



Youth Employment Policy Summary

MONGOLIA



International
Labour
Organization

Background Figures:

Total population: 3 million (2016)¹

Youth population (% total):
0.52 million (2014);
18.0%²

GDP (USD\$): 11.76 billion (2015)³

GDP growth: 2.3 per cent (2015)³

Urban-rural breakdown:
72.0/28.0 per cent (2015)⁴

Net migration rate (per 1000):
-1.1 (2010-2015)⁴

Employment by sector:
32.6 agriculture; 17.3 industry; 49.6 services (2011)⁵

% earning less than \$2/day:
N/A⁴

Source:

1. Worldometers
2. ILOSTAT;
3. World Bank
4. UNESCAP
5. KILM



Source: Infoplease.com

Labour Market Situation of Young People

Mongolia's growing economy has not directly translated into better employment opportunities for youth. With a youth unemployment rate more than twice as high as adults, youth face a difficult transition to employment as well as challenges in quality of employment. According to the Labour Force Survey of 2014 young people have an unemployment rate of 17.4 per cent. ([ILO STAT](#)). Along the gender dimension, young women are more likely to be unemployed than young men, at 9.7 and 8.8 per cent, respectively in 2013.

There is a significant urban-rural divide and the 36 per cent of youth living in rural areas face challenges related to employment quality: receiving lower wages, working in the informal economy and being under-educated. Many work as herders, taking care of livestock including horses, camels, cattle, sheep and goats.

On the other hand, urban youth are more than twice as likely to be unemployed. Of the unemployed youth, over half have been unemployed for over one year (56 per cent) and for one third their unemployment spell surpasses three years ([ILO, 2013](#)). In terms of education, net enrolment in secondary education and tertiary education has continually increased since 2000, including a doubling in the tertiary enrolment rate from 30.2 per cent in 2000 to 61.1 per cent in 2012 ([UNESCAP](#)).

Young people with higher levels of education are more likely to find better quality employment. However, they also face a higher likelihood of unemployment thus suggesting a skills mismatch ([ILO 2013](#)). Improving the match between labour supply and demand, particularly in vocational education, has been one of the priorities of the Mongolian Government.

Table 1: Youth Employment Indicators

Indicator	%
Labour Force Participation Rate, ages 25+ (2013) ¹	70.4
Youth Labour Force Participation Rate, ages 15-24 (2013) ¹	34.0
Youth Unemployment Rate (2014) ¹	17.4
Youth Unemployment Rate in East Asia Subregion (2016) ²	10.7
Enrolment in secondary education (2013) ³	92.4
Enrolment in tertiary education (2012) ⁴	26.7

Source: 1. ILOSTAT; 2. ILO 2016, WESO; 3. World Bank; 4. UNESCAP

Youth Employment Policy Approach

Mongolia has been one of the first countries to set in place a Sustainable Development plan to fulfil its commitments to the UN Sustainable Development Vision goals, which was passed by Parliament in early 2016 and among its aims are to reduce poverty, improve educational access and reduce inequality. It will build on the progress made in reaching its Millennium Development Goals.

The intention of the Government of Mongolia is to transition to a knowledge-based economy by 2021. For its young population, it seeks to decrease the unemployment rate, provide quality education and create the necessary conditions by which youth can be part of a skilled labour force, satisfying the needs of the labour market and business. These goals are implemented through various interventions covering enterprise development, education and training, labour demand and labour market policies.

Through its various policy and legal provisions, Mongolia also targets different sub-sets of the youth population, particularly those most vulnerable. This includes, for example, young herders, drop-outs, youth leaving orphanages once having reached employment age (16), and youth in overseas employment. Youth are considered as those between the ages of 15-34 (youthpolicy.org).

Policy and Legal Measures

Enterprise Development: Mongolia has several measures promoting start-ups for youth. The [Law on Employment Promotion](#) establishes a **one-off grant** of 1 million tugrug for those in difficulty in finding employment, including youth leaving orphanages, if they start a business. Its [National Programme on Promotion of Youth Development](#) mentions providing basic **training in business**, management, marketing, legal and financial skills for youth and increasing the awareness of youth about business incubation services. It also targets unemployed youth and young workers in the informal sector to start **cooperatives**.

Education and Training: Improving the TVET system and encouraging youth to undergo vocational training is a priority in Mongolia. Secondary school graduates are increasingly encouraged to enrol in vocational education upon school completion. In addition, foreign-invested vocational training centres are seen as a way forward because of the incorporation of progressive training methodologies ([National Development Strategy](#)). Enhanced coordination between employers, job-seekers and vocational organisations is a priority to better meet the needs of the labour market. Measures will be undertaken so that there are direction connections between the different training centres and employers. Admissions to vocational training will be according to the contracts or orders placed by potential employers ([Action Programme](#) and [Law on VET](#)).

The improvement of **non-formal training** is seen as a way ahead for young herders, school drop-outs and the illiterate, as is the improvement of distance training ([Programme for the Promotion of Youth Development](#)). The [State Policy](#)

Documents containing youth employment policy provisions:

- Mongolia's Sustainable Development Vision to 2030, passed 2016
- State Employment policy, 2016
- Millennium Development Goals-based Comprehensive National Development Strategy of Mongolia 2007-2021
- Action Programme of the Government of Mongolia 2012-2016
- National Programme on Promotion of Youth Development 2007 – 2015
- Labour Law 1999
- Law of Mongolia on Employment Promotion 2011
- Law of Mongolia on Vocational Education and Training 2009
- National Wage Policy 2012-2021
- State Policy on Herders and Action Plan 2009-2020

For more information on the policy documents and their provisions, please visit the [YouthPOL webpage](#).

