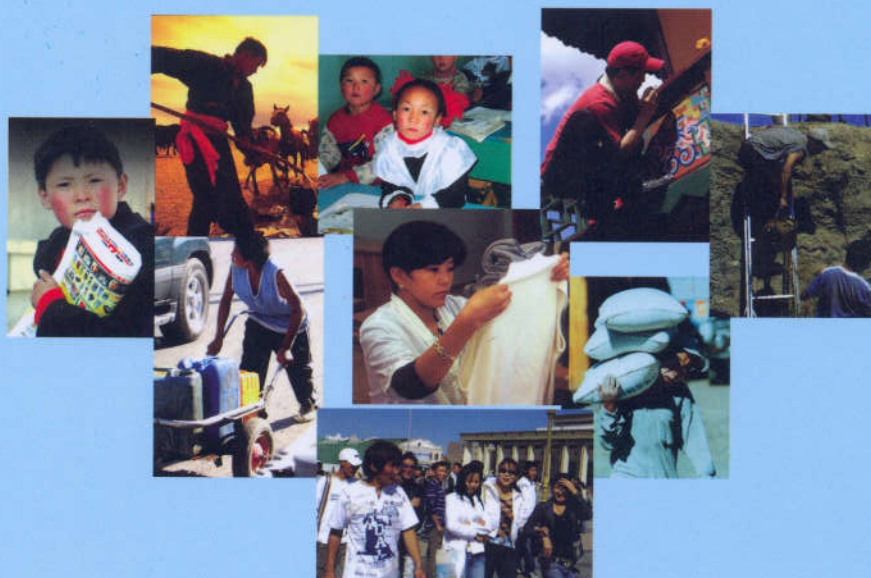




Understanding children's work and youth employment outcomes in Mongolia

Executive summary



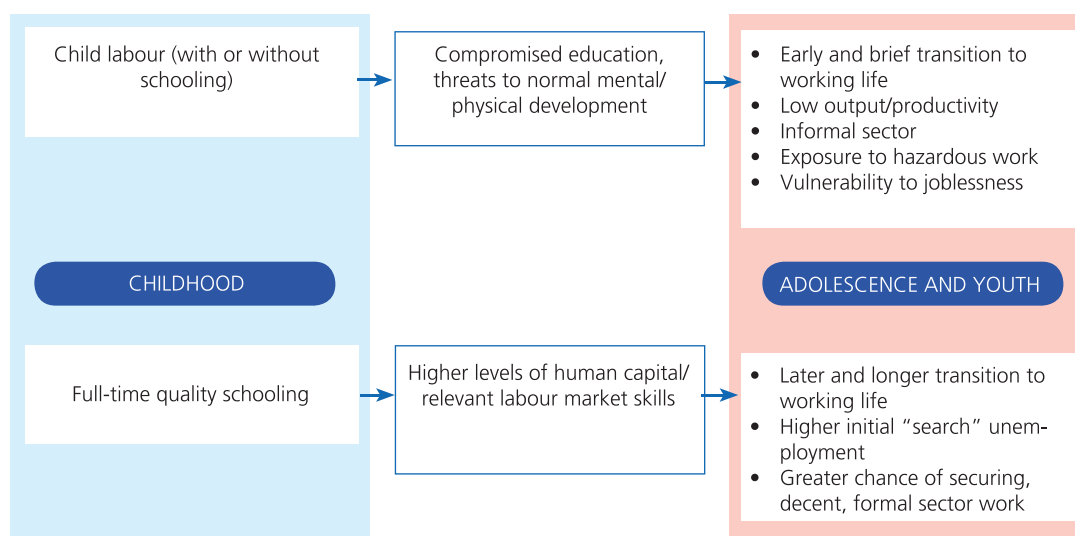
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1. Overcoming the twin challenges of child labour and youth unemployment will be critical to progress towards the Millennium Development Goals, as both can lead to social vulnerability and societal marginalisation, and both can permanently impair productive 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.

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

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.

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 preponderant 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 11 percent of 15- to 24-year-olds males and 14 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.

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

7.1 Policy options to eliminate child labour

199. 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.
200. 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.
201. 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.
202. 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 assessments¹ 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.
203. Achieving sustainable reductions in child labour also requires a supportive national political, legal and institutional environment.
204. 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.
205. 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

¹ See, for example, ILO/IPEC, Baseline Survey on Child Labour in the Informal Sector in Ulaanbaatar and Selected Aimag and Soum Centers of Mongolia. "IE Consulting" LLC, 2006.

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.

