water source and 40 percent without improved sanitation, with access poorest in the western part of the country; 27 percent of the population is undernourished.¹⁴ Mongolia ranks 114th out of 177 countries on the human development index (HDI).¹⁵ While the country has made progress towards achieving some of the Millennium Development Goals, attaining many of the specific targets will be difficult (Table 2).

¹³ World Bank, *Mongolia Poverty Assessment*. Report No. 35660-MN, Poverty Reduction and Economic Management, East Asia and the Pacific Region, Washington, 13 April 2006.

¹⁴ World Bank, World Development Indicators.

¹⁵ The Human Development index (HDI) value in 2005 was 0.700 (2007/2008 Human Development Report). http://hdrstats.undp.org/countries/country_fact_sheets/cty_fs_MNG.html

Table 2. Mongolia and the Millennium Development Goals

Goal 1: Reduce Poverty and Hunger	
<i>Target 1 Halve, between 1990 and 2015, the proportion of people whose income is below the national poverty line.</i>	Headcount poverty decreased from 36% in 1990 (LSMS 1995) to 32.2% in 2006. As the economic growth slowed down in 2000 and 2001, if the trend is not reversed, the MDG target of halving the poverty headcount by 2015 will not be met.
<i>Target 2 Halve, between 1990 and 2015, the proportion of people who suffer from hunger</i>	In 1990-2000 the share of underweight children remained constant and represented 12% of children population. Since then, the proportion of underweight children halved to 6.3% (2005). In addition to household food security, there are on-going problems of food quality and safety. The liberalization of food production/distribution/marketing without an adequate quality control, and dependence on import without adequate food safety controls have been major contributing factors. The achievement of the target is considered potential.
<i>Target 3 Develop and implement strategies for decent and productive work for youth</i>	Youth unemployment rate (aged 15-24) decreased from 22.8% in 2000 to 20.0% in 2003; in the same period the ratio of youth unemployment to adult unemployment rate slightly increased from 1.5 to 1.6; the share of youth unemployment to youth population decrease from 12.3% to 8.7%. The target will be probably reached.
Goal 2: Achieve primary education for all girls and boys by 2015	
<i>Target 4 Provide primary education to all girls and boys by 2015</i>	The economic crises have had adverse effects on education. Net primary enrolment rates plummeted from around 98 percent in 1989 to 82 percent in 1992, before rebounding in 1993 to gradually reach 91.4 percent in 2006. Big differences exist among regions. Primary completion rate increased from 87.2% in 2000 to 108.8% in 2006 (for girls: from 90.5 to 110; for boys: from 84.0 to 108.8)
Goal 3: Promote Gender Equality and Empower Women	
<i>Target 5 Eliminate gender disparity in primary and secondary education by 2005 and to all levels of education no later than 2015</i>	The female to male ratio of literacy rate of ages 15-24 stayed constant and equal to 1 in the period 1990-2000. The female to male ratio in primary enrolment (1.01) remained constant since 1990 and slightly decreased in 2005-06 (0.98); as regards the secondary education a similar trend occurred (the ratio slightly increased from 1.12 in 1990 to 1.20 in 2000, and then reduced to 1.03 in 2006). The female to male ratio in higher educational establishment increased from 1.56 (1990) to 1.72 (2000), and dropped to 1.53 in 2005. The proportion of seats held by women in national parliament rose from 4 in 1990 to 8 in 2001 and then decreased to 5 in 2008. The target will be probably met.
Goal 4: Reduce Child Mortality	
<i>Target 6: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate</i>	According to the NSO Statistical Bulletin 2006, under-five mortality rate (per 1,000 live births) dropped from 88.8 in 1990 to 23.2 in 2006. Infant mortality rate (0-1 year per 1,000 live births) decreased in the same period from 64.4 to 19.1. Percentage of children below age 1 vaccinated against measles increased from 82.3 (1990) to 98.9 (2006). The target is considered potential. However, under five mortality remains a serious concern for particular population groups and regions.

Table 2 (cont'd)

Goal 5: Improve Maternal Health	
<i>Target 7</i> <i>Access for all individuals of appropriate age to required reproductive health services and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio</i>	According to the NSO Statistical bulletin (2006), trends between 1990 and 2006 show a sharp reduction from 121.6 (1990) to 67.2 (2006) per 100,000 live births. Maternal mortality is higher in remote rural areas than in urban areas and varies across regions. Proportion of births attended by skilled personnel decreased from 100% (1990) to 99.7% in 2006. The target is potentially achievable.
Goal 6: Combat STIs/HIV/AIDS	
<i>Target 8</i> <i>Have halted by 2015 the spread of HIV/AIDS and begun to reverse STIs</i>	HIV prevalence is 0.1%. Contraceptive prevalence rate (including condom) among women increased from 37.8% (1997) to 50.3% (2006); the use of condom is rare and it increased less than 1 percentage point in the same period. Condom use among currently married women 15-49 in 2000 was 4.3. Due in part to the low incidence of HIV/AIDS, the disease has not emerged as a priority public issue. However, the low prevalence is not a cause for complacency as Mongolia has a number of risk factors.
<i>Target 9</i> <i>Have begun to reverse the spread of tuberculosis by 2015</i>	According to NSO Statistical Bulletin (2006), prevalence of tuberculosis (per 100,000 persons) decreased from 435.5 in 1990 to 84.8 in 2006. In the same period, death rates associated with TB (per 100,000 persons) dropped from 4.8 to 2.9. Proportion of TB cases detected and cured under DOTS rose from 31.4% (1990) to 82.1% (2006). The target is considered to be met potentially.
Goal 7: Ensure Environmental Sustainability	
<i>Target 10</i> <i>Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources</i>	Land/pasture degradation, air pollution, low energy efficiency, deforestation, and decreasing biodiversity currently present most pressing environmental problems. 78% of pastureland is degraded and further 20.0% has a tendency towards degradation. Land area covered by forest decreased from 7.3% in 1990 to 6.5% in 2005; land area protected to maintain biological diversity more than doubled and reached 13.9% in 2005. Carbon dioxide emissions (ton/person) decreased from 11.52 in 1990 to 5.75 in 2006 (NSO Statistical Bulletin 2006).
<i>Target 11</i> <i>Halve, by 2015, the proportion of people without sustainable access to safe drinking water</i>	The percentage of people using an improved water source increased from 55% in 1990 to 60% in 2000. Data are likely to overstate the proportion of population without access to safe water, because of striking differences depending on geographical location and economic status.
<i>Target 12</i> <i>By 2020, to have achieved a significant improvement in the lives of slum dwellers</i>	Currently, the population is almost equally split between areas with traditional dwellings and conventional housing; there are wide disparities in access to basic amenities. The proportion of population using adequate sanitation facilities increased from 22% in 1990 to 25% in 2000.
Goal 8: Develop a Global Partnership for Development	
<i>Target 13</i> <i>Create favourable condition for achieving other MDGs through developing trading and financial system</i>	Mongolia has rapidly embraced free trade and currently has one of the most open economies in the world. In 1997, it joined the World Trade Organization (WTO) and imposed 5% tariff on most imports and a modest tax on export of a small number of raw materials. The financial sector was rapidly liberalized in the early years of transition, and the non-banking financial sector has grown rapidly in the urban areas over the last few years. People living in rural areas, however, still to a large extent lack access to micro-financial services.

Source: Millennium Development Goals: National Report on the Status of Implementation in Mongolia, Government of Mongolia and UNDP, 2004, The Millennium Development Goals Implementation, Second National report, Government of Mongolia, 2007, and <http://unstats.un.org/unsd/mdg/Data.aspx?cr=496>

3. CHILDREN'S INVOLVEMENT IN WORK AND SCHOOLING

60. This section looks at the time use patterns of children in Mongolia, focusing in particular on the extent of children's involvement in work and schooling. The analyses in this and the remaining sections are based on data from the 2006-2007 Mongolia Labour Force Survey, a nationally representative household-based survey designed to study the participation in and characteristics of the Mongolian labour force. The survey contained a specific module on the work and other time uses of children aged 5-17 years, including children's employment and household chores, working hours, workplace hazards and ill health.

3.1 Involvement in employment

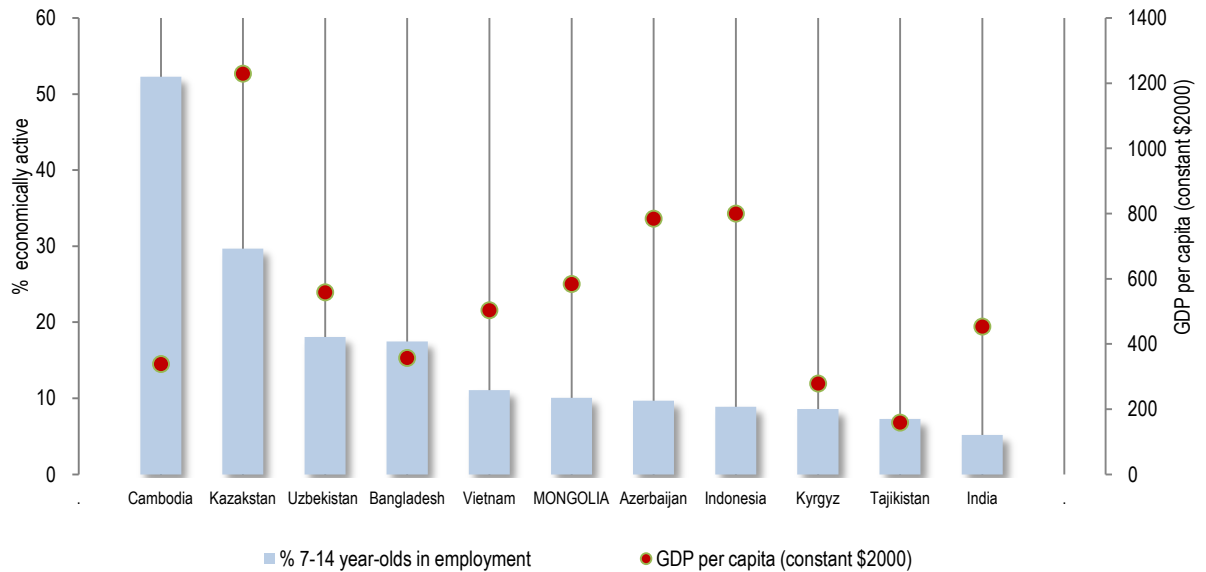
61. Children's employment is not uncommon in Mongolia. An estimated 10 percent of children aged 7-14 years, over 35,000 children in absolute terms, were in employment¹⁶ in the 2006 reference year (refer to Box 1 on terminology). Some 25,000 children under the age of 12 years were in employment, the absolute minimum working age specified by the country upon ratification of ILO Convention No. 138 (Minimum Age), and 11,000 children aged less than 10 years were economically active. These very young child workers constitute a particular policy concern, as they are most vulnerable to workplace abuses, and most at risk of work-related ill-health or injury. They are also most likely to be affected by compromised education.

62. A comparison with previous survey data suggests an upward trend in children's work: an estimated seven percent of 7-14 year-olds were in employment during the 2002-03 reference period against 10 percent in the 2006 reference year. The share of children in employment without also attending school, however, decreased over the 2002-2006 period, from four percent to two percent. The additional children in employment, therefore, were working students, i.e., children combining employment responsibilities with their studies.

63. Mongolia's level of child economic activity places it in the mid-range of countries in the Asia region where data are available (Figure 5). The country fares less well in comparison with other Asian countries when income levels are considered. Kyrgyzstan, Tajikistan, India achieving lower levels of children's work than Mongolia have done so despite also having lower levels of per capita income. The existence of countries doing better with fewer resources underscores the significant scope for policy intervention against child labour in the Mongolian context. At the same time, Mongolia only fares better in terms of child employment than one other Asian country with a higher income level (i.e., Kazakhstan). However, as survey methodologies and exact reference periods differ, such cross-country comparisons are indicative only.

¹⁶ *Children in employment* is a broad concept covering all market production and certain types of non-market production (principally the production of goods for own use). It includes forms of work in both the formal and informal sectors, as well as forms of work both inside and outside family settings.

Figure 5. Child employment and per capita income, Mongolia and selected comparator countries



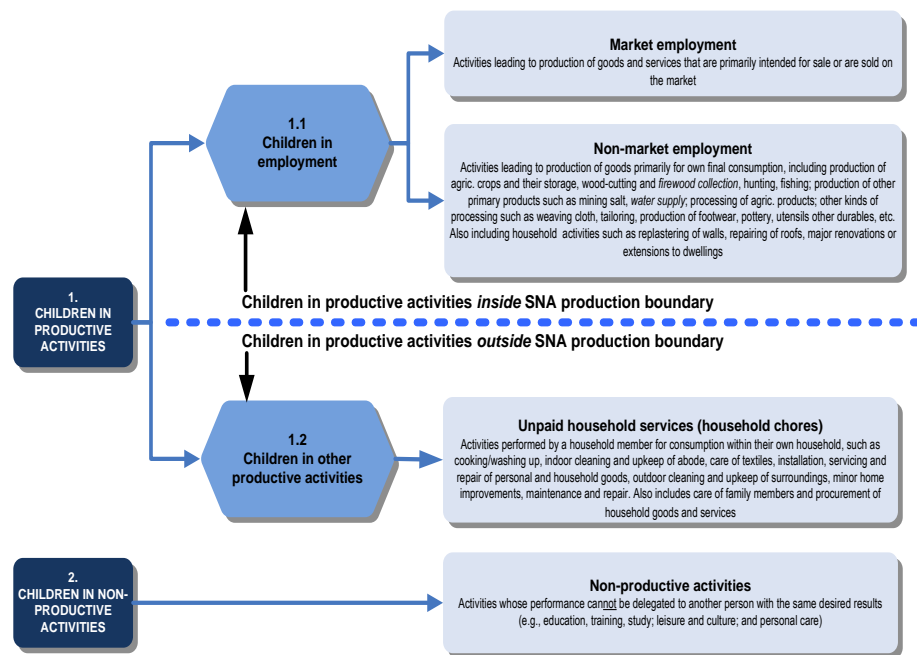
Notes: Estimates of child employment relate to different reference years and are derived from different survey instruments; cross-country comparisons of estimates are therefore indicative only.

Sources: (1) GDP per capita estimates: World Development Indicators. (2) Child employment: UCW calculations based on (a) Cambodia SIMPOC National Child Labour Survey, 2001; b) Kazakhstan Living Standard Measurement Survey, 1996; c) Uzbekistan Multiple Cluster Surveys 2000; d) Bangladesh SIMPOC National Child Labour Survey, 2003; e) Vietnam Living Standard Survey, 2003; f) Mongolia Labour Force Survey, 2006-2007; g) Azerbaijan Multiple Cluster Survey, 2000; h) Indonesia Family Life Surveys 2000; i) Kyrgyzstan Living Standard Measurement Survey, 1998; j) Tajikistan Living Standard Measurement Survey, 1999; k) India National Sample Survey, 2000.

Box 1. Children's work and child labour: A note on terminology

Terminology and concepts used for categorising children's work and child labour (and in distinguishing between the two) are inconsistent in published statistics and research reports, frequently creating confusion and complicating cross-country and longitudinal comparisons. In this study, "children's work", is used broadly to refer to all productive activities performed by children. Productive activities, in turn, are defined as all activities falling within the general production boundary, i.e., all activities whose performance can be delegated to another person with the same desired results. This includes production of all goods and the provision of services to others within or outside the individual's household.

In accordance with the standards for national child labour statistics set at the 18th International Conference of Labour Statisticians (Res. II), the study distinguishes between two broad categories of child workers – children in employment and children in other productive activities. The definition of **children in employment** in turn derives from the System of National Accounts (SNA) (Rev. 1993), the conceptual framework that sets the international statistical standards for the measurement of the market economy. It covers children in all market production and in certain types of non-market production, including production of goods for own use. **Children in other productive activities** are defined as productive activities falling outside the SNA production boundary. They consist mainly of work activities performed by household members in service to the household and its members, i.e., household chores.

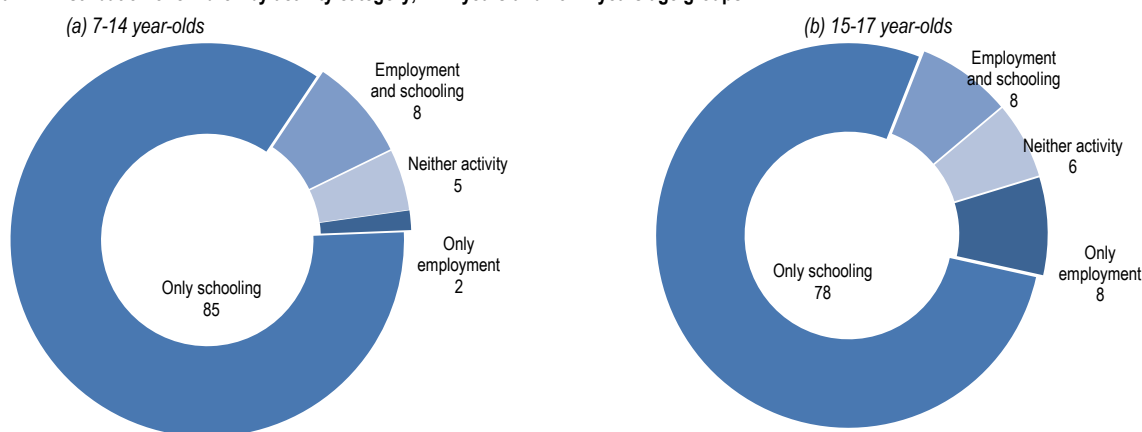


The term "child labour" is used to refer to the subset of children's work that is injurious, negative or undesirable to children and that should be targeted for elimination. It can encompass both children in employment and children in other productive activities. Three main international conventions – the UN Convention on the Rights of the Child (CRC), ILO Convention No. 182 (Worst Forms) and ILO Convention No. 138 (Minimum Age) – provide the main legal standards for child labour and a framework for efforts against it.

Child labour in the context of Mongolia is defined primarily by the Mongolia Labour Law (see Section 5.1).

64. The disaggregation of the child population into four non-overlapping activity groups – children only in employment, children only attending school, children combining school and employment and children doing neither – indicates that eight percent of all 7-14 year-olds children work and attend school at the same time, while only two percent work in employment without going to school. A further 85 percent of all children aged 7-14 attend school exclusively, while the remaining five percent of 7-14 year-olds is “inactive”, i.e., not involved in employment or in schooling (Figure 6 and Table 3). Activity patterns differ somewhat for older, 15-17 year-old children: a greater share is in employment exclusively and a smaller share is in school exclusively or is inactive compared to the 7-14 years age group. Overall, school involvement, however, remains high among 15-17 year-olds (Table 4).

Figure 6. Distribution of children by activity category, 7-14 years and 15-17 years age groups



Source: UCW calculations based on *Mongolia Labour Force Survey, 2006-2007*

Table 3. Child activity status, 7-14 years age group, 2006 reference period

Activity status	Sex				Residence				Total	
	Male		Female		Urban		Rural		No.	%
	No.	%	No.	%	No.	%	No.	%		
Only employment	3,800	2.0	2,200	1.3	200	0.1	5,800	3.5	6,000	1.6
Only schooling	159,400	83.0	149,100	87.2	188,300	94.1	120,300	73.7	308,500	85.0
Employment and schooling	18,100	9.4	12,400	7.2	3,100	1.6	27,400	16.8	30,500	8.4
Neither activity	10,800	5.6	7,200	4.2	8,400	4.2	9,700	5.9	18,100	5.0
Total in employment^(a)	21,900	11.4	14,600	8.6	3,300	1.7	33,200	20.3	36,500	10.1
Total in school^(b)	177,500	92.4	161,500	94.5	191,400	95.7	147,700	90.5	339,000	93.4

Notes: (a) Refers to all children in employment, regardless of school status; (b) Refers to all children attending school, regardless of work status.

Source: UCW calculations based on *Mongolia Labour Force Survey 2006-2007*.

Table 4. Child activity status, 15-17 years age group, 2006 reference period

Activity status	Sex				Residence				Total	
	Male		Female		Urban		Rural		No.	%
	No.	%	No.	%	No.	%	No.	%		
Only employment	9,900	10.9	4,400	5.2	1,800	1.6	12,600	18.9	14,300	8.2
Only schooling	66,500	73.1	69,300	82.2	98,500	90.7	37,300	56.0	135,800	77.5
Employment and schooling	7,800	8.6	6,000	7.1	2,300	2.1	11,600	17.3	13,800	7.9
Neither activity	6,800	7.4	4,600	5.4	6,100	5.6	5,300	7.9	11,300	6.4
Total in employment^(a)	17,800	19.5	10,400	12.4	4,100	3.7	24,100	36.2	28,200	16.1
Total in school^(b)	74,400	81.7	75,300	89.4	100,800	92.8	48,900	73.3	149,700	85.4

Notes: (a) Refers to all children in employment, regardless of school status; (b) Refers to all children attending school, regardless of work status.

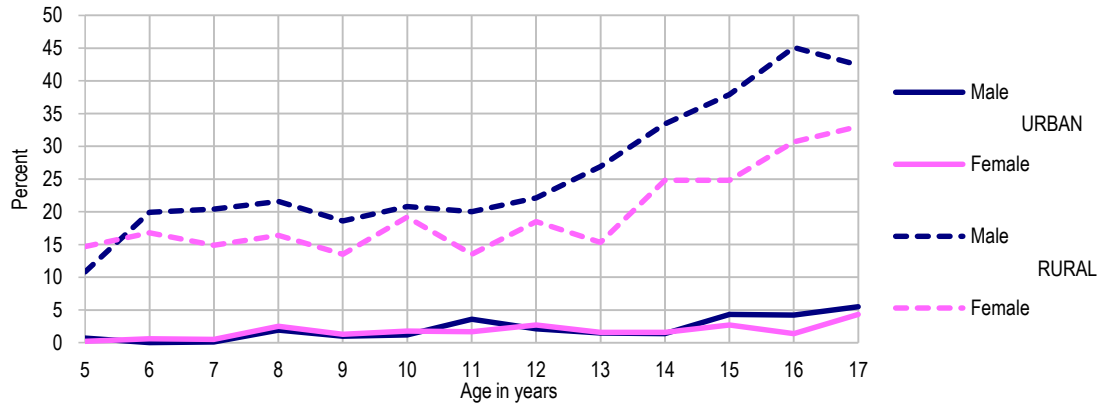
Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007

65. Aggregate estimates of children's activities mask important differences by age, sex, residence, and region. The main patterns are illustrated below (note that child-, household- and community-related determinants of child labour are discussed in Section 3.7 of this report):

- **Gender.** Boys in the 7-14 years age group are somewhat more likely to be in employment than girls of the same age. Larger differences by sex emerge among older, 15-17 year-old children. Boys' employment in this age range rises to almost 20 percent, against 12 percent for same-aged girls. Again, much of the difference is accounted for by the different types of work boys and girls take on: while boys are much more likely to enter full-time employment as they grow older, girls are more likely to take on responsibility for household chores and other non-economic forms of work.
- **Age.** Child employment rises sharply with age, but numbers of even very young working children are far from negligible. Around 2,600 (seven percent of) five year-olds, 4,000 (nine percent of) six year-olds and 3,800 (nine percent of) seven year-olds are already in employment. These very young child workers constitute a particular policy concern, as they are most vulnerable to workplace abuses, and most at risk of work-related ill-health or injury (Figure 7).
- **Residence.** Children's employment is overwhelmingly a rural (agriculture sector) phenomenon. Children living in cities and towns are considerably less likely than their rural counterparts to be in employment, at every age and for both sexes. At the same time, urban children are more likely to attend school generally (96 percent versus 91 percent), and much more likely to attend school exclusive of work (94 percent versus 74 percent).
- **Region.** Sub-national data from the Mongolia Labour Force 2006 point to large regional differences in children's employment, underscoring the need for the geographic targeting of child labour elimination efforts (Figure 8). The rate of children's employment exceeds 55 percent in

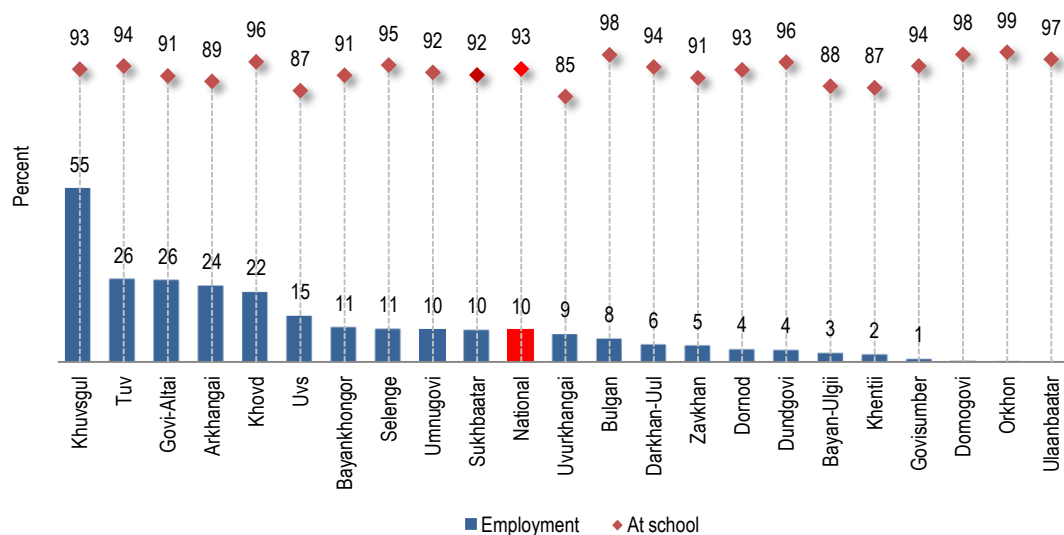
Khuvsgul, exceeds 25 percent in Tuv and Govi-Altai, and exceeds 20 percent in Arkhangai and Khovd. There is less geographic variation in school attendance; at least some 85 percent of 7-14 year-olds attend school in all provinces picking at minimum in the Uvurkhangai aimag (85 percent) and at maximum in the Orkhon aimag (99 percent).

Figure 7. Children's involvement in employment, by age, sex and residence



Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007.

Figure 8. Children's employment and schooling, by Aimag/capital city, 7-14 year-olds

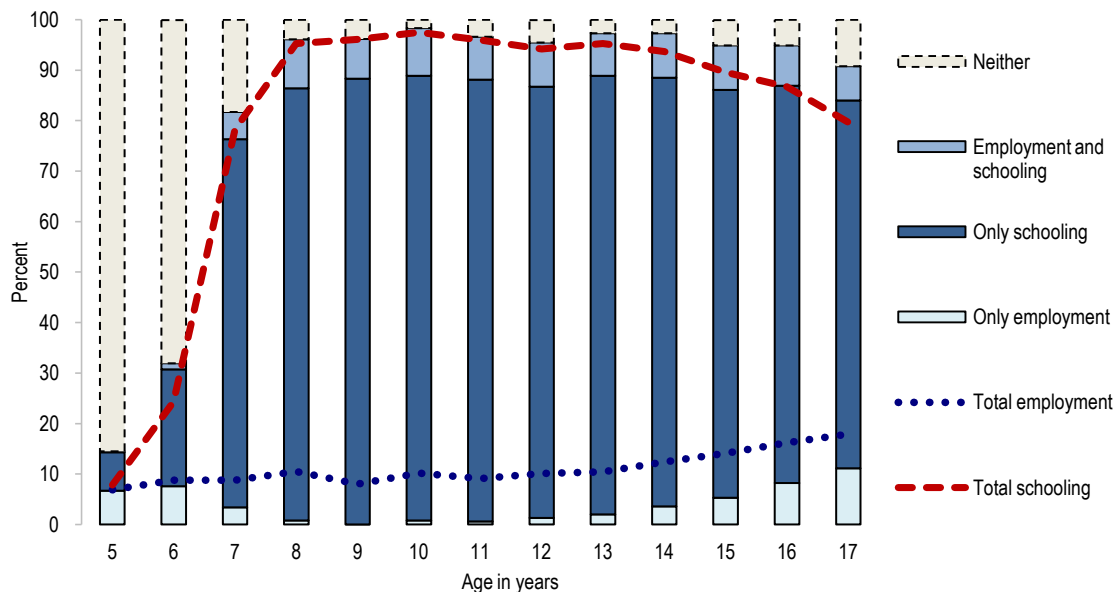


Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007.

66. Figure 9 illustrates children's transitions from inactivity to school and work during the period from age 5-17 years. Many Mongolian children start working at an early age, with adverse consequences for their development. About 10 percent of children are already economically active by the age of 10 years. Involvement in employment reaches 14 percent at age 15 years and almost 20 percent at age 17 years. School attendance rises also with age, peaking at 98 percent at age 10 years.

Thereafter, attendance slowly declines as children begin leaving school and taking on full-time work responsibilities. Levels of child “inactivity” are high among young children but decline steadily across the 5-14 years age spectrum. At age 14, only four percent of children are neither in school nor at work in economic activity. Beyond age 14, inactivity begins to rise again, as more children assume full-time domestic responsibilities within their own households.

Figure 9. Child activity status, by child age



Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007.

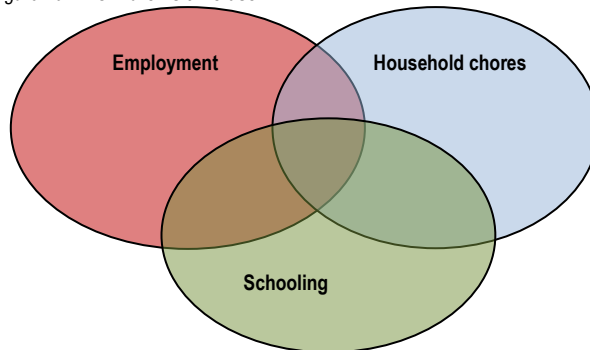
3.2 Involvement in household chores

67. Employment is not the only category of production concerning children. An even larger proportion of children are engaged in other productive activities, and specifically household chores. This form of work falls outside the international System of National Accounts (SNA) production boundary and is typically excluded from published estimates of child labour (Figure 10).

68. An estimated 70 percent of 5-14 year-olds (78 percent in the age group 7-14 years) were engaged in household chores in own parents' or guardians' home during the 2006 reference year. Common chores included cooking/serving food, cleaning, fetching water and collecting firewood.¹⁷ Involvement in household chores tends to start earlier than employment (see Annex, Table 1). Girls are more likely to perform household chores than boys, and ignoring this form of work therefore biases estimates of children's work in “favour” of boys.

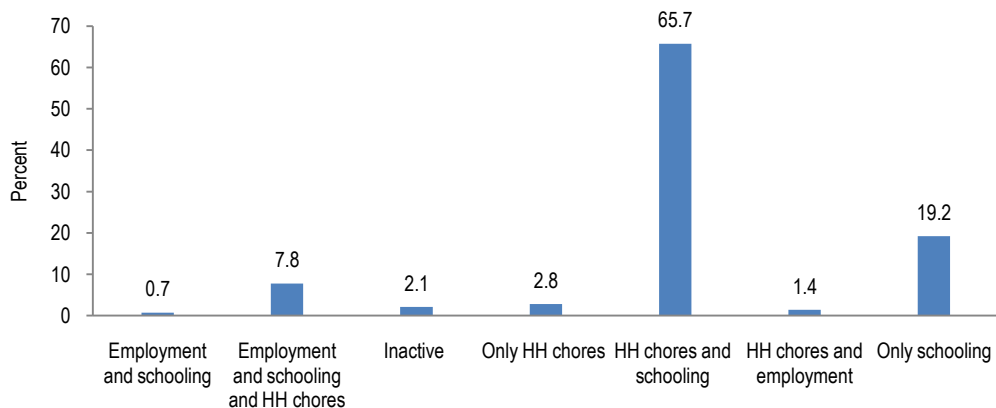
¹⁷ It is worth noting that the technical classification of water fetching remains an area of debate. A strict interpretation of the System of National Accounts (SNA) (rev. 1993) would place water fetching in the category of employment, and specifically own-account production (see Box 1 on terminology). However, in most published statistics on child employment and child labour, including ILO/IPEC global estimates, water fetching is not included as a form of employment.

Figure 10. Children's time use



69. Considering household chores adds another layer of complexity to the discussion of children's time use, as children may perform chores in combination with school, employment or in combination with both. This more complex – but also more complete – picture of children's activities is depicted in Figure 11.

70. One striking finding when children's activities are looked at in this way is the important group of children (eight percent) performing household chores, employment *and* attending school. Almost eight percent of all 7-14 years combine these three activities, with obvious consequences on their time for study, rest and leisure. Only 19 percent of children, on the other hand, are able to attend school unencumbered by any form of work responsibilities. About two percent of Mongolian children are apparently completely inactive, i.e., not attending school or performing any form of work.

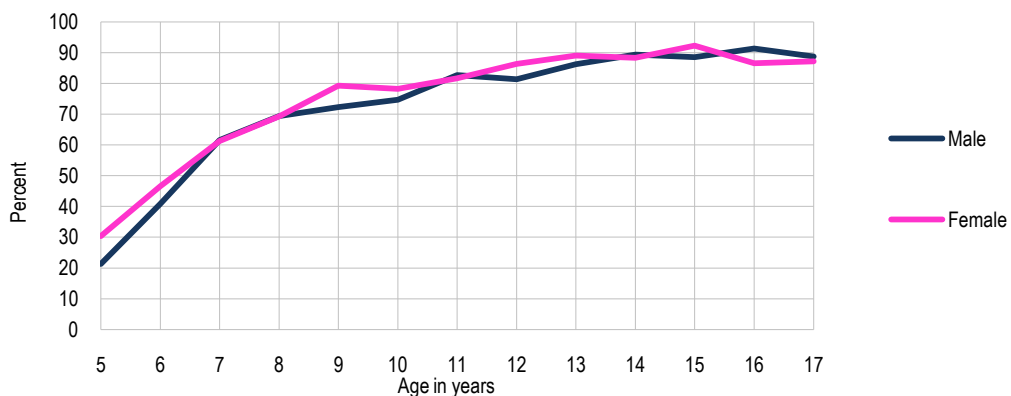
Figure 11. Distribution of 7-14 year-olds by activity category, including involvement in household chores^(a)

Notes: Includes all children indicating having spent time in household chores during the reference week.
Source: UCW calculations based on *Mongolia Labour Force Survey, 2006-2007*

71. Children's employment and household chores need to be combined for a measure of children's total participation in work. Developing such a combined measure, however, is not straightforward, as it requires decisions concerning how a unit of time in household chores should be weighted vis-à-vis a unit of time in employment. This remains an area of some debate, as underlying it is the question of whether housework has similar implications on child welfare as employment. In line with the international definition of employment, one hour spent in employment during the reference week is widely used as the threshold for classifying a child as economically active. However, a similar statistical standard for housework unfortunately does not yet exist. As household chores are very common for both boys and girls, and some housework is considered a normal and even beneficial part of childhood in most cultures, the one hour per week threshold would seem too low for measuring household chores involvement. Further research is needed on how time on housework affects health and education outcomes in order to determine what the appropriate time threshold should be.

72. One way of calculating children's total involvement in work is by simply combining involvement in employment and chores as defined in the Mongolia 2006-2007 survey questionnaire, i.e., children performing some form of employment during the week prior to the survey and/or some time on household chores in the week prior to the survey. 78 percent of Mongolian 7-14 year-olds, over 360,000 in absolute terms, were involved in some forms of work using this measure in the 2006 reference year. Girls' work involvement using this combined measure exceeds slightly that of boys (Figure 12), again underscoring that using employment alone as the measure of work understates girls' work involvement relative to that of boys.

