



Development
Progress

Case Study Report

Education

FROM DECLINE TO RECOVERY

Post-primary education in Mongolia

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Contents

Acknowledgements	5
Abbreviations	5
Abstract	6
1. Introduction	7
1.1 Collapse, recovery and ongoing challenges	8
1.2 About this case-study report	9
2. What progress has been achieved?	10
2.1 Economic growth, poverty and population dynamics	10
2.2 Access and enrolment rates	11
2.3 Equity in access to post-primary education	14
3. What are the factors driving change?	17
3.1 Strong demand and high value placed on post-primary education	18
3.2 Expanded provision through investment by the Government of Mongolia in education	19
3.3 Policy reform and reaching the unreached	23
3.4 External support through development partners	25
4. What are the challenges?	27
4.1 Addressing poor learning outcomes	27
4.2 Improving school-to-work transitions	28
4.3 Economic growth trends and implications for public finance	30
5. What lessons can we learn?	31
References	34
Annex 1: Timeline	37

List of tables, figures and boxes

Tables

Table 1 Poverty and inequality in Mongolia, 1995-2011	11
Table 2 Public spending on education, total (% of GDP) in Central Asia	22

Figures

Figure 1 School life expectancy in years, primary to tertiary, Central Asia transition economies	12
Figure 2 Gross intake to last year of primary and primary-to-secondary transition rates (in %), 1995-2011	13
Figure 3 Rate of out-of-school primary age children (in %), 1995-2011	13
Figure 4 Mongolia's secondary gross enrolment ratio (in %), 1970-2011	14
Figure 5 Tertiary gross enrolment ratio (in %), 1980-2011, for Mongolia and Central Asian former Soviet Republics	14
Figure 6 Changes in secondary school attendance by quintiles (2005-2010)	15
Figure 7 Secondary school gender parity index (>1 implies more girls than boys)	15
Figure 8 Secondary school pupil-to-teacher ratios	20
Figure 9 Source of funding – higher education institutions in 2003, percentage of total expenditure	21
Figure 10 Evolution in total budget expenditure and education expenditure, 1989-2008 (trillion of local currency unit and share of total general government budget)	22

Boxes

Box 1: The role of post-primary education in development	8
Box 2: Technical and vocational education and training: gradual recovery?	16
Box 3: Incentives for greater demand in secondary education	19
Box 4: The increasing role of private-sector provision	23
Box 5: Tension between decentralisation and centralised approaches	24
Box 6: Continued marginalisation and inequity	29

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Abbreviations

ADB	Asian Development Bank	ODA	Official development assistance
DAC	Development Assistance Committee	PISA	Programme for International Student Assessment
EFA	Education For All	PSMFL	Public Sector Management and Finance Law
GER	Gross enrolment ratio	PTR	Pupil-to-teacher ratio
GDP	Gross domestic product	SEMP	Second Education Master Plan
GNI	Gross national income	TIMSS	Trends in International Mathematics and Science Study
HSES	Household Socio-Economic Survey	TVET	Technical and vocational education and training
IMF	International Monetary Fund	UIS	UNESCO Institute for Statistics
JICA	Japan International Cooperation Agency	UNDP	United Nations Development Programme
LSMS	Living Standards Measurement Survey	UNESCAP	United Nations Economic and Social Commission for Asia and Pacific
MDG	Millennium Development Goal	UNESCO	United Nations Educational, Scientific and Cultural Organization
MICS	Multiple Indicator Cluster Survey	UNESCO/IBE	United Nations Educational, Scientific and Cultural Organization/ International Bureau of Education
MPRP	Mongolian People's Revolutionary Party	USSR	Union of Soviet Socialist Republics
NFE	Non-formal education	WDI	World Development Indicators
NGO	Non-governmental organisation		
NSO	National Statistical Office		

Abstract

Since the mid-1990s, Mongolia has recovered from the most severe drop in post-primary education enrolment seen in any Central Asian transition economy, now achieving enrolment rates that rival its neighbours and even those of some OECD countries. Since 1994, school life expectancy has nearly doubled, with new starters in 2010 expected to complete more than 14 years of education. In addition, significant gains in equity have been made, with access gaps between urban and rural, rich and poor, and girls and boys all having narrowed since the transition period.

This case study explores how Mongolia rebuilt its education system, focusing particularly on the substantial progress in extending higher levels of schooling. Four key factors are seen to have driven improvements in post-primary education: the high societal value placed on education and qualifications; major investment by the Government of Mongolia in education; governance reforms in the sector; and, finally, external support from development partners.

