



International
Labour
Organization



The ILO in Mongolia

KEY FACTS AND FIGURES



Population

3.2 milion



GDP per capita

US\$ 3,779

GDP growth

5.1%

	Total	Male	Female
Economically active population	1,357.4	721.9	635.5
Labour force participation rate	61.1%	67.5%	55.2%
Unemployment rate	8.8%	9.6%	7.8%
Youth unemployment (15-24 years)	22.7%	19.8%	27.4%
Proportion of workforce in informal economy	220,683	131,269	89,414
Poverty Rate	29.6%	29.5%	30.3%

Source: National Statistics Office of Mongolia, 2017

RATIFIED CONVENTIONS

C.29	Forced Labour Convention, 1930
C.87	Freedom of Association and Protection of the Right to Organise Convention, 1948
C.88	Employment Service Convention, 1948
C.98	Right to Organise and Collective Bargaining Convention, 1949
C.100	Equal Remuneration Convention, 1951
C.103	Maternity Protection Convention (Revised), 1952
C.105	Abolition of Forced Labour Convention, 1957
C.111	Discrimination (Employment and Occupation) Convention, 1958
C.122	Employment Policy Convention, 1964
C.123	Minimum Age (Underground Work) Convention, 1965
C.135	Workers' Representatives Convention, 1971
C.138	Minimum Age Convention, 1973
C.144	Tripartite Consultation (International Labour Standards) Convention, 1976
C.155	Occupational Safety and Health Convention, 1981
C.159	Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983
C.176	Safety and Health in Mines Convention, 1995
C.181	Private Employment Agencies Convention, 1997
C.182	Worst Forms of Child Labour Convention, 1999
MLC, 2006	Maritime Labour Convention, 2006

Mongolia is a landlocked developing country located between Russia and China. It has a large land mass with a small population; the population density is only 2 people per square kilometer. Mongolia is a highly urbanized country. Two thirds of the population live in urban settlements, and almost half of the population live in Ulaanbaatar, the capital of Mongolia. Urbanization puts pressure on employment creation, particularly for youth and internal migrants, and fuels an informal economy marked by low wages, long hours and poor working conditions. Mongolia has a multi-party political system, where Parliament is elected in every four years. It has a strong civil society and free media that fulfills the role of watchdogs in Mongolian society.

Mongolia was a socialist country for about 70 years until the 1990s. Its transition from a centrally planned economy to a market economy was followed by strong economic growth. Mongolia's main economic activities are mining and livestock rearing, and the country is rich in mineral resources including coal and copper. Mongolia's GDP increased by about 8 per cent on average until 2012, where the highest peak reached 17.4 per cent. The growth was not sustainable; it was affected by the plummet of commodity prices in the world market, as well as a decline in direct foreign investment, limited diversification of the economy away from the mining sector and overreliance on exports of mostly mining raw materials. As a result, unemployment and poverty have increased; the latter reaching 29.6 per cent in 2016 from 22 per cent in 2014. Ninety per cent of business enterprises have up to nine employees and are mostly in the retail trade, services and agriculture sectors. High inflation (6.4 per cent) and high interest rates (24-36 per cent) prevent micro, small and medium enterprises from developing further and expanding their operations.

The Mongolian labour force can be characterized as no to low skilled. Youth unemployment is twice the national unemployment rate, and it is alarming that increasingly young men and women, particularly in urban settlements in rural areas, are neither employed nor in education and training. Unemployment among college and university graduates, as well as TVET graduates, is high, comprising almost 65 per cent of the total unemployed,¹ whereas male graduates of TVET and women graduates of college and universities experience the most difficult time of finding a job.

Mongolia has harsh winters and dry summers. It is one of the countries that is heavily affected by climate change, and as a result, environmental problems such as desertification, inadequate water supply and air and water pollution have become a sad reality. Climate change mitigation, adaptation and resilience are the answers to these problems, and green jobs and decent work should be promoted along this line.

¹ LFS Report 2017, p.62

THE ILO - WHO WE ARE

The International Labour Organization (ILO) is the United Nations agency for the world of work. Devoted to advancing social justice, it promotes a Decent Work Agenda based on four strategic pillars: rights at work, decent employment opportunities, social protection and social dialogue.

It is the only public international organisation which is tripartite, where workers and employers enjoy equal rights with governments in representation and decision making. Together they set labour standards, develop policies and devise programmes upholding decent and productive work, in conditions of freedom, equity, security and dignity for all.

Created in 1919 as part of the Treaty of Versailles that ended World War I, the ILO became the first specialized agency of the UN in 1946. It received the Nobel Peace Prize in 1969 and today is recognized as the world's authority on the world of work, offering over 100 years of knowledge, experience and achievements.

THE ILO IN MONGOLIA

The ILO in Mongolia and areas of work

On 24 May 1968, Mongolia became a member State of the International Labour Organization. Mongolia is covered by the ILO Country Office for China and Mongolia and receives technical support from the Decent Work Team for East and South-East Asia and the Pacific.

The ILO's support to Mongolia during the socialist regime (from 1968 until early 1990s) mostly focused on the protection of workers' rights and the skills development of the Mongolian labour force. At that time, Mongolia's main economic activities were industrial processing of hides, meat, dairy, wool and cashmere. The ILO has supported a dozen technical and vocational education and training schools by sending foreign teachers and instructors to work at technical and vocational schools in Mongolia. Since the early 1990s or the time of political transition to a democratic society with a market economy, the ILO's support has focused on promoting social dialogue and developing a tripartite mechanism in the country, reforming legislative frameworks of labour and employment, and social protection. As a result, a well-functioning tripartite mechanism exists at the national level, among other sectors and administrative levels.