206. 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

207. 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.
208. 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.
209. **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).²
210. 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,³ 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.
211. The empirical results presented above indicate that Mongolian working children are less likely to

² 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.

³ 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.

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.

212. **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).
213. 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.⁴ 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 labour⁵. 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 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.
214. 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.
215. 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.
216. **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

⁴ 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.

⁵ The last condition related with child labour has been removed when the scheme became universal.

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.

217. 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.

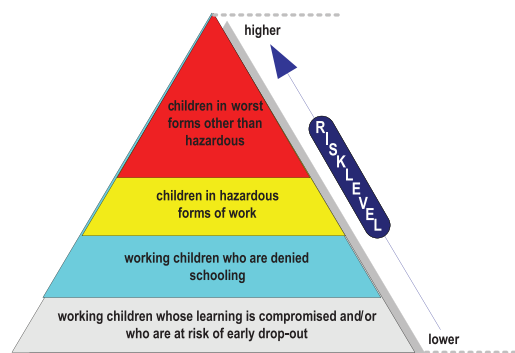
7.1.2 "Second chance" measures

218. "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.
219. 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

220. 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.⁶

Figure 1. Priority target groups for direct action measures



221. **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.
222. **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 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.
223. **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

⁶ 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).

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.

- 224. 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

- 225.** 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.
- 226. 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 evaluate 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.
- 227. 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.
- 228. 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. Institutions 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.

- 229. 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.
- 230. 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

- 231.** 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.”*⁷

232. 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.
233. Recent studies by the ILO⁸ on the labour market status of young people and the different types of transitions leading to work and the World Bank⁹ on building appropriate skills as a response to labour market 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.
234. 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 disadvantages¹⁰.

7.2.1 Improving job skills and employability

235. 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.
236. 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 Bank¹¹ 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.
237. 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

⁷ Decent Work Country Programme: Mongolia, 2006-2010, ILO.

⁸ School-to-work transitions in Mongolia, ILO Employment Sector Working Paper No.14, 2008

⁹ Mongolia Building the Skills for the New Economy, World Bank Human Development Unit East Asia and Pacific Region Report No.40118, 2007.

¹⁰ Improving prospects for young men and women in the world of work. A guide to youth employment, ILO, 2004

¹¹ Mongolia Building the Skills for the New Economy, World Bank Human Development Unit East Asia and Pacific Region Report No.40118, 2007.

and 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.¹²

238. 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.¹³ The vast majority (70 percent) of unemployed young people holding diplomas of vocational education are in long-term unemployment.
239. 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.
240. 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 developed¹⁴ 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.
241. 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 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.
242. 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

¹² Mongolia Building the Skills for the New Economy, World Bank Human Development Unit East Asia and Pacific Region Report No.40118, 2007.

¹³ School to work transitions in Mongolia, Francesco Pastore, International Labour Organisation Employment Sector Working Paper No.14, 2008

¹⁴ The Strategy Paper is being developed as part of the National Plan of Action for Decent Work.

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.

243. 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

244. 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.¹⁵
245. 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 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.
246. 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 Bank¹⁶ 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.
247. 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.
248. 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

¹⁵ Improving prospects for young men and women in the world of work. A guide to youth employment, ILO, 2004

¹⁶ *Mongolia Country Economic Memorandum*, World Bank, 2007, Washington DC.

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.¹⁷

249. 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 networks and virtual meeting places creating information and relationship platforms that are easy and inexpensive to access, always available and up-to-date.¹⁸
250. 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

251. 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.
252. 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.
253. 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.¹⁹ 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

¹⁷ 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.

¹⁸ Enterprise-based youth employment policies, strategies and programmes, Skills Working Paper 1, ILO, 2001.

¹⁹ ILO, *Resolution concerning decent work and the informal economy*, 2002.

protection guarantees for concerned workers.²⁰ 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.

254. 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.
255. 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.
256. 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.²¹ 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 employment²².
257. 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

258. 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.²³ The wage penalty related to informal networks suggests that the youth labour market is not matching efficiently labour demand and supply.
259. 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.
260. Helping young graduates in securing places in the labour market should be a particular priority.

²⁰ ILO, *Decent Work Country Programme Mongolia*, 2006-2010.

²¹ Decent Work and the Informal Economy, report presented to the International Labour Conference, 90th session 2002 Geneva.

²² 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.

²³ School to work transitions in Mongolia, Francesco Pastore, International Labour Organisation Employment Sector Working Paper No.14, 2008

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.

261. 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.
262. 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.
263. 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.