Figure 12. Children's total work involvement, by age and sex



Source: UCW calculation based on Mongolia *Labour Force Survey, 2006-2007*

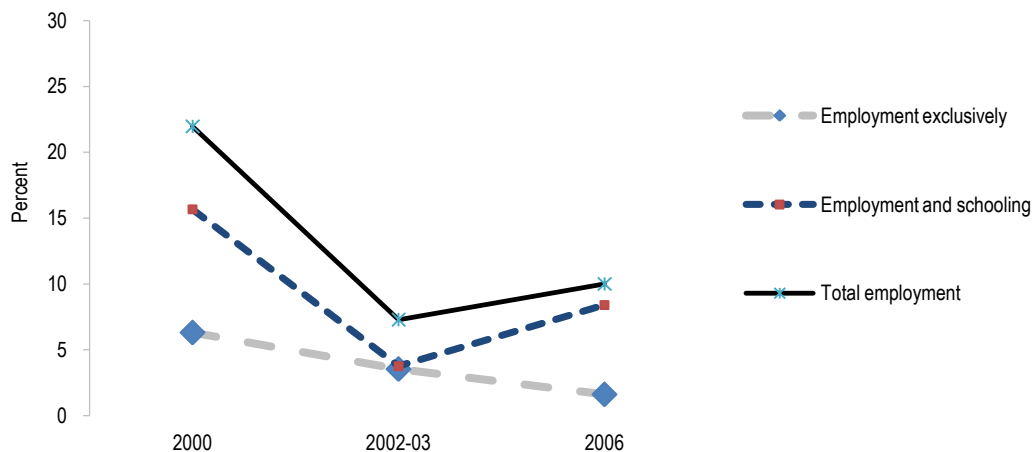
3.3 Trends in children's employment

73. A series of previous national household surveys permit a look at how the composition of children's activities, and particularly children's involvement in

employment, changed from 2000 to 2006. It should be noted, however, that while the data are comparable between 2003 and 2006, this is not the case for 2000. The estimates for 2000 are based on the MICS survey and they might systematically differ from those obtained through the labour force surveys. In general, MICS surveys tend to generate higher estimates than labour force surveys (albeit we have no proof that this is the case for Mongolia). For this reason, the data might tend to overestimate the reduction observed between 2002 and 2000.

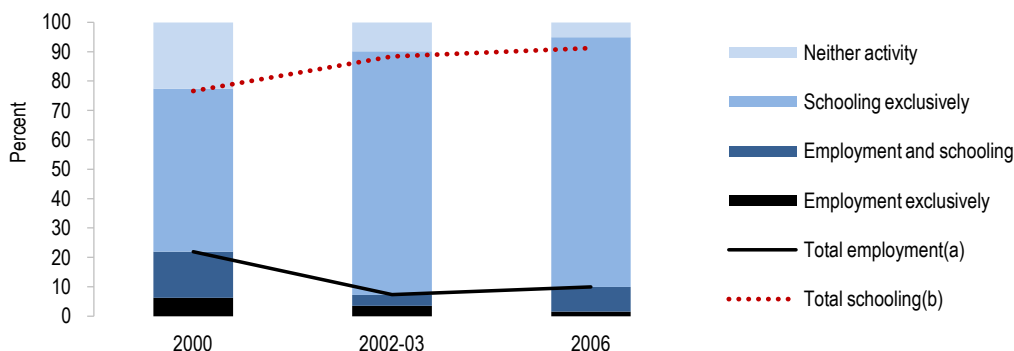
74. As illustrated in Figure 13, the data indicate two distinct periods in terms of progress against child labour. The first, running from 2000 to 2002-2003, was one of rapid decline in child labour, while second more recent period, from 2002-03 to 2006, was one of a slight reversal of previous progress. There are, however, substantially different dynamics within this trend: the participation rate and number of children working only has continued to decrease over the whole period considered, while the number of children both working and attending school has shown an increase from 2003. School attendance, consistently with the trend observed for children's work, saw a rapid increase during 2000 to 2002-03, and a continued slower rise from 2002-03 onwards.

Figure 13. Changes in children's employment, 7-14 years age group, 2000-2006



Source: UCW calculations based on Mongolia, MICS 2000; National Child Labour Survey 2002-03; National Labour Force Survey 2006-2007

Figure 14. Changes in the composition of children's activities, 7-14 years age group, 2000-2006

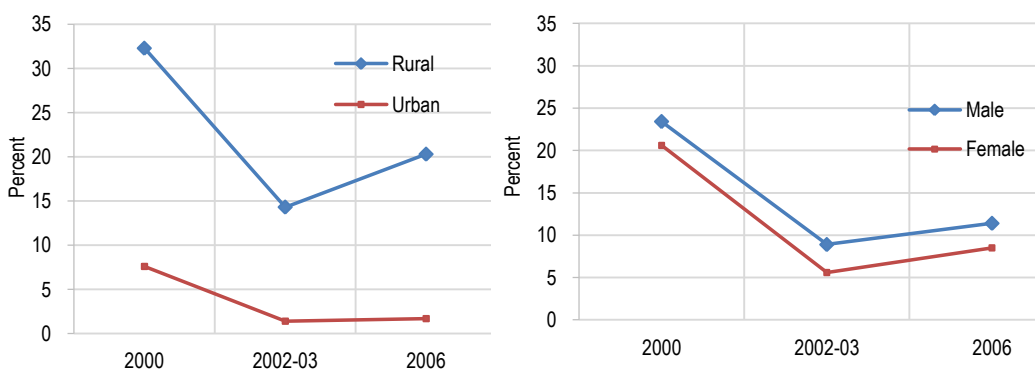


Notes: (a) Refers to all children in employment, regardless of school status.
 (b) Refers to all children attending school, regardless of work status.
 Source: UCW calculations based on Mongolia, MICS 2000; National Child Labour Survey 2002-03; National Labour Force Survey 2006-2007

75. Children's involvement in employment fell by 15 percentage points during 2000-2003 (from 22 percent to seven percent). The decline was broad-based, occurring in both rural and urban areas and among both boys and girls (Figure 15). The proportion of working students and of children working exclusively both fell during this period.

76. The reversal in progress against child labour during 2003 to 2006 was slight but nonetheless cause for concern. Child employment rose by three percentage points, from seven percent to 10 percent, during this period. This rise, however, was less broad-based than the decline that preceded it. It was limited to rural areas. The rise in child labour was not accompanied by a fall in school attendance during this period. Rather, it involved a rise in working students. The proportion of children working exclusively continued to fall during the 2002-2006 period.

Figure 15. Changes in children's employment, 7-14 years age group^(a) 2000-2006, by residence and sex



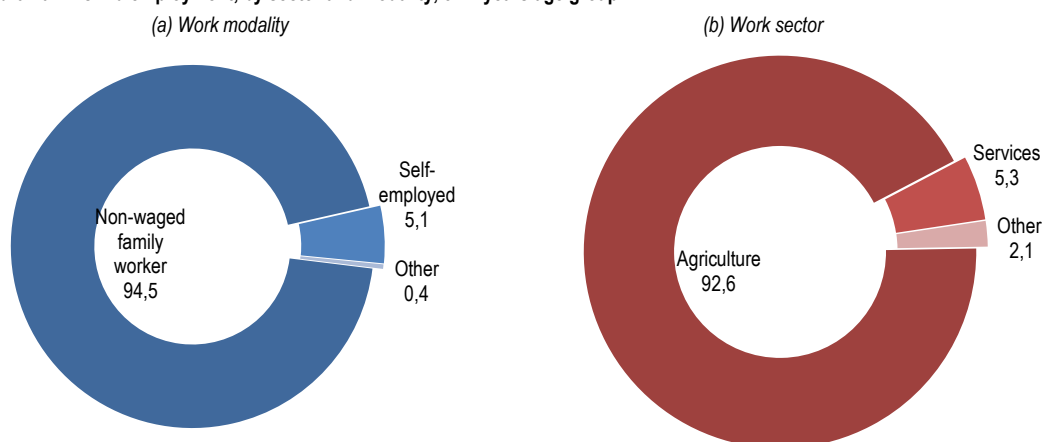
Notes: (a) Slight differences in indicator construction necessitated by the structure of the surveys questionnaires mean that the estimates should be interpreted with caution. For 2000, the survey used is the Multiple Indicator Cluster Survey (MICS), which tend to overestimate, compared to other type of survey, children's employment. A child is defined to be employed if he/she worked during the week of reference. School attendance is defined if he/she is "currently attending school (b) The 7-14 years age group selected rather than the 5-14 years age group for data comparability considerations.
 Source: UCW calculation based on Mongolia, MICS 2000; National Child Labour Survey 2002-03; National Labour Force Survey 2006

3.4 Types of work performed by children

77. Children in employment also appear to vary somewhat in terms of the industrial sector in which they are found and the specific modalities under which they work. It should first be pointed out in this context, however, that MLFS 2006 and other similar labour force surveys unfortunately collect information only on standard (three-digit) classifications used for the measurement of the adult labour force, meaning that it is not possible to describe the nature of children's work beyond these standard classifications. There remains a need for further, more detailed, information on children's job tasks, and the hazards that they encounter in performing them, in order to prioritize and target interventions against child labour.

78. Children's work is concentrated overwhelmingly in the agriculture sector (Figure 16). Indeed, almost 93 percent of 5-14 year-old children in employment work in agriculture, against five percent in services and less than one percent in manufacturing. There is surprisingly little variation by age or sex in the economic activities performed by children. There are larger differences in the nature of children's employment by place of residence. While agricultural work predominates in rural areas (95%), services sector work is more important in urban areas, employing 38 percent of the working child population (Table 5).

Figure 16. Child employment, by sector and modality, 5-14 years age group



Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007

79. Almost all economically-active children work for their families as unpaid labour, with little variation by age, place of residence or sex (Table 5). Very few economically active children (less than one percent) work as paid employees in formal entities. This is important because children in the formal sector are the only ones typically accessible to labour inspection regimes.

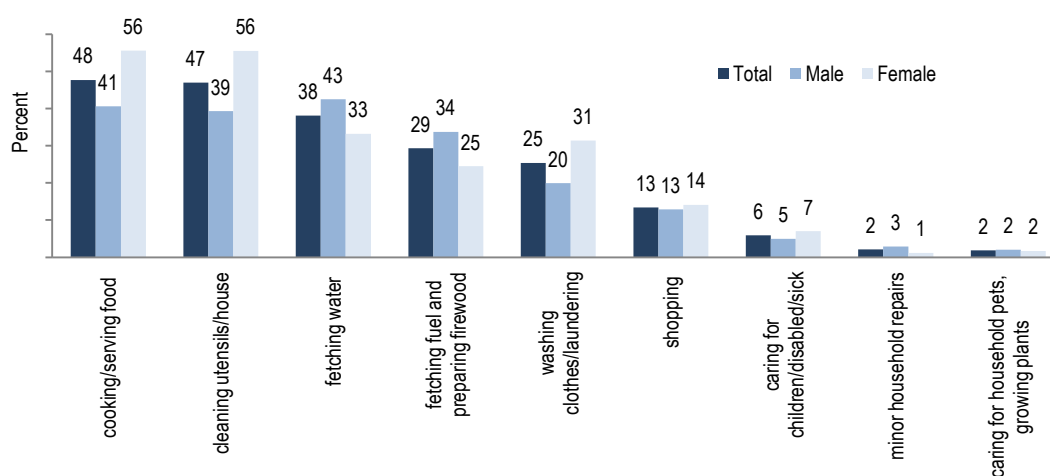
Table 5. Modality and sector of child employment, by sex and place of residence

Background characteristics		Modality					Sector				
		Unpaid family worker	Paid employee	Self-employed	Other	Total	Agriculture	Services	Manufacturing	Other	Total
Sex	male	93.8	0.1	5.7	0.4	100	92.1	5.8	0.2	2.0	100
	female	95.5	0.1	4.4	0.0	100	93.4	4.7	0.3	1.7	100
Residence	rural	95.4	0.1	4.2	0.3	100	95.5	2.4	0.1	1.9	100
	urban	84.4	0.4	15.2	0.0	100	59.4	38.2	1.5	0.9	100
Total		94.5	0.1	5.1	0.3	100	92.6	5.3	0.3	1.8	100

Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007

80. Meal preparation, cleaning and water fetching are the most common household chores performed by children (Figure 17). Gender considerations appear to play a role in the allocation of housework tasks; girls are more likely than boys to be assigned responsibility for meal preparation and cleaning, while the opposite holds true in the cases of water and fuel fetching.

Figure 17. Main types of household chores, 5-14 years age group, by sex



Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007

3.5 Time intensity of children's work

81. Hours worked are important indicators of work intensity, and provide insight into the possible health and educational consequences of work. Employment is typically time intensive for Mongolian children (Table 6). Children aged 7-11 years in employment who do not attend school perform an average of 18 hours of employment each week. Children of the same age group that combine

employment and schooling log only slightly fewer hours (15 hours per week), underscoring the additional constraint that work places on children's time for study. Work intensity increases sharply with age, to 24 hours for the 12-14 years age range, and to 33 hours for the 15-17 years age range. Agricultural work and paid employment appear more time intensive than other forms of work.

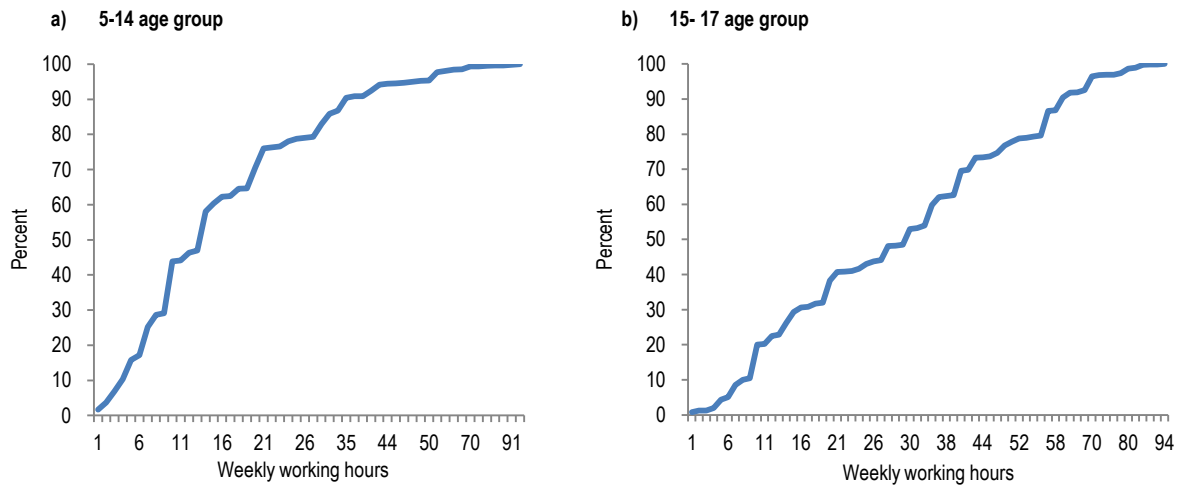
Table 6. Average weekly working hours by working status, 7-14 years age group, industry and modality

		7-11 year olds	12-14 year olds	7-14 year olds
Sector	Agriculture	15.4	24.0	19.1
	Services	10.7	13.3	12.0
	Manufacturing	7.9	12.4	9.8
Modality	Unpaid family worker	15.1	23.0	18.5
	Paid employee	20.0	64.8	52.5
	Self-employed	17.7	27.2	23.8
School status	Student working children	14.8	20.5	17.2
	Non-student working children	17.5	34.3	27.3
Total		15.1	23.5	18.8

Source: UCW calculations based on *Mongolia Labour Force Survey, 2006-2007*

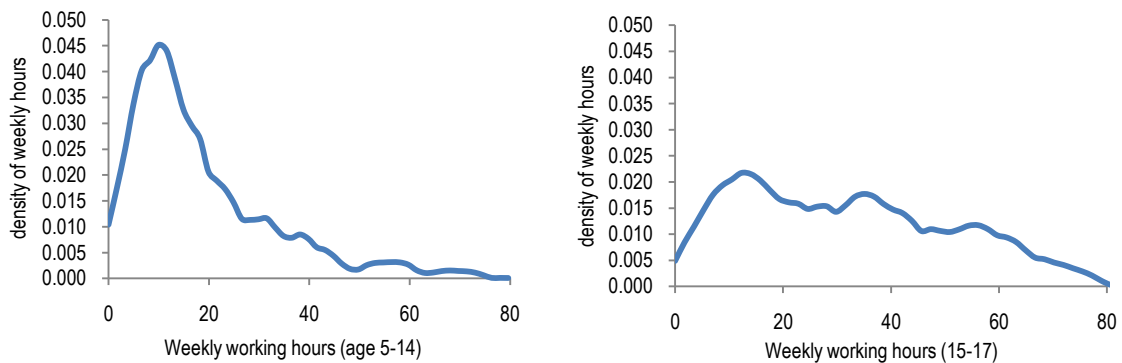
82. The distribution of working children by working hours presented in Figure 19 illustrates that while working children are clustered around 10 hours per week, there is a non-negligible number of working children in the “tail” of the distribution, putting in much longer hours. In absolute terms, some 7,100 children aged 7-14 years log at least 30 hours of work per week and some 3,700 children aged 7-14 years put in over 40 hours of work per week. These are among the worst off working children, as their work responsibilities completely preclude their rights to schooling, study, leisure and adequate rest. Their prolonged exposure to workplace risks also undoubtedly increases their susceptibility to work-related sickness and injury, although data shortcomings make this difficult to demonstrate empirically.

Figure 18. Cumulative distribution of children in employment, 5-14 years age group, by working hours



Source: UCW calculations based on Mongolia Labour Force Survey, 2006-2007.

Figure 19. Density distribution of weekly hours in employment, 5-14 and 15-17 years age group



Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007

83. Children aged 7-14 years performing household chores do so for some 10 hours a week on average (Table 7). As discussed above, children are involved in employment and household chores in different combinations and therefore it is necessary to consider hours in employment and household chores together for a more complete picture of the time intensiveness of work. Among children in employment, the average total time spent working each week rises from 19 to over 30 hours when the time that these children put in on household chores is also taken into consideration (Table 7, Figure 20). Of particular concern are 79 percent children performing double work duty, i.e., both household chores and employment simultaneously. These children log an average of 12 hours of total work time each week, with consequences for their time for study, leisure and rest.

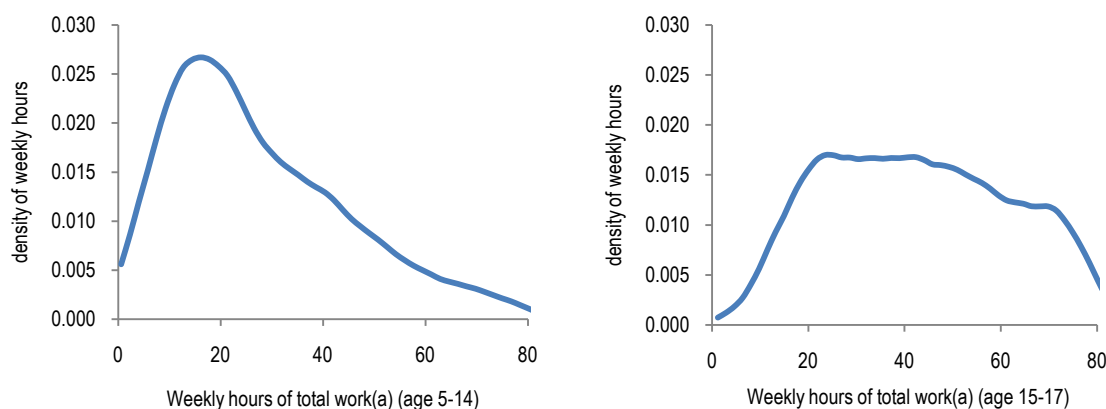
Table 7. Average working hours in household chores and all work, by age, sex, residence

		Average weekly hours of household chores	Average weekly hours of total work ^(a) , children in employment ^(b)	Average weekly hours of total work ^(a) , children in both employment and household chores ^(c)
Age in years	7	5.4	18.9	7.2
	8	6.8	23.5	8.8
	9	7.2	20.8	8.4
	10	9.6	30.3	12
	11	9.8	26.8	11.5
	12	12.3	37.8	14.9
	13	11.2	33.6	13.8
Sex	14	13.2	37.6	16.6
	Male	9.2	30.4	12.1
	Female	10.7	28.9	12.3
Residence	Urban	9.4	27.7	9.8
	Rural	10.6	30.0	15.5
Total		9.9	29.8	12.2

Notes: (a) "Total work" refers to household chores and/or employment; (b) This column considers the total working hours of children in employment, who may or may not also be performing household chores. It excludes from consideration, therefore, the group of working children performing household chores but not in employment. (c) This column considers the total working hours of children in both employment and household chores simultaneously.

Source: UCW calculations based on Mongolia Labour Force Survey 2006 -2007.

Figure 20. Density distribution of weekly hours in employment and/or household chores, 5-14 and 15-17 years age group



Note: (a) Weekly hours of total work refers to hours of work performed by children in employment, who may or may not also be involved in household chores. It excludes from consideration, therefore, the group of working children performing household chores but not in employment

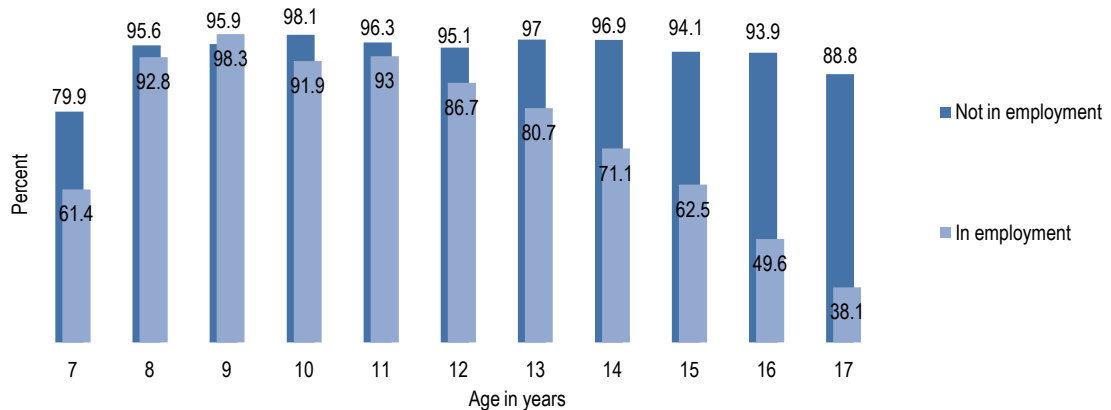
Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007

3.6 Educational impact of children's work

84. The degree to which work interferes with children's schooling is one of the most important determinants of the long-term impact of early work experience. Reduced educational opportunities constitute the main link between child labour, on the one hand, and youth employment outcomes, on the other. Clearly, if the exigencies of work mean that children are denied schooling altogether or are less able to perform in the classroom, then these children will not acquire the human capital necessary for more gainful employment upon entering adulthood. This section makes use of a set of standard education indicators to assess how work affects children's ability to attend and benefit from schooling.

85. Empirical evidence suggests that work interferes both with Mongolian children's ability to attend school and to perform effectively once there, underscoring the importance of child labour as a barrier to achieving Education for All and positive youth employment outcomes in the country. A number of simple indicators of school participation and grade progression serve to illustrate this point. Starting with school attendance, age-specific attendance rates¹⁸ show that working children lag behind that of their non-working counterparts at almost every age, with the largest differences occurring in the first year of the primary cycle and in post-primary cycles (Figure 21). This result holds for both male and female children and for children living in both rural and urban areas (see annex 1, Figure 1 and Figure 2).

Figure 21. School attendance rate, by children's employment and age



Source: UCW calculations based on *Mongolia Labour Force Survey 2006-2007*

86. School life expectancy provides a measure of the total number of years of education that a child can be expected to complete.¹⁹ Relatively higher school life expectancy indicates greater probability of achieving higher level of education.²⁰ This measure also serves to illustrate the substantially reduced educational prospects associated with early involvement in work in Mongolia. Having to work reduces the number of years that a child can expect to remain in the schooling system at every age, for both sexes and for both rural and urban place of residence. Working students aged 7-13 can expect to remain in school about 2 years fewer than their same-aged non-working peers do (Figure 22). This highlights that work

¹⁸ ASAR of the population of age a in school year t is calculated as follows:

where: $A_{a,t}$ - attendance of the population of age a in school year t ; $P_{a,t}$ - population of age a in school-year t .

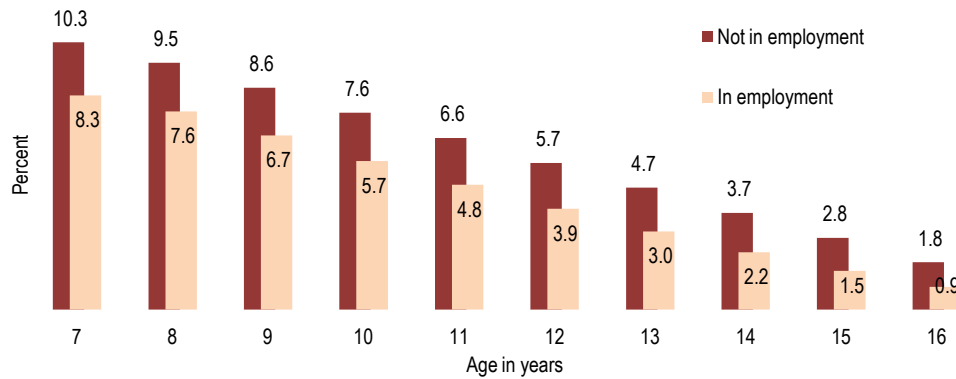
¹⁹ SLE at an age a in year t is calculated as follows:

where: $A_{i,t}$ - attendance of the population of age i ($i=a, a+1, \dots, n$) in school year t ; n - the theoretical upper age-limit of schooling; $P_{i,t}$ - population of age i in school-year t .

²⁰ Although expected number of years does not necessarily coincide with the expected number of grades of education completed, because of grade repetition.

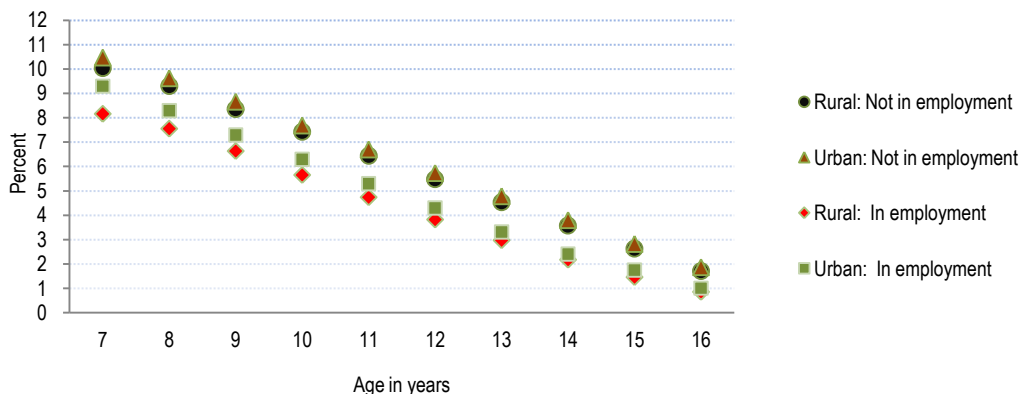
is an important driver of early school dropout and consequent reduced educational attainment.

Figure 22. School life expectancy in years, by age and employment



Source: UCW calculations based on *Mongolia Labour Force Survey 2006 -2007a*

Figure 23. School life expectancy^(a) in years, by age, residence and employment status



Source: UCW calculations based on *Mongolia Labour Force Survey 2006 – 2007*.

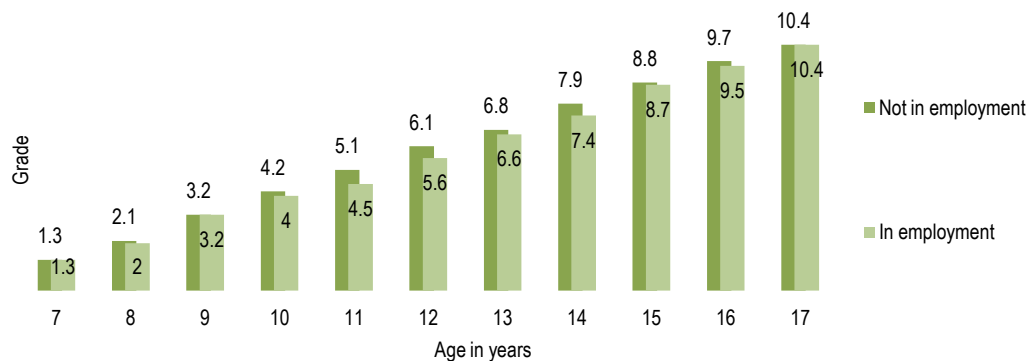
87. Average grade for age²¹ and average age for grade (or for level)²² measure the ability of children to proceed in a timely fashion through the school system. For the purposes of child labour analysis, these indicators can help identify whether, and to what extent, child labourers are disadvantaged in terms of being able to perform in the classroom and to persist in the school system. All three indicators suggest that involvement in employment slows grade progression in the Mongolian context, pointing to the difficulty that working children face in keeping up in the classroom with their peers that are not burdened with work responsibilities. Working children lag more than half a grade behind their non-

²¹ Grade for age is computed as average grade completed of children currently attending school at a given age.

²² Age for grade is computed as average age of children currently attending a given school grade or level.

working peers by the age of 11 years, but the gap narrows from 13 years onwards, presumably as lagging work children leave the school system (Figure 24). Looked at another way, students in employment are older than their non-working counterparts at each level of education. Working children in grades 1-5 are 1/3 years older on average than non-working children in the same grade range; for grades 6-11, working children are 1/6 year older on average (Table 8).

Figure 24. Average grade for age, by employment status



Source: UCW calculations based on *Mongolia Labour Force Survey 2006 - 2007*

Table 8. Average student age, students aged 6-17 attending school in 2005, by grade range, employment, sex and residence

		Average age at primary school (grades 1-5)		Average age at secondary school (grades 6-11) ^a	
		Not in employment	In employment	Not in employment	In employment
Sex	Male	9.1	9.4	14.2	14.5
	Female	8.9	9.4	14.3	14.5
Residence	Rural	9.0	9.5	14.3	14.6
	Urban	9.1	9.4	14.1	14.5
Total		9.0	9.4	14.3	14.5

Source: UCW calculations based on *Mongolia Labour Force Survey 2006 - 2007*.

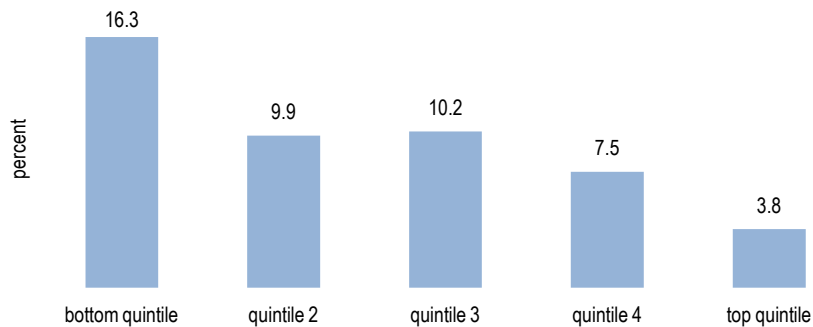
3.7 Decisions concerning children's employment and schooling

88. As most children (excluding those that live on their own) exercise little control over their time allocation, determining why children work requires investigating why parents choose to engage their children in work rather than sending them to school or leaving them idle at home. This section makes use of both descriptive and econometric evidence from MLFS 2006-2007 to identify some of the factors influencing parents' decisions concerning their children's time use.

Descriptive evidence suggests that economic considerations play a major role in parents' decisions to involve their children in employment. Simple correlations show a strong inverse relationship between household income, on the one hand, and child employment, on the other (Figure 26). These results underscore the fact that efforts to remove children from work are unlikely to

effective in the absence of accompanying efforts aimed at compensating parents for the wages or productivity they lose when their children no longer work.

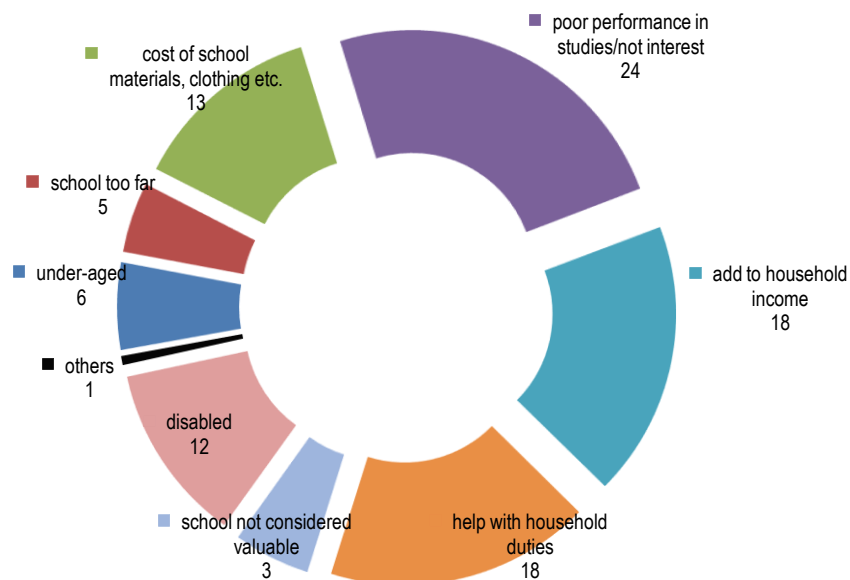
Figure 26. Children's employment (7-14 age) by household expenditure quintile



Source: UCW calculations based on *Mongolia Labour Force Survey, 2006 – 2007*.

90. Many families also cite economic considerations in explaining their decisions to keep their children from school. The need to work for income or for household production is reported in 36 percent of cases in which children are out of school, and school costs in 13 percent of cases. School-specific factors also appear to be an important consideration: poor school performance, long distance from school and the perceived lack of value of schooling were cited by more than 30 percent of adult respondents (Figure 27).

Figure 27. Distribution of out-of-school children by stated reason for not going



Source: UCW calculations based on *Mongolia Labour Force Survey, 2006 - 2007*.

91. Simple regression tools offer a means of identifying determinants of household decisions to involve their children in employment or school with more precision. A bivariate probit model is used to jointly determine the correlated decisions on child schooling and employment. A simple economic model of household behaviour is used to guide the empirical specification.²³ Results of the analysis are provided in Table 9, and some of the key qualitative inferences from the analysis are presented below.

92. **Child age and sex.** The analysis shows that the probability of a child working increases with age. The available information is not sufficient to provide a precise idea of the relative importance of the two probable reasons for this, i.e., the rising opportunity cost of schooling as a child grows older, or the lack of access to schooling at the post-primary level. Parents' decisions concerning whether to involve their children in school or work also appear influenced somewhat by gender considerations, although the magnitude of the effect is not large. Holding constant household income, parents' education and other relevant factors, boys are more likely to be in employment only or to combine work and school (or do neither) than their female counterparts. Being a girl, on the other hand, makes it more likely to be at school full time. It is worth noting, however, that these results do not extend to involvement in household chores, a variable not included in the multivariate analysis. The descriptive evidence presented above suggests that gender considerations are an important factor in the assignment of responsibility for chores in the household.

