



Mongolia

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(This country profile can be found online at www.unisa.edu.au/genderbudgets)

1 Background

Mongolia is a landlocked country bordered by the Russian Federation and the People's Republic of China. It has a population of 2.7 million (see table), 54.7% of which reside in urban areas, and one of the lowest population densities in the world (1.5 people per square kilometre). Mongolia also has a very young population with 75% being under 35 years of age (Mongolia Government 1999: 1; Burn and Oidov 2001). Mongolia has more than 20 ethnic groups and the official language is Mongolian (The National CEDAW Watch Network Center 2001).

Socio-economic indicators	
Population in 2008	2.7million
Projected population change 2008–50	45%
GDP per capita (PPP \$US) 2005	\$2,107
Proportion (percent) of population below the Poverty Line (\$1 PPP a day) 2002	11%
Human Development Index 2005	0.700
Human Development Index rank 2005	114th in 177
Gender equality indicators	
Seats in parliament held by women (% of total) 2007	6.6%
Maternal mortality ratio (per 100,000 live births) 2005	46
Adult literacy rate, females (aged 15 and older) 2005	97.5%
Adult literacy rate, males (aged 15 and older) 2005	98%
Gross secondary enrolment: Ratio of female rate to male rate, 2005	1.13
Gross secondary enrolment: Female ratio (% of the female secondary school aged pop.), 2005	98%
Share of women in wage employment in the non-agricultural sector (% of total employment in the sector) 2007	5.1%
Budgetary indicators	
General Government public expenditure on education (% of GDP) 2002–05	5.3%
General Government public expenditure on education (% of total expenditure) 2002-05	Not available
General Government public expenditure on health (% of GDP) 2004	4%
General Government public expenditure on health (% of total government expenditure) 2005	11%
Central Government military expenditure (% of GDP) 2005	1.6%
Central Government public expenditure on defence (% of total outlays) 2007	Not available
Open Budget Index: Overall Score	Not available

Sources: UNDP (2007) *Human Development Report 2007/08*; Population Reference Bureau, (2008) *World Population Data Sheet*. World Economic Forum (2007) *The Global Gender Gap Report*; UN Statistics Division (2008); United Nations Population Division (2008) *World Population Prospects*; UNESCAP (2008) *Statistical Yearbook for Asia and the Pacific*; IMF (2007) *Government Finance Statistics*; Open Budget Initiative (2008) (See Explanatory Notes for details).

In 1921 Mongolia became the first country to declare itself socialist in Asia, after the Soviet Union. The collapse of the Soviet Union, in early 1990s, 'brought about the abrupt collapse of the system that underpinned Mongolia's social and economic infrastructure and activities. Russian aid was curtailed along with concessional supplies of petroleum and other raw materials' (Burn and Oidov 2001: 8). Mongolia shifted from a centrally planned economy to a market oriented one and from a one party rule to a multiparty parliamentary democracy system (Burn and Oidov 2001).

2 Mongolia

Since 1992 government has been shared between two main political parties, the Mongolian People's Revolutionary Party (MPRP), that emerged from Communist single-party government, and the Democratic Party (DP) that evolved from the 1990s democracy movement. The 2008 elections were surrounded by violence and instability fuelled by allegations of fraud. As a solution for political stability, the MPRP offered to share power with the DP in a coalition under the leadership of Prime-Minister Sanjaa Bayar. In 2009 the DP candidate, Tsakhia Elbegdorj, defeated the incumbent MPRP candidate President Nambaryn Enkhbayar and was sworn in as President in 18 June 2009 (Australian Department of Foreign Affairs and Trade 2009).

Mongolia has been described by the World Bank (2002: ii) as 'one of the "rapid reformers" in transition economies' as it liberalized prices, reduced trade protections and implemented tight fiscal and monetary policy in 1992-1993. By 1995 the share of the public sector was 31.5% of GDP down from more than 50% of GDP recorded in 1993. The national economy is based on agriculture, primarily herding, representing 40% of national employment (DFAT 2009). In 2007 Mongolia's GDP growth was 10.2% – and GDP per capita (2005) was US\$2,107 (see table). Economic growth has been driven by the agricultural and service sectors with the mining sector attracting significant investment (World Bank date unspecified b). In 2009 GDP growth dropped to -1.9% reflecting the impact of the global financial crisis. However, growth improved significantly in 2010 (World Bank 2010).