Challenges of course remain. The principal one is that progress on education quality has failed to match the progress made on enrolment – a major stumbling block for students making the transition from school to work. Even so, Mongolia's progress on extending secondary and tertiary education can provide important lessons to other countries facing similar pressures of economic shock, demographic transition and rural-to-urban migration.

1. Introduction



A Mongolian classroom. Photo: © Kate Borkowski

‘There were times when the school did not have any cash. Not because of misuse and abuse of funds; just there was no cash inflow from Government [...]. The school would pay teacher salaries in whatever commodity they were able to find – meat, even flour donated [or] obtained through barter’ – Education activist

In an increasingly globalised economy, national prosperity depends on equitable access to post-primary education that equips citizens with the skills and capacities they need to play their part in economic growth and productivity. Beyond the recognition that access to basic education is a human right, the knowledge and skills acquired in post-primary education play a central role in enabling more informed and effective civic engagement and in preparing young people for the world of work and employment. By extension, post-primary education can help young people and their families to escape from poverty. This is particularly relevant in a time of increasingly complex skills demands, with a widely perceived mismatch between labour-market demands and the skills young people actually possess. What’s more, the large gains made in primary education

access and completion, driven in part by the focus on Millennium Development Goal (MDG) 2 (universal primary completion) and MDG 3 (gender parity) have resulted in substantial demands on secondary schools as they deal with an unprecedented influx. Indeed, moving towards universal secondary education is becoming central to debates about a post-2015 framework to follow on from the MDGs.

Mongolia provides an important example of how progress in extending access to higher levels of education can be achieved. Despite the near collapse of the country’s education sector following the break-up of the Soviet Union, its post-primary enrolment rates surpass those found in most other Central Asian transition economies and many wealthier countries.

Box 1: The role of post-primary education in development

Post-primary education encompasses secondary and tertiary education, formal and non-formal skills training, and technical and vocational education and training. It aims to equip young people with ‘advanced knowledge, skills and competencies, enabling them to succeed in the world of work, provide security to their families, participate effectively in social and economic development, live a healthy life and become critical and proactive citizens’ (ADEA, 2008, p.21).

Post-primary education has many benefits. It is vital to ensuring that young people are able to participate in the labour force and the broader economy. It can facilitate greater political and social engagement. And it can lead to improved health, greater material well-being and, in turn, progress towards the MDGs.

In many developing countries over the past years much of the focus, especially by donors, has been on universalising primary education. Greater focus on post-primary education is increasingly a priority for a number of reasons. In light of growing youth populations, in the Arab States, South and West Asia and sub-Saharan Africa in particular, the 2012 EFA Global Monitoring Report estimates the need for an additional 57 million jobs by 2020 just to prevent further rises in unemployment. However, ensuring that young people have the skills to fill these jobs is central: without these skills, they will remain unemployable or trapped in subsistence work (UNESCO, 2012).

The relative neglect of this area in policy planning has been acknowledged in the recent High-Level Panel report on the Post-2015 Development Agenda, which recognises explicitly the need for the post-2015 agenda to go ‘well beyond the MDG’s focus on primary education’ (p. 11).

This case study report aims to explore the story behind Mongolia’s impressive education recovery – including near-universal access to post-primary education and enrolment rates in higher education that have almost tripled – by examining two key questions.

- What has enabled the expansion of enrolment in secondary and higher education in Mongolia, and how has this been financed?
- How have other aspects of education evolved: quality, equity and relevance, as well as students’ transitions from school to work?

It is hoped that Mongolia’s experience may be of relevance to other countries that are building on their progress on access to primary education to expand access at higher levels. The country’s recovery from social and economic collapse in the early 1990s also holds lessons for countries contending with similar shocks and crises, as well as those that aim to make post-primary education more accessible and equitable in the face of long-term challenges, such as low population density and a harsh climate.

1.1 Collapse, recovery and ongoing challenges

Mongolia was a Soviet satellite state for more than 50 years, benefiting from subsidies from the USSR that supported, among other things, free education for every child from primary school right through to tertiary education. As the Soviet Union collapsed, so too did the economies and social service sectors of its former satellites, including Mongolia. The resulting economic shockwave led to plummeting educational opportunities in the early 1990s, with access to and demand for secondary and tertiary education, in particular, undermined. Estimates

suggest that public spending on education as a share of GDP almost halved in the space of just two years – 1990 to 1992 (Wu, 1994).

Yet, 20 years after this upheaval, post-primary enrolment rates in Mongolia have recovered, and now surpass those in most other Central Asian transition economies. More children have access to post-primary education, and education is more equitable across all income, geographic, gender and ethnic groups. Despite the gains made in post-primary enrolment, however, major questions remain about the quality and relevance of education in Mongolia, and its recovery has not been a simple or unambiguous process.