93. **Education of household head.** The effect of an increase of parents' education levels on the reduction of child labour is strong and positive. Holding income and other factors constant, children from households where the head has higher education are less likely to work full-time, and more likely to attend school full-time, than children from households where the head is illiterate. Children belonging from household where the household head is illiterate raises by about three percentage points the probability to work full time and decrease by fourteen percentage points the probability to attend school full time. It is worth reiterating that these results are obtained holding income constant, i.e., independent of any disguised income effect. One possible explanation is that more educated parents might have a better knowledge of the returns to education, and/or be in a position to help their children exploit the earning potential acquired through education.

94. **Household income.** The level of household income appears to play an important role in decisions concerning children's employment and schooling. Moving from the lowest to the highest income quintile, for example, decreases the probability of children full-time employment and raises the likelihood of him or her attending school full-time. But the relationship between household income and children's activities is non-monotonic: this results underscore that children's earnings or productivity play an important role in household survival strategies

²³ A bivariate probit model was used to jointly determine the correlated decisions on child schooling and work. A simple economic model of household behavior is used to guide the empirical specification. For detailed information on the model, see Cigno, Rosati and Tzannatos, *Child Labour Handbook*, May 2002.

The analysis carried out in this section is, obviously, conditioned by the information available. Notwithstanding the extensiveness of the survey utilised, potentially important variables are missing. In particular, information on the relative price of child work is difficult to capture: indicators for returns to education, work and household chores are not easily available (for a discussion of the role played by unobservables refer to Deb and Rosati, *Determinants of Child Labour and School Attendance: The Role of Household Observables*, December 2002).

among low-income families, and point to the need for some form compensatory income or earnings schemes as part of a broader effort for encouraging school attendance and discouraging children's work among poor households.

95. Place of residence. Children's living location has a strong influence on their time use, highlighting the importance of targeted, area-specific approaches to reducing child labour and raising school attendance. Holding other factors constant, children living in cities and towns are nine percent more likely to be attending school full time, and six percentage points less likely to combine work and school, compared to their counterparts living in the countryside. Moreover, living in urban areas decrease by 1.4 percentage points the probability that a child will work full time. The likelihood of school attendance and child labour also depends largely on the region where they live. Again holding other factors constant, a child living in Ulaanbaatar, for example, faces a nine percentage point greater probability of studying full time, and a five percentage point lower probability of being working and studying, compared to a child living in Eastern region. Other inter-provincial differences in the likelihood of child labour and school attendance are similarly large.

Table 9. Determinants of children's work and schooling, marginal effect after bivariate probit estimation, 7-14 year-olds

Explanatory variables	Work only		Study only		Inactive		Work and study		
	dy/dx	z	dy/dx	z	dy/dx	z	dy/dx	z	
Child characteristics	Age	-0.0144	-5.87	0.1263	9.26	-0.1300	-12.89	0.0181	2.20
	Age squared	0.0007	5.92	-0.0059	-9.27	0.0058	12.36	-0.0006	-1.55
	Male	0.0030	3.54	-0.0229	-3.77	0.0119	2.64	0.0080	2.27
	Offspring of the household head	0.0049	4.44	-0.0379	-3.81	0.0102	1.37	0.0228	4.16
Household characteristics	Household size	0.0000	-0.07	-0.0008	-0.30	0.0041	2.17	-0.0033	-2.08
	Siblings 0-4	0.0038	4.44	-0.0276	-4.62	0.0085	1.91	0.0153	4.22
	Siblings 5-14	0.0001	0.20	0.0004	0.11	-0.0052	-1.69	0.0046	1.93
	Sex of the household head	-0.0022	-1.50	0.0175	1.73	-0.0134	-1.75	-0.0019	-0.33
Education of household head	Household head has no education	0.0285	2.49	-0.1463	-3.24	0.0306	1.39	0.0871	2.35
	Household head has primary education	0.0379	3.66	-0.1976	-4.80	0.0232	1.47	0.1365	3.72
	Household head has basic education	0.0101	2.71	-0.0737	-2.95	-0.0090	-0.86	0.0726	3.32
	Household head has secondary education	0.0063	2.02	-0.0471	-2.07	-0.0145	-1.48	0.0554	2.79
	Household head has technical education	0.0063	1.90	-0.0527	-2.10	-0.0182	-1.93	0.0646	2.84
Household income	Household income per capita (bottom quintile)	0.0048	2.12	-0.0419	-2.69	0.0385	3.02	-0.0015	-0.20
	Household income per capita (quintile 2)	0.0030	1.45	-0.0289	-1.93	0.0310	2.50	-0.0050	-0.72
	Household income per capita (quintile 3)	0.0061	2.37	-0.0433	-2.73	0.0256	2.12	0.0116	1.32
	Household income per capita (quintile 4)	0.0010	0.51	-0.0164	-1.09	0.0263	2.10	-0.0109	-1.60
Place of residence	Migrated	0.0036	1.56	-0.0254	-1.70	-0.0047	-0.55	0.0265	2.39
	Urban	-0.0137	-6.98	0.0917	9.07	-0.0108	-1.78	-0.0672	-8.66
	West	0.0013	0.73	-0.0100	-0.77	-0.0163	-2.39	0.0251	2.62
	Khangai	0.0062	2.94	-0.0712	-4.14	-0.0322	-5.61	0.0973	6.37
	Central	0.0010	0.57	-0.0175	-1.21	-0.0297	-5.04	0.0462	3.81
	Ulaanbaatar	-0.0122	-6.81	0.0930	8.17	-0.0292	-3.68	-0.0516	-7.0

Source: UCW calculations based on *Mongolia Labour Force Survey, 2006 - 2007*

3.8 Child labour

96. Before leaving the discussion of children's work, it is worth addressing one final question: the extent to which this work constitutes "child labour" for elimination in accordance with national legislation and international labour standards.²⁴ It is the narrower subgroup of child labourers that is most relevant for policy purposes. Estimates of child labour are presented below based to the extent possible on national child labour legislation for both the 5-14 years and 15-17 years age groups.

97. The Mongolian Labour Law provides the primary legal framework regarding child labour in the country, but is not explicit concerning minimum ages for work or employment.²⁵ The Labour Law sets the minimum age for employment at 16 years (Section 109/1) although children aged 15 years may work with the permission of a parent/guardian (Section 109/2). At the same time, the country specified a general minimum age of 15 years upon ratification of ILO Convention No. 138 (Minimum Age).

98. The Labour Law (Section 71/1) sets limits on the time intensity of work, stating that children 14 and 15 years of age shall not work for more than 30 hours, and children 16 and 17 years of age shall not work for more than 36 hours per week. Order No. 107 issued by the Ministry of Social Welfare and Labour (MSWL) in 2008 lists 53 hazardous work locations, 39 hazardous occupations and seven hazardous conditions in 11 economic spheres that are prohibited to all persons under 18 years of age.²⁶ However, the information collected by MLFS 2006 was too general to match with this list. The list of hazardous forms used by ILO in its global child labour estimates is easier to match with the data from MLFS 2006.

99. For a complete estimate of child labour in accordance with national legislation, it is necessary to look at all 5-13 year-olds children in employment, to

²⁴Implicit in this distinction is the recognition that work by children *per se* is not necessarily injurious to children or a violation of their rights. Indeed, in some circumstances, children's work can be beneficial, not harmful, contributing to family survival and enabling children to acquire learning and life skills. Three main international conventions – the UN Convention on the Rights of the Child (CRC), ILO Convention No. 182 (Worst Forms) and ILO Convention No. 138 (Minimum Age) – define child labour and provide a framework for efforts against it.

The UN Convention on the Rights of the Child (CRC) recognises the child's right to be protected from forms of work that are likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development. In order to achieve this goal, the CRC calls on States Parties to set minimum ages for admission to employment, having regard to other international instruments.

ILO Conventions No. 138 (Minimum Age) and No. 182 (Worst Forms) target as child labour 1) all forms of work carried out by children below a minimum cut-off age (at least 12 years in less developed countries); 2) all forms except 'light work' carried out by children below a second higher cut-off age (at least 14 years in less developed countries); and 3) all 'worst forms' of child labour carried out by children of any age under 18 years, where worst forms include any activity or occupation which, by its nature or type has, or leads to, adverse effects on the child's safety, health, or moral development.

²⁵ The Law on Protection of Children's Rights also prohibits "individuals, companies and organizations to engage children in labour involuntarily and in hazardous labour that are harmful for children's health and life and morals and in exploitative labour, pay unfairly for child labour, involve children in begging, conduct activities using names of children and illegally earn income" (Article 7.6).

²⁶ The new list includes, besides tobacco and alcohol industry, places where children are at high risk of sexual exploitation, such as nightclubs, bars, casino places, hotels, sauna and massage parlours, housekeeping, and domestic work (Government of Mongolia, *Report on the implementation of the ILO C138*, 2008).

the 14 years old that work for more than 30 hours per week as apprentices, and to all 15-17 year-olds in hazardous work. As the LFS data do not allow to identify permissible work as apprenticeship, we have included in the child labour estimates all 14 years old children.

100. The list of hazardous occupations prohibited to all children – contained in Order N. 107 and used by the Ministry of Social Welfare and Labour (MOSWL) – cannot be matched to the information contained in the LFS 2006. For this reason, we made use of the list of hazardous occupations used by ILO in the Global estimates (ILO, *The end of child labour: Within the reach*, 2006). While the use of such a list does not fully reflect the national legislation, it allows us to present an estimate of the extent of hazardous work for the 15-17 years old children (Table 10).

101. Over 43,000 children below the absolute minimum working age of 15 years are at work in economic activity and an additional 13,100 children aged 15-17 years are in hazardous work. Putting the two groups together yields over 56,000 children aged 5-17 years in child labour. Table 11 indicates that child labour is predominantly a rural phenomenon. Rural areas account for 80 percent of child labourers: over 55,000 children aged 5-17 are found in some forms of child labour in rural areas.

Table 10. Estimate of child labour involvement, based on national legislation⁽¹⁾

Sex	(A)		(B)		(C)		(A) & (B)		(A) & (B) & (C)	
	Children aged 5-14 years in employment		Children aged 15-17 years in hazardous work ⁽²⁾ (Lower bound estimates)		Children aged 5-14 years not employed and in household chores for at least 28 hours/week		Total in child labour, 5-17 years old		Total in child labour, 5-17 years old	
	% of total age group	No.	% of total age group	No.	% of total age group	No.	% of total age group	No.	% of total age group	No.
Male	10.8	25,300	10.3	9,400	3.0	6,300	10.6	34,700	12.6	41,000
Female	8.4	17,900	4.4	3,700	4.0	7,700	7.3	21,600	9.9	29,300
Total	9.7	43,200	7.5	13,100	3.5	14,000	9.0	56,300	11.3	70,300

Notes: 1) Upon ratification, Mongolia specified a general minimum age of 15 years for admission to employment or work. According to the Labour Code, a person of the age of 15 years may enter into a labour contract, with permission of parents or guardians. A person who has reached 16 years of age has a right to enter into a labour contract autonomously; (2) Children in hazardous occupations (as per IPEC list, ILO: "The end of child labour: Within the reach", Geneva, ILO, 2006) or working excessive hours (more than 30 hours per week for 15 year-olds and more than 36 hours per week for 16-17 year-olds).

Source: UCW calculations based on Mongolia Labour Force Survey, 2006 – 2007

Table 11. Estimate of child labour involvement, based on national legislation⁽¹⁾, RURAL AREA

Sex	(A)		(B)		(C)		(A) & (B)		(A) & (B) & (C)	
	Children aged 5-14 years in employment		Children aged 15-17 years in hazardous work ⁽²⁾ (Lower bound estimates)		Children aged 5-14 years not employed and in household chores for at least 28 hours/week		Total in child labour, 5-17 years old		Total in child labour, 5-17 years old	
	% of total age group	No.	% of total age group	No.	% of total age group	No.	% of total age group	No.	% of total age group	No.
Male	21.6	23,500	20.8	7,600	3.2	2,700	21.4	31,100	23.3	33,800
Female	16.8	16,100	10.1	3,100	3.5	2,800	15.2	19,200	17.4	22,000
Total	19.4	39,600	15.9	10,700	3.3	5,500	18.5	50,300	20.5	55,800

Notes: 1) Upon ratification, Mongolia specified a general minimum age of 15 years for admission to employment or work. According to the Labour Code, a person of the age of 15 years may enter into a labour contract, with permission of parents or guardians. A person who has reached 16 years of age has a right to enter into a labour contract autonomously; (2) Children in hazardous occupations (as per IPEC list, ILO: "The end of child labour: Within the reach", Geneva, ILO, 2006) or working excessive hours (more than 30 hours per week for 15 year-olds and more than 36 hours per week for 16-17 year-olds).

Source: UCW calculations based on Mongolia Labour Force Survey, 2006 - 2007

102. It should be stressed that this figure is a lower bound estimate, as it does not include involvement in worst forms of child labour other than hazardous,²⁷ which are beyond the scope of standard household surveys. In Mongolia as in most countries, information about children involved in other worst forms is scarce, due both to the methodological difficulties inherent in investigating them and to their cultural sensitivity. Further, targeted research utilising specialised survey instruments is needed in order to generate more complete information on this highest-priority group of child labourers.

103. This child labour estimate also does not include children providing unpaid household services in their own homes, i.e., household chores. The standards for national child labour statistics set by Resolution II of the Eighteenth International Conference on Labour Statisticians (ICLS Res. II, 2008)²⁸ also considers children's work in household chores in measuring child labour²⁹, but the

²⁷ Worst forms other than hazardous refer relate to Art. 3(a)-(c) in ILO Convention No. 182: (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; and (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties.

²⁸ Resolution II, Resolution Concerning Statistics of Child Labour, as cited in: International Labour Organization, *Report of the Conference, 18th International Conference of Labour Statisticians, Geneva, 24 November–5 December 2008. Resolution II*. Rpt. ICLS/18/2008/IV/FINAL, International Labour Office, Geneva, 2009.

²⁹ The resolution states that child labour may be measured in terms of the engagement of children in productive activities either on the basis of the general production boundary or on the basis of the SNA production boundary. The former includes unpaid household services while the latter excludes it. When the general production boundary is used as the basis for measuring child labour, the resolution recommends classifying those performing hazardous unpaid household services as part of the group of child labourers for measurement purposes. Hazardous unpaid household services, in turn, are defined as those requiring long hours; involving unsafe equipment or heavy loads; in dangerous locations; etc.

Mongolian Labour Law, in referring to “employment-contract relationships” is interpreted as applying only to the formal employment sector.

104. Table 10 and Table 11 also include estimates of child labour incorporating household chores performed beyond a weekly hours threshold set at 28 hours³⁰. It indicates that considering household chores beyond this threshold increases the estimate of involvement in child labour. This reflects the fact that (1) non-economic activity is typically performed at high intensity levels and that (2) most children performing household chores intensively are not involved in economic activity. The inclusion of household chores also changes girls’ involvement in child labour relative to that of boys. Girls are much more likely to perform household chores than boys, and ignoring this form of work therefore biases child labour estimates in “favour” of boys.

105. Children involved in worst forms of child labour, as set out in ILO Convention No. 182,³¹ are the sub-group of child labourers whose rights are most compromised and whose well-being is most threatened. They therefore constitute the most immediate policy priority. As noted above, worst forms other than hazardous were beyond the scope of MLFS 2006 (and most other standard household survey instruments). Reports and studies from a variety of other sources provide further information on some specific worst forms of child labour. Results from some of these other sources are briefly summarised below.

106. **Child labour in mining sector.** The principal mining categories where children work are in gold, coal, and fluorspar mining, which include surface, and hard rock underground mining. There are few, if any, children currently employed in formal sector mining enterprises but many work in the informal sector. According to the baseline survey of children in informal gold and fluorspar mining³², around 8,000 children between the ages of 5 and 17 are engaged in informal gold and fluorspar mining. Children engaged in informal gold/fluorspar mining first started working, on average, at the age of 12. Children perform hazardous tasks and work long hours under extreme temperatures. The work, that is mainly carried out by children includes carrying water and soil, panning, digging pits, crushing and sieving ore and in cases, processing gold with mercury and handling explosives. Standing for prolonged periods in water, carrying heavy load, constant threat of tunnel collapse and landslides, working under extreme climatic conditions, handling mercury and explosives, all characterize mining much more hazardous and health demeaning work of children. It was found that 20 percent of children working in gold mines have had accidents at the workplace and had been injured at some time. The results of in-depth interviews show that children had been injured falling in pits while fighting with each other for tools,

³⁰ The 28 hours threshold is somehow arbitrary and used as an example. For a more detailed discussion of this issue, see *Understanding Children’s Work, Country notes on child labour measurement*, UCW Working Paper Series, 2007

³¹ According to Article 3 of ILO Convention No. 182, the worst forms of child labour comprise: (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom, as well as forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in relevant international treaties; and (d) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

³² Baseline Survey on Child and Adult Workers in Informal Gold and Fluorspar Mining, Population Teaching and Research Centre of the Mongolian National University, 2006.

and younger children had been beaten and injured by older ones. Children are also exposed to social problems, including alcohol abuse and violence, particularly in the gold mining areas. In many cases children migrate to mining sites together with their parents or relatives. In addition to the children who migrated with their families to the mining sites, children living in nearby settlements are also engaged in informal mining. More than half of the parents stated that the income from children engaged in gold and fluor spar mining makes a substantial contribution to the household livelihood. 34 percent of children mining gold, for instance live near the mining sites, with almost no access to schooling and health services. Of children aged 7 and older, 1 in every 7 children mining gold could not read and write. In areas with high concentration of artisanal miners, the local authorities lack financial and human resources and experience to address complex issues.

107. Child trafficking.³³ Mongolia is a source country for children trafficked for the purposes of sexual exploitation and forced labour, although the problem remains difficult to quantify. Mongolian girls are trafficked to China, Macau, Malaysia, and South Korea for both forced labour and sexual exploitation. Mongolia continues to face the problem of children trafficked internally for the purpose of commercial sexual exploitation, reportedly organized by criminal networks. Some travel agents and tour guides who took part in an anti-trafficking workshop expressed concern that child sex tourism might be increasing; they noted that South Korean sex tourists were arriving in greater numbers and frequenting nightspots where girls and women were in prostitution.

108. Commercial sexual exploitation of children. The commercial sexual exploitation of children was one of the most tragic forms of child labour that emerged during the transition years in Mongolia. According to a survey conducted by ECPAT (Elimination of Child Pornography and Child Prostitution and Trafficking) in 2004, of the 260 children and adult sex workers who were detained by the police, 25 percent were aged 13-18 years. According to Central Police Department records for the year 2006, 73 children were found to have been subjected to sexual exploitation, 68 children were victims of trafficking, and 30 children crossed the border with false marriage certificates³⁴. An ILO/IPEC study³⁵ realized in 2005 reveals that the staff of services enterprises, and specifically personnel working in nightclubs and masseuses, has a high probability of becoming victims of sexual exploitation. The study also reveals that girls and women sexually exploited outside the service sector are frequently subjected to various forms of violence from clients and pimps, as for example verbal insults, rapes, being beaten, threats etc. While Mongolia's law provisions offer some protection to children who are forced into prostitution, they offer none to children between 16 and 18 years of age, as required by the CRC and its Optional Protocol, which Mongolia has ratified. Moreover, the provisions on rape require the use of force or threats. The prostitution of children, however, is exploitation regardless of the use of force, threats, or a child's consent, and should be prohibited. It is also of great concern that Mongolian law penalizes children involved in prostitution;

³³ UNHCR, Trafficking in Persons Reports 2008 – Mongolia, <http://www.unhcr.org/refworld/type,ANNUALREPORT,,MNG,484f9a2dc,0.html>

³⁴ UNICEF, Situation Analysis of Children and Women in Mongolia, UNICEF Mongolia 2007.

³⁵ ILO/IPEC, Study on children and youth working in the service sector, risks of engaging into sexual exploitation and estimation of girls and women engaged in prostitution outside the service sector in selected urban centres and border towns, Mongolian Gender Equality Center, Population Training and Research Center of Mongolian National University, 2005.

according to the government response to the UN violence study questionnaire, an underage person involved in prostitution may be punished with correctional work or arrest³⁶.

109. Street children. The public and media perception in Mongolia is that large numbers of children are on the streets, but figures on street children are contradictory. The phenomenon of street children was unknown in Mongolia until the transition begins in 1990: throughout the 1990s, the number of street children escalated as children became lost during migration, were abandoned, ran away from dysfunctional homes, or were orphaned. Street children are predominantly male adolescents, although the numbers of girls has gradually increased³⁷. The majority of street children are clustered in the capital city of Ulaanbaatar, although there are reports of street children in other urban centres such as Darkhan, Dornod and Selenge. INGO/NGOs and the police working specifically with street children in localities of Ulaanbaatar highlight that patterns of street children living on the streets vary considerably. There are those who regularly come on a temporary basis and generate income through work and begging then return home. In addition, there are increasing number of children who 'wander' the street for a few days: these children have families who are concerned about their children's welfare, seeking them out in care shelters and seek police support to locate them. Another group of street children are those who have left home from all accounts permanently. A 'hard core' of roughly 400 street children/adults has been identified as those who resist 'institutional care' and other support services by city authorities. A 'boss' system, hierarchies and sub-cultures exist within these groups that are considered well organized. Two thirds of these street children are aged 12 years old and over, including a third of girls. The remaining one third of street youth are aged between 18 – 24 years old, predominantly male. These young adults have been living on the streets since the early to mid 1990s, and are suspected for their involvement in petty crimes individually and in groups such as pick pocketing, slashing handbags and theft³⁸.

Box 2. Bagii's Story

"My father was a herdsman," stated 16-year old Bagii matter-of-factly, "We had to give back our horses and sheep when the farm went private." Finding that his family could no longer support him, Bagii took to the streets. "I never imagined I would end up this way," he said.

Bagii, along with a number of other boys, live underground in one of the many manholes that contain heating pipes. The pipes are remnants of the vast underground central heating system, which the Soviet Union built to keep Ulaanbaatar-one of the coldest capital cities in the world-warm during the long winter months.

The manholes are dirty and hot, often too hot to sleep. Pieces of cardboard placed on top of the pipes serve as beds. Candles are the only light.

Like a family, the boys rely on one another. They share food, money and the perils of the street. Together, they roam the streets of Ulaanbaatar in search of cans and bottles they can sell to buy food. Whether they eat depends on how much they collect.

Source: What's going on? Homeless children in Mongolia, UN works,
http://www.un.org/works/goingon/mongolia/bagii_story.html

³⁶ ECPAT, Global Monitoring Report on the status of action against commercial sexual exploitation of children: Mongolia, ECPAT International, 2006

³⁷ UNICEF, Situation Analysis of Children and Women in Mongolia, UNICEF Mongolia 2007

³⁸ UNICEF, Street and Unsupervised Children of Mongolia, 2003

110. Child labour in dump sites.³⁹ Officers of the Red Cross Committee of Ulaanbaatar City (RCCUB) collected information on the children working at the dumpsite of Ulaanchuluut (Songinokhairkhan district, the biggest by size and largest by population among capital city districts), and they found out that 130 children aged 8-17 years old are working which account for 40 percent of all people working in the dumpsite. Of these children, 70 percent work with their parents. Children working at the dumpsite face negative health consequences from smoke of burned garbage, extremely unhygienic conditions, extreme cold and hot weather. Their working conditions cause infectious diseases, disorder of food digestions organs, abnormality of kidney, back and skin diseases. In addition, children are injured by accident such as pushed by truck, falling down from truck or even face the risk of death from accident. Children suffer from violence and depression as well. By October 2006, 30 percent of children working in Ulaanchuluut dumpsite were never enrolled in school, 60 percent dropped out of school.

111. Domestic child labour. The ILO/IPEC survey⁴⁰ reveals that conditions of child domestic workers in urban and rural areas are different. In Ulaanbaatar percentage of child domestic workers are higher in the districts where the number of migrants is larger. Of children employed as domestic workers 57 percent are boys and 43 percent are girls. About one third of them do not attend school and one of two children migrants does not study at school. Of child domestic workers 88.9 percent have birth certificates/ID, 87.8 percent have health insurance documents, the rest answered that they did not have any or did not know about them. The percentage of migrant and non-migrant children, who reported lack documents, is approximately at the same level, which shows that the issue of children's identity documentation should be addressed with regard to all children. Children covered by the survey carried out such domestic chores as cleaning the house, looking after small children or elders, doing laundry, cooking, carrying water from wells, bringing and splitting firewood. Of total children covered by the survey, 14 percent work 9 or more hours per day and 66 percent of children work the whole week without rest. Children herding livestock for households in the countryside not only herd livestock, but also participate in all everyday activities of the employer's household. The survey covered 270 children herding livestock for other families, and 64 percent of them are boys and 36 percent are girls. The majority of children herding livestock are in 15-17 age group and work in their native *aimangs*. 43 percent of children herding livestock for other families reported not living with their parents: nearly all boys live at their employer's, but 85 percent of girls live at their employer's and 15 percent live in the dormitory. One third of children reported they could not read or write, and there is a clear evidence of high drop out rate among children herding livestock. 43.3 percent of children attend formal school, and 1.5 percent informal education. School enrollment is relatively low among children working for non-relatives. 82.6 percent of children reported having a birth certificate/ID, and 78.5 percent reported having medical insurance. Duration of a workday is on average 9 hours. Nearly 80 percent of children herding livestock for other families reported working all seven days a week.

³⁹ <http://www.ipecmon.mn/en/ap-redcross.htm>

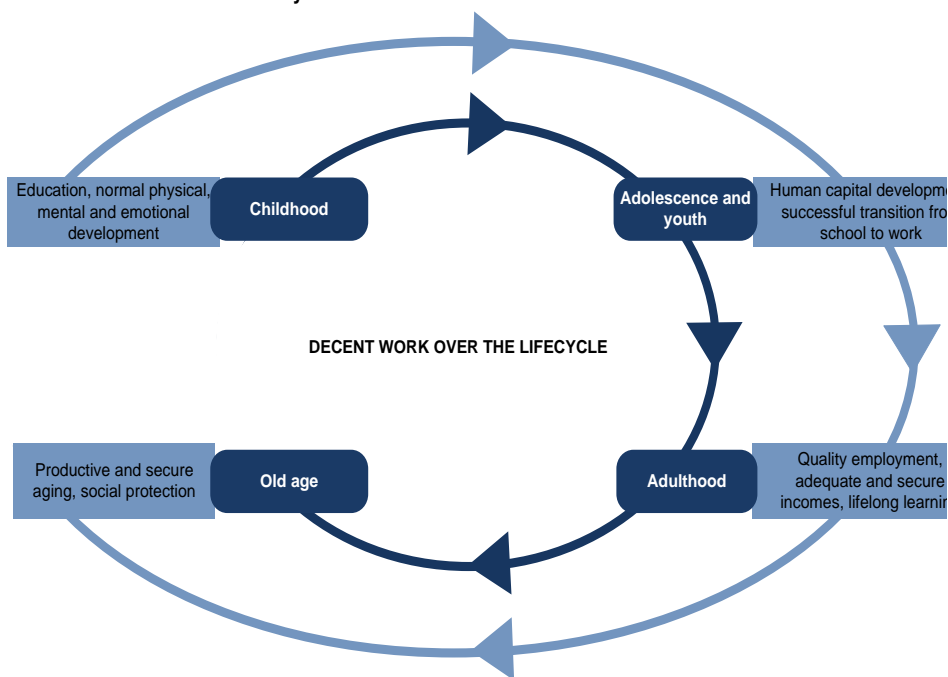
⁴⁰ ILO-IPEC, Baseline survey on child domestic workers in Mongolia, Population teaching and research center National University of Mongolia, 2007

112. **Urban informal sector work.** In 2006, ILO/IPEC Programme conducted a survey on working children in the informal sector in Ulaanbaatar and the selected urban areas. According to this study, there were around 5,000 working children aged 7-17 in the informal sector of Ulaanbaatar. There is a relatively high percentage of boys among working children. 70 percent of children work in the informal sector to contribute to household income. Girls are mainly involved in retail trades while boys are engaged in carrying loads, piling timbers and cleaning. The review of working place conditions of child workers in the informal sector shows that 80 percent of children work in very dusty and wet workplaces (wood market and dumpsite), 67 percent work under extreme temperatures or noisy conditions and 49 percent carry and handle heavy loads in the workplace. Most of these children are aware that working conditions in which they work are harmful to their health. There is also a high probability that children in the informal sector suffer from physical abuse and psychological stress by employers, co-workers and customers. Indeed, the results of the survey data show that almost 30 percent of all working children in the informal sector suffer from physical or psychological abuses at workplace.

4. YOUTH LABOUR MARKET OUTCOMES

113. The lifecycle approach to human development and decent work focuses on the key stages of life when people are vulnerable to falling into poverty as the starting point for understanding the dynamics of life and work of poor communities (Figure 28).⁴¹ According to the lifecycle approach, child labour and youth labour market outcomes are closely linked. On the one hand, poor youth employment prospects could serve as a disincentive for investment in children's education. In situations where there are few opportunities of productive and decent work as the child reaches the minimum working age, and when the transition from school to work is a difficult process, parents do not have an incentive to forego the opportunity cost of children's work and invest in their schooling. On the other hand, child labour (and concomitantly low human capital accumulation) could lead to increased youth vulnerability and difficulties in accessing good jobs. Children with little or no education enter the labour market to work in dangerous and exploitative conditions that are psychologically and physically damaging in the long term. Child labourers are likely to become youth with poor employment prospects who cannot lift their families out of the poverty trap, cannot become parents who give their children a better life, and cannot effectively contribute to national development.

Figure 28. Decent work over the lifecycle



114. From a policy perspective, it is crucial to address the issues related to child labour and youth employment side by side to achieve decent work over a person's life and in promoting intergenerational solidarity, and therefore contribute to a

⁴¹ ILO, Forging Linkages between Child Labour and Youth Employment Programmes across Asia and the Pacific: Handbook for ILO Field Staff, 2008.

virtuous cycle of development and poverty reduction. Strategies to give young people an opportunity to get decent work cannot be divorced from efforts to eliminate child labour. This report examines therefore child labour together with youth employment. This section aims to analyse the labour market outcomes of young persons in the 15-24 years age range.

4.1 Youth involvement in the labour market

115. Young Mongolians aged 15–24 years are divided between education and the labour force. Table 12, which breaks the youth population down into activity categories (only in education; combining education and employment; only in employment; unemployed; and inactive) indicates that 49 percent of 15- to 24-year-olds is still in full-time education while 28 percent is either in full-time work and six percent are actively seeking work. Work and schooling are not of course necessarily mutually exclusive: an additional five percent of 15-24 year-olds combine the two activities. A small proportion of young people, 13 percent, are "inactive," that is, neither in the labour force nor in education, a category which includes discouraged workers and disabled people. About two percent of youth are underemployed, meaning they are available to take an additional job during the four weeks prior the survey (see Box 3 on the terminology).

Table 12. Activity status by age group, sex and residence

Age group	Unique activity categories					Total	Aggregate activity categories			
	(1) Only in employment	(2) Only in education	(3) Both activities	(4) Only unemployed	(5) Inactive		(1) & (3) Total employ- ment	(2) & (3) Total education	(4) & (5) Jobless	Under employed
15 - 17	8.2	77.5	7.9	1.0	5.4	100,0	16.1	85.4	6.5	0.9
18 - 19	22.5	52.2	4.1	6.9	14.4	100,0	26.6	56.3	21.3	1.6
20 - 24	46.6	24.4	1.8	9.7	17.5	100,0	48.4	26.2	27.2	2.5
15 - 24	27.7	49.3	4.5	6.0	12.5	100,0	32.2	53.8	18.5	1.7

Notes: (a) not attending school, not working and available to work

Source: UCW calculations based on Mongolia Labour Force Survey, 2006 -2007

Box 3. Terminology on youth labour market outcomes

Our definition of **youth** includes individuals aged 15 to 24. Although there are alternative definitions of youth that are linked to certain rights and responsibilities provided by national law, this study uses the same definition as used by the United Nations Youth Program.

This study provides analysis of subgroups among youth – those aged 15-19 (**teenagers**) and those aged 20-24 (**young adults**) – in order to make distinctions between youth in and out of secondary-school age. While most individuals aged 15 to 19 are expected to be in school rather than participating in the labour market, the opposite occurs with individuals aged 20 to 24. As such, these two groups are likely to display different employment outcomes, especially concerning labour force participation, inactivity, and joblessness rates.

An employed person is a one who fulfils any of the following: paid employment, at work, or with a job but not at work at present. This includes people waiting to rejoin employment and employers or people in self-employment. This category should also include unpaid family labourers who hold a job in a market-oriented establishment irrespective of the number of hours worked during a reference period.

An unemployed person is a person who fulfills any or all of the following criterion: without work, currently available for work, or seeking work by taking necessary steps to seek paid employment such as applying for jobs or registering with an agency.

An inactive person is a person who is neither in the labour force (employed or unemployed) nor in education.

Joblessness is defined as the sum of unemployed and inactive excluding students. Unlike unemployment, joblessness has the advantage of reflecting both unemployed and discouraged workers who have left or not entered the workforce.

A person is **underemployed** if he is available to take an additional job during the four weeks prior the survey.

Wage employees are all people in paid employment and remunerated by wages and salaries. Another form of payment may be commission from sales, price-rates, bonuses, or in-kind payments. Basic remuneration is not directly dependent on revenue of the unit one works for but on the explicit (written or oral) or implicit employment contract. A wage employee may also be a regular employee with or without a fixed-term contract or a casual worker without a contract.

A self-employed person is one who performs some work for profit or family gain either in-cash or in-kind. The remuneration is dependent on profits derived from the goods and services produced (own consumption from enterprise is considered part of profits). The incumbent makes operational decisions affecting the enterprise or may delegate decisions while retaining the responsibility for the welfare of the enterprise. This is a one-person business and may include contributing family workers.

116. These aggregates mask large variations in young people's time use by age. This is not surprising, as the 15–24 age range is a period of transition. When teenagers and young adults, are compared there are large differences in involvement in education, with relatively few people continuing education beyond their teens into young adulthood. Young adults are more represented in the labour force (both employed and unemployed), though employment rate of teenagers is also by no means negligible. Involvement in part-time work in combination with schooling is not uncommon among 15-17 year-olds (eight percent are working students), but declines among subsequent cohorts. Only two percent of young adults combine the two activities.