Mongolia, a medium human development country, ranks 114/177 on the Human Development Index (see table). The UNDP (2007) observed that income inequality is rising and now 11% of the population lives on less than a dollar a day (see table). In addition under-employment is on the rise, environmental degradation has been aggravated, basic services are difficult to access and psycho-social problems are increasing (UNDP 2007).

The National CEDAW Watch Network Center (2001), in its NGO Shadow report, notes that during the socialist period improving social welfare, education, health care and women's situation were concerns of public policy. Erdenechimeg and Enkhtuvshin (2004: 6) argue that 'gender equity was one of the major achievements of the Soviet Union and the socialist regimes of Central Europe including Mongolia'. The current economic transition, on the other hand, has produced significant negative impacts in the living standards of the population in Mongolia (Erdenechimeg and Enkhtuvshin 2004).

Women's representation in the political arena has decreased from 23% in 1990 (Burn and Oidov 2001: 11) to 6.6% in 2007 (see table). Women's share of paid employment in the non-agricultural sector has declined and was 5.1% in 2007 (see table). The ratio of girls' to boys' gross secondary school enrolment ratio was 1.13 in 2005 and female and male adult literacy is high (see table). The 2007 national MDG Report notes that around half of the 24 context-specific MDG targets have been achieved or are on track. Lagging behind are gender specific targets such as gender equality in decision-making in the political arena and female/male ratio of students in tertiary education (UNDP 2008). Mongolia's gender-related development index (GDI) was 100/157 countries (UNDP 2008).

The increased engagement and prominence of gender issues in Mongolia is evidenced by the expansion of women's non-governmental organisations in the early 2000s. International non-governmental organisations – the Asia Foundation and the Soros Foundation – are reported to be playing an important role in supporting national civil society engaged in the democracy movement and in gender responsive decision-making (ADB and World Bank 2005: 62).

2 Gender responsive budgeting

Between 2002 and 2005 Mongolia engaged in gender responsive budgeting work, most of which has focused on training, awareness raising and research. Efforts to make the budget process more gender sensitive have been coordinated by the Ministry of Finance and Economy. International agencies such as the UNDP and UNIFEM have played a central role in gender responsive budgeting activities in Mongolia, linking GRB to planning and poverty. For example, the 'Capacity Building for Gender-Sensitive Budgeting' project was linked with the UNDP/SIDA Poverty Research and Employment Facilitation project. Its aim was to assist the Ministry of Finance which has the responsibility for developing tools for macroeconomic management and planning (UNDP 2005: 37).

Gender responsive budgeting emerged from the government's gender mainstreaming institutional and policy framework. The adoption of the 2003 - 2015 National Program for Gender Equality (Government Resolution No 274) was accompanied by the establishment of the National Council on Gender Equality, under the Vice Chairman of Cabinet Office. In 2005 a consultative body, the National Committee on Gender Equality, was established within the Prime Minister's office. It was mandated to elaborate and implement gender mainstreaming (Mongolia Government 2007: 9; ADB and WB 2005: 60; Mongolia Government 2007: 26). While significant progress was observed in the implementation of this Program it has been recognised that more needs to be done, including implementing 'gender responsive budgeting planning' (Mongolia Government 2007: 26). The CEDAW Committee (CEDAW 2008: 1) acknowledges that the National Program for Gender Equality has:

limited strength, visibility or human and financial resources to promote effectively the advancement of women and gender equality, and lacks the mandate to coordinate other line ministries' work with regard to the promotion of gender equality and gender mainstreaming in all public policies and programmes.

Erdenechimeg and Enkhtuvshin (2004: 5) observed that the lesson from the 'Mongolian experience is that in the process of economic transition, it is important to mainstream gender-sensitive policymaking into the overall strategy for economic transition and poverty reduction'.

In 2002 UNDP, the Ministry of Social Welfare and Labour and the Ministry of Finance and Economy held a two-week workshop on gender responsive budgeting for civil society, government, academia and international agencies. In this workshop UNIFEM provided technical assistance to the government through the training of local gender experts in gender budget analysis. Following this workshop the government 'expressed interest in receiving assistance to build its national capacity' in gender responsive budgeting (UNDP 2005: 10; UNIFEM 2003).