[on Herders](#) aims to provide vocational, short-term and informal training for **young herders** and also to create a distance-learning programme, to be implemented through the engagement of media organisations.

In terms of **career guidance**, this is targeted at upper secondary school students ([Law on Employment Promotion](#)) and supporting students in vocational training is done by providing them with a **stipend** ([Action Programme](#)). Regarding work experience and training, **apprentices** can be

recruited for a maximum of six months by an employer. Prioritising **voluntary work** is encouraged as a method of youth gaining work experience in the [Programme on Promotion of Youth Development](#), and once the young person is employed, employers are encouraged to provide further training to those with vocational education.

Did you know?

Mongolia has ratified 20 ILO Conventions, including 8 Fundamental and 2 Priority Conventions:

Fundamental Conventions:

- Forced Labour Convention (No. 29)
- Freedom of Association and Right to Protection of the Right to Organise Convention (No. 87)
- Right to Organise and Collective Bargaining Convention (No. 98)
- Equal Remuneration Convention (No. 100)
- Abolition of Forced Labour Convention (No. 105)
- Discrimination (Employment and Occupation) (No. 111)
- Minimum Age Convention (No. 138)
- Worst Forms of Child Labour Convention (No. 182)

Priority Conventions:

- Employment Policy Convention (No. 122)
- Tripartite Consultation Convention (No. 144).

Regarding training standards and certification, the [Law on VET](#) mentions the development of a **National Qualifications Framework** and its development will rely on the guidance and recommendations of the National Council for Vocational Education and Training, a body also in charge of occupational standards and classifying occupations and professions.

Labour Demand: The [Law on Employment Promotion](#) targets those young people who have left an orphanage at the age of sixteen (the employment age). Employers are provided with a full **wage subsidy** for the duration of one year as long as they provide the young person with on-the-job training and employ them for at least one year. The **training cost** is also reimbursed to the employer, in addition to the full wage subsidy, if the young person is employed for at least one year.

Labour Law and Legislation: The **minimum age for employment** is 16, according to the [Labour Law](#). Working at 15 is also allowed, provided there is parental/guardian consent. Exceptionally, a young person who would like to acquire vocational training or work experience can enter into an employment relationship as of the age of 14, with parental/guardian consent and approval of the state administrative body in charge of labour. A minor must undergo a medical examination before taking up employment, and until they reach 18 must be examined every 6 months.

The [Labour Law](#) provides the parameters for **occupational safety and health measures**. There is a list of jobs prohibited for minors (those under 18), which includes working as miners, load carriers, horse breakers, animal trainers and garbage scavengers. Their weight lifting or carrying limit is established by the Government. In addition, herders less than 18 cannot pasture small animals for distances greater than 1 kilometre during dangerous weather or natural disasters. Regarding working hours, those aged 14-15 cannot work more than 30 hours per week and those 16-17 cannot work more than 36 hours. They may not work overtime, on public holidays nor weekends. Annual leave for workers under the age of 18 is 20 days. Any transgression on the part of the employer entails a fine of 15,000 to 30,000 tugrugs.

Labour Market Policies: **Public Employment Services** (PES) are targeted in the [Programme for the Promotion of Youth Development](#) through the gathering of labour market information and establishment of an e-labour exchange that youth can have access to. In addition, PES are called to improve their job-matching and job-placement capacity for those youth or students who are in temporary, contract or home-based work. Finally, PES should provide training to youth in business, management and other relevant skills necessary to start a business.

Labour market training is provided for the unemployed, those with difficulty in finding a job (including those who left orphanages) and school drop-outs. Training includes vocational training and retraining, mobile and distance training and on-the-job training. A **meal and travel allowance**, financed by the Employment Promotion Fund, will be provided. In addition, these target groups receive employment preparation which includes training on communication skills, employment relations awareness raising and assistance on labour rules. There are also **public works** organised, for which the hourly pay cannot be less than the minimum wage ([Law on Employment Promotion](#)). One example of a public works project is the Millennium Road Project ([Programme for the Promotion of Youth Development](#)).

Regarding **social protection**, the [Programme for the Promotion of Youth Development](#) mentions extending health and social insurance coverage for all youth. This includes provision for unemployed youth as well as those youth in difficult conditions. The same *Programme* targets youth working abroad by seeking to ensure that they too have access to social security services and that their working conditions meet health and safety requirements. The [National Wage Policy](#) targets young workers through **wage fixing** which can encourage youth to improve their skills in a short period of time.

Structure of Governance and Main Actors

The main actors involved in matters related to youth employment include the Ministry of Education, Culture and Science, Ministry of Labour and Social Welfare and the employment administration. The **employment administration** is particularly responsible for the implementation of the *Law on Employment Promotion*, at the national, provincial, capital city and district levels. The **Ministry of Labour** was involved in the formulation of several policies and is also the lead implementing actor, including for the *Programme for the Promotion of Youth Development* which is implemented in three phases with an evaluation after each phase. The Ministry is also in charge of vocational education and training and labour inspection. The **Ministry of Education, Culture and Science** plays a key role in implementing the first phase of the *State Policy on Herders*, and the **Ministry for Population Development and Social Welfare** is responsible for youth affairs (youthpolicy.org).

References:

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- ILO, 2016. *World Employment Social Outlook: Trends for Youth 2016*.
- UNESCAP, 2014. Statistical Yearbook for Asia and the Pacific
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- YouthPolicy.org, 2014. "Mongolia Factsheet"



Source: www.remotelands.com