Table 13. Activity status by age group, sex and residence

Sex and residence	Age group	Unique activity categories					Total	Aggregate activity categories			
		(1) Only in work	(2) Only in education	(3) Combining work and education	(4) Inactive	(5) Only unemployed ^(a)		Employed (1)&(3)	In education (2)&(3)	Jobless (4)&(5)	Under-employed
Male	15-17	10.9	73.1	8.6	6.4	1.1	100,0	19.5	81.7	7.4	1.0
	18-19	26.1	47.6	4.6	14.4	7.3	100,0	30.8	52.2	21.7	1.7
	20-24	51.8	23.5	2.1	12.8	9.9	100,0	53.9	25.6	22.7	2.9
	15-24	31.0	47.2	5.1	10.7	6.0	100,0	36.1	52.3	16.7	1.9
Female	15-17	5.2	82.2	7.1	4.4	1.0	100,0	12.4	89.4	5.4	0.9
	18-19	19.0	56.6	3.6	14.3	6.5	100,0	22.6	60.2	20.8	1.5
	20-24	41.8	25.3	1.5	21.8	9.6	100,0	43.3	26.9	31.3	2.1
	15-24	24.5	51.4	3.9	14.3	6.0	100,0	28.3	55.3	20.3	1.5
Urban	15-17	1.6	90.7	2.1	4.6	1.0	100,0	3.7	92.8	5.6	0.3
	18-19	9.2	67.4	1.4	14.1	8.0	100,0	10.6	68.8	22.0	0.6
	20-24	30.9	34.7	1.3	21.0	12.1	100,0	32.2	35.9	33.1	1.1
	15-24	15.7	61.8	1.6	13.6	7.2	100,0	17.3	63.5	20.9	0.7
Rural	15-17	18.9	56.0	17.3	6.8	1.1	100,0	36.2	73.3	7.9	1.9
	18-19	45.9	25.4	8.8	14.9	5.1	100,0	54.7	34.2	19.9	3.3
	20-24	71.2	8.3	2.6	12.0	5.9	100,0	73.8	10.9	17.9	4.6
	15-24	47.3	28.9	9.1	10.7	4.0	100,0	56.4	38.0	14.7	3.4

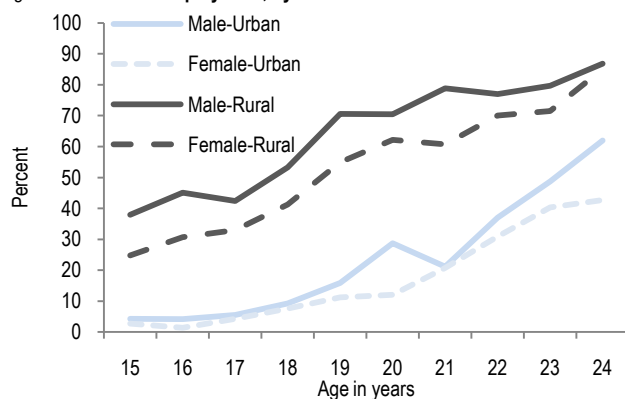
Notes: (a) not attending school, not working and available to work

Source: UCW calculations based on Mongolia Labour Force Survey, 2006-2007

117. The time use profiles of young people aged 15–24 in Mongolia are also strongly affected by underlying differences in the rural and urban labour markets (Table 13). Rural young people are much more likely to be employed, and less likely to be unemployed, compared to their counterparts living in cities and towns. This is undoubtedly due in large part to the role of agriculture in absorbing rural youth. They are able to provide their work services in this sector without the need for a lengthy job search or formal contractual arrangements. Urban young people, on the other hand, benefit from greater education opportunities, staying in school longer and joining the labour force at a later age. They are more likely to be in education overall (64 versus 38 percent), and to be in education full-time (62 percent versus 29 percent). Rural students are more likely than their urban counterparts to work.

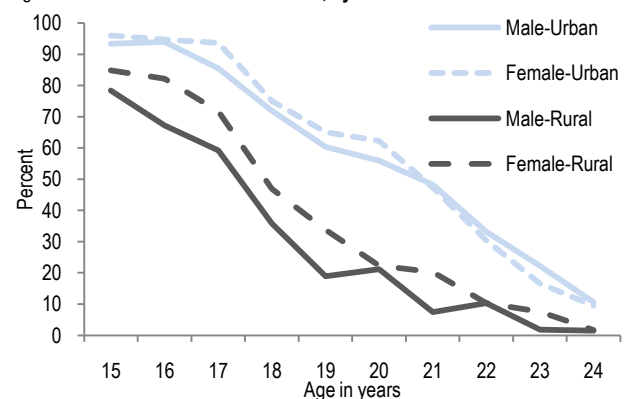
118. Gender considerations also appear to play an important role in the time use profiles of young persons. At every age, females are less likely to be employed and more likely to be in education, than their male counterparts are. These differences are especially pronounced in rural areas (Figure 29 and Figure 30). Females are also more likely to be out of the labour force, particularly as young adults and again particularly in rural areas. This is not surprising, as young adulthood is the period when child-rearing and domestic responsibilities begin for females.

Figure 29. Youth employment, by sex and area of residence



Source: UCW calculations based on Mongolia Labour Force Survey, 2006 - 2007

Figure 30. Youth school attendance, by sex and area of residence



4.2 Changes in youth involvement in the labour market

119. A comparison of the results of labour force surveys covering the 2002-03 and 2006-07 reference periods suggests that more young people are staying in education longer: involvement in education rose by about six percentage points during the period between the two surveys (Figure 31). But it does not appear that young people are delaying employment for further education. Indeed, overall involvement in employment declined only very slightly (0.5 percentage points) during the period between the two surveys. Rather, the gains in education are a result of more young people combining employment with further education and of more young persons opting to stay in education rather than facing the prospect of joblessness (the proportion of unemployed and inactive young persons both fell in the 2002-03 to 2006-07 period).

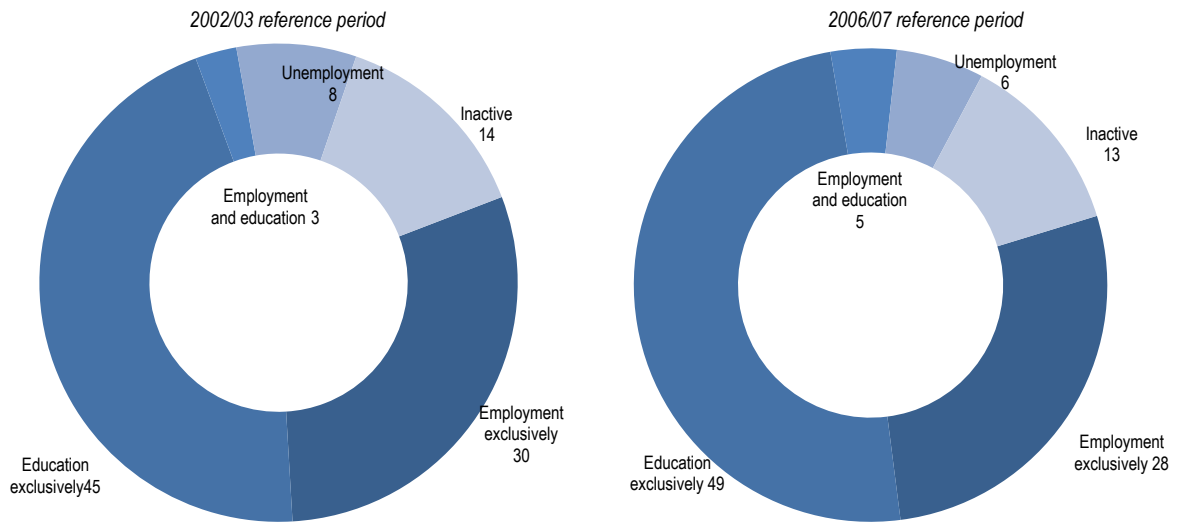
Table 14. Changes in youth labour market participation, by sex and residence, 2002/03 and 2006/07 reference periods

Activity status	Sex				Residence				Total	
	Male		Female		Urban		Rural		2002/03	2006/07
	2002/03	2006/07	2002/03	2006/07	2002/03	2006/07	2002/03	2006/07		
Employment exclusively	33.7	31.0	26.1	24.5	14.0	15.7	49.3	47.3	29.9	27.7
Education exclusively	41.9	47.2	48.8	51.4	62.3	61.8	24.8	28.9	45.3	49.3
Employment and education	2.8	5.1	2.7	3.9	1.3	1.6	4.5	9.1	2.8	4.5
Unemployment exclusively	8.6	6.0	7.6	6.0	8.7	7.2	7.4	4.0	8.1	6.0
Inactive	13.0	10.7	14.8	14.3	13.8	13.6	14.0	10.7	13.9	12.5
Total in employment^(a)	36.5	36.1	28.8	28.4	15.3	17.3	53.8	56.4	32.7	32.2
Total in education^(b)	44.7	52.3	51.5	55.3	63.6	63.4	29.3	38.0	48.1	53.8

Notes: (a) Refers to all children in employment, regardless of education status; (b) Refers to all children in education, regardless of employment status.

Source: UCW calculations based on Mongolia LFS 2006 - 2007 and 2002-03.

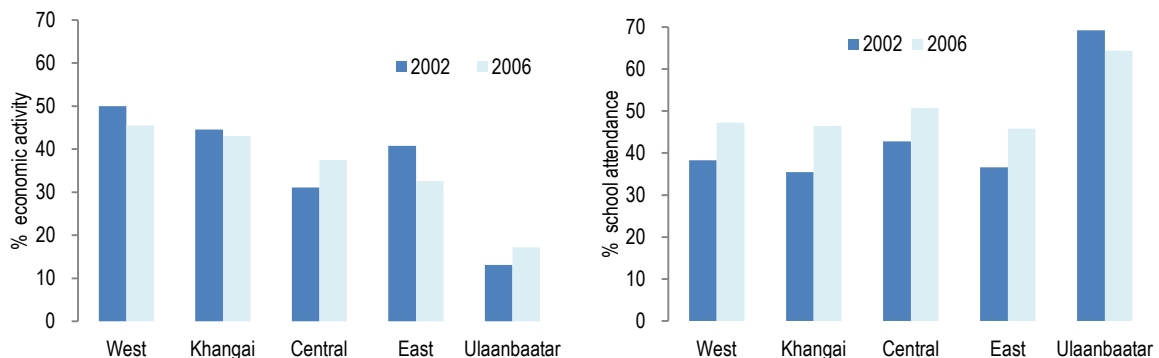
Figure 31. Changes in youth labour market status, 2002-03 and 2006/07 reference periods



Source: UCW calculations based on Mongolia LFS 2006 - 2007 and 2002-03

120. Table 14 also provides a more detailed look at changes in labour market status of young people during the time between the two surveys. It illustrates that the changes were consistent for male and female youth – both sexes were less likely to be in full-time employment and to be jobless (unemployed or inactive), and more likely to be in education (full-time or in combination with employment), in 2006-07 than in 2002-03. Education gains were much larger for male youth over this period, though their involvement in education still lagged behind that of their female counterparts in 2006-07.

Figure 32. Changes in youth employment and education, by region

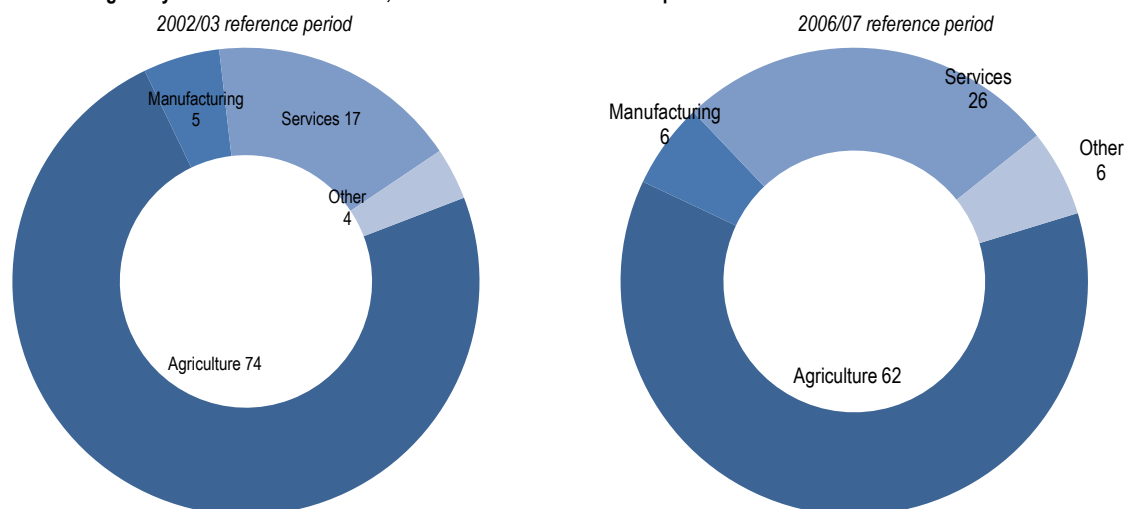


Source: UCW calculations based on Mongolia LFS 2006 - 2007 and 2002-03

121. The changes in youth activity status were less consistent across places of residence and regions. Rural youth experienced the largest changes. They made major gains in terms of education, while at the same time their levels of joblessness (both unemployment and inactivity) fell considerably. Employment among rural youth also rose slightly, driven entirely by the group combining

employment and education (their full-time employment actually fell between 2002-03 and 2006-07). In urban areas, by contrast, youth involvement in education remained almost constant while the decline in youth joblessness was smaller. Gains in education during the period from 2002-03 to 2006-07 extended to all regions except Ulaanbaator, where youth involvement in education actually fell slightly.

Figure 33. Changes in youth labour market status, 2002-03 and 2006/07 reference periods



Source: UCW calculations based on Mongolia LFS 2006 and 2002-03

Table 15. Changes in the sectoral composition of youth employment, by sex, 2002 and 2006

Industry	2002			2006		
	Male	Female	Total	Male	Female	Total
Agriculture	75.6	71.7	73.9	62.8	60.4	61.8
Mining	2.5	1.3	1.9	3.4	1.4	2.5
Manufacturing	4.4	6.2	5.2	5.3	6.7	5.9
Electricity	0.6	0.2	0.5	0.8	0.3	0.6
Construction	1.9	0.1	1.1	3.9	1.6	2.9
Wholesale	5.4	7.5	6.3	6.8	10.9	8.6
Hotels and restaurants	1.3	3.6	2.3	2.5	4.7	3.5
Transport, communication	0.4	0.6	0.5	5.0	2.3	3.8
Finance	5.6	5.4	5.5	1.9	2.5	2.2
Education	0.6	1.1	0.8	5.6	5.4	5.5
Health, social Work	1.4	2.0	1.7	0.2	1.5	0.7
Other community service	0.1	0.2	0.1	1.9	2.3	2.1
Other	0.1	0.2	0.1	0	0.0	0.0
Total	100	100	100	100	100	100

Source: UCW calculations based on Mongolia LFS 2006 - 2007 and 2002-03

122. While changes in the overall level of youth employment changed little from 2002-03 to 2006-07, this period did see important shifts in the sectoral composition of the work performed by young people. As shown in Figure 33 and Table 15, there was a large movement of youth workers from the agriculture to the services sector. This is in large part a reflection of the broader pattern of rural to urban migration occurring in Mongolia.

4.3 Composition of youth employment

123. Non wage labour performed within the household is by far the most important form of youth work (Table 16), which breaks down the employed youth population by broad occupational category (that is wage employee, self-employed, and unpaid family worker) indicates that more than half of employed young people work without monetary wages for their families (54 percent). Of the remaining working youth, 25 percent work for wages and 22 percent are self-employed. Hence, the majority of youth seem to be engaged in non- (or low-) paying activities. But these aggregates mask large differences between the rural and urban youth labour markets. Unpaid family work is preponderate in rural areas, while wage employment is most important in cities and towns. There is a shift away from family-based non-wage work and toward wage work and self-employment outside the family, as young people grow older. Family work nonetheless still accounts for 44 percent of total employment for the 20–24 years age group.

Table 16. Modality and sector of youth employment, by age, sex and place of residence

Age group, sex and residence	Modality				Sector				Total
	Wage employee	Self-employed	Unpaid family worker	Total	Agriculture	Manufacturing	Services	Other	
Age									
15-17	4.0	14.4	81.6	100	83.9	3.3	9.7	3.1	100
18-19	16.9	21.2	61.9	100	70.4	6.3	19.3	4.0	100
20-24	32.7	23.7	43.6	100	53.3	6.6	32.9	7.3	100
15-24	24.8	21.6	53.6	100	61.8	5.9	26.4	5.9	100
Sex									
Male	22.9	27.6	49.6	100	62.8	5.3	23.8	8.1	100
Female	27.2	14.1	58.6	100	60.4	6.7	29.6	3.3	100
Residence									
Urban	60.1	24.5	15.4	100	11.6	15.3	62.0	11.1	100
Rural	7.2	20.1	72.7	100	86.5	1.3	8.8	3.4	100

Source: UCW calculations based on Mongolia Labour Force Survey, 2006 - 2007

124. The agriculture sector absorbs most of the labour force in Mongolia, including those members of the labour force in the 15–24 years age group. About 62 percent of the employed youth population is engaged in agriculture, followed by 26 percent in services and six percent in manufacturing. Again, however, differences by residence are large. While agriculture not surprisingly predominates in rural areas, the services sector is the most important source of youth

employment in cities and towns, accounting for almost two out of every three employed youth. The manufacturing sectors are also important in urban contexts, accounting for 15 percent of total employed youth. The sectoral composition of work changes somewhat moving across the 15–24 age spectrum, shifting away from the agricultural sector to the services sector.

125. Differences between youth and adults in terms of work characteristics provide one indication of youth labour market disadvantage. As shown in Table 17, the sectoral composition of youth and adult employment differs in urban areas as well as in rural areas: compared with adult workers, employed urban youth are more likely to be in non-waged family farming and production and less likely to be in self-employment and in services. Employed rural youth are more likely than employed rural adults to be employed in agriculture and in unpaid family work, and less likely to be in production and services. The proportion of working youth and adults in wage work differs little in urban contexts, but is much higher among employed adults in rural settings.

Table 17. Youth and adult: modality of employment and sector of activity, by age and residence

Age group and residence		Modality			Total	Sector				Total
		Wage employee	Self-employed	Non-waged family worker		Agriculture	Manufacturing	Services	Other	
Urban	15 - 24	60.1	24.5	15.4	100	11.6	15.3	62.0	11.1	100
	25 - 55	62.0	33.5	4.6	100	4.9	10.1	72.5	12.5	100
Rural	15 - 24	7.2	20.1	72.7	100	86.5	1.3	8.8	3.4	100
	25 - 55	19.3	39.4	41.3	100	70.6	2.1	23.3	3.9	100
Total	15 - 24	24.8	21.6	53.6	100	61.8	5.9	26.4	5.9	100
	25 - 55	42.2	36.2	21.6	100	35.4	6.4	49.7	8.5	100

Source: UCW calculations based on Mongolia Labour Force Survey, 2006 – 2007.

4.4 Youth unemployment and joblessness

126. Levels of measured unemployment are relatively low among Mongolian young people: seven percent of the total population aged 15–24 years and 17 percent of 15- to 24-year-olds in the labour force are unemployed (Table 18). Levels of joblessness, arguably a better measure of youth employment disadvantage because it also captures discouraged workers, are higher.⁴² Some 17 percent of 15- to 24-year-olds males and 20 percent of 15-24 year-old females are jobless. It is worth noting that unemployment and joblessness are lower for the 15–17 age group than for the rest of youth: this might indicate that youth entering the labour market with higher levels of human capital, will likely face more difficulties in finding employment. Young people living in cities and towns are much more likely to be unemployed than rural young people, again underscoring

⁴² Joblessness is defined as the sum of unemployed and inactive. Unlike unemployment, joblessness has the advantage of reflecting both unemployed and discouraged workers who have left or not entered the workforce.

the different nature of the urban and rural economies, and in particular the important role that the agriculture sector plays in absorbing young rural workers.

Table 18. Youth unemployment characteristics, by age and residence

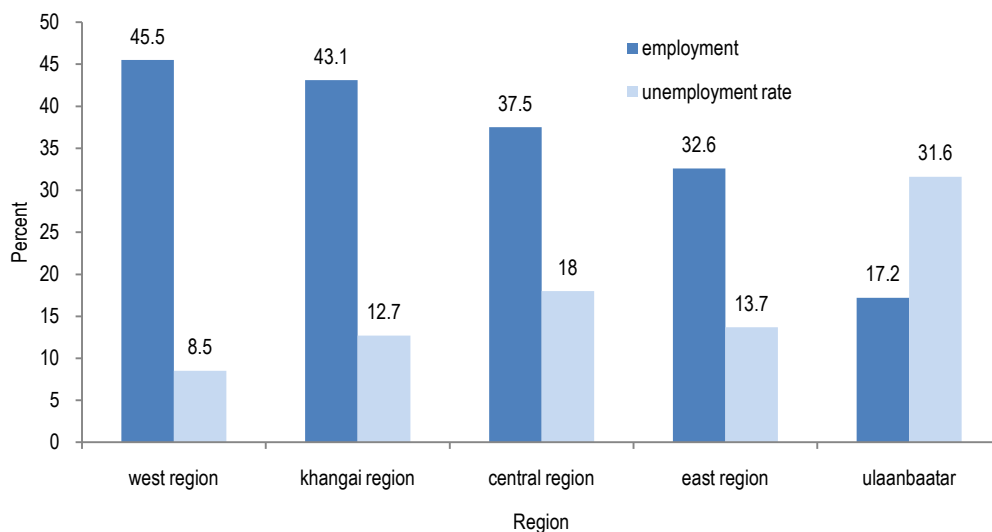
Age group, sex and residence	Unemployment to population ratio ^(a)	Unemployment rate ^(b)	Inactivity ^(c)	Joblessness ^(d)
Age group				
15 - 17	1.7	9.5	5.4	6.5
18 - 19	8.2	23.7	14.4	21.3
20 - 24	10.4	17.6	17.5	27.2
15 – 24	6.8	17.4	12.5	18.5
Sex				
Male	6.8	15.8	10.7	16.7
Female	6.8	19.5	14.3	20.3
Residence				
Urban	8.4	32.6	13.6	20.9
Rural	4.3	7.0	10.7	14.7
Total	6.8	17.4	12.5	18.5

Notes: (a) Unemployment ratio refers to total unemployed expressed as a proportion of total population in same age range; (b) Unemployment rate refers to total unemployed as a proportion of total workforce in the same age range; (c) Inactivity refers to total inactive expressed as a proportion of total population in the same age range; (d) Joblessness refers to total jobless expressed as a proportion of total population in same age range.

Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

127. The highest concentration of unemployed youth is found in the province of Ulaanbaatar, not coincidentally the region that also features the lowest rate of employment (Figure 34). Over 30 percent of young population in the labour force is unemployed. The next highest rates of unemployment are found in the Central (18 percent) and the East (14 percent) regions. Unemployment rate is lowest in the West region (9 percent).

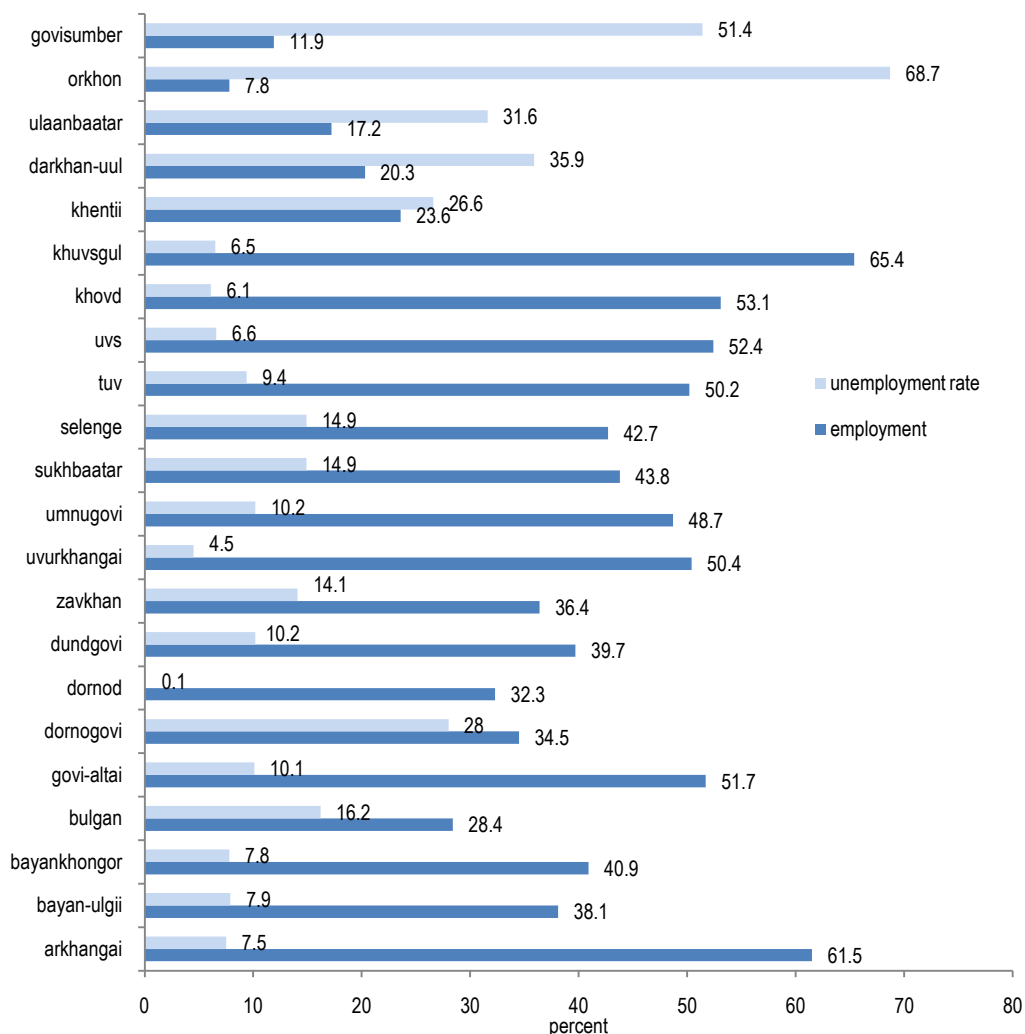
Figure 34. Youth employment and unemployment rate, by region



Source: UCW calculations based on Mongolia LFS 2006

128. Examining aimag-level unemployment rates, we find that Orkhon, Govisumber, Darkhan-uul and Ulaanbaatar make up the top four aimags with respect to highest unemployment rates. The lowest unemployment rates are found in Uvurkhangai and Dornod aimags, where less than five percent of young people in the labour force are unemployed (Figure 35).

Figure 35. Youth employment and unemployment rate, by aimag

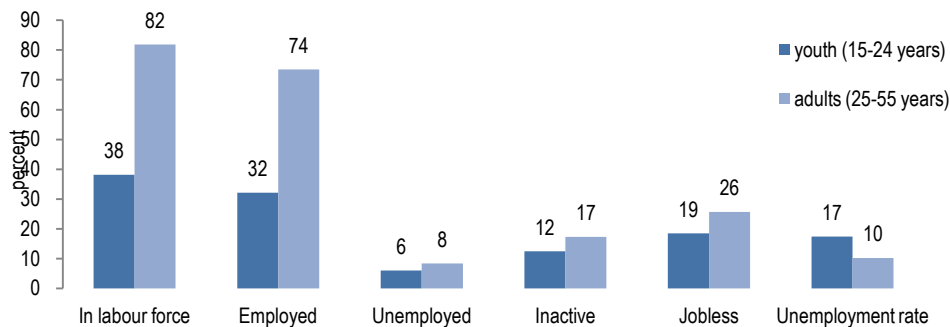


Source: UCW calculations based on Mongolia LFS 2006

129. Comparing youth and adult unemployment rates provides some indication of the extent to which young workers are disadvantaged in relation to their adult counterparts in securing jobs. As shown in Figure 36, young people have a higher unemployment rate. The picture changes somewhat, however, when the rural and urban labour markets are looked at separately (Figure 37). Rural youth appear to

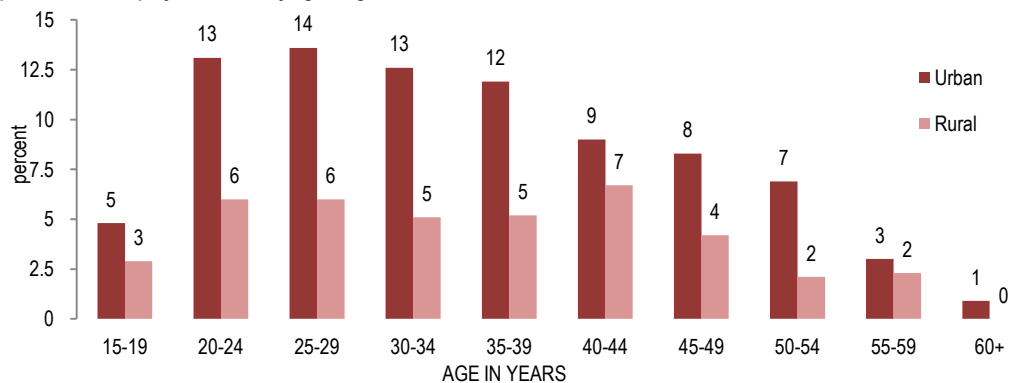
encounter less difficulty in securing employment; rural unemployment ratio is low and varies little across the whole 15–60 age spectrum. However, this is not the case for youth living in cities and towns. The urban unemployment ratio peaks among 25–29 year-olds but remains very high among the 20–29 years old. This illustrates that in many cases the period required to settle into work extends well into adulthood.

Figure 36. Differences in youth and adult labour market status



Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007.

Figure 37. Unemployment ratio, by age range and residence



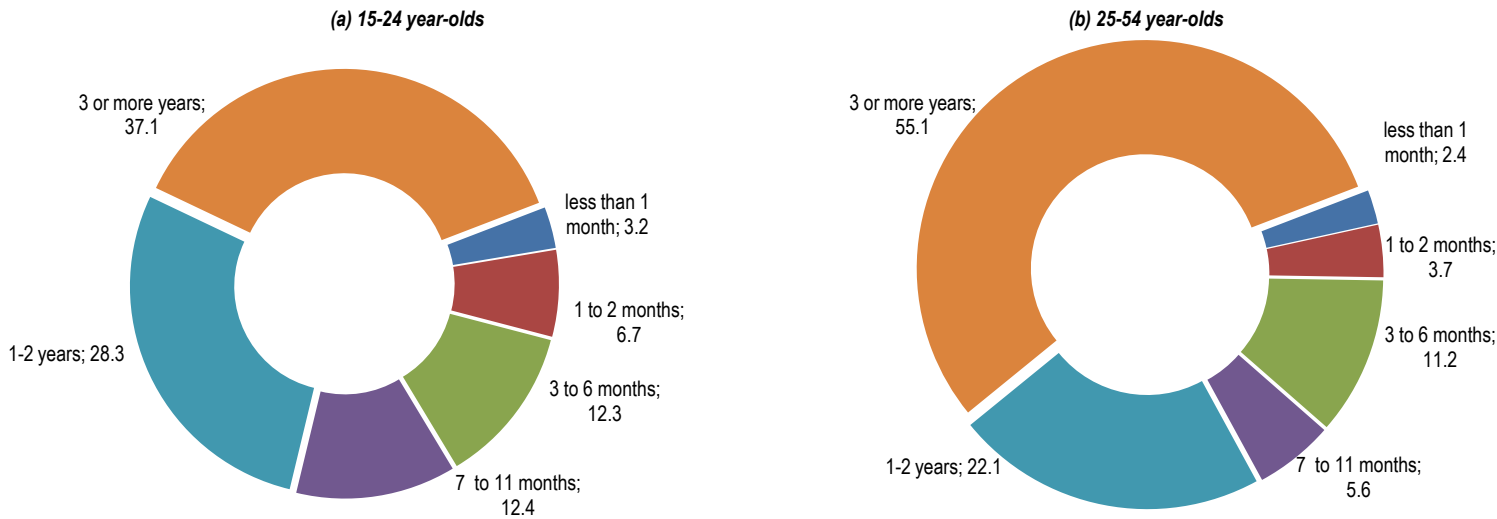
Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007.

130. The long-term unemployed (i.e., unemployment for a duration of one or more years) form a large share of total unemployed Mongolian young people. More than 28 percent of unemployed youth population has been seeking a work for more than one year and an additional 37 percent for more than three years. Overall, more than 65 percent of the unemployment youth is in long-term unemployment. But long term unemployment is not a phenomenon that is limited to the youngest segment of the Mongolian labour force: 77 percent of unemployed adults are also in long term unemployment. This indicates that the Mongolian economy faces severe problems in absorbing a part of its unemployed work force (Figure 38).

131. First-time job seekers are disproportionately represented among the short- and long-term unemployed alike (Figure 39). The role of individual characteristics

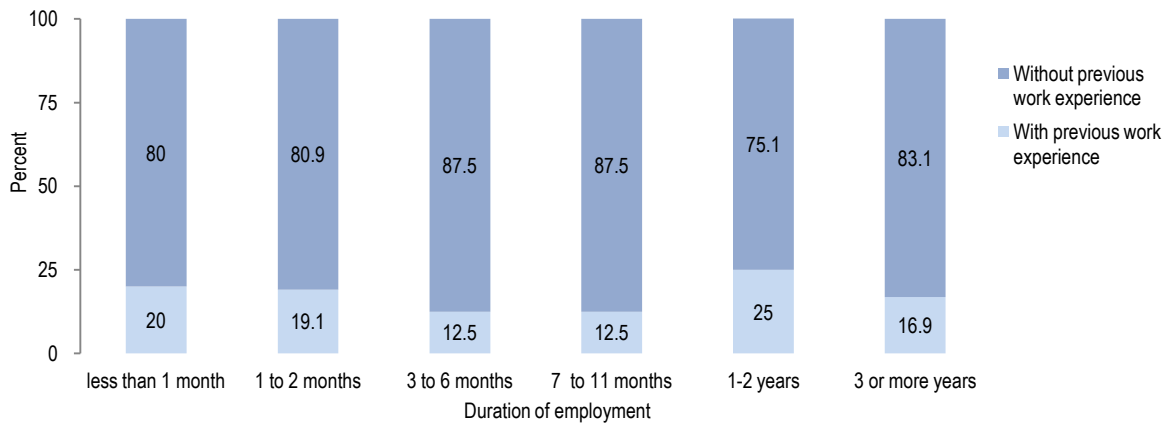
in long-term unemployment is explored in more detailed in the regression analysis presented below.

Figure 38. Distribution of unemployment duration, 15-24 years and 25-54 years age groups



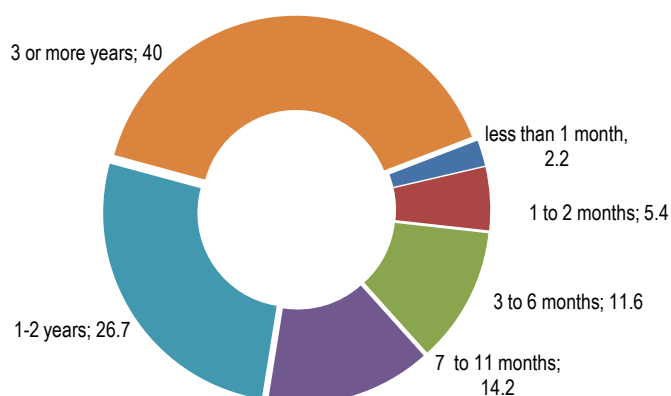
Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007

Figure 39. Unemployed young people, by duration of unemployment and previous work experience



Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

Figure 40. Duration of unemployed for first time job seekers (age group 15-24)



Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

132. In order to identify the role of some individual characteristics on long-term unemployment, we have estimated the probability of being in long-term unemployment among the unemployed (Table 19). Results show that young males are more likely to be long term unemployed than their female counterparts. Youth living in urban areas face also much more problems than their rural counterpart in securing a job without long spells of unemployment. Once we take into account the other characteristics, it emerges that first time job seekers are in fact more likely to be in long term unemployment. The level of education is also an important determinant of long-term unemployment. As the level of education increases, the risk of individual long-term unemployment decreases. This finding stresses again the role of human capital accumulation (and hence of child labour) in determining youth outcomes in the labour market. No big difference and effects appear between the different regions, except for the region Khangai, where finding an employ requires more time.