In the same year the UNDP, funded by the Japan Women in Development Fund in a partnership with the Ministry of Finance and Economy, implemented the 'Capacity Building for Gender-Sensitive Budgeting' project. This project aimed to strengthen technical capacities to implement gender responsive budgeting and mainstream gender across the government's fiscal decentralisation. Assistance was provided to key national policy-makers - namely the Ministry of Finance and Economy, the Ministry of Social Welfare and Labour and Parliament's Budgeting Standing Committee - to undertake budget analysis from a gender perspective. Specifically it supported a gender analysis of budget allocations in the employment and social services sectors. These assessments were used as models for policy planning and to assist in the development of tools and strengthening capacity-building materials (UNDP and Japan Women in Development Fund date unspecified; UNDP 2005: 37; ADB and World Bank 2005).

In addition, this project supported research on the gender-specific impact of donor assistance on employment, and social security and welfare (UNDP and Japan Women in Development Fund date unspecified; UNDP 2005). Local civil society organisations were engaged to apply the budget analysis from a gender perspective in those areas. In particular, in 2004, a local civil society organisation, the Mongolian Statistical Association, undertook research on public funded employment initiatives, namely the Employment Promotion Fund, from a gender and poverty perspective. In its analysis the research team used the tools of gender policy analysis, beneficiary assessment, and incidence and time use analyses. This research also drew on methodologies such as focus groups, public opinion and participatory processes (ILO date unspecified: 25). This research was used as a model for policy planning (ADB and WB 2005: 63).

The research findings were disseminated through training and capacity building activities and assisted in the formulation of initial action plans for the promotion of gender responsive budgeting in the government, civil society and donor agencies (UNDP 2005: 7). Efforts to improve civil society participation in the budget process have resulted in changes to the Mongolian Law on the Consolidated Budget and the Mongolian law on Public Sector Management and Finance (Erdenechimeg and Enkhtuvshin 2004: 46).

A training manual on gender responsive budgeting – *Engendering Economic Transition Gender-Sensitive Budgeting: Experiences from Mongolia and Implications for Transition Countries* – was also developed as part of the ‘Capacity Building for Gender-Sensitive Budgeting’ project (UNDP 2005: 10; Erdenechimeg and Enkhtuvshin 2004). This manual outlined a menu of responsibilities for donors, government and civil society in the implementation of gender responsive budgeting drawing on a national consultative meeting held in country (Erdenechimeg and Enkhtuvshin 2004). It was observed in the manual that the sustainability of gender responsive budgeting is ‘vulnerable to continued structural change, the liberalisation of economic parameters, privatisation of state responsibilities and the place these activities occupy on the national agenda’ (Erdenechimeg and Enkhtuvshin 2004: 28). Specific efforts to mainstream gender in the Ministry of Finance’s policies and programs faced significant challenges including: the lack of transparency in the policies and practices of the Ministry; the limited knowledge and experience within the team; the limited capacity within civil society to participate and the organisational culture within the Ministry (Erdenechimeg and Enkhtuvshin 2004).

In the context of this project, the National Council on Gender Equity, universities and civil society benefitted from support to their role in monitoring the budget including for its gender impacts. It also assisted in raising awareness on gender responsive budgeting concepts in the national and regional governments, academia and among civil society organisations (UNDP and Japan Women in Development Fund date unspecified; UNDP 2005: 37). Gender responsive budgeting in Mongolia has been introduced in a context of significant reforms to budget processes and financial management, which are an integral part of the government’s 2003 Economic Growth Support and Poverty Reduction Strategy (World Bank date unspecified a). This has not been a smooth process. For example, the World Bank in 2002 noted that Mongolia needed to expand its medium-term fiscal framework (MTFF) while acknowledging that its ‘financial; information management, governance, and budget execution systems are plagued by problems’ (World Bank 2002: viii). In 2004 the Ministry of Finance held a two-day capacity-building workshop on performance-based gender responsive budgeting, covering issues such as the role of gender analysis as an avenue for mainstreaming gender, gender sensitive data, and links between gender responsive budgeting and performance based budgeting. Participants included representatives of line ministries, academia, NGOs, donor organisations and media. This workshop informed a second phase of the ‘Capacity Building for Gender-Sensitive Budgeting’ project (UNDP and Japan Women in Development Fund date unspecified: 37), although further information is not available on this development.

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