By implementing the first Decent Work Country Programme (DWCP) 2006–2010, and with the support of the Global Jobs Pact from 2011, the ILO has facilitated in-depth conversations between its tripartite partners on improving and expanding decent, productive employment, improving livelihoods of the most vulnerable members of society and increasing social protection. ILO's support in the country is well captured in UNDAF Mongolia for 2017–2021 in all three areas of promoting inclusive growth, enhancing social protection and accountability. This will contribute towards Mongolia achieving the SDGs, particularly Goal 8: Inclusive Growth and Decent Work.

The ILO's support in Mongolia is strongly guided by the SDGs and the Sustainable Development Vision of Mongolia, and the Government Action Plans, as well as the National Tripartite Agreement on Labour and Social Consensus that are established every two years defining the social and economic orientations with direct implications for labour and employment issues in Mongolia.

The ILO provides technical assistance and financial support to Mongolia in various fields with an aim to promote decent work for all. The areas of works include:

- Supporting the development of labour market governance, including the revision of labour laws and other legislation, and the realization of fundamental principles and rights at work particularly with respect to the elimination of worst forms of child labour and forced labour and the promotion of non-discrimination and equality of treatment, freedoms of association and collective bargaining;
- Promoting the ratification of ILO Conventions and strengthening capacity to effectively apply international labour standards;
- Capacity building of labour market institutions to participate in social dialogue, including the Confederation of Mongolian Trade Unions (CMTU) and the Mongolian Employers' Federation (MONEF);
- Strengthening labour inspection through organizing training for labour inspectors and providing technical assistance for law enforcement agencies;
- Aligning national labour statistics with international labour statistics norms;
- Promoting green jobs, namely decent jobs that contribute to preserve or restore the environment;
- Promoting the livelihoods of people with disabilities through enhancing their skills and employability, as well as improving the legal framework for the promotion of employment of people with disabilities;
- Providing technical expertise on wage policy and wage setting;

- Building and improving existing systems of social protection, income security and employment services for unemployed and underemployed workers; and
- Assisting monitoring of implementation of Sustainable Development Goals (SDGs) in Mongolia.

National partners

Ministry of Labour and Social Protection

The Ministry of Labour and Social Protection (MLSP) was established in 2016 by merging the Ministry of Labour and Ministry of Population Development and Social Protection. The MLSP is one of the thirteen ministries of the Government of Mongolia responsible for defining and implementing state policy on labour, employment and social protection including employment promotion, labour relations, vocational education and training, social insurance, social welfare, and labour migration. The Minister for Labour and Social Protection leads the national tripartite mechanism and social dialogue to promote decent work and ensure international labour standards in the country.

The following organizations work under the Ministry of Labour and Social Protection:

- Labour and Social Welfare General Agency
- Social Insurance General Office
- Labour and Social Protection Research Institute
- Family, Child and Youth Development Agency
- General Agency for Development of Persons with Disabilities

The MLSP is responsible for management of the Employment Promotion Fund and the Vocational Education and Training Support Fund, through which it supports creation of decent employment through skills development and training and support to micro, small and medium enterprises.

Mongolian Employers' Federation

The Mongolian Employers' Federation (MONEF) is an independent, non-government and self-financing organization. It was established in 1990 with 35 voluntarily affiliated private company owners, with the objective to support employers' interests and promote private sector development.

Today, MONEF is a nationwide organization comprising of 21 regional employers' associations, 45 professional associations and 12 sector associations. It is present in 60 *soums*² and districts and represents collectively some 8,500 businesses in the manufacturing, construction, transportation, banking, insurance and service sectors. MONEF provides its members and member-organizations with relevant information and consultancy services on a variety of business-related issues, such as training on entrepreneurship, occupational safety and health management systems and human resource development. MONEF has an important role in national tripartite dialogue. MONEF is a member of the International Organization of Employers (IOE).

Confederation of Mongolian Trade Unions

The Confederation of Mongolian Trade Unions (CMTU) was founded in 1927 as the Central Council of Mongolian Trade Unions. The CMTU today has 36 union members – 22 territorial unions in *aimags* (provinces) and Ulaanbaatar city and 14 professional unions – with approximately 230,000 members. The CMTU mission is to protect workers' rights and interests through its active participation in national tripartite dialogue and negotiation of tripartite agreements. In the past few years, the CMTU has taken a leading role in setting up the dispute settlement mechanism and public-sector wage fixing. It offers legal advisory services to its members and their citizens.

CMTU is a member of the International Trade Union Confederation (ITUC).

2 A smaller administrative unit in rural Mongolia

Decent work: a key to achieving the Sustainable Development Goals



“Decent work is not just a goal – it is a driver of sustainable development”

Guy Ryder, ILO Director General

By embracing the three dimensions of sustainability – economic, social and environmental, the 2030 Agenda for Sustainable Development provides a once-in-a-generation chance to make a change and improve the lives of billions, leaving no one behind.

At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while working to preserve our planet.

The importance of decent work in achieving sustainable development is highlighted by Goal 8 which aims to “promote inclusive and sustainable economic growth, full and productive employment and decent work for all”.

Putting decent work at the heart of economic policy-making and development plans will not only generate jobs but also lead to more robust, inclusive and poverty-reducing growth. It is a virtuous circle that is as good for the economy as it is for people, and one that drives sustainable development.

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