Table 19. Marginal effects after Heckmann probit regression

Variable	dy/dx	z
Age15-19*	-0.2561	-2.12
Male*	0.0754	1.89
Married*	0.0416	0.4
Female-married*	0.0162	0.1
No education*	0.2649	2.02
Primary*	0.3298	4.19
Lower secondary*	0.1991	2.34
Secondary*	0.1691	2.41
Vocational*	0.2223	1.92
No work experience*	0.0871	0.96
Urban*	0.1131	1.84
West*	0.1046	1.4
Khangai*	0.2508	2.94
Central*	0.0422	0.52
East*	0.1521	1.77

Notes: (*) dy/dx is for discrete change of dummy variable from 0 to 1

Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

4.5 Transition from school to working life

133. The discussion in this report thus far on youth in labour force has focussed on key outcomes of the transition to working life – youth labour force involvement, employment, employment composition, unemployment and joblessness. In this section, attention turns to the transition process itself: the timing and length of the transition to working life, and the pathways taken in making this transition. The section uses a summary indicator to provide an overview of the routes young people take from education to the labour force. For the group transitioning directly to the labour force, the average entry in the labour market is also reported.⁴³

134. Table 20 presents information on the beginning and end of the transition from school to work, as well as the transition duration, disaggregated by sex and residence. The last column gives the average age of entry in labour market for those never attending school. The average school-leaving age (that is, the starting point of the transition) of children and youth conditional on ever been at school, is 19.8 years. To the extent that schooling is an indicator of human capital levels and labour market preparedness, therefore, young people do not appear to leave the schooling system well equipped for the transition to working life.⁴⁴ The average age of entering into work for the first time is 22.3 years, meaning that there is an average time lag of two and a half year years between leaving school and entering work for the first time.

Table 20. School to work transition points, by sex and residence

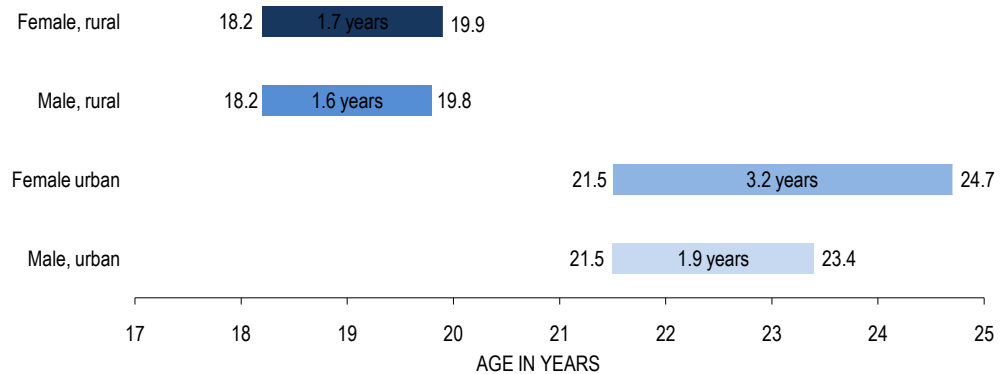
Background characteristic	Children ever in school			Children never in school
	Beginning point of transition (average age of dropping out)	End point of transition (average age of entering into work for the first time)	Transition duration	Average age of entering into work for the first time
Total	19.8	22.3	2.5	13.1
Sex	Male	19.4	21.7	14.0
	Female	20.2	23.0	11.5
Residence	Urban	21.1	24.0	15.9
	Rural	18.2	19.3	13.0
Residence, Sex	Male/Urban	21.5	23.4	16.7
	Female/Urban	21.5	24.7	15.8
Sex	Male/Rural	18.2	19.8	14.4
	Female/Rural	18.2	19.9	10.7

Source: UCW calculations based on Mongolia Labour Force Survey, 2006 – 2007.

⁴³ It is worth underlying that a non-negligible number of children drop out very early from school. While they are formally included in the youth transitioning through school, their condition and the problems they face are likely to be closer to those of the children that never attend school.

⁴⁴ This, of course, is a strong assumption, as school quality, the relevance of schooling to labour market demands, student characteristics, among others, also affect labour market preparedness.

Figure 41. Length and timing of transition from school to work in Mongolia, by sex and residence



Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

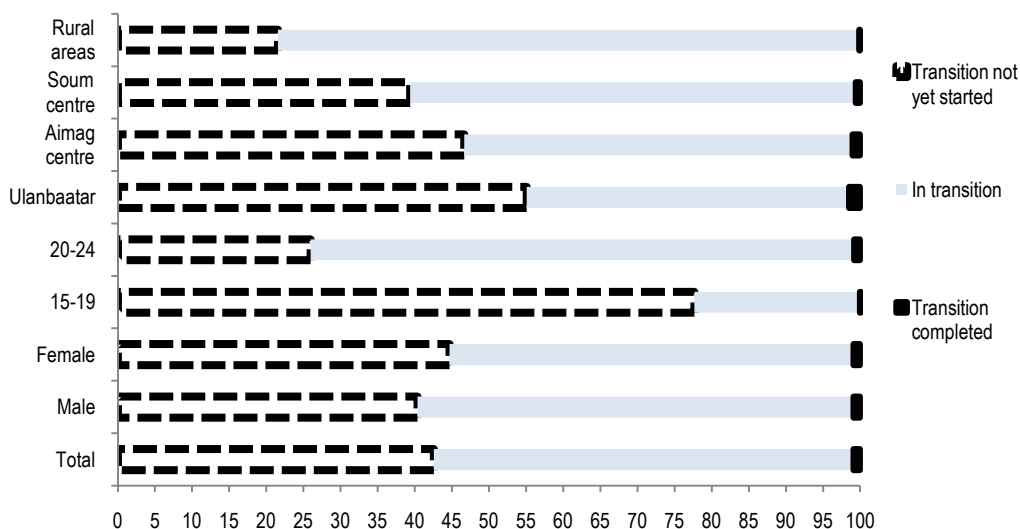
135. The beginning and the end of school to work transition disaggregated by area of residence and sex are reported in Figure 41. It shows that the characteristics of the transition appear to depend significantly on both residence and sex, and on the interaction between the two. Specifically, youth in rural areas find employment more quickly than their counterparts in urban areas, suggesting labour entry problems are especially relevant in urban areas. But the apparently smoother transition in rural areas does not necessarily mean better transition outcomes. Indeed, short transition in rural areas is in large part a product of earlier labour force entry, together with lower returns to education and job search, and culminates in only subsistence farm jobs for many individuals.⁴⁵ Youth in urban areas begin the transition later, and take more time to secure employment, particularly in the case of urban females.

136. Our findings show that youth in Mongolia display a very difficult transition from school to work. These findings are in line with the results of the recent ILO study on transitions from school to “decent work” in Mongolia.⁴⁶ In this report, “decent work” is defined as work that is productive, generates adequate income and guarantees rights at work and social protection. Very often, young people work with informal, intermittent and insecure arrangements, meaning low productivity, earnings and employment protection, or they are simply underemployed. Indeed, the results of the study indicate that only about 1 percent of the young population has completed their transition to “decent work” in Mongolia (Figure 42). About 56.5 percent are still in transition, meaning they are still looking for decent work, whether they are employed, unemployed or inactive.

⁴⁵ Kondylis F. and Manacorda M., Youth in the Labour Market and the Transition from School to Work in Tanzania. World Bank Social Protection Discussion Paper no. 0606, July 2006.

⁴⁶ ILO, School to work transitions in Mongolia, Employment Sector Working Paper no.14, 2008.

Figure 42. Transitions from school to decent work, by gender, age group and location



Source: ILO, School to work transitions in Mongolia, Employment Sector Working Paper no.14, 2008.

4.6 Human capital levels and youth labour market outcomes

137. This section looks at the role of human capital accumulation to the labour market outcomes of young people. Many Mongolian young people have had little opportunity to acquire significant human capital: 17 percent of 15-24 year-olds possess a primary education or less, about 34 percent possess lower secondary education, and an additional 35 percent possess upper secondary education. Only five percent of young people have had the opportunity to acquire higher level of education (Table 21). Low human capital is a particular concern in rural areas, where one-third of young people have only primary schooling or no schooling at all. Most of the group of school non-entrants and early-leavers were undoubtedly once child labourers, underscoring the fact that the challenge of finding satisfactory employment as adults cannot be separated from the issue of child labour.⁴⁷

⁴⁷ In the absence of retrospective information on work involvement, however, it is not possible to estimate the precise proportion of young people that were working as children.

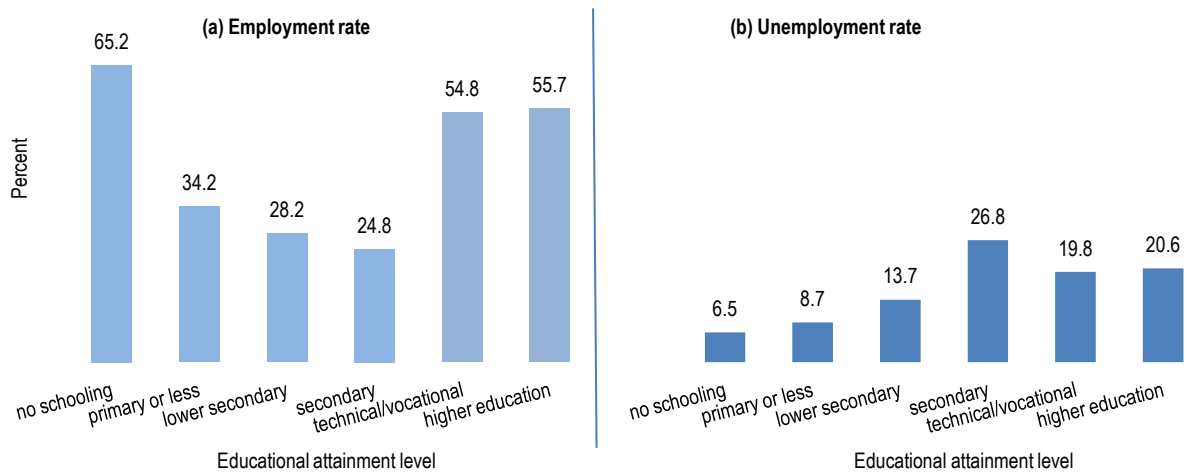
Table 21. School attainment levels, by residence and age group

Age group	Highest education level attained	Urban		Rural		Total	
		No	%	No	%	No	%
15-19	No schooling	1,917	1.1	8,994	8.6	10,910	3.9
	Primary or less	34,389	19.7	29,034	27.8	63,423	22.8
	Lower secondary	83,526	47.9	46,865	44.9	130,391	46.8
	Upper secondary	51,061	29.3	17,696	17.0	68,757	24.7
	Technical & professional	2,696	1.5	1,657	1.6	4,354	1.6
	Higher education	939	0.5	42	0.0	981	0.4
20-24	No schooling	1,993	1.6	7,569	9.3	9,563	4.6
	Primary or less	3,533	2.7	16,362	20.1	19,895	9.5
	Lower secondary	14,839	11.5	22,417	27.5	37,256	17.7
	Upper secondary	75,780	58.9	25,828	31.7	101,608	48.3
	Technical & professional	12,545	9.7	4,730	5.8	17,275	8.2
	Higher education	20,042	15.6	4,607	5.7	24,649	11.7
15-24	No schooling	3,910	1.3	16,563	8.9	20,473	4.2
	Primary or less	37,922	12.5	45,396	24.4	83,318	17.0
	Lower secondary	98,365	32.4	69,282	37.3	167,647	34.3
	Upper secondary	126,841	41.8	43,524	23.4	170,365	34.8
	Technical & professional	15,241	5.0	6,388	3.4	21,629	4.4
	Higher education	20,981	6.9	4,649	2.5	25,630	5.2

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007

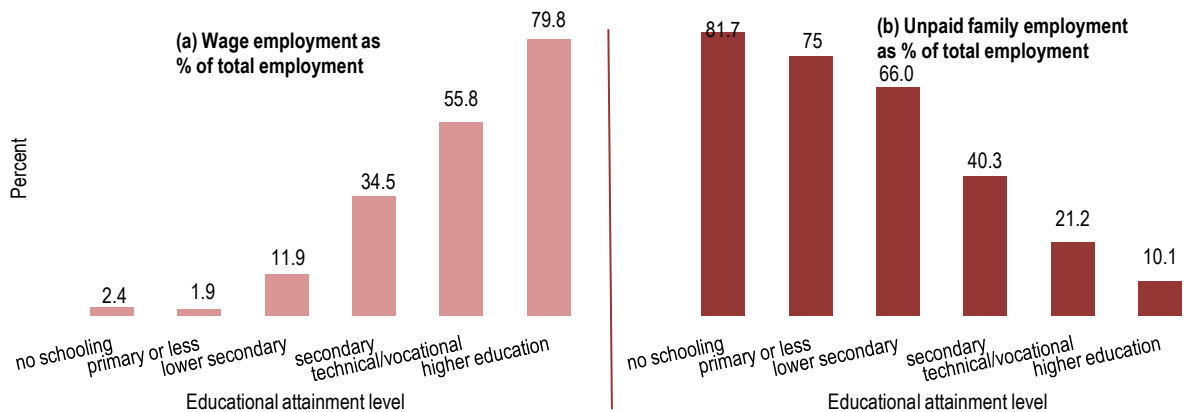
138. Descriptive evidence suggests that more educated young people may face greater difficulty securing jobs, but that the quality of the jobs they eventually do secure are better. Figure 43 reports rates of employment and unemployment by level of education. It shows that the rate of unemployment increases with education level, peaking among those with secondary education. This is partially the product of the fact that less-educated young people by definition begin their transition to work at an earlier age, and therefore have had a greater length of exposure to the labour market and more time to secure employment. In addition, as the reservation wage is likely to rise with skill level, search time might increase with the level of human capital of the individual. This finding *per se*, therefore, says little about links between human capital levels and success in the labour market. Figure 44 reports occupational type by level of education attainment. It shows that more-educated workers are much more likely to be in wage employment and much less likely to be in unpaid work than their less-educated counterparts.

Figure 43. Employment and unemployment rates, 20–24 age group, by level of education attainment



Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

Figure 44. Wage and unpaid family employment as a proportion of total employment, 15–24 age group, by level of education attainment



Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007

139. Regression tools permit a more detailed look at the determinants of youth employment, paying special attention to the role of the stock of human capital with which youth enter the labour market and to the conditions of the local labour market. The lack of information on the date at which a youth left school makes it impossible to distinguish directly between the effects of human capital accumulation on the employment probability per se and that due to the duration of exposure. We have followed the approach already applied in Guarcello, Rosati, Lyon (2006), which attempts to identify whether the effects of the explanatory variables considered are different according to the level of education reached by the individual. While this approach does not directly answer the question of the possible effect of human capital on employability, it might offer us some indirect evidence.

140. We have, hence, divided the sample of youth according to the level of education achieved. In particular, we have considered five groups: never attended school, primary or less, lower secondary, secondary, university and vocational. For each of these sub samples, we have run a separate regression on the employment probability using the explanatory variables described below.

141. There is an obvious problem of sample selection that in our case is made more complex by the fact that the choice subsuming the selection is not generated by a bivariate normal. One possibility to deal with this issue would be to estimate a selection model and follow a generalized procedure (for example, Heckman). However, there is growing evidence (consistent with the current empirical practice) that once major observable characteristics are taken into account, estimates of interest often do not change much when the selection model is estimated compared with the naive model. Moreover, there are two potential costs to estimating the selection model. Sometimes, the bias in the coefficients can be worse than in the naive model, and the coefficients in the selection model can be much less precisely estimated, especially if the instruments are weak.

142. For these reasons, we have estimated both simple probit equations and selections model (available upon request from the authors). The data sets do not offer a wide choice of instruments, we have therefore used the household structure (number of adults and of siblings) to identify the selection (school grade) equation. We use the method suggested in Bourguignon and others (2001), who generalize the approach originally proposed by Lee (1983). We focus the discussion on the probit estimates for reasons mentioned above and because the selection terms in the generalized Heckman are not significant.

143. To better reflect the differences between rural and urban settings, we have estimated all the equations separately for rural and urban areas. The effects of local labour market conditions on the employment probability have been proxied with two variables that should be related to the supply and demand side of the market. In particular, as an indicator of the condition of demand we have used the adult's (aged 25–54) employment-to-population ratio, while the supply side has been proxied by the share of youth to working-age population.

144. Defining the relevant local labour market is very difficult empirically, and we have followed different approaches. First, we have identified local labour market as defined at the administrative regional level, and we have computed the above-mentioned indicators for the regions of Mongolia. Anecdotal evidence of migration and labour market flows and discussion with labour market experts have, in fact, led to the conclusion that the smaller is the administrative unit, the more difficult it is to define as a local labour market. However, if it is reasonable to assume that flows of work can occur within the rural and urban areas of the same region, it is also true that the integration of rural and urban labour markets might be far from perfect, especially in the short-medium run (cost of migration, difficulties of commuting, lack of information, and the like). For this reason, we have also computed the indicators of local labour market stance separately for the rural and urban areas.

145. The following tables present the results for the probit estimates of the probability of employment by level of education with the standard errors corrected for clustering. Table 22 and Table 23 present the estimates for urban and rural areas, respectively, using the indicators of local labour market separated for rural and urban areas for each region.

Table 22. Probability of being employed conditional to the level of education, marginal effects, URBAN

URBAN	Primary or less		Lower secondary		Secondary		University		Vocational	
	Coef.	z	Coef.	z	Coef.	z	Coef.	z	Coef.	z
Age	0.0544	28.22	0.0138	0.36	-0.1153	-1.75	0.0282	0.07	-0.1790	-0.64
Age2	-0.0007	-26.97	0.0004	0.40	0.0037	2.30	0.0016	0.18	0.0056	0.84
Female*	-0.0830	-7.23	-0.0392	-3.26	-0.0588	-4.29	-0.0889	-1.56	-0.1454	-2.44
Siblings ages 0-4	0.0622	4.77	0.0109	0.75	0.0379	2.36	-0.0026	-0.04	0.0551	0.77
Siblings ages 5-14	-0.0043	-0.61	0.0092	1.10	0.0175	1.58	-0.0274	-0.45	0.0360	0.70
HH size	-0.0098	-2.30	-0.0031	-0.65	-0.0113	-2.18	-0.0627	-2.64	-0.0786	-3.64
Head sex (male)*	0.0119	0.75	-0.0269	-1.71	-0.0670	-3.47	0.0152	0.22	0.0111	0.16
Head age	-0.0019	-3.06	0.0002	0.27	-0.0011	-1.70	-0.0039	-1.50	-0.0059	-2.32
Head education level	-0.0472	-7.88	-0.0178	-3.06	-0.0364	-5.10	-0.0412	-1.43	-0.0424	-1.29
Ln expenditure	0.0420	5.08	0.0365	3.91	0.1058	9.94	0.5483	9.40	0.3425	6.65
Water availability*	-0.1323	-6.26	-0.0649	-5.02	-0.1087	-8.00	-0.1494	-2.35	-0.2463	-3.97
Electricity*	-0.1327	-7.69	-0.1472	-1.84	-0.1816	-1.63	0.1591	0.50	--	--
Migrate*	0.0120	0.44	0.0125	0.53	-0.0316	-1.65	0.0847	1.09	0.0229	0.25
Employ to pop ratio	0.9126	6.95	0.5061	1.99	-0.2628	-0.75	1.4791	0.93	0.3727	0.26
Share of youth	1.7048	2.94	4.7752	5.29	1.2018	1.01	7.7686	1.40	11.3351	1.77

Source: UCW calculations based on Mongolia Labour Force Survey 2006 micro-data

Table 23. Probability of being employed conditional to the level of education, marginal effects, RURAL

RURAL	Primary or less		Lower secondary		Secondary		University		Vocational	
	Coef.	z	Coef.	z	Coef.	z	Coef.	z	Coef.	z
Age	0.0563	28.64	-0.0354	-0.39	-0.0366	-0.21	-0.2928	-0.16	0.4108	0.85
Age2	-0.0007	-27.54	0.0031	1.32	0.0021	0.50	0.0071	0.17	-0.0091	-0.79
Female*	-0.0885	-7.63	-0.1006	-3.70	-0.1139	-3.21	-0.3033	-2.40	-0.2623	-2.93
Siblings ages 0-4	0.0543	4.10	0.0586	1.69	0.0530	1.21	-0.0788	-0.60	0.1245	1.09
Siblings ages 5-14	-0.0112	-1.59	0.0200	1.07	0.0176	0.65	-0.1038	-0.86	-0.0725	-1.07
HH size	-0.0092	-2.12	-0.0559	-4.92	-0.0342	-2.46	-0.0303	-0.56	-0.0201	-0.54
Head sex (male)*	0.0190	1.18	0.0635	1.49	0.1443	2.81	-0.0916	-0.58	0.0644	0.49
Head age	-0.0016	-2.72	0.0025	1.79	-0.0072	-4.04	-0.0062	-1.12	0.0015	0.35
Head education level	-0.0513	-8.66	-0.0897	-6.62	-0.0603	-3.70	0.0219	0.41	-0.0275	-0.75
Ln expenditure	0.0452	5.46	0.0830	4.21	0.0004	0.02	0.5115	4.14	0.2132	3.12
Water availability*	-0.1369	-5.97	-0.3911	-5.11	-0.2789	-3.14	-0.3703	-1.17	0.0162	0.07
Electricity*	-0.1236	-7.44	-0.1211	-3.89	-0.0565	-1.29	0.1347	0.72	-0.1239	-1.17
Migrate*	0.0112	0.40	0.0578	0.81	-0.0758	-1.32	-0.1967	-1.00	0.1010	0.78
Employ to pop ratio	0.8852	6.87	0.8725	3.24	1.7236	5.02	1.1129	0.86	1.3873	1.58
Share of youth	2.1389	3.69	-2.1185	-1.72	0.1207	0.08	6.2662	1.10	-2.4360	-0.72

Source: UCW calculations based on Mongolia Labour Force Survey 2006 micro-data

146. As expected, the results show large differences by area of residence and across level of education. In urban areas, the probability of being employed increases with age but only for youth with no education or less than primary education. This seems to indicate that more-educated youth face more difficulties to find employment, but the result might be biased by the fact that we might not observe enough variation in exposure for youth with more than primary education.

147. Gender effects are large: the probability of a girl being in employment is lower than that of a boy according to any level of education. Again, there are large differences between urban and rural areas as the level of education increases. In urban settings, the gender bias in the probability to be employed decrease as the level of education of both boys and girls increases, and disappear for youth having university degree. The opposite effect is observed in rural areas. The bias remains high with greater difficulties for a girl to secure a job at any level of education.

148. The level of income is significant for the most-educated youth. If household resources are important for finding a job, credit rationing or social networking might be important elements in the determining youth employment. However, this result should also be interpreted with care.

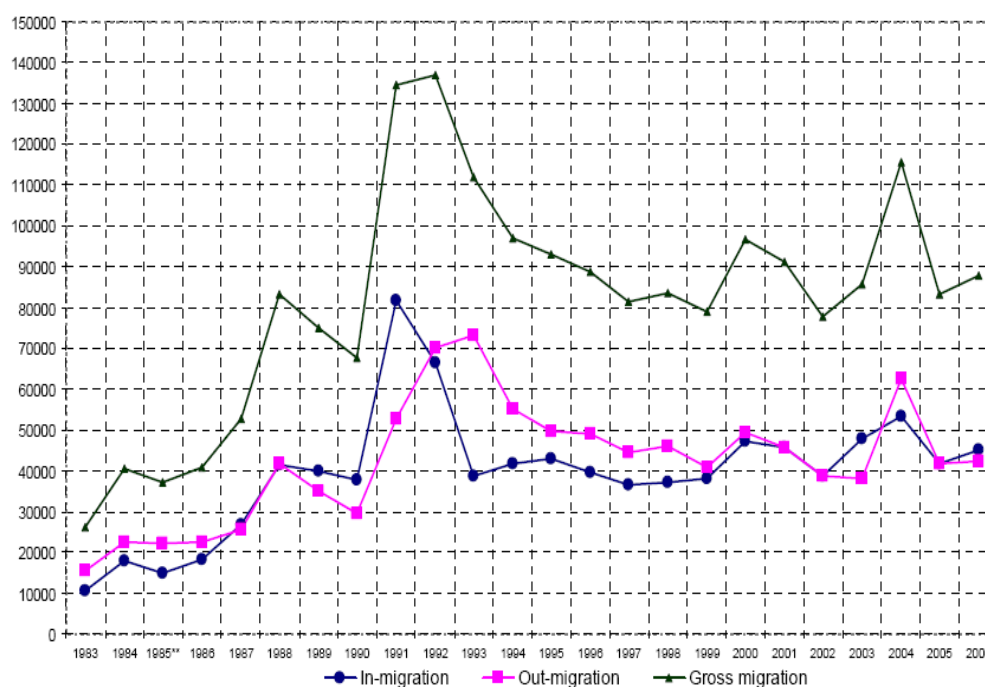
149. The conditions of the local labour market appear to substantially influence the probability of finding employment. An increase of the adult employment ratio in urban area generates an increase in the probability of finding employment: this effect is stronger for youth that have low level of education and not significant for youth with at least some higher education. The same pattern is found in rural areas. The supply of youth labour as proxied by the share of young population, is significant in the urban area and for youth that have lower secondary or less education (Table 20). Again the effect is large for youth residing in rural areas (Table 21).

5. MIGRATION, CHILD LABOUR AND YOUTH EMPLOYMENT OUTCOMES

150. This section analyses the links between migration, child labour and youth employment. Since transition in the early 1990s, rapid structural adjustment of the economy has hit Mongolian families hard and migration has become a drastic strategy for coping with insecurity. The rate of migration has increased rapidly; since the mid-1990s, growing numbers of migrants have moved from rural areas and rural *soum* centres to urban areas, and especially to Ulanbaatar.⁴⁸

151. According to the 2000 population and housing census (NSO, 2001), migrants constitute one third of the total population in Ulaanbaatar and about half of the total population of Mongolia lives in Ulaanbaatar. As shown in Figure 45, the flows of internal migration have been increasing steadily since the 1980s, but have now stabilized at a higher level since the pick of the early 1990s.

Figure 45. Internal migration flows, Mongolia, 1983-2006



Source: Migration registers 1983-2006, State Civil Registration Bureau

152. Migrants are also likely to settle illegally in the most risky areas, or in areas lacking basic services, and many children of newcomers are often deprived of their fundamental rights. Dropping out of school has become a serious issue among migrant children. Children whose parents did not succeed in enrolling them at school are not even accounted for in the official dropout statistics. Many

⁴⁸ Children on the move. Rural-urban migration and access to education in Mongolia. Childhood Poverty Research and Policy Centre (CHIP), 2005

working children are school dropouts: they do various jobs that do not require special skills, including particularly risky activities (among them recycling building materials on demolition sites, working in bricks factories, coal mining, petty theft, and the commercial sex trade)⁴⁹.

153. Most migrants are in the economically active age groups, i.e., aged 15–40 years. Migrants represent a disproportionately high share of the urban unemployed (ADB, 2004).⁵⁰ The 2000 census highlighted that the primary reason for migration to cities is to search for employment, followed by access to education. The impact of the phenomenon on schooling, child labour and youth employment, therefore, is of growing policy relevance. The government has recognised the challenges and benefits that migration brings; nonetheless, improved an policy response to migration is needed, both through promoting the development of regional centres to try to prevent movement from rural areas, and through promoting the provision of decent living conditions, services and social protection for migrants.

5.1 Internal migration in Mongolia

154. According to the 2006 Labour Force Survey, about nine percent of the population, 175,000 people in absolute terms, was living elsewhere for more than six months during the five years preceding the survey (Table 24). This is the indicator of migration that is available in the Labour Force Survey, and should be a measure of the stock of in-migration over the five-year reference period. As it is easy to see, the estimates that we obtain are roughly in line with those based on migration register (Figure 45). However, one has also to be cautious in interpreting these data. The questions identify individuals who have been living away from the place of origin for more than six months during the five years prior to the survey; hence we are also classifying as migrants individuals who might have been absent from their usual residence only temporarily (e.g., for study or work). The Labour Force Survey is also not able to capture very recent immigrants (as they might not be part of the sample frame), as well as illegal immigrants. In other words, we might be missing the more vulnerable section of the migrant population. We will come back to this point later on.

Table 24. Internal migration (individuals living somewhere else in the last five years)

	Number	Percent
Migrants	174,800	8.6
Non migrants	1,867,500	91.4
Total	2,042,300	100.0

Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007.

⁴⁹ Children on the move. Rural-urban migration and access to education in Mongolia. Childhood Poverty Research and Policy Centre (CHIP), 2005, and The living conditions of the children in peri-urban areas of Ulaanbaatar - Summary report. National Board of Children, Save the Children UK, UNICEF, 2003

⁵⁰ Country Strategy and Program Update 2005-2006 Mongolia. Asian Development Bank, July 2004

155. The flows of internal migration are diversified, as shown in Table 25 and Table 26. Most of the migrants (52 percent) moved from one urban area to another. Of this group, the largest share (39 percent) moved from another urban area to the capital, while the remainder (13 percent) moved across other urban areas. Rural to urban migration is substantially lower; about 32 percent of total migrants are rural dwellers moving to urban areas, almost equally split between migration to the capital city and to other urban areas. Finally, we observe a relatively low level of intra-rural migration (11 percent of total migrants).

Table 25. Flow of migrants from area of origin to area of destination

Origin	Destination		
	Urban	Rural	Total
Urban (Capital city, Aimag centers)	51.6	5.7	57.3
Rural (other)	31.6	11.1	42.7
Total	83.2	16.8	100.0

Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007 microdata

Table 26. Distribution of migrants by origin/destination

Destination	Origin		
	Urban (Capital city, Aimag center)	Rural	Total
Capital city	38.8	18.9	57.7
Aimag center	12.7	12.7	25.4
Soum center	2.5	4.1	6.6
Rural	3.2	7.0	10.2
Total	57.2	42.7	100

Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

Table 27. Percentage of individuals migrated alone or with their household

	Migrated with the household			Migrated alone		
	Urban	Rural	total	Urban	Rural	Total
Male	8.3	1.4	5.4	3.3	1.9	2.7
Female	8.8	1.7	6.0	3.5	1.8	2.8
Total	8.5	1.6	5.7	3.4	1.9	2.8

Source: UCW calculations based on Mongolia Labour Force Survey 2006 – 2007.

156. The data also allow us to distinguish between individuals that have left their original households and migrated alone and individuals that moved together with their household. The majority of the individuals belong to households that have migrated with all their (current⁵¹) members, even if about one third of all migrants are living or have been living outside the household of origin. It is worth noting that some of the migrants separated from their original household members

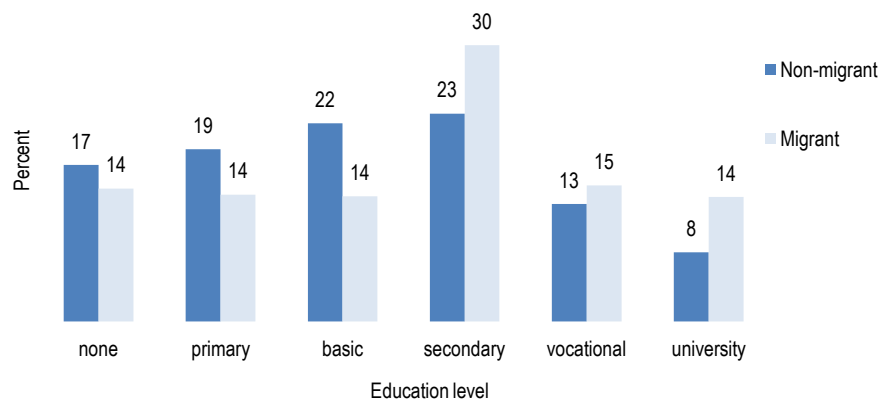
⁵¹ We have no information on whether some members of the original household have remained in the area of origin.

at the destination location might only be temporary migrants; unfortunately, the data do not allow us to draw this distinction.

5.2 Migrant education levels

157. Migrants appear to have a higher level of education compared to non-migrants in destination locations, as shown in Figure 46. The difference in the education level of migrants with respect to the non-migrants, however, is primarily limited to persons migrating to rural areas, as illustrated by Table 28, Figure 47 and Figure 48 below. In particular, in rural areas, those household members who moved alone have a higher average level of education. This observation could be due to the fact that we are dealing with short-term migrants that move temporarily to study. Persons living in urban areas, by contrast, tend to reach similar levels of education, regardless of whether or not they are migrants.

Figure 46. Education level and migration status



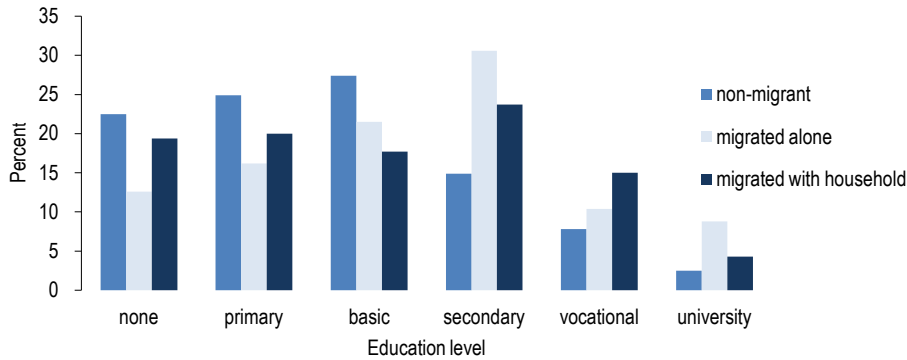
Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007.

Table 28. Educational level by status of migration and area of residence

Level of education	Did not migrate			Migrated alone			Migrated with household		
	Area of current residence			Area of current residence			Area of current residence		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
None	12.8	22.5	17.0	12.8	12.6	12.7	14.7	19.4	15.2
Primary	14.0	24.9	18.7	8.5	16.2	10.6	14.7	20.0	15.3
Basic	17.0	27.4	21.5	12.6	21.5	15.1	12.3	17.7	12.9
Secondary	28.3	14.9	22.6	32.6	30.6	32.1	29.6	23.7	29.0
Technical vocational	16.5	7.8	12.8	17.5	10.4	15.6	14.3	15.0	14.4
University	11.3	2.5	7.5	16.0	8.8	14.0	14.4	4.3	13.3

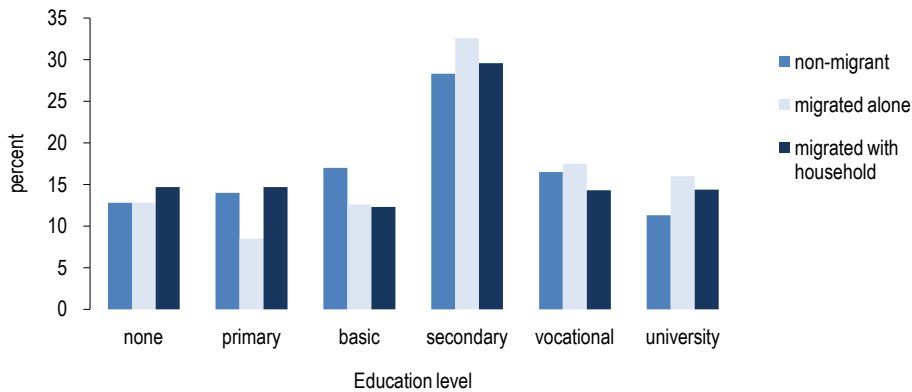
Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007.

Figure 47. Education level and migration status, RURAL areas



Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

Figure 48. Education level and migration status, URBAN areas



Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

158. Looking at the migrants according to their direction of migration, additional differences emerge regarding their level of education with respect to the non-migrant population. In brief, migrants who move alone from rural to urban areas are more likely to have attained secondary education, while migrants from urban to both urban and rural areas are more likely to have university degree than non-migrants. Those migrating from one urban area to another one are the most likely of all groups to have a university degree.

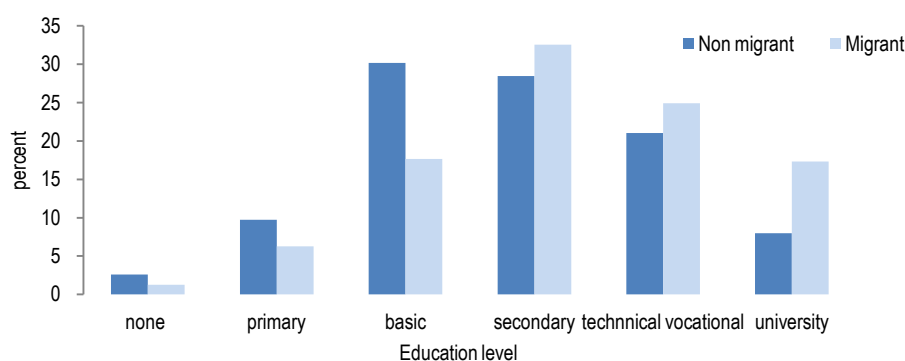
Table 29. Education level by migration status and previous to actual place of residence

Level of education	Non-migrant			From urban			From rural		
	Urban	Rural	Total	Migrated alone			Migrated alone		
				Urban	Rural	Total	Urban	Rural	Total
None	12.8	22.5	17.0	10.4	9.2	10.2	16.9	14.9	16.2
Primary	14.0	24.9	18.7	8.2	11.7	8.8	9.0	19.2	12.9
Basic	17.0	27.5	21.5	10.0	23.1	12.5	17.3	20.4	18.5
Secondary	28.3	15.0	22.6	29.3	34.1	30.2	38.4	28.3	34.5
Technical vocational	16.5	7.8	12.8	21.9	9.0	19.4	9.9	11.3	10.4
University	11.3	2.5	7.5	20.2	13.0	18.8	8.6	5.9	7.6
Total	100	100	100	100	100	100	100	100	100

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007.

159. Finally, we have looked at the education level of the household head; as shown in Figure 49, heads of migrant households appear to have a higher level of education with respect to their non-migrant counterparts. In conclusion, migrants appear to have a level of education that is certainly not inferior to that of non-migrants, and in many cases that is actually higher. Notwithstanding the limited set of information available, these findings confirm the observation, made in several other countries, that (internal) migrants do not necessarily belong to the most disadvantaged groups in terms of educational attainment.

Figure 49. Household head educational level, by migrant status



Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

5.3 Age composition of migrant population

160. The migrant population is largely made up of children and young adults. More than 70 percent of the migrants belong to the 5–35 years age group. Over eight percent of children aged 5-14 years, 35,000 in absolute terms, have changed place of residence during the last five years. The percentage of migrants increases to about 10 percent moving to the 15-24 age group, and to more than 10 percent for the older cohort (25-35 years age group).

Table 30. Age composition of migrant population

Age group	Number	Percentage of age group	Percentage of total migrants
5-14 years	35,200	8.2	20,1
15-24 years	47,100	9.6	26,9
25-35 years	42,300	10.5	24,2

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007

Table 31. Migrant population, by age group, present residence and whether or not migrated with household

Age group	Migrated with the household			Migrated alone		
	Urban	Rural	Total	Urban	Rural	Total
5-14 years	9.6	1.5	5.9	2.8	1.1	2.0
15-24 years	8.8	1.3	5.9	3.6	3.9	3.7
25-35 years	8.7	1.6	5.7	6.7	2.1	4.7

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007

161. About 75 percent of total child migrants migrate with their families, most of whom (88 percent) live in urban areas. Of the remaining 25 percent of child migrants who migrate alone, most (75 percent) reside in urban areas. Away from the safety of their families in an unfamiliar location, this group of unaccompanied child migrants potentially constitutes a vulnerable segment of the migrant population. The percentage of household members who migrate alone rises with age, accounting for 39 percent of total 15-24 year-old migrants, and for 45 percent of total 25-35 year-old migrants. On the other hand, the percentage of children and youth who migrated with the family remains higher but with a stable trend as the age increase.

5.4 Effect of migration on children's and youth activity status

162. A particularly question for policy purposes is whether internal migration affects household decisions concerning children's schooling and work. Sociologists have argued that children from migrant households face more psychological problems: these children may, for example, face greater emotional stress, have less adult supervision, or be required to spend more time on household production or the care of younger siblings. Similar reasoning applies for youth and their status in the labour market. Migrant young persons, owing to lack of access to services, difficulty in adapting to a different social context, limited information and a variety of other reasons, might be at a disadvantage with respect to the population already residing in the destination areas when trying to access the labour market.

163. The following tables show the distribution of children and youth by activity status and migration. Among children aged 5-14 years, the descriptive data do not indicate that migrants are in an disadvantaged position. Indeed, school attendance is higher and employment is substantially lower among migrants compared to non-migrants in this age group (Table 32 and Table 33).

Table 32. Child activity status, 5-14 years age group, by migrant status

Activity status	Migrants			Non-migrants		
	Male	Female	Total	Male	Female	Total
Only employment	1.4	1.7	1.6	3.1	2.5	2.8
Only schooling	76.3	79.0	77.5	69.5	72.9	71.1
Employment and schooling	3.0	6.4	4.5	8.7	6.3	7.5
Inactive	19.3	12.9	16.4	18.7	18.4	18.6
Total	100	100	100	100	100	100

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

Table 33. Child activity status, 7-14 years age group, by migrant status

Activity status	Migrants			Non-migrants		
	Male	Female	Total	Male	Female	Total
Only employment	0.6	1.4	1.0	2.1	1.3	1.7
Only schooling	90.8	88.5	89.7	82.3	87.1	84.6
Employment and schooling	3.7	7.5	5.4	10.0	7.2	8.7
Inactive	5.0	2.6	3.9	5.7	4.4	5.1
Total	100	100	100	100	100	100

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

164. A similar picture emerges for young persons aged 15-24 years. Migrant youth appear to be more likely to be in school and substantially less likely to be working. What is more, this difference does not appear to be determined by the difficulty of young migrants to find a job, as their unemployment rate is slightly lower than that of the non migrants. Migrant young persons, however, appear to be marginally more likely to experience joblessness.

Table 34. Youth activity status, 15-24 years age group, by migrant status

Activity status	Migrants			Non-migrants		
	Male	Female	Total	Male	Female	Total
Only employment	24.4	16.9	20.1	31.6	25.4	28.5
Only schooling	53.5	57.9	56.1	46.6	50.6	48.6
Employment and schooling	6.7	3.0	4.5	4.9	4.0	4.5
Unemployed	5.6	5.6	5.6	6.1	6.1	6.1
Inactive	9.8	16.6	13.7	10.8	14.0	12.4
Total	100	100	100	100	100	100
Joblessness	15.5	22.2	19.4	16.8	20.0	18.4

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

165. The previous observations are based on average across groups, and could be driven by unobserved differences in background characteristics among

migrants and non-migrants (e.g., household income, parents' education, etc.). Moreover, given the small cells sample size, it is difficult to rely on cross tabulation to take into account also the different pattern of migration. For these reasons, we have run a (bivariate probit) regression on children activities. In addition to the usual individual and household controls, we have included as regressors dummies that identify migrants and the direction of their movement (from rural to urban, from rural to rural, etc.). The results, shown in Table 35, suggest that some migrant children do experience a degree of disadvantage. In particular, children moving from rural areas to urban areas seem to be more likely to work while attending school, with respect to the non-migrant children. These effects, however, are not very large or well-defined.

166. In conclusion, the migrant children and youth population as captured by the labour force surveys, do not seem to experience any relevant disadvantage with respect to their non-migrants peers in terms of access to education, early entry in the labour market, or in terms of access to jobs once they become older. This conclusion contradicts, to a certain extent, the non-quantified perception that migrants (especially child and youth migrants) face serious difficulties. Two considerations can be made in this respect. First, the perception of migrants disadvantage might refer to individual episodes that are overall not quantitatively relevant. Second, the labour force survey might not be well suited to capture the situation of the more vulnerable migrants (illegal settlers, recently arrived migrants, etc.), as they are unlikely to be included in the sample frame. Moreover, the survey does not allow us to distinguish between permanent and temporary migrants, who are likely to be in very different conditions in terms of labour market status and education outcomes. In order to have a more reliable assessment, it would then be advisable to carry out targeted surveys, especially focused on "new" migrants in urban areas.

167. Nevertheless, our results are consistent with the main findings of the survey report on Internal Migration Dynamics and its Consequences in Mongolia. This study, carried out by the Ministry of Social Welfare and Labour, Population Teaching and Research Center and UNFPA in 2009, indicates that internal migration flows led to an improvement in migrant children's education in Ulaanbaatar and Orkhon.⁵² Indeed, survey respondents pointed out to the greater availability of education services in destination areas compared to origin areas. Similarly, internal migration increases labour market opportunities of migrants. Survey respondents indicate increased income and job opportunities as main advantages of migration. However, employment opportunities for these migrants are found generally be restricted to a narrow range of low-paid and lower-skilled employment. Further research is needed to assess the impact of migration flows on job quality.

⁵² Ministry of Social Welfare and Labour, Population Teaching and Research Center, United Nations Population Fund, "Mongolia: Internal Migration Dynamics and its Consequences", 2009.

Table 35. Marginal effect after bivariate probit regression, children aged 7-14 years

Variables	Only employment		Only school		Employment and schooling		Inactive	
	dx/dy	z	dx/dy	z	dx/dy	z	dx/dy	Z
Age	-0.015	-5.93	0.1254	9.27	0.0182	2.21	-0.1283	-13.03
Age2	0.001	6.05	-0.0059	-9.33	-0.0006	-1.52	0.0058	12.38
Sex*	0.003	3.61	-0.0232	-3.88	0.0079	2.29	0.0120	2.73
Offspring of HH head*	0.005	4.08	-0.0323	-3.32	0.0225	4.38	0.0051	0.67
Household size	0.0001	0.15	-0.0005	-0.14	0.0003	0.14	0.0001	0.05
N sibling 04	0.005	4.49	-0.0322	-4.88	0.0142	3.59	0.0134	2.84
N youth 15-24	0.000	-0.46	0.0008	0.20	-0.0044	-1.83	0.0038	1.26
N adults	0.0004	0.41	-0.0026	-0.38	0.0019	0.44	0.0003	0.07
Sex of hh head male*	-0.003	-1.50	0.0178	1.61	-0.0059	-0.87	-0.0093	-1.19
HH head education 1*	0.031	2.60	-0.1487	-3.39	0.0781	2.20	0.0392	1.70
HH head education 2*	0.043	3.83	-0.2058	-4.98	0.1329	3.58	0.0296	1.75
HH head education 3*	0.011	2.80	-0.0748	-3.03	0.0678	3.15	-0.0043	-0.40
HH head education 4*	0.007	2.11	-0.0497	-2.18	0.0537	2.71	-0.0112	-1.12
HH head education 5*	0.007	1.96	-0.0546	-2.14	0.0636	2.77	-0.0161	-1.70
Exp bottom quintile*	0.004	1.79	-0.0320	-2.20	-0.0016	-0.22	0.0297	2.52
Exp quintile 2 *	0.002	1.11	-0.0209	-1.49	-0.0054	-0.78	0.0241	2.11
Exp quintile 3 *	0.006	2.22	-0.0368	-2.45	0.0118	1.36	0.0194	1.72
Exp quintile 4 *	0.001	0.46	-0.0132	-0.91	-0.0093	-1.32	0.0215	1.82
Urban *	-0.014	-7.13	0.0889	8.91	-0.0652	-8.66	-0.0098	-1.64
Direction of Migration								
urban to rural *	-0.001	-0.21	0.0052	0.13	0.0172	0.58	-0.0212	-0.85
urban to urban *	0.002	0.45	-0.0150	-0.62	-0.0009	-0.05	0.0141	0.87
rural to urban *	0.008	1.52	-0.0516	-1.81	0.0475	2.02	-0.0035	-0.25
rural to rural *	-0.004	-1.20	0.0045	0.17	0.0358	1.52	-0.0366	-3.87
west region*	0.002	1.08	-0.0154	-1.20	0.0298	2.98	-0.0164	-2.50
khangai region*	0.007	3.19	-0.0736	-4.46	0.0982	6.65	-0.0316	-5.67
central region*	0.002	1.06	-0.0241	-1.73	0.0503	4.25	-0.0282	-4.85
Ulaanbaatar*	-0.012	-6.94	0.0891	8.21	-0.0484	-6.82	-0.0284	-3.77

Comparison group: (1) Education of Household head: Higher education; (2) Expenditure quintile: top quintile; (3) region: east
Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

5.5 Children and youth living away from their families

168. There are many children and youth in Mongolia who move away from their household of origin to stay with relatives or in a dormitory in order to study or work. Six percent of the households⁵³ declare having family members in the age range 5-17 years living away for more than six months. The main reason for staying away in this age range is studying, accounting for the 86 percent of those living away; reasons of work, by contrast, account for only three percent of children living away from home. The percentage of households having one or more family members older than 18 years living away rises to 13 percent. The main reason reported for living away for this age group is again studying, cited by one-half of families concerned. But work too is an important motive for living away for this age group, cited by 30 percent of households.

Table 36. Percentage of household members living away for more than 6 month

Age range	Total		Because of study		Because of work		Other motive	
	No. of family members living away	% of families with HH member living away	No. of family members living away	% of families with HH member living away	No. of family members living away	% of families with HH member living away	No. of family members living away	% of families with HH member living away
5-17 years	58,201	6.0	54,271	5.6	1,362	.02	2,567	0.4
18+ years	119,802	12.2	62,132	5.0	39,632	4.8	18,037	4.2

Source: UCW calculations based on Mongolia, Labour Force Survey 2006 – 2007

169. In the following regressions, we try to identify household characteristics that are associated with the probability of sending a household member away for study or for work. The estimates are disaggregated by age range, to better capture the age-related changes in the motivation for (temporary) migration.

170. For the younger age cohort the regression analysis shows that children belonging to richer and better-educated household are more likely to be living away to study. Access to basic services, like water and electricity (that in our case might also proxy for access to school), substantially reduce the probability of migration. Household income and access to basic services are less relevant in explaining migration for work: this seems to indicate that the poverty of the household of origin does not influence the decision to send children away for work.

⁵³ The Mongolian Labour Force Survey 2006 collected information on children in the age group 5-17 and on household members aged more than 18 living away from home because of study or work.

Table 37. OLS estimates on children aged 5-17 years living away

Variables	Total		Because of study		Because of work	
	coef.	t	coef.	t	coef.	t
Household size	-0.0259	-35.0	-0.0116	-21.6	-0.0003	-2.8
N sibling 04	0.0151	7.9	-0.0003	-0.2	0.0003	1.2
N youth 15-24	0.0071	7.9	0.0034	4.9	0.0003	2.5
N adults	0.0211	13.8	0.0158	15.7	0.0001	0.4
Age of hh head	0.0015	14.8	0.0005	7.4	0.0000	3.9
Sex of hh head male*	0.0128	4.8	0.0075	4.0	0.0005	1.4
HH head education 1*	0.0048	0.8	0.0045	1.0	-0.0020	-2.7
HH head education 2*	0.0296	6.5	0.0208	6.5	-0.0010	-1.9
HH head education 3*	0.0151	3.8	0.0165	5.9	-0.0009	-1.8
HH head education 4*	0.0067	1.8	0.0069	2.6	0.0002	0.4
HH head education 5*	-0.0003	-0.1	0.0044	1.7	0.0000	0.1
Hh head works*	0.0130	5.7	0.0136	8.2	0.0007	2.5
ln of hh expenditure	0.0063	4.7	0.0034	3.4	0.0001	0.7
Urban*	-0.0538	-21.5	-0.0412	-21.5	-0.0012	-3.6
Access to water*	-0.0096	-3.6	-0.0023	-1.2	-0.0004	-1.2
Access to electricity*	-0.0162	-5.2	-0.0102	-4.4	-0.0001	-0.3
west region	0.0235	7.5	0.0206	8.7	-0.0002	-0.5
khangai region	0.0066	2.3	0.0073	3.4	0.0012	3.2
central region	-0.0132	-4.5	-0.0070	-3.2	0.0004	0.9
east region	-0.0219	-5.5	-0.0218	-7.3	0.0001	0.1
_cons	0.0475	5.4	0.0233	3.7	-0.0007	-0.6

Comparison group: (1) Education of Household head: Higher education; (2) region: Ulaanbaatar
Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

171. Similar results are obtained when we analyze the probability of living away for the older age cohort (Table 38). Income and access to basic services have a positive effect on leaving home for study. While, in this case, income also has a positive effect on the probability of leaving for work. This relationship, however, could at least in part be spurious, as it might be influenced by the remittances from the migrant member of the household.

Table 38. OLS estimates of household members older than 18 years old living away

	Total		Because of study		Because of work	
	coef.	t	coef.	t	coef.	t
Household size	-0.0074	-15.9	-0.0059	-19.3	-0.0009	-3.5
N sibling 04	-0.0074	-6.4	-0.0059	-7.6	-0.0003	-0.4
N youth 15-24	0.0083	13.7	0.0078	19.6	-0.0002	-0.5
N adults	0.0044	5.0	0.0055	9.5	-0.0016	-3.2
Age of hh head	0.0010	18.2	0.0007	17.9	0.0002	6.3
Sex of hh head male*	-0.0079	-4.8	-0.0011	-1.0	-0.0047	-5.0
HH head education 1*	-0.0189	-4.9	-0.0180	-7.1	0.0026	1.2
HH head education 2*	-0.0108	-3.9	-0.0157	-8.5	0.0038	2.4
HH head education 3*	-0.0088	-3.6	-0.0076	-4.7	-0.0011	-0.8
HH head education 4*	-0.0026	-1.2	-0.0045	-3.0	-0.0009	-0.7
HH head education 5*	0.0013	0.6	-0.0040	-2.6	0.0031	2.4
Hh head works*	0.0009	0.6	0.0012	1.3	0.0004	0.5
ln of hh expenditure	0.0053	6.0	0.0047	8.1	0.0023	4.7
Urban*	-0.0138	-8.3	-0.0080	-7.3	-0.0025	-2.7
Access to water*	-0.0007	-0.4	-0.0011	-1.0	0.0005	0.5
Access to electricity*	0.0143	7.1	0.0131	9.8	0.0003	0.3
west region	0.0452	22.0	0.0507	37.3	-0.0017	-1.4
khangai region	0.0280	14.8	0.0343	27.4	-0.0038	-3.6
central region	0.0145	7.6	0.0234	18.7	-0.0057	-5.3
east region	0.0035	1.4	0.0180	10.5	-0.0100	-6.9
_cons	-0.0165	-3.0	-0.0393	-10.9	0.0090	2.9

Comparison group: (1) Education of Household head: Higher education; (2) region: Ulaanbaatar
Source: UCW calculations based on Mongolia, Labour Force Survey 2006 - 2007

173. These results confirm the previous findings that migrants in Mongolia do not belong to the most vulnerable households and that they are not strongly disadvantaged in terms of access to education and labour market. Again, the caveats concerning the representativeness of the labour force survey in capturing the most vulnerable groups of migrants apply.

6. NATIONAL RESPONSE TO ELIMINATE CHILD LABOUR AND ADDRESS YOUTH LABOUR MARKET CHALLENGES

6.1 Legal framework for responding to child labour

174. The government of Mongolia has made a number of important legal commitments against child labour. Mongolia ratified the United Nations Convention on the Rights of the Child (in 2000), the Optional Protocol to the Convention on the Rights of the Child on the sale of children, child prostitution and child pornography (in 2003), and the Optional Protocol to the Convention on the Rights of the Child against involving children in armed conflict (in 2004).

175. The country has also ratified the key international legal standards pertaining directly to child labour: ILO Convention No. 138 Minimum Age for Admission to Employment (in 2002), and ILO Convention No. 182 Convention on the Elimination of the Worst Form of Child Labour (in 2001).⁵⁴ The Constitution of Mongolia stipulates that international treaties to which Mongolia is a Party take legal force domestically upon their ratification or accession.⁵⁵

176. The Mongolian Labour Law provides the primary legal framework regarding child labour in the country.⁵⁶ Article 109 of the Law addresses the topic of employment of minors. Section 109(1) fixes the age of entering into an employment contract at 16 years. This is consistent with the amended Law on Education (2006), which sets a compulsory basic education at nine years beginning at the age of six years and therefore up to the age of 15 years.⁵⁷ Section 109(2) of the Labour Law authorizes persons reaching 15 years of age to enter into an employment contract, if permitted by the parents or guardians and if the work is not on the government list of prohibited forms of work; and Section 109(3) authorizes persons reaching 14 years of age to enter a contract of employment for the purpose of acquiring vocational training and work experience, but only with the consent of the parents or guardians and the State.

177. The Labour Law and related regulations also deal with work conditions and work impact. Section 109(4) of the Labour Law prohibits an employer from employing a minor in a job which will adversely affect his intellectual development or health. Section 109(5) calls for the establishment of a national list of work types in which minors may not be employed.

⁵⁴ Mongolia has also ratified ILO Convention No. 29 Convention on Forced or Compulsory Labour and ILO Convention No. 105 Convention on the Abolition of Forced Labour.

⁵⁵ In this context, reviews are being conducted on compliance of national laws and regulations with international conventions and protocols. With assistance of UNICEF, a lawyers' group is working to review conformity of the national laws and regulations with the international conventions and protocols on children's rights and child protection, identify gaps and formulate recommendations on necessary revisions. With assistance of ILO IPEC, a review on compliance of the national laws and regulations with applicable ILO conventions has been underway since 2007. The task has been undertaken by a group comprised of representatives of the Ministry of Justice and Internal Affairs, the Ministry of Social Welfare and Labour, the State Supreme Court, the National Legislation Centre and the Mongolian Association of Employers.

⁵⁶ The Law on Protection of Children's Rights also prohibits "individuals, companies and organizations to engage children in labour involuntarily and in hazardous labour that are harmful for children's health and life and morals and in exploitative labour, pay unfairly for child labour, involve children in begging, conduct activities using names of children and illegally earn income" (Article 7.6).

⁵⁷ Law on Education, Article 3.1.2.

178. The Ministry of Health and Social Welfare specified a list of 340 types of work covering 17 workplaces prohibited to minors through the Order No. A/204 of 1999. This list was revised and extended by the Ministry of Social Welfare and Labour in 2008 (Order No. 107) to include 53 work locations, 39 occupations and seven hazardous conditions in 11 economic spheres.⁵⁸ Other laws prohibit children's work in specific sectors, e.g., in work that involves chemical poisonous and dangerous substances,⁵⁹ work that relates to ray,⁶⁰ body guarding,⁶¹ work in rail transport⁶² and work in firefighting.⁶³ A temporary regulation for individual mining activities⁶⁴ prohibits cooperatives to involve children under 18 and mothers with children aged 0-3 in mining activities. Finally, Section 71(1) of the Labour Law sets limits on the time intensity of work, stating that the "hours of work per week for employees 14-15 years of age shall not exceed 30 hours, and for employees 16-17 years of age shall not exceed 36 hours."

179. These legal commitments notwithstanding, important gaps remain in terms of legal protection against child labour in Mongolia, as discussed in more detail in the report on the compliance of Mongolian laws and regulations with international legal standards on child labour in Annex 2 of this report. Foremost among these gaps are the following:

- **Child labour in the informal sector:** the minimum age provisions in the Labour Law relate only to "entering into employment contracts", and therefore exclude informal sector work. This is a particular concern in light of evidence indicating that the informal sector accounts for the overwhelming majority of child workers in Mongolia. It should be noted, however, that some informal forms of work are included in the 2008 revised list of prohibited work.
- **General minimum working age:** The existing legal provisions on the minimum age for work or employment are not explicit. While the general minimum working age in Mongolia is generally taken as 16 years, Sections 109 (2) and (3) of the Labour Law provide broad scope for work by 14 and 15 year-olds. The age of 16 years is in line with the convention requirements that the minimum working age not be less than the age of completion of compulsory schooling (see above).
- **Provisions for vocational training and work experience:** Section 109(3) of the Labour Law stipulating that "... a person who reaches 14 years of age may enter into a contract of employment for the purpose of acquiring vocational training and work experience..." is sufficiently vague as to be

⁵⁸ The new list includes, besides tobacco and alcohol industry, places where children are at high risk of sexual exploitation, such as night clubs, bars, casino places, hotels, sauna and massage parlours, housekeeping, and domestic work (Government of Mongolia, *Report on the implementation of the ILO C138*, 2008).

⁵⁹ Law on chemical poisonous and dangerous substances, 2006.

⁶⁰ Law on protection from ray and safety, 2001.

⁶¹ Law on private body guarding, 2001 states that people under age 20 is prohibited to work as bodyguards.

⁶² Law on safety of railroad transportation.

⁶³ Law on fire safety.

⁶⁴ "Temporary regulation for individual mining activities", approved by Government resolution # 72, 2008

used to justify many if not most forms of children's work, and therefore does not comply with Article 6 of C138.⁶⁵

- **Light work and maximum working hours:** The Labour Law contains no specific provision relating to light work, although the need for such a provision is under government consideration. Section 71(1) of the Labour Law stipulating that the "hours of work per week for employees 14-15 years of age shall not exceed 30 hours" clearly exceeds what could reasonably be considered light work as per C138 for this age group. C138 states, *inter alia*, that light work should not prejudice school attendance or the capacity to benefit from instruction, both conditions that would not be met in a work context requiring up to 30 hours per week of children's time.
- **Hazardous work:** While the government has developed a list of forms of work prohibited for minors (revised in 2008), there is no legal provision spelling out a broader set of work conditions that should be considered as hazardous, along the lines of ILO Recommendation No. 190.⁶⁶
- **Worst forms of child labour other than hazardous work:** A legal provision is lacking that clearly articulates the worst forms of child labour other than hazardous work and that explicitly prohibits them.⁶⁷ The current provisions are scattered into several laws, and are not fully in line with the requirements of the C182 (Worst Forms). A legal provision to criminalize debt bondage is particularly lacking, while legal provisions on forced labour are varying and sometimes contradictory. Under the current legislation, the involvement of minors in prostitution and criminal activities falls into a category of minor crimes.
- **Work relating to artistic and sporting performances:** There are no legal or sectoral regulations on artistic- and sports-related performances involving children. The lack of clear regulations governing circus art is a particular concern, as many children practice and work both in and out

⁶⁵ Article 6 of C138 states: "This Convention does not apply to work done by children and young persons in schools for general, vocational or technical education or in other training institutions, or to work done by persons at least 14 years of age in undertakings, where such work is carried out in accordance with conditions prescribed by the competent authority, after consultation with the organisations of employers and workers concerned, where such exist, and is an integral part of (a) a course of education or training for which a school or training institution is primarily responsible; (b) a programme of training mainly or entirely in an undertaking, which programme has been approved by the competent authority; or (c) a programme of guidance or orientation designed to facilitate the choice of an occupation or of a line of training.

⁶⁶ Hazardous work conditions contained in ILO recommendation No.190 include: (a) work which exposes children to physical, psychological or sexual abuse; (b) work underground, under water, at dangerous heights or in confined spaces; (c) work with dangerous machinery, equipment and tools, or which involves the manual handling or transport of heavy loads; (d) work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels, or vibrations damaging to their health; and (e) work under particularly difficult conditions such as work for long hours or during the night or work where the child is unreasonably confined to the premises of the employer.

⁶⁷ In accordance with C182, these worst forms include: (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; and (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties.

of the country in circuses. A report by National Human Rights Commission⁶⁸ reveals the high risk for health and safety of young people engaged formally and informally in circus arts, especially in contortion, due the absence of a mechanism and process for approval and monitoring of training programs, requirements for trainers' and safety standards.⁶⁹ Approximately 100–120 children are currently working abroad on permanent and temporary contracts. There is a similar need for regulations governing children's involvement as jockeys in horseracing, a traditional Mongolian sport with a wide following. According to a 2007 study by the National Authority for Children and the National Human Rights Commission, there are 27,600 child jockeys in the country.

180. The capacity of State to enforce child labour laws is another area of concern. Responsibility for labour inspection lies with the State Specialized Inspection Agency (SSIA), but its mandate extends only to the formal sector where only a small proportion of total child labourers are found. Moreover, there are no regulations or procedures dealing with child labour inspections, and the child labour situation therefore does not figure in the SSIA reports even in the formal sector. Reports on occupational injuries, for instance, contain information on injuries to children and women as a single category, making it impossible to determine the extent of occupational injuries among children. The conditions and power of the labour inspection service to secure the enforcement of legal provisions related to child labour needs to be clearly legalized in a way that is distinguishable from that of judges. The State might consider in this context if it needs, in addition to SSIA, to entrust the National Human Rights Commission with a mandate to investigate and monitor child labour policy and particularly cases of child abuse. Finally, even when abuses are identified, sanctions are too limited to serve as effective deterrents.

6.2 Policy and programmatic framework for responding to child labour

181. Mongolian efforts toward child labour elimination and improved schooling take place within the broad framework of the MDG-based long-term National Development Strategy (NDS 2007-2021) and the Government Action Plan (AP 2008-2012).⁷⁰ The National Development Strategy, formally adopted by the Parliament in February 2008, has the stated objectives of “strengthening and protecting the copuntry’s sovereignty while fostering national pride, and becoming a middle-income country by 2021.” The strategy contains numerous provisions relating to unemployment and poverty reduction, gender equality, family

⁶⁸ Ibid 20

⁶⁹ When children go to circus training, a contract is made between trainers and parents, but the contract provisions are limited to fee and payment issues only and safety and health aspects are not covered. Many foreign and local tourist companies employ children as contortionists, and children perform at any time upon tourists' request and regardless of night or day.

⁷⁰ A third national planning document, the Economic Growth Support and Poverty Reduction Strategy (EGSPRS 2005-2015), developed in 2003 with WB/IMF support, was never formally ratified, and the newly elected government of 2004 decided to rely on the constitutionally-mandated Action Plans to guide Mongolia's medium term development strategy

development and demography, education and health care services, social protection and labour policy that will directly and indirectly contribute to efforts against child labour. It calls for specific measures to support child labourers in accessing educational, vocational training, and health services, to support the families of child labourers. The Action Plan (2008-2012) includes a variety of measures relating to the labour market and employment, including measures to develop labour market systems, to prepare workers with skills suited to the labour market needs, to improve labour legislation and to protect workers' rights.

182. The National Program of Action for the Development and Protection of Children (NPADPC, 2002-2010) provides a broad framework for national efforts addressing children's issues, including child labour. The program, developed as the government commitment to the "World Fit for Children Declaration" adopted at the UN Special Session on Children, specifically calls for an intensification of activities for the elimination of worst forms of child labour (Objective no. 13), and identifies the reduction of the number of child labourers as one of the expected outcomes of the program. The current financial information system makes it impossible to track total financial resources allocated to the child labour and other components of the NPADPC, and inadequate monitoring capacity makes it difficult to track implementation progress.⁷¹

183. There is no standalone government programme for the elimination of child labour, but the State Policy on Population Development (2004-2015)⁷² includes ending worst forms of child labour as an explicit objective.⁷³ The Policy on Population Development also calls for the full implementation of the UN Convention on the Rights of Child; the protection of the rights of children living without parental care (orphan and those living on streets) by taking them into State care; and for children's participation and input in developing policies concerning children's issues.

184. The National Plan of Action on Commercial Sexual Exploitation and Trafficking of Children and Women (2005-2015) is aimed at ensuring nationwide implementation of the measures outlined in national and international human rights instruments against trafficking in persons and commercial sexual exploitation, particularly relating to women and children.

185. The Programme on Development of Small-Scale Mining (2008-2015)⁷⁴ is directed, inter alia, towards ending child labour in mining sector, and providing children instead with access to education through informal and distance education activities. Trade unions⁷⁵ and employers groups⁷⁶ have joined the Government in signing the Call for Elimination of Child Labour in Mining by 2015, and the Program on Development of Small-Scale Mining forms part of efforts towards this goal.

⁷¹ "Child Protection Today" report of children of Mongolia to the UN Committee on Child Rights on implementation of the CRC in Mongolia, 2008.

⁷² The State Policy on Population Development, 2004-2015, Article 2.4.7.

⁷³ The term "worst form of child labour" is not yet uniformly understood at all levels of society as there is no policy or legislative document that explicitly explains what should be considered as the worst forms of child labour. (See Chapter 3. Legal responses to child labour)

⁷⁴ "Program on development of small scale mining, 2008-2015", approved by Government resolution # 71, 2008.

⁷⁵ Confederation of Mongolian Trade Unions (CMTU).

⁷⁶ Mongolia Employers Federation (MONEF).

186. The ILO/IPEC-supported National Sub-Programme to Eliminate the WFCL (2005-2009) is the most important programmatic effort directly targeting child labour in the country. The programme consists of time-bound measures relating to (i) strengthening the enabling environment (policy, legislation, knowledge development, capacity building) for national actions against WFCL; and (ii) area-based intervention models at local level targeting boys and girls at risk or engaged in WFCL. While the efforts for strengthening the enabling environment take place at national level, the direct action program interventions take place in five provinces and the capital. Prioritized worst forms include mining, herding, child domestic workers, prostitution and child labour in urban informal sector. The project mid-term evaluation, conducted November 2007, found concrete achievements in areas of policy mainstreaming and knowledge building. It was noted that the project has been highly instrumental in establishing a sustainable mechanism for national level policy coordination and in strengthening the capacity and responsibilities of local governments in combating child labour. The evaluation also found that solid foundations for area-based integrated intervention models have been successfully built in selected provinces, with some emerging good practices in the field. However, the development of such models in the capital appeared more challenging.⁷⁷

187. Within the framework of ILO/IPEC support, and as a response to the need to raise the profile of child labour issues at the national level, a National Steering Committee on Child Labour (NSC-CL) was re-established in May 2006.⁷⁸ The SC-CL is charged with promoting child labour policies, strategies and legal reforms, mainstreaming child labour issues into national and sector agendas, and with mobilizing social partners and civil society actors in efforts against child labour. Although the NSC-CL is not yet fully functional in this role, there are some clear signs that the steering committee has made some solid steps in that direction under the leadership of the Ministry of Social Welfare and Labour. The steering committee has been instrumental in promoting a tripartite partnership in combating child labour in the country, initiating a high profile awareness building campaigns throughout the country, making an effective use of the WDACL and obtaining the highest level of the government commitments for particular initiatives for addressing child labour issues. The participation of the line ministries in NSC-CL functions is gradually improving. Yet there is still a room for further strengthening the Committee's lead role in mainstreaming child labour concerns into national and sector policies and its capacity on coordination at national level.⁷⁹

188. Also within the framework of ILO/IPEC support, a national Network for elimination of the worst forms of child labour was established in October 2008. More than 20 government and non-governmental organizations have allied through the network to contribute for effective implementation of the national strategies for elimination of the worst forms of child labour. The local NGOs working with the ILO/IPEC project on the elimination of worst forms are the lead organizations of this newly formed national network:

⁷⁷ ILO/IPEC, Project Mid Term Evaluation Report, 2007

⁷⁸ It was first established in 2000 as IPEC Project National Steering Committee under the Ministry of Social Welfare and Labour.

⁷⁹ ILO/IPEC Project Mid-term Evaluation Report, 2007.

- **Equal Steps Center (ESC)**, the lead agency for the local network, provides educational and developmental services for removal and rehabilitation of children working at marketplace in Ulaanbaatar and mobilizing marketplace authorities against child labour.
- **Adolescents Development Center (ADC)**, the lead agency for the local ECPAT network, works on removal, rehabilitation and prevention of girls from prostitution and improving public awareness on sexual exploitation of children
- **Mongolian Child Rights Center (MCRC)**, committed to promotion of the children's rights in Mongolia, works on preventing school dropout children from child labour and improving response to needs of vulnerable migrant families
- **Family Development Center (FDC)**, works on preventing young children from child labour through pre-school education.
- **Red Cross Committee of Ulaanbaatar City (RCC UB)**, works on removal and prevention children from scavenging and building effective partnership with key stakeholders on elimination of child labour at major dumpsites in Ulaanbaatar

189. There is also a local ECPAT⁸⁰ network active in Mongolia since 2003. The local network, a member of the international ECPAT network, operates with more than 30 member organizations. Member organizations are mostly local NGOs, but some international NGOs and government agencies also participate. The local network is directed towards helping to ensure child rights in Mongolia, and specifically towards preventing and ending end commercial sexual exploitation, child pornography and trafficking of children.

190. Numerous other multilateral (e.g., UNICEF and ADB⁸¹), as well as bilateral (e.g., USAID,⁸² GTZ,⁸³ SDC⁸⁴) and NGOs (e.g., World Vision and SCF-UK⁸⁵) are active in support of efforts directly or indirectly addressing child labour. The efforts of these organizations are described in detail in Annex 2 of this report.

6.3 Policy and programmatic framework for addressing youth labour market challenges

191. The youth unemployment rate remains high, especially in urban areas, and the number of young workers who declare they are underemployed remains worrying. In parallel with existing labour regulations which mostly aim to protect those already working in the formal sector, the Mongolian Government has implemented several programmes aimed at promoting youth employment. At the government level, the youth agenda cuts across a number of institutions but

⁸⁰ ECPAT –End Child Prostitution, Child Pornography an Trafficking of children for Sexual Exploitation

⁸¹ Asia Development Bank.

⁸² United States Agency for International Development.

⁸³ German Technical Cooperation Agency.

⁸⁴ Swiss Agency for Development and Cooperation.

⁸⁵ Save the Children United Kingdom.

policies and programmes are often fragmented and implemented within the mandate of individual sectoral ministries.

192. The overview of these programmes aims to identify several suggestions for reform which could guide the Mongolian authorities in their efforts to promote jobs for young people in the country. It should be made clear that the focus in this section will be on the youth labour market challenges raised by the recent initiatives. Much of the framework and examples in this section are taken from the ILO study on school-to-work transitions in Mongolia⁸⁶ and the Report of National Employment Forum⁸⁷.

193. The Government places a high priority on generating productive employment in its running National Employment Programme (NEP). Youth constitute a target group in the National Plan of Action for Decent Work (NPADW).

194. The Government also considers the promotion of youth employment both an integral part of the Millennium Declaration and a key contribution to meeting other MDGs, including those related to poverty reduction. Youth employment is addressed in the Resolution 25 on the MDGs adopted by the Parliament. Four priority areas are identified: i) higher education and professional training should be designed to develop working skills that are required by the labour market; ii) programmes should be put in place to enable training for youth at their workplace; iii) support should be made available for small and medium-sized businesses designed for youth; and iv) budgetary and financial policy measures should be taken to promote employment in towns and cities.

195. In 2005, a national committee was set up in order to formulate an action plan to address the youth employment challenge. The Committee prepared a study on "Youth Employment during the Transition Period to the Market Economy" as well as a draft National Action Plan on Youth Employment. The priority groups are unemployed youth, young graduates, young migrants and the role of information technology.

196. In 2001, Parliament adopted the Employment Promotion Law, implemented through the NEP. The Programme includes employment promotion and active labour market policies. Policies to promote employment cover five areas: i) finance and credit; ii) enterprise development; iii) rural employment promotion through cooperatives, partnerships, family businesses, animal husbandry and crop production; iv) employment promotion linked to environmental protection; and v) employment production through tourism and the development of infrastructure. Active labour market policies include job brokerage, training, counselling, information, business incubators, and bilateral agreements for migrant workers and policies for employing foreign workers. Measures are also outlined for youth employment and vulnerable groups.

197. The Mongolian Employer's Federation (MONEF) has come up with a number of proposals to support youth employment, such as policy development, job placement, business surveys, information dissemination, professional training, internship programmes and cooperation with universities.

⁸⁶ School to work transitions in Mongolia, International Labour Organisation Employment Sector Working Paper No.14, 2008

⁸⁷ 2007 The Year of Job Creation, National Employment Forum Report, Ministry of Social Welfare and Labour of Mongolia, UNDP and ILO, Ulanbaatar Mongolia, 21-22 November 2007.

198. The Confederation of Mongolian Trade Unions (CMTU) adopted a policy document at its 2004 Congress on “The Position of CMTU on the issue of Youth”. This aimed at encouraging people to join trade unions with specific provisions to include them in national employment programmes and to protect young migrants working abroad. It is also called for assistance to youth working in the informal sector.

199. The Mongolia Youth Federation (MYF) carried out a survey on the “Development Needs of the Mongolian Youth” that pointed to the role of employment as a source of regular income, future security, social status and teamwork, as well as a means to realize their talents and abilities. Among obstacles faced by youth are scarcity of jobs and lack of qualifications, along with bureaucratic red tape, inadequate language ability and inappropriate professional skills. In particular, young people need computer training. The MYF has proposed the following measures for youth employment: (i) a programme should be developed, implemented and monitored by the Government and public organizations to address youth employment and job creation; (ii) job openings should be surveyed nationwide to identify training needs; (iii) cooperation between educational institutions and business enterprises should be strengthened; and (iv) employment abroad should be promoted.

7. ADDRESSING THE TWIN CHALLENGES OF CHILD LABOUR AND YOUTH EMPLOYMENT: A DISCUSSION OF POLICY OPTIONS

7.1 Policy options to eliminate child labour

200. Achieving Mongolia's time-bound objectives for eliminating child labour requires a policy response targeting three broad groups: (1) children at risk of involvement in child labour; (2) children already harmed by exposure to child labour; and (3) children in the worst forms of child labour requiring immediate, direct action.

201. In the context of the current financial crisis and global downturn, there is a strong need to protect progress made concerning the elimination of child labour, the achievement of Education for All, and the attainment of MDGs in education and health. Investment in human capital (education, health and elimination of child labour and its worst forms) should be therefore placed at the core of the agenda for addressing the current economic crisis. Sustainable solutions to the economic crisis should include counter-cyclical investments (that is, protect or increase public spending on fight against child labour, education and health), maintaining aid commitments, promote special measures to help the poorest (safety nets), increase efficiency and transparency in the economy.

202. Empirical analysis conducted for this study points to a number of general strategies for reaching these groups. Better schooling, combined with mechanisms to reduce social risk, is particularly important to preventing children from entering child labour, and to stopping children already in work from moving to worse forms or leaving school prematurely. Remedial schooling and other "second chance" learning opportunities are important to mitigating the adverse effects of work on children's education. Better formal workplace inspection instruments, through the State Specialized Inspection Agency (SSIA) and through bodies such as the National Human Rights Commission, are needed to guide "direct action" to remove and rehabilitate children in worst forms of child labour.

203. It is worth recalling that by far the greatest number of child labourers in Mongolia is found in rural, agricultural areas, and the policy response should be tailored to these areas in particular. Only 3,400 (two percent of) urban children were in employment in 2006 against 33,200 (20 percent of) children living outside cities and towns. Nevertheless, remaining pockets of child labour in urban areas should also not be neglected. Although children in urban areas face a lower overall risk of child labour, evidence from rapid assessments⁸⁸ and other sources suggest that many of the worst forms of child labour are concentrated there. Children working in domestic child labour outside their own homes, who are particularly vulnerable to exploitation and abuse, are one such example. Street children, often not captured by household surveys at all, are another example.

204. Achieving sustainable reductions in child labour also requires a supportive national political, legal and institutional environment.

⁸⁸ See, for example, ILO/IPEC, Baseline Survey on Child Labour in the Informal Sector in Ulaanbaatar and Selected Aimag and Soum Centers of Mongolia. "ME Consulting" LLC, 2006.

205. The Government reports that while there has been an intensification of efforts against child labour through the National Programme of Action for the Development and Protection of Children (NPADPC), there is still a need to integrate child labour issues more effectively into broader policies addressing children's concerns, and to strengthen programming capacity relating to child labour at national, provincial and city and district levels.

206. Labour legislation consistent with international child labour standards is necessary both as a statement of national intent and as legal and regulatory framework for efforts against child labour. As was noted above, while the Government has made a number of important legal commitments against child labour, important gaps remain in terms of legal protection against child labour in the country. As child labour is an issue that cuts across sectors and areas of ministerial responsibility, progress against it also requires that institutional roles are clearly delineated, and that effective coordination and information-sharing structures are in place, starting with the reconstituted National Steering Committee on Child Labour.

207. In summary, "prevention" measures are needed both to reduce the flow of vulnerable children into child labour and to stop children already in work from moving to the worst forms or leaving school, while "second chance" measures are needed to avoid large numbers of children entering adulthood in a disadvantaged position, permanently harmed by early work experiences. "Direct action" is needed to identify and withdraw the children in worst forms, a group facing immediate and severe threats to survival, safety and development. The effective implementation of both prevention and protection measures requires political commitment, reliable information, an appropriate legal and regulatory framework, functioning coordination structures, capable institutions and a mobilised society, i.e., an "enabling environment".

7.1.1 Preventive measures

208. Prevention measures designed to stem the flow of children into work constitute the most important component of a policy response to child labour. This is particularly relevant in Mongolia, where empirical evidence suggests the numbers of children entering child labour have increased in recent years. Clearly, sustainable reductions in child labour cannot be attained without addressing the factors causing these children to enter work. As children are rarely responsible for their own choices, the design of preventive measures requires an understanding of factors influencing household decisions relating to schooling and work.

209. As noted above, reducing social risk is particularly important in this context. A growing body of empirical evidence indicates that child labour is used by households to mitigate social risk, helping them offset the effects of individual or collective shocks such as illness or crop failure. This is especially relevant in light of the current global economic crisis, and the impact it is having locally on vulnerable Mongolia households.

210. **Expanding the social protection of vulnerable families** is therefore critical first step to preventing child labour and education marginalisation. The link between child labour and social risk highlights the need to look at current social support programmes in Mongolia, their coverage and their effectiveness in

mitigating social risk among vulnerable households. The Mongolian public safety net system consists of a range of programmes relating to (a) social insurance (retirement, unemployment, or sickness) and (b) social assistance (specific benefits to protect vulnerable groups, including the disabled and child allowances).⁸⁹

211. The array of current government programmes are fragmentary and not consistently targeted towards poorest families. Indeed, a 2006 study found that a significant portion of social assistance goes to the non-poor (70 percent of all non-poor households receive some form of social assistance), while at the same time, 40 percent of the country's poor do not receive any form of social assistance,⁹⁰ pointing to the clear need for better targeting of the variety of current Government programmes addressing poor families. Schemes should be modified to effectively reach poor households, and either made conditional on school attendance or provide in-kind benefits in support of schooling. Community-based measures such as micro health insurance plans, community savings groups, and micro-credit initiatives are also relevant in the context of reducing household social risk.

212. The empirical results presented above indicate that Mongolian working children are less likely to be attending school, and, if enrolled in school, are more likely to lag behind their non-working counterparts and to drop-out prematurely. These results underscore the importance of child labour as a barrier to achieving Education for All and to positive youth employment outcomes in the country. There is a need therefore to address the demand- and supply-side issues influencing parents' decisions to enrol and keep their children in school, within broader education reform efforts.

213. **Transfer schemes** providing cash or in-kind subsidies to poor children conditional on school attendance represent one possible route for addressing demand for schooling and reducing household vulnerability. These demand incentives can increase schooling directly by providing poor families with additional resources (i.e. income effect), as well as indirectly by compensating parents for the foregone economic product from their children's labour and thus reducing child work (i.e. substitution effect).

214. Strengthening the Child Money Programme (CMP), launched in 2005 as part of a broader transformation of the Mongolian system of social assistance, is of particular relevance in this context.⁹¹ The Programme reaches poor households with children aged 0-18 years with monthly payments of MNT 3,000 (about US\$2.60) per child conditional on following mandatory immunisations, living with parents, and not being engaged in "intolerable" forms of child labour⁹². It differs from traditional safety nets in Mongolia in two key ways: (1) introducing conditionality and (2) introducing a proxy means test for the identification of the poor. The monthly payment as of December 2005 was US\$5.20 per family, or about 25 percent of the monthly per capita poverty line. Eligibility is based on a

⁸⁹ The main frameworks regulating social assistance in Mongolia comprise the 1995 Social Welfare Law, the 2001 Employment Promotion Law, and the 2003 Social Security Master Plan.

⁹⁰ World Bank, *Mongolia Poverty Assessment*, as cited in Araujo M.C., *Assessment of the Child Money Program and Properties of its Targeting Methodology*. Working Paper Series on Mongolia, Paper No. 2006-1, The World Bank, April 2006.

⁹¹ Information on the program presented here is drawn from, Araujo M.C., *Assessment of the Child Money Program and Properties of its Targeting Methodology*. Working Paper Series on Mongolia, Paper No. 2006-1, The World Bank, April 2006.

⁹² The last condition related with child labour has been removed when the scheme became universal.

two-stage process: in the first, governors determine the poverty status of each household based on income, and in the second, households deemed as poor apply to local social welfare officers in charge of managing the CMP. By the end of its first year in operation, the programme had reached more than 300,000 households, far exceeding the total number of poor households. This calls into question the financial sustainability of the programme and highlights the need to refine the programme's targeting mechanisms.

215. Several other possible refinements to the programme design could have relevance for households' decisions concerning investment in education. First, CMP payments are currently conditional only on school enrolment; incorporating and monitoring a condition on actual school attendance might help ensure children remain in school once enrolled. Alternatively, the programme could focus on transition grades (to lower secondary and upper secondary) when most of the drop-outs occur. Given that school enrolment is already high elementary school, another possible refinement would be to target the programme to older children, whose enrolment in school is much lower.

216. The programme conditions around child labour could also be refined to reflect not only work conditions but also the time intensity of work. Evaluations from conditional cash transfers elsewhere frequently reveal that the gains in school attendance as a result of the programme are not matched by reductions in child labour; rather, time in work is simply scheduled around classroom time, or vice versa, and children's work burden changes little. Anecdotal evidence from Mongolia also suggests children from beneficiary households in rural areas continue working while attending school and typically drop-out from school prematurely. The effectiveness of the programme in terms of reducing educational marginalisation and child labour has not yet been systematically evaluated, and adjustments to the programme would need to be based on the findings of such an evaluation.

217. **Flexible schooling measures**, such as adaptive school calendars and scheduling, have also proved effective elsewhere in reducing drop-out through making school more accommodating of the requirements of light work (see Box 4). High drop-out rates are a particular concern among working children in rural areas of Mongolia, where schooling often proves incompatible with the exigencies of children's agriculture work. Such flexible schooling measures would build on Mongolia's already extensive system of remedial education, designed to attract drop-out and non-entrants (back) into the school system.

218. Empirical evidence in Mongolia indicates the parents' education has a significantly positive effect on children's time use, making it more likely that children attend school and less likely that they work. This suggests that developing and expanding efforts in promoting good parenting, functional literacy and numeracy, work-related skills training and basic education equivalency programmes, all are relevant in promoting schooling and reducing children's work.

Box 4. Reducing school access barriers for vulnerable children: flexible schooling

Flexible schooling measures are typically targeted specifically to working children, and are designed to reduce the risk of drop-out by making school more accommodating of the exigencies of children's light work. Such measures can take various forms, including setting daily school hours to accommodate daily work schedules; setting the yearly academic calendar to reflect local conditions, e.g., agricultural seasons; adding additional school shifts during off-work hours; and introduction of independent study modules to compensate for class time lost to work.

There are numerous examples of flexible schooling initiatives. The BRAC programme in Bangladesh is probably the best-known scheme. In this programme, school times are set by local parents, and the school calendar is adapted to fit local considerations such as harvest seasons.

In Guatemala, a number of flexible scheduling measures are used to make schooling more compatible with the work-related demands on children's time. One measure allows children who spend the morning working on farms to begin school later in the day, with the fewer class hours compensated for by more time on independent study. Another allows students to complete 1,000 hours of schooling with no time restriction to get primary school certification.

In the Nicaragua "Extra-Age" programme, classes are taught in modules to permit maximum attendance during off-work hours, and separate extra-age classrooms are established to avoid the social stigma associated with older children attending classes with younger children. A project implemented by the Department of Education, Culture and Sports in the Philippines allows children to attend school in the morning and report for work in the afternoon.

Peru has made the school attendance of working children a particular priority. The Peru Child and Adolescent Code guarantees special school schedules that allow children who work to attend school regularly. A number of Peruvian schools have established multiple shifts – morning, afternoon and night – to allow working children to fit schooling into their work schedules, and teachers are charged with providing extra attention to children who lag behind because of work.

7.1.2 “Second chance” measures

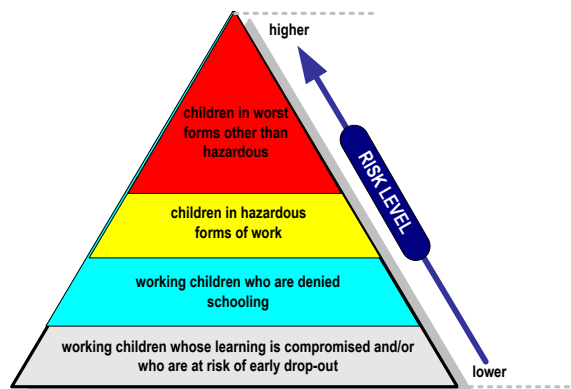
219. “Second chance” policies, although likely to absorb fewer resources, should not be neglected. They are critical to avoiding large numbers of children entering adulthood in a disadvantaged position, permanently harmed by early work experiences. Children with little or no schooling will be in a weak position in the labour market, at much greater risk of joining the ranks of the unemployed and the poor. If left alone, these children and youth are likely to be in need of other (more costly) remediation policies at a later stage of their life cycle.

220. Mongolia already has an effective strategy in place in terms of remedial education, which can be reinforced and extended further. The strategy involves creating a non-formal extension in each school designed to reach former working children and other out-of-school children with educational opportunities, as part of broader efforts towards their social reintegration. The school, in collaboration with the local administration (or vice versa), identifies out of school children and attempts to bring children back into the school system through the non-formal extension. The strategy is based on the premise that working children are often difficult to insert directly (back) into the formal education system because of their age, different life experiences and lack of familiarity with the school environment. Their lack of formal education also frequently leaves working children too far behind their peers academically to catch up on their own, without remedial intervention.

7.1.3 Direct action: removal, recovery and reintegration

221. Direct action is needed to ensure the removal, recovery and reintegration of working children whose rights are most compromised, i.e., those facing the greatest degree of hazard and/or exploitation. This refers, first and foremost, to children in worst forms other than hazardous (activities against fundamental human rights) and those in hazardous forms of work (activities compromising children's safety, health or moral development). Priority hazardous forms of child labour are listed in Order No. 107 (2008) of the Ministry of Social Welfare and Labour. The list includes 53 work locations, 39 occupations and seven hazardous conditions in 11 economic spheres.⁹³

Figure 50. Priority target groups for direct action measures



222. **Identification and removal (direct action).** Immediate and direct action is needed to rescue children from unconditional worst forms of child labour and provide them with the support and follow-up needed for their recovery and reintegration. Such action is relevant above all in cases of trafficked children, children subjected to commercial sexual exploitation, and children facing other extreme forms of hazard or exploitation in the workplace. Children's work in dump sites and in mining, highlighted in recent ILO/IPEC-supported rapid assessments, are among the other groups requiring priority attention. The effective identification and follow-up of these groups depends, first and foremost, on mobilising and capacitating the local State and non-governmental actors that operate closest to where these frequently-hidden forms of child labour occur.

223. **Recovery and reintegration.** Follow-up actions ensuring that rescued children are provided a full range of needed social services (e.g., emergency shelter, needs assessment and referral, medical care, psycho-social counselling, legal support, family tracing and assessment, post reintegration follow-up, etc.) are also critical. Regulatory frameworks need to define minimum standards of care for

⁹³ The list includes, besides tobacco and alcohol industry, places where children are at high risk of sexual exploitation, such as night clubs, bars, casino places, hotels, sauna and massage parlours, housekeeping, and domestic work (Government of Mongolia, *Report on the implementation of the ILO C138*, 2008).

former child labourers and other vulnerable children, and to specify the respective roles of the various State and private actors in meeting these care needs. Expanding access to “second chance” education will also be critical to efforts towards children’s successful reintegration in to society.

224. Strengthening enforcement and monitoring of child labour laws:

There is a need to strengthen the State’s ability to monitor workplaces for compliance with child labour laws, starting with the priority hazardous sectors specified by the Government through Order No. 107 (2008) of the Ministry of Social Welfare and Labour (MSWL). This will be particularly important to efforts to address the remaining pockets of child labour in cities and towns. As noted above, responsibility for labour inspection lies with the State Specialized Inspection Agency (SSIA), but there are no regulations or procedures dealing with child labour inspections, and the child labour situation therefore does not figure in the SSIA reports. Numerous measures targeting the State Specialized Inspection Agency (SSIA) are relevant in this context: (a) improving workplace monitoring for compliance with child labour laws; (b) training inspectors on child labour laws and on workplace inspection for occupational health and safety (OHS) purposes; (c) developing implementation guidelines for child labour laws for use by inspectors and other enforcement bodies; and (d) strengthening business registration and licensing systems and extending them to informal enterprises.

225. Introducing informal community-based monitoring mechanisms.

Given the limited resources of the State Specialized Inspection Agency (SSIA), the formal inspection system alone is unlikely to be effective in protecting children from workplace violations, even with more training and a clearer legal framework. There is therefore also a need for labour inspectors to join hands with other organisations (e.g., employers’ organisations, social workers, local community organisations) to form broad-based child labour monitoring systems at the local level. Replicating ILO-IPEC-supported pilot community monitoring programmes is one possible vehicle for achieving this. The programmes involve tripartite monitoring of children’s school attendance and workplaces by labour inspectors, teachers and community volunteers. The possibility might also be explored of entrusting the National Human Rights Commission with a mandate to investigate and monitor child labour policy and child labour-related violations.

7.1.4 Creating an enabling environment for progress against child labour

226. Achieving sustainable reductions in child labour also requires political commitment, an appropriate legal and regulatory framework, functioning coordinating structures, capable institutions and a mobilised society, i.e., an enabling environment.

227. Awareness-raising. There is a need for expanded communication efforts on the negative effects of child labour and the benefits of schooling, as part of an overall strategy against child labour. Such an effort needs to take place at both national and local levels, and involve a wide variety of communication vehicles, building on the on-going efforts of various Mongolian NGOs and other groups. Baseline information on local knowledge and cultural attitudes towards child labour is needed to tailor communication messages, and to evaluation changes in

awareness and attitudes following communication efforts. The urgent need to address unconditional worst forms of child labour, including human trafficking and child commercial sexual exploitation, should be a particular focus. Providing information on national child labour legislation, presented in terms that are understandable to the populations and communities concerned, is another communication priority.

228. Social mobilisation. Building on efforts being undertaken with support from ILO-IPEC within the National Sub-Program to Eliminate the WFCL, religious organizations, educational institutions, teachers' organizations, NGOs, the mass media, community-based organizations, trade unions, employers' organizations and numerous other groups need to be actively engaged in addressing child labour. Care providers in direct contact with children, including teachers and health workers, are in an especially good position to identify and refer child labourers, and therefore constitute particularly important allies in protecting children from child labour. Initiatives such as community-based child protection networks provide useful vehicles for bringing together a wide variety of stakeholders to combat child labour.

229. Institution-strengthening. Strengthening institutional capacity at all levels of Government is needed for continued progress towards child labour reduction goals in many national contexts. Strengthening the National Steering Committee on Child Labour is particularly important in this context. While the National Program of Action for the Development and Protection of Children provides bases for action, these frameworks are unlikely to be implemented effectively in the face of capacity constraints. Institution require strengthening in a number of areas, including using data for strategic planning, policy and programme design, programme monitoring and evaluation, programme coordination, and the mainstreaming of child labour in broader development plans and programmes.

230. Improving co-ordination and information-sharing. As child labour is a cross-sectoral issue, requiring close collaboration across a range of Government bodies, the clear delineation of roles, and the strengthening of coordination and information-sharing, will also be critical to the effective functioning of Government institutions and their social partners in efforts combating child labour. Assistance in the child labour field is often highly fragmented, with actors operating with little or no coordination or linkages. This leads to overlaps in assistance in some areas and to gaps in assistance in other priority areas. Again, strengthening the reconstituted National Steering Committee on Child Labour is important in this context.

231. Strengthening information for policy design and targeting. Despite recent national household surveys, important information gaps remain in the area of child labour, affecting understanding of the phenomenon and the ability of policy-makers to address it. Key information gaps include:

- *Involvement in hazardous work.* The standard 3-digit industrial and occupational classifications used in MLFS 2006 and other child labour surveys do not match the national list of hazardous sectors, meaning that only a very partial estimate of children's involvement in hazardous forms is currently possible. This, in turn, complicates the setting of clear time-bound child labour reduction targets for the elimination of worst forms.

Generating reliable quantitative data on hazardous forms is therefore an important priority.

- *Involvement in worst forms other than hazardous.* Information about children involved in worst forms of child labour other than hazardous is very scarce. Current reports and studies provide only an initial, partial picture of the extent and nature of children's involvement in these worst forms in Mongolia. Further, targeted research utilising specialised survey instruments is needed in order to generate more complete information on this highest-priority group of child labourers.
- *Programme impact.* Very few of the array of current programmes relating to child labour have been systematically evaluated, making it difficult to draw policy lessons from these experiences or to identify programmatic approaches meriting broad scale replication. The impact and potential of cash transfers on children's work and schooling is one particular information requirement in this context. Better information is needed in order to identify the transfer scheme design best suitable for the Mongolian reality (contingent, not contingent, targeting mechanism, etc.). Inadequate monitoring capacity makes it difficult to track implementation progress against child labour through National Program of Action for the Development and Protection of Children.

7.2 Promoting decent employment for youth: a discussion of policy options

232. The empirical analysis presented in the first parts of this study highlights the severity of the weaknesses that exist today with respect to both the supply and demand in youth labour market in Mongolia. This diagnosis has already been endorsed by policy decision makers as declared in the Decent Work Country Programme and during the National Employment Forum held in Ulanbaatar in 2007: “[...] Another of Mongolia's newer challenges is how to best tap the potentials of its young population of which 55 percent is below the age of 25 years. The unemployment rate for graduates of technical schools is above average. With the formal sector unable to absorb unemployed workers and new graduates, many of the new entrants in the informal economy are young people.”⁹⁴

233. Youth employment is now recognized as a high priority in Mongolia, the challenge being the developing and putting in place of specific policy measures as well as action plans aimed at youth employment. As discussed in the previous section, significant investments are made in Mongolia on programs targeted to unemployed youth although coverage remains low and the impact of these programs remains limited and often un-assessed.

234. Recent studies by the ILO⁹⁵ on the labour market status of young people and the different types of transitions leading to work and the World Bank⁹⁶ on building appropriate skills as a response to labour market

⁹⁴ Decent Work Country Programme: Mongolia, 2006-2010, ILO.

⁹⁵ School-to-work transitions in Mongolia, ILO Employment Sector Working Paper No.14, 2008

⁹⁶ Mongolia Building the Skills for the New Economy, World Bank Human Development Unit East Asia and Pacific Region Report No.40118, 2007.

challenges have analysed in depth some of the policy options that are available to improve the labour market situation of Mongolian youth. On the basis of these studies, the empirical evidence presented above and the international experience we will discuss a series of policy options focused on four pillars: improve skills and employability for the labour market, promote decent work in the informal economy, promote youth entrepreneurship and strengthen labour market institutions.

235. It is important to stress that youth policy should be considered in a more integrated manner, linking education concerns to macro-economic policies, issues of employment, social justice, and democratic participation. It is only through coordinated efforts in these various policy areas that policy interventions can start making a structural impact. In addition, often such coordinated efforts, while they may benefit the youth population at large, need to be tailored to the needs of youth with specific disadvantages⁹⁷.

7.2.1 Improving job skills and employability

236. This report points out to the important role of educational attainment in explaining youth labour market outcomes in Mongolia. Improving the job skills and employability of young people requires action on three levels: first, there is a need to strengthen the quality of basic education; second, to extend the effectiveness and reach of vocational training programmes; and third, to provide second chance, remedial education to young persons denied a complete course of basic education, a group which includes persons forced out of school at an early age in order to work. Taken together, these measures would help equip young persons with the skills and job experience demanded by employers in the formal labour market.

237. Mongolia's education system does relatively well in terms of getting children and youth through school, although large disparities between urban and rural areas remain, and there is a large residual group of young persons with little schooling. However, a recent study of the World Bank⁹⁸ points out to the fact that the Mongolian education system does not prepare young people well for labour market, particularly in rural areas. According to this study, adolescents in Mongolia perform particularly poorly in the skills that are in greatest demand in the labour market. Students performed significantly worse in complex procedures and problem solving tasks than in knowledge items and routine procedures. This finding underlines the mismatch between the skills that workers bring to the labour market and those demanded by the labour market.

238. This underscores the need to improve school quality and relevance within the framework of the Mongolian Education Sector Master Plan (2006-2015). There is a general need to extend the focus of education system from ensuring school access to improving the quality and the relevance of the learning that takes place once there. Course contents should be adapted to emphasise thinking and

⁹⁷ Improving prospects for young men and women in the world of work. A guide to youth employment, ILO, 2004

⁹⁸ Mongolia Building the Skills for the New Economy, World Bank Human Development Unit East Asia and Pacific Region Report No.40118, 2007.

behavioral (communication, work discipline, leadership and teamwork) skills, grounded in methods promoting students' active participation in the learning process. To improve the quality of education, teachers should also have adequate materials, including information technologies. Regular student assessments need to be conducted to inform education policy and make the education system accountable for performance. Improving basic education should target rural areas in particular, in order to close the gap in learning and access to post basic education between rural and urban areas.⁹⁹

239. Extending and strengthening vocational education will also be important to enhancing the employability of youth. Current vocational education efforts are often limited in scope and poorly aligned to labour market needs, resulting in difficulties in the school-to-work transition. Indeed, recent empirical evidence highlights the low return to education in terms of wages and employment opportunities for those with vocational education.¹⁰⁰ The vast majority (70 percent) of unemployed young people holding diplomas of vocational education are in long-term unemployment.

240. It is worth noting that technical education and vocational training continue to suffer from problems of low status and negative public attitudes. Attitudinal changes at all levels (among young men and women, parents, teachers, employers, etc) are required for the success of technical education vocational training programmes. In this context, public awareness programmes about the value of technical jobs might play an important role. Media can be considered as an important tool in promoting public awareness, for example, on the processes and skills involved in certain jobs and the role of vocational training in providing people with appropriate life and professional skills. Well-developed and organised career guidance services and appropriate, well-informed, and sensitive vocational and career counselling in schools are also essential for promoting vocational education. The aim of career guidance services should be to advise properly about types of jobs available, skills needed, career paths, salary scales and trends and opportunities in the labour market.

241. The Government recognises the need to reform the vocational education activities to make them more flexible and responsive to changing labour market needs. The Education Sector Master Plan (2006-2015) emphasises bringing vocational training into line with labour market demand, and a Strategy Paper on Vocational Training is being developed¹⁰¹ to guide national efforts towards achieving this. A new Vocational Education and Technical Education Law was adopted by the Parliament in February 2008 making structural and organisational changes in the vocational training system and guaranteeing more resources for vocational training efforts.

242. On-the-job training and apprenticeships, developed with the close involvement of private sector employers, will need to be components of the broader vocational training strategy. A pilot programme begun in 2009 offers one possible way forward in this context. The pilot programme, established through Joint Decree No. 44/74/49 (18 March 2009), provides on-the-job training to workers in the

⁹⁹ Mongolia Building the Skills for the New Economy, World Bank Human Development Unit East Asia and Pacific Region Report No.40118, 2007.

¹⁰⁰ School to work transitions in Mongolia, Francesco Pastore, International Labour Organisation Employment Sector Working Paper No.14, 2008

¹⁰¹ The Strategy Paper is being developed as part of the National Plan of Action for Decent Work.

mining, road and construction sectors. By increasing the involvement of the private sector in the training and subsequent employment of workers, the programme aims at bridging the gap between labour demand and supply in these three emerging sectors and consequently reducing reliance of specialised labour from abroad. It targets a total of 3,500 workers in its initial stage. The programme's effectiveness and potential broader scale replication will be evaluated in March 2010.

243. Despite general success in ensuring access to education, there remains a substantial residual group of young persons without any real diploma and without skills. As seen earlier in this report, 17 percent of 15-24 year-olds possessed a primary education or less, while only five percent had the opportunity to acquire higher level of education, in the 2006-07 reference period. Low human capital is a particular concern in rural areas, where one-third of young people had only primary schooling or no schooling at all in the same reference period. For the most part, these young people find themselves in the informal labor market without any real prospects for social integration and professional advancement. Many are former child labourers, forced out of school prematurely in order to help their families make ends meet.

244. This group of young persons requires "second chance" learning opportunities – such as remedial education, equivalence and literacy programmes, and vocational training – to be equipped with the basic knowledge and skills for productive employment. Current programmes that focus on disadvantaged youths in Mongolia are not linked to each other and not clearly linked to the formal school system. There is a strong need to develop a policy and organisational framework for second chances in Mongolia. This framework should meet the diverse needs of out-of-school youth in terms of skills acquired, age and local environment and involve different actors from private sector, NGOs and government.

7.2.2 Promoting youth entrepreneurship

245. Given the important percentage of young people currently working in small family businesses and self-employed in the agricultural sector, it is important to work with local authorities and communities to help young people start and improve their own business with decent incomes. The incidence of entrepreneurship is very low in Mongolia—entrepreneurs account for less than two percent of the labour force. Promoting youth entrepreneurial activity is an important potential means of employment creation in the country.¹⁰²

246. Business start-ups are now recognized as a key factor of the dynamism of Mongolian economy and the Government is implementing measures to support youth in this area such as reviewing and amending legal and regulatory frameworks to facilitate and reduce the time and money spent on establishing a business. One of the most important changes in the Employment Promotion Law refers to the support to small businesses. Entrepreneurship services are now extended to herders, informal workers and the handicapped, and include micro

¹⁰² Improving prospects for young men and women in the world of work. A guide to youth employment, ILO, 2004

credit, information and advice as well as training, which are delivered through five regional business incubator centers—a website has been developed for the purposes of advertising activities of these centers. In terms of micro credit, eligible individuals can get a loan for up to 1 million MNT at a subsidized interest rate. Entrepreneurship training is also being provided as part of ILO cooperation in the country.

247. The lack of own capital and difficulties related to obtaining loans from formal financial institutions constitutes an important potential constraint for young entrepreneurs. A country study of World Bank¹⁰³ indicates that access to capital in Mongolia is limited due to underdeveloped capital markets, and the high collateral requirements for credit. This limited access to capital has a particularly negative effect on entrepreneurship. There is a need to develop different approaches to facilitate the access to finance for young entrepreneurs. These approaches might include such as grants, soft loans, and support activities in improving the quality of loan requests.

248. It is important to develop micro-credit schemes targeting at specific young people (migrant, unemployed, women, etc) and offering support measures such as training and technical assistance. A pilot programme to promote students' employment approved by the Ministry of Social Welfare and Labour in 2008 offers one possible policy approach in this context. The pilot programme involves, *inter alia*, providing graduating students with access to micro-credit from the Employment Promotion Fund, accompanied by training on business plan development and trade fairs for small business products.

249. Agricultural cooperatives can be considered as a tool to improve income and employment opportunities of their young members when they focus on, for instance, providing better market facilities for the members' livestock products. In this context, Mongolia enacted the National Programme for Cooperative Development which aims to strengthen cooperatives and their members in both economic and social terms through training programmes and soft-loans. However, cooperatives' initiatives are hampered by insufficient access to capital and insufficient legislative clarity, particularly with respect to tax law, lack of knowledge about cooperatives in the public, financial community and public service and lack of management training opportunities. These are issues that can be addressed by external agencies; government, international finance institutions and international cooperative development agencies working co-operatively, and in partnership with local cooperative institutions.¹⁰⁴

250. Such programmes could be expanded to include a broader range of support services for young entrepreneurs, including i) work space or business incubators providing a wide range of resources and services for a limited time period; ii) mentoring and business coaching providing young entrepreneurs with advice and guidance from experienced professionals; iii) on-the-job training and workshops focusing on start-up issues as well as business expansion support; iv) youth chambers of commerce, trade associations, entrepreneur networks helping young entrepreneurs find the right partners to enter supply chains; v) online business

¹⁰³ *Mongolia Country Economic Memorandum*, World Bank, 2007, Washington DC.

¹⁰⁴ Fischer Ingrid, *The Changing Roles of the State and the International Cooperative Movement in the Creation of a Supportive Environment*, Paper for Expert Group Meeting on "Supportive Environment for Cooperatives: A stakeholder Dialogue on Definitions, Prerequisites and Process of Creation" jointly organised by the Division for Social Policy and Development, United Nations and Government of Mongolia, 15-17 May 2002, Ulaanbaatar, Mongolia.

networks and virtual meeting places creating information and relationship platforms that are easy and inexpensive to access, always available and up-to-date.¹⁰⁵

251. Young entrepreneurs support measures can target specific sectors or branches of particular importance or possessing dynamic comparative advantages. For instance, Mongolian cashmere and meat industry might be developed and linked to international markets to create quality jobs with adequate incomes, ensuring income for rural youth and their families.

7.2.3 Promoting decent work in the informal employment

252. The size of the informal sector is large and it has become a growing source of job supply for youth in Mongolia. Many young people who find employment have been increasingly segmented into “bad jobs”. Economic restructuring and the downsizing of enterprises during the economic transition left many retrenched workers with little choice but to move into the informal economy.

253. As previously mentioned in the empirical analysis, the vast majority of the active youth population lives without social protection, on the verge of insecurity, and with only marginal support from the programs put in place by the authorities to help them find a job or move from the informal to the formal sector. Evidence presented earlier in this report, indicated that only about one-quarter of employed young persons were in waged employment in the 2006-07 reference year, many of whom were undoubtedly without formal contracts. The protection of the group of young workers in the informal sector should be one of the major objectives of the Mongolian youth labour market policies. Otherwise, the number of those “excluded” from the labor market will continue to grow and could cause a rift in the current social consensus in Mongolia and derail the poverty reduction and accelerated growth strategies in the medium term.

254. The challenge is to effectively bring into play informal sector’s potential for job creation and generation of income, while steering it progressively towards decent work.¹⁰⁶ It is important to stress that the Government of Mongolia recognizes the reality of the informal economy, and Parliament adopted Policy on Informal Economy in 2006 aimed at “formalizing” informal employment by providing Government services and by creating legal, economic, labour and social protection guarantees for concerned workers.¹⁰⁷ A process of legalization to bring informal workers and enterprises within the legal framework so that they are registered, recognized and protected is essential, and the Policy is designed with this goal in mind.

255. The priorities in tackling the decent work deficit in the informal economy also include the provision of information and training to raise awareness in the informal economy about regulations, rights and obligations. It may also imply opening up formal institutions to informal economy participants, for instance, to give them access to training facilities to invest in knowledge and skills, or to

¹⁰⁵ Enterprise-based youth employment policies, strategies and programmes, Skills Working Paper 1, ILO, 2001.

¹⁰⁶ ILO, *Resolution concerning decent work and the informal economy*, 2002.

¹⁰⁷ ILO, *Decent Work Country Programme Mongolia, 2006-2010*.

enterprise support services and micro-credit institutions allowing their use of financial resources, information, markets, public infrastructure as well as social services.

256. Targeted measures are needed to assist in the shift to formal work in areas where informal work is especially precarious. A temporary regulation on support activities for promoting herders' employment offers one example in this context. The regulation, approved by the Decree of the Minister for Social Welfare in May 2009 (Decree No. 77), provides job training and apprenticeships to young herders, and also supports herders' non-agricultural businesses, with a special focus on herders who have a small number of livestock or are under particular risk. It also provides other employment promotion services such as micro-credit and small business incubation.

257. Another important area of action is to increase trade unions' organisational capacities to those employed in the informal economy, or, alternatively, the support to self-organisation, to strengthen the voice of informal workers, enabling them to secure their rights and to defend their interests.¹⁰⁸ There is also a need to prepare in collaboration with social partners, community based action ideas based on lessons learned from previously implemented projects aiming at transforming informal youth employment into formal sector employment¹⁰⁹.

258. Identifying the specific factors contributing to the dynamics of formality/informality in national and local contexts and understanding its diversity is a necessary, though complex, step for developing appropriate policy responses. There is therefore a need to improve statistical information on the informal sector employment in line with internationally recognized methodologies and national policies, conduct regular studies on social protection issues of children and adults working at high-risk sectors, and identify need for state social services.

7.2.4 Strengthening labour market institutions

259. Recent research underscores the need for labour market institutions able to effectively match the supply and demand sides of the labour market in Mongolia. The ILO study on school-to-work transitions in Mongolia indicates that most employees got their job after assistance from their relatives and friends, and, at the same time, that this reliance on informal job networks leads to a wage loss of about 12 percent.¹¹⁰ The wage penalty related to informal networks suggests that the youth labour market is not matching efficiently labour demand and supply.

260. These findings suggest that the public employment services (PES) should play a more active role in providing information, counseling and training not only to the unemployed, but also the discouraged workers and jobseekers who are still at school. This can help increase the quantity and quality of job matches between employers and job seekers, reduce the spells and duration of unemployment and generally increase the efficiency of the labour market.

¹⁰⁸ Decent Work and the Informal Economy, report presented to the International Labour Conference, 90th session 2002 Geneva.

¹⁰⁹ 2007 The Year of Job Creation, National Employment Forum Report, Ministry of Social Welfare and Labour of Mongolia, UNDP and ILO, Ulanbaatar Mongolia, 21-22 November 2007.

¹¹⁰ School to work transitions in Mongolia, Francesco Pastore, International Labour Organisation Employment Sector Working Paper No.14, 2008

261. Helping young graduates in securing places in the labour market should be a particular priority. Empirical results presented earlier in this report showed that young people face an average time lag of two and a half year years between leaving school and entering work for the first time, and that over one-third of unemployed youth are long-term unemployed.

262. A pilot programme approved by the Ministry of Social Welfare and Labour in 2008 offers one possible policy approach to promoting students' employment. The pilot programme involves the creation of an institutional set-up for student employment, primarily through university student employment centres providing labour market information and regulations, coordination of internships, business development information and training on transitioning to work. The pilot programme also involves the establishment of a specialised student employment service within the General Employment Service (providing job postings, temporary job placements, training on job preparedness and other services), as well as support to student business development through access to micro-credit. The pilot programme is scheduled to run until the end of 2011, after which its potential for broader scale replication will be assessed.

263. Labour market information systems need to be further developed (the nature and location of employment, wages and working conditions and opportunities and assistance in using the information), through better management of administrative records, short-term qualitative surveys, and regular employer and household surveys. Having current labour market information is essential to monitor changes in employment and anticipating labour supply needs.

264. The effectiveness of programs aimed at promoting youth employment should be assessed in terms of their capacity to generate jobs in relation to their costs. It is, however, difficult to carry out this cost-benefit analysis. It is difficult to evaluate active programs in the labor market since monitoring and evaluation process is incomplete in Mongolia. There is no detailed information on the concrete impact of these programs in terms of job creation over time. Thus, available information is limited to measuring the intentions of beneficiaries and not necessarily their achievements. In addition, there is no evaluation of the permanent nature of the jobs created or on their quality. For example, the success of a job promotion program should be measured both by its capacity to create permanent jobs and with a salary at least equal to the minimum legal wage, as well as its ability to create temporary jobs.

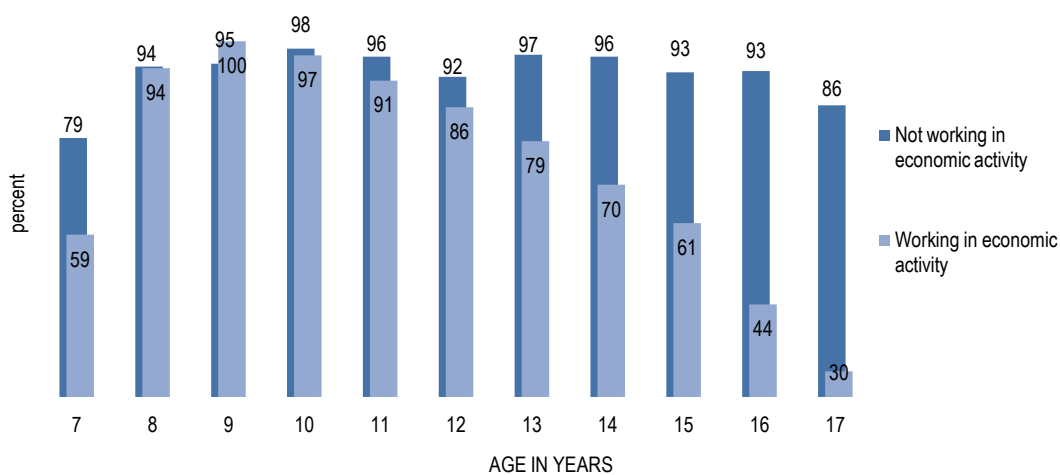
ANNEX 1: DETAILED EMPIRICAL RESULTS

Table A1. Percentage of children (5-17) carrying out household chores by sex and residence

Age	Urban			Rural			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
5	3.2	3	3.1	3.4	3.8	3.7	3.4	3.5	3.4
6	4.8	4	4.3	4.4	4.6	4.5	4.5	4.3	4.4
7	4.4	5.7	5.1	5.5	6.5	5.9	4.9	6.0	5.4
8	6.6	6.4	6.5	6.7	8	7.3	6.6	7.1	6.8
9	6.1	6.6	6.3	8.6	8	8.3	7.1	7.2	7.2
10	7.7	9.8	8.7	10.5	10.9	10.7	8.9	10.3	9.6
11	8.3	11.4	9.8	8.7	10.9	9.8	8.5	11.2	9.8
12	9.6	12.4	11	14	14.4	14.2	11.3	13.3	12.3
13	9.4	11.9	10.5	11.5	12.7	12	10.3	12.2	11.2
14	12.6	13.1	12.8	11.7	16.3	13.7	12.3	14.2	13.2
15	12	15.5	13.8	13	17.6	15.3	12.4	16.2	14.3
16	11.3	16.2	13.7	14.1	20.8	16.9	12.4	17.6	14.8
17	12.5	17.6	15	15.6	20.5	17.7	13.6	18.5	15.9
Total	9.7	12.1	10.9	10.7	13	11.7	10.1	12.5	11.2

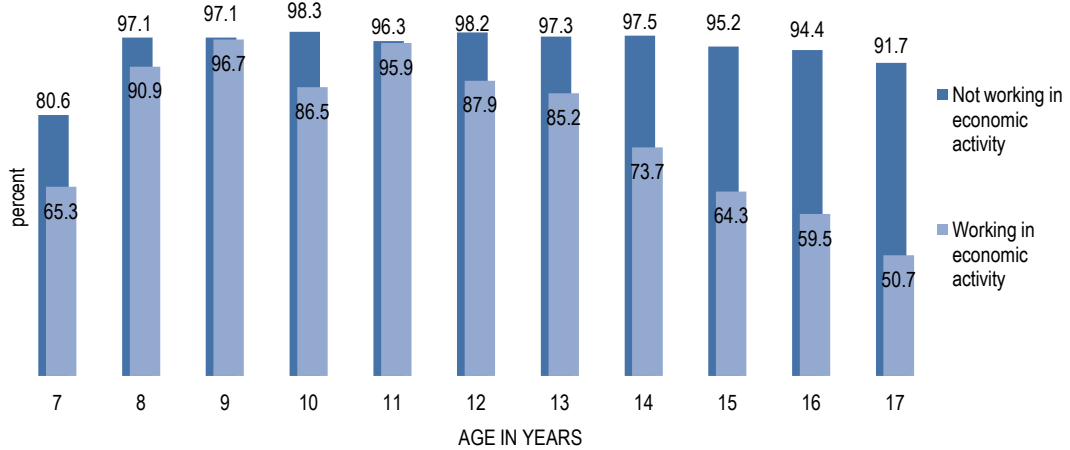
Source: UCW calculations based on Mongolia Labour Force Survey 2006 - 2007

Figure A1. School attendance rate, by children's employment and age. MALE



Source: UCW calculations based on Mongolia Labour Force Survey 2006-2007

Figure A2. School attendance rate, by children's employment and age. FEMALE



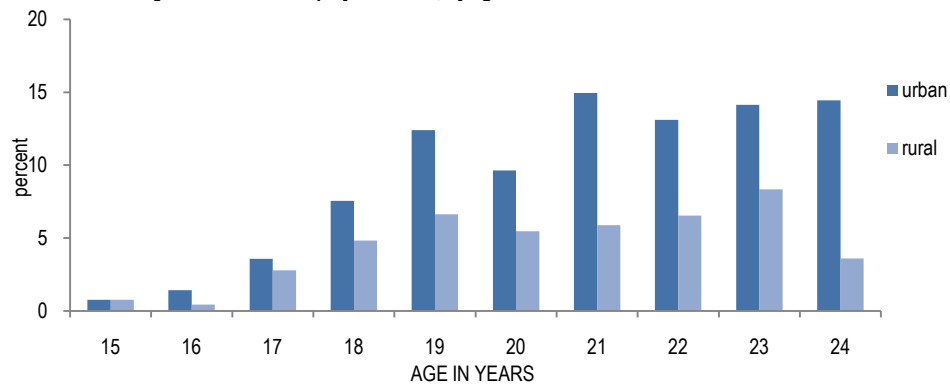
Source: UCW calculations based on *Mongolia Labour Force Survey 2006 -2007*

Table A2. Children combining employment and household chores, by sex and area of residence

Sex	7-14 years			15-17 years		
	urban	rural	Total	urban	rural	Total
Male	80.9	74.2	77.8	92.6	84.8	89.5
Female	83.8	74.2	79.5	93.1	80.9	88.7
Total	82.3	74.2	78.6	92.9	83	89.1

Source: UCW calculations based on *Mongolia Labour Force Survey, 2006-2007*.

Figure A3. Unemployment ratio, by age and residence



Source: UCW calculations based on *Mongolia Labour Force Survey 2006 - 2007*

Table A8. Education level of household Members who did not move by age group and actual residence

Actual residence \ Ed level	Age group 5-14			Age group 15-24			Age group 25-35		
	urban	rural	total	urban	rural	Total	urban	rural	Total
none	58.2	68.3	63.1	1.3	9.2	4.4	0.8	5.3	2.8
primary	39.9	30.3	35.3	12.5	25.0	17.5	2.0	16.3	8.5
Lower secondary	1.9	1.4	1.7	34.0	37.8	35.6	14.9	43.7	28.0
secondary	0.0	0.0	0.0	40.7	22.5	33.5	39.0	23.0	31.7
technical/vocational	-	-	-	4.9	3.3	4.2	20.5	7.9	14.8
higher	-	-	-	6.6	2.2	4.8	22.8	3.8	14.2
Total	100	100	100	100	100	100	100	100	100

Table A9. Heckman probit regression

	Coef.	z
Log likelihood = -3085.684		
Number of obs = 11154		
Censored obs = 10381		
Uncensored obs = 773		
Wald chi2(15) = 71.01		
Prob > chi2 = 0.0000		
Long term unemployment		
Aged 15 to 19	-0.657	-2.76
Male	0.190	1.90
Married	0.105	0.39
Married female	0.041	0.10
Urban	0.284	1.86
Without experience	0.219	0.96
No education	0.725	2.62
Primary	0.902	2.19
Lower secondary	0.508	1.83
Secondary	0.430	1.98
vocational	0.594	2.70
West	0.266	1.29
khangai	0.657	4.40
central	0.106	0.54
east	0.392	1.57
Constant	-0.767	-0.67
Unemployment		
Aged 15 to 19	-0.463	-10.26
Male	0.025	0.62
Married	0.018	0.16
Married female	-0.309	-2.25
Urban	0.170	3.28
Without experience	0.392	8.20
No education	-0.121	-1.06
Primary	-0.576	-6.00
Lower secondary	-0.409	-4.85
Secondary	-0.266	-3.46
vocational	0.035	0.35
West	0.048	4.52
khangai	-0.138	-1.93
central	0.042	0.71
east	0.274	4.87
Constant	-0.089	-1.08
Aged 15 to 19	-1.605	-14.95

ANNEX 2: PROGRAM RESPONSES TO CHILD LABOUR¹¹¹

Role of multilateral and bilateral actors

The main development partner for Mongolia in its continuous attempts of dealing with child labour is the ILO. However, there are other actors (such as UNICEF, ADB, USAID, GTZ, SDC etc), who indirectly make valuable contributions for improving child labour situation in the country through their policy and program support in areas of education, vocational training and skills development etc.

I. *Asian Development Bank (ADB)*

In addition to its major projects to support the education sector reform and development in Mongolia, ADB supports **Non-formal Skills Training for Unemployed Youth and Adults project (2006-2009)** with an allocation of US\$ 1 million. While its Third Education Development Program (TEDP) will address the vocational, technical education training for youth enrolled in public vocational education institutions, this project focuses on non-formal skills training for dropouts and adults.

The project aims to increase the availability of demand driven skills training to improve income-earning opportunities of unemployed youth and poor adults in selected urban areas. The objective is achieved by piloting an innovative cooperation scheme between private enterprises, NGOs, vocational training schools and other training providers, which will include improving quality and relevance of selected vocational education programs through close participation of industry in the design and conduct of flexible, competency based skills training, and mobilizing and improving training capacities of NGOs, private training providers and industries that have the potential to provide skills training for unemployed youth and adults.

II. *USAID, Millennium Challenge Account (MCA)*

Vocational Education Project (USD 25.51 ml): This project is to support Government of Mongolia in developing a vocational education system that serves the demands of a modern, private-sector led economy. By building on the work of other donors such as the Asian Development Bank, the MCC Vocational Education Project will help Mongolia build up the institutional framework needed to support a demand-driven vocational education system. Through greater labour productivity and strengthening of training systems, the Compact is designed to increase employment and income among unemployed and marginally-employed Mongolians. The goal is to secure private-sector participation, establish skills standards and a competency-based qualification training system, among other

¹¹¹ This section is taken from "Policies and legislative framework to eradicate child labour in Mongolia", T.Chuluun, UCW Country Report Series, 2009.

things. Additionally, the Compact will develop new curricula for career training and 30 new career preparation tracks, as well as new build capacity for career guidance.

III. German Technical Cooperation Agency (GTZ)

Urban Development, Construction Sector and VTE Promotion Programme: Under this project, GTZ conducted a comprehensive review of vocational education and training in Mongolia and worked closely with MECS on developing and promoting Policy Framework for Vocational Education and Training in the country. GTZ will continue support MECS in developing VTE in partnership with ADB, TEDP.

IV. Swiss Agency for Development and Cooperation (SDC)

Combating Human Trafficking Program in Mongolia¹¹², 2008-2010 (USD 1.9 ml): The overall goal of the program is to promote and strengthen the human rights protection of victims of trafficking in Mongolia. It seeks to improve the Mongolian legal framework in the sector, particularly on the decriminalization of victims of Human Trafficking and provide better assistance and protection to the victims.

The following are the four outcomes planned for the first phase of the program (2008-2010): i) National legal framework for the protection and assistance to victims of human trafficking strengthened; ii) Likelihood for persons from vulnerable groups to be trafficked reduced; iii) Improved protection and assistance to victims of human trafficking and their families; and iv) Enhanced capacity of law enforcement agencies in national and cross-border cooperation and victims assistance / protection. Although the project has no specifically spelled out focus on children, it has significant implications for the National Plan of Action on Commercial Sexual Exploitation and Trafficking of Children and Women (2005-2015).

“Support to Artisanal Mining in Mongolia” (SAM), 2005-2012 (USD 3.7 ml): The project aims to implement in Mongolia the valuable experience and knowledge gained through its small scale and artisanal mining field programs. At its pilot phase, the project will implement the actions to i) support government in development of an Artisanal Small Mining Law; ii) support development of organizational structures for natural resources management in more efficient and sustainable methods; and iii) transfer the know-how to artisanal miners and other stakeholders to support the transformation towards better performance and environmentally friendly operations.

V. United Nations

¹¹² http://www.sdc.mn/en/Home/Development_Cooperation/Combating_Human_Trafficking

265. The United Nations Development Assistance Framework (UNDAF), 2007-2011, identified the Country Program outcomes that opportunities to decent work and fair incomes increased for vulnerable groups (including the poor, those in remote rural and poor suburban communities, minorities, women, youth, unregistered migrants, the disabled and the aged¹¹³; and policy measures and legal frameworks strengthened to protect vulnerable groups from gender based violence, economic exploitation, abuse, neglect and discrimination¹¹⁴.

VI. *ILO/IPEC*

Project” Support to proposed National Sub-Program to Eliminate the WFCL, Time Bound Measures” (2005-2009), US \$2.9 ml by US Department of Labour: The ILO/IPEC project “Support to proposed National Sub-Program to Eliminate the WFCL, Time Bound Measures” set two interlinked strategic objectives of: i) strengthening the enabling environment (policy, legislation, knowledge development, capacity building) for national actions against WFCL; and development of area based intervention models at local level targeting boys and girls at risk or engaged in WFCL for prevention, withdrawal and rehabilitation that could be replicated in different areas and or at a larger scale.

While the efforts for strengthening the enabling environment take place at national level, the direct action program interventions at local level take place in five provinces and the capital. Prioritized WFCL include mining, herding, child domestic workers, prostitution and child labour in urban informal sector.

The project midterm evaluation, conducted on Nov 2007, concluded that by successfully building upon the solid experiences of the previous two phases, in the first two years of the implementation the project has made considerable progresses towards achieving the objectives set forth. Besides having some very encouraging, concrete achievements in areas of policy mainstreaming and knowledge building etc, the project was able to build firm foundations of sustainable practice of area based integrated, time bound interventions in selected areas. It was noted that the project has been highly instrumental in establishing a sustainable mechanism for national level policy coordination and in strengthening the capacity and responsibilities of local governments in combating child labour. Ongoing capacity building efforts at both local and national levels found to be appropriate to the local needs and some encouraging results are emerging. Solid foundations of developing area based integrated intervention models have been successfully built in selected provinces, with some emerging good practices in the field. However, development of such model in the capital appeared more challenging¹¹⁵.

The project main actions include set of activities on improving child labour data and knowledge, enhancing policy, coordination, legislation, enforcement and building capacity, improving advocacy, awareness and partnership including the

¹¹³ UNDAF Mongolia, 2006-2011, CP Outcome 1

¹¹⁴ UNDAF Mongolia, 2006-2011, CP Outcome 3

¹¹⁵ ILO/IPEC, Project Mid Term Evaluation Report, 2007

support to newly developed network against the WFCL in raising awareness, disseminating good practices and advocating for effective policy and legal response; and piloting area based integrated response to eliminate the WFCL.

VII. UNICEF

Child Protection Program (2007-2011) aims for building of a protective environment for children through capacity building and advocacy of policy makers and implementers. The specific objectives of the program are: i) build a comprehensive system and mechanism on protection of children from violence, abuse and neglect; ii) promote legal framework on child protection, particularly on violence, juvenile justice commercial sexual exploitation and trafficking of children consistent with CRC and other international standards; iii) strengthen capacity building and service delivery system of government institutions and NGOs on child protection issues and; and iv) increase advocacy among policy makers, implementers and civil society on the concept of building a protective environment.

Child Protection Programme comprises of four projects:

- **Data Analyses and Information:** In close partnership with the National Statistical Office (NSO), the project is establishing a national database on child protection for program planning, monitoring and advocacy purposes by developing national indicators on child protection, developing guidelines on data analysis, and developing of national database on child protection. UNICEF works with the government to ensure that this system is comprehensive, and able to capture information in the remote provinces as well as in urban centers (22.200 USD, 2008).
- **Advocacy and Awareness:** The project advocates and promotes conformity of national laws and legislations to international standards and relevant UN protocols on juvenile justice by strengthening national child protection coordination body, awareness raising on child protection through program communication and by strengthening civil society participation and organization on child protection (64.500 USD, 2008).
- **Legal and regulatory systems:** The project supports the creation of an enabling policy and legal framework for the protection of children from abuse, exploitation and neglect in conformity with international standards and relevant UN protocols through revision of legal regulations, developing effective legislative, enforcement system on child protection, strengthening monitoring and evaluation legal system and Juvenile Justice Reform. (167.500 USD, 2008)
- **Capacity Building:** *The* project develops capacities of judges, prosecutors, law enforcing agencies and social workers on international norms and practices to address juvenile and children in conflict with the law in a child-friendly manner. The project is also working on capacity building of service providers on prevention of violence, CSEC/T and Capacity building of Parliamentary Lobby Group on Child Development and Protection; (81.500 USD, 2008)

Education Program (2007-2011)

Child Friendly Schools (CFS) Project supports the government to create a child friendly learning and teaching environment at national, local and school levels; strengthening the capacity of primary and basic education teachers with special focus on child centred teaching methodologies at both pre-service and in service levels. The project is also strengthening the capacity of the school development councils and ensuring participation of children, teachers and parents in school management, particularly focusing on eliminating such issues as violence, abuse and corporal punishment. (841, 200 USD, 2008)

Non-formal Education Project ensured that school dropped-outs and out of school children, especially among ethnic minorities, are given a “second chance”. Development of equivalency and national policy on non-formal education will be supported and a data driven monitoring system to track progress of the efficiency of the non-formal education system will be established. (630, 900 USD, 2008)

Joint UN Program: Prevention of Violence against Women and Children¹¹⁶, 2007-2008, US\$ 213,000,

This is a UNDP, UNESCO, UNFPA, UNICEF and WHO joint program for prevention of violence against women (VAW) and children in Mongolia. The program objective is to facilitate concerted efforts of government and civil society actors in combating VAW and children, in promoting of preventive interventions, legal awareness and empowerment of the public, improving counseling services for and legal redress of victims, and enhancing the brokering role of the UN agencies in this process.

The UN agencies work together with the national counterparts in the following four broad areas: 1) Strengthen efforts to collect accurate and comparable data on VAW and children to promote evidence based advocacy, policy reforms and guide the design of preventive interventions; ii) Identify gaps in services for all victims of sexual assault, domestic violence and trafficking, and contribute to strengthening of services to victims; iii) Increase institutional and technical capacity of service providers to victims; iv) Build partnership with government agencies, women and children rights defenders and the media at national and international levels.

VIII. *NGOs and other stakeholders*

There are number of international and local NGOs contributing in one way or another for elimination of child labour. However, most of local NGOs have limited responses therefore the only ones that operate more focused and with regular activities on child labour are individually described, otherwise activities are summarized below.

Activities include:

- awareness raising (for general public and with concrete target groups such as employers; teachers, parents, doctors, lawyers, police etc;) and prevention;

¹¹⁶ <http://www.undp.mn/dghr-jp.html>

- development and dissemination of posters, booklets, newsletters and other information, education and communication tools; radio/TV broadcasting; briefing and training on child labour legislations and regulations;
- prevention of school drop-out, non formal education for dropout children and reintegration into schools, vocational and skills training, live skills training, preschool education and support to school entry and development activities specifically targeting boys
- removal from child labour and rehabilitation
- non formal education, health and social services for child labourers, vocational and skills training; income generation and job mediation for adult family members, legal and physiological counseling, and rehabilitation service for those involved in sexual exploitation
- research, policy and advocacy actions
- small scale studies and research actions on the scopes, types of child labour and responses, and newly emerging types of child labour such as domestic work etc; policy and advocacy efforts to change national and local policies, regulations and procedures.

Local NGOs

National Network for elimination of the WFCL: newly established in Oct 2008 with support of the ILO/IPEC project. More than 20 government and non-governmental organizations have allied to contribute for effective implementation of the national strategies for elimination of the worst forms of child labour.

The local NGOs working with the ILO/IPEC project on the elimination of the WFCL are the lead organizations of this newly formed national network:

- *Equal Steps Center (ESC)*, the lead agency for the local network, provides educational and developmental services for removal and rehabilitation of children working at marketplace in Ulaanbaatar and mobilizing marketplace authorities against child labour.
- *Adolescents Development Center (ADC)*, the lead agency for the local ECPAT network, works on removal, rehabilitation and prevention of girls from prostitution and improving public awareness on sexual exploitation of children
- *Mongolian Child Rights Center (MCRC)*, committed to promotion of the children's rights in Mongolia, works on preventing school dropout children from child labour and improving response to needs of vulnerable migrant families
- *Family Development Center (FDC)*, works on preventing young children from child labour through pre-school education.
- *Red Cross Committee of Ulaanbaatar City (RCC UB)*, works on removal and prevention children from scavenging and building effective partnership with key stakeholders on elimination of child labour at major dumpsites in Ulaanbaatar

ECPAT¹¹⁷ local network: established in 2003 and is a member of the international ECPAT network since Feb 2004. The aim is to contribute into fulfillment of child rights in Mongolia and prevent and end child prostitution, child pornography and trafficking of children for sexual exploitation, and operates with more than 30 member organizations, mostly local NGOs but few international NGOs and government agencies.

Mongolian Gender Equality Center (MGEC), established in 2002 with a mission to fight against human trafficking, with the long-term goal of eradicating it. With technical and financial support from the International Organization for Migration (IOM), the MGEC provides victims of trafficking with reintegration and other services designed to assist their reintegration into society, through empowerment, protection and personal development; and undertake gender equality advocacy, liaising with Government and civil society.

Human Security Policy Studies Centre (HSPSC), is a local NGO working closely with the SDC on the implementation of the “Combating Human Trafficking Program” (2008-2010) in Mongolia.

International NGOs

World Vision International (WVI)

“Children at Risk” Program

The specific objectives are i) rehabilitation and family reunification of children living on the street (shelters for street children, day care and life skills centers); ii) support to families of children at risk (family reunification, training centre for family income generation, skills training for parents and children, foster parents scheme); iii) rehabilitation of children involved in crime (child development centers for children with sentences other than imprisonment, rehabilitation and development activities with children in prisons).

Also through its small projects, the program promotes child participation; non-formal education for school drop-outs and gradual integration into regular schools and vocational training institutions; attitude change training for school teachers and managers; developmental activities with children at risk; educational activities for parents; support to homeless families; support to children from poor families and preventing school drop-out through provision of educational supply and other supports.

“Child Rights and Advocacy” Program:

Projects under this program focus on Child Abuse Prevention and Protection (though promotion of child participation, child rights training, counseling and social work services for children and parents); Child Participation; Community Based Services for Mentally Disabled Children; Project Against Domestic Violence (support to child and adult victims of domestic violence, public awareness building, advancement of methodologies for victim protection

¹¹⁷ ECPAT –End Child Prostitution, Child Pornography an Trafficking of children for Sexual Exploitation

services); Project against trafficking of children and women(research, training and awareness raising activities, support to survivors, advocacy for child advancement of legal environment, social monitoring on human trafficking); Child Friendly Legal System (network and policy development, promotion of child friendly legal procedures, awareness raising and capacity building); Capacity Building (internal) on Child Rights Advocacy.

ADRA

Family Education Project provides literacy/numeracy trainings for school drop out children and promotes their re-integration to mainstream education. This is project also aims to empower parents of at risk children through small business development and employment skills, so that parents are able to support their children's education and able to protect them from engaging in risky behaviors.

Youth Enterprise Project: This project works with at risk adolescents (school drop outs, delinquent boys, boys/girls at institutions etc) and youth by enhancing their vocational and personal skills.

Youth Horizon Project: works with at risk adolescents through peer-peer education programs on issues related to life skills, bullying and domestic violence. This project aims to provide knowledge on concerning issues but also equip youth with necessary life skills to apply in their lives.

Save the Children UK

Child Protection program: Activities include i) advocacy and capacity building for protecting children from physical and emotional punishment in all contexts, changing public approach to violence and developing alternative methods; establishing a child protection system; and ii) promoting community based child protection services through its community based centers, shelters for children without parental care, and day care centre for street and working children.

Education program:

- Project to promote educational environment free from violence, 2008-2011, USD 435,000, funded by JAICA

The project aims so that i) Education sector officials (school managers, teachers etc) are aware of the education law amendments (2006) and able to work in conformity with; ii) Teachers are able to use non-violent methods of working with children; iii) Parents and Children actively participate in school affairs; iv) Education and Health State Inspection Department officials have obtained competencies for effective inspection of school governance; and v) public awareness building on the education law amendments in regard to corporal punishment, discrimination and illegal fee imposing etc.

- Project to support non violent upbringing of students, 2008-2009, 24,000 GBP

The project aims to i) increase awareness of school managers, teachers, parents and communities on the education law amendments; ii) advocate for and support the process so that the training curricula for pre service training of teachers promote more positive upbringing methodologies for working with children; iii) develop relevant training and other resource materials for teachers; and iv) piloting and rolling out such resource materials;

IX. *Other stakeholders*

Local Governments: Although varied in the nature and scope in responses city and provincial governments undertake certain actions to solve child labour issues. Especially, the local governments in the ILO/IPEC project sites¹¹⁸ have been committing substantial efforts and accumulated considerable experiences in dealing with child labour.

Confederation of Mongolian Trade Unions (CMTU): is a national trade union center in Mongolia. The CMTU has been going through major structural changes in the last few years therefore their capacity in combating child labour needs to be rebuilt.

Mongolian Employer's Federation (MONEF); is established in 1990, and is nationwide employers' organization with branches in 21 provinces working in Mongolia which is a collective voice to express their opinions and positions before government. The MONEF became the member of IEO in 1998 and closely cooperates with ILO since 1993.

Both CNTU and MONEF participate in various national bodies concerned with a wide range of social policy issues in such areas as industrial relations, education and training, safety and health, social welfare and the labour market:

- The National Tripartite Committee on Social Consent
- The National Occupational Safety and Health Committee
- The National Tripartite Consultative Committee on Promotion of ILO standards
- The National Council on Vocational and technical training
- The National Committee on Employment promotion

National Human Rights Commission: is established in 2001 with the mandate to promote and protect human rights, and monitor implementation of human rights and freedoms guaranteed by the Constitution of Mongolia, laws and international treaties of Mongolia. The NHRCM is a powerful partner for promoting right-based, systemic changes..

Child Development and Protection Lobby Group at Parliament: A group of the Parliament members set up a lobby group in 2005. Since its establishment, this group has been successful in expanding its collaborations with civil society organizations and research institutions in drafting new laws or amending older ones on children's issues. Although the 2008 Parliament election results brought some changes into its membership the core group of members remained, so this group can be still influential mechanism for policy and legislative changes.

¹¹⁸ ILO/IPEC project sites include: City of Ulaanbaatar, Nalaih district and Provinces of Tuv, Dornod, Dornogovi, Uvorkhangai and Bayankhongor)