For one, independent assessments and informant interviews carried out for this case study suggest that learning outcomes are improving only slowly, if at all. In addition, the broad gains of recent years mask the fact that certain groups of young Mongolians remain marginalised from education. Linked to this, school-to-work transitions often remain plagued by extended periods of unemployment and underemployment for those trying to gain a foothold in the labour market. The country’s dependence on mineral exports leaves it vulnerable to commodity price shocks that could undermine future tax revenues and, in turn, jeopardise financing for public education.

With Mongolia becoming increasingly industrialised, and given its reliance on mineral exports, a well-educated and skilled workforce is essential for continued progress. In addition, as families move away from the traditional nomadic way of life that was once common in Mongolia, they see higher-education qualifications as the best way to secure a prosperous future – an aspiration shared by families the world over, and particularly in countries undergoing similar transitions.

1.2 About this case-study report

This case study report examines Mongolia's remarkable education recovery in more detail to shine a light on what has worked: the major factors that have driven the expansion in post-primary enrolment rates in Mongolia over the past two decades. The report sets out four key drivers that explain improved access: high demand for post-primary education; greater government investment in education and expanded provision; policy reform both in sector governance and spatial inequality; and external support from development partners.

The research team comprised researchers based in the UK and Mongolia, who analysed available primary and secondary data and literature. In addition, between October 2012 and January 2013, the team conducted over 25 semi-structured informant interviews with independent experts and academics specialising in education policy and financing in Mongolia and Central Asia, donors active in

the sector and representatives of local and international NGOs, as well as school principals in the Mongolian capital, Ulaanbaatar, and in rural areas. It was not possible to speak extensively with current officials in the Mongolian Ministry of Education and Science, although former ministry officials were willing to speak at length.

The report is organised as follows. This first section introduces the report, with Section 2 describing the main changes in post-primary education outcomes since 1990, focusing on trends in enrolment, as well as a discussion of changes in the broader economic and social development context. Section 3 analyses, in turn, the factors that have made the greatest contribution to Mongolia's progress on post-primary enrolment. Section 4 looks at the remaining challenges. Section 5 provides some conclusions and sets out policy lessons that can be drawn from Mongolia's experience over the past two decades.

2. What progress has been achieved?



Young girl studying in Murun county, Mongolia. Photo: © Khasar Sandag for the World Bank

This section first situates key aspects of Mongolia's educational recovery within the country's broader economic and social development context. This section then looks at:

- progress on school access and enrolment rates, including the number of years children spend in school, primary completion, and enrolment in secondary and higher education
- progress on equity in education to reach those who have been left behind in the past because of their poverty, geographic location, gender or ethnicity.

2.1 Economic growth, poverty and population dynamics

The collapse of the Soviet Union in 1991 meant that the support Mongolia had been receiving from the USSR evaporated almost overnight. The country's output and GDP plummeted and income per capita dropped by 25% between 1990 and 1993.¹ This had a fairly immediate and negative impact on the education sector, with reduced resources channelled to the sector and fewer incentives for individuals to pursue additional education, as returns from education were smaller. As a result, there was a rise in drop-out rates.

Since the mid-2000s, however, the Mongolian economy has achieved outstanding growth rates. With the exception of a short dip at the peak of the global economic crisis in 2009,

1 In response, the country opted for 'shock therapy' in autumn 1991, as recommended by the IMF and the World Bank. Mongolia privatised its state-owned enterprises and liberalised prices, banking and financial markets simultaneously (IMF, 1996). Whether these policies helped or hindered economic recovery is open for debate, but the Mongolian economy did suffer less, in economic terms, than the economies of other Central Asian transition countries in the first half of the 1990s.

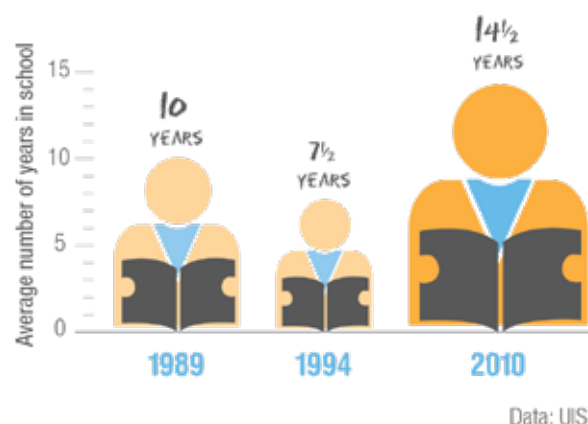
‘One of the wonders of Mongolia is that [...] they have-established nomadic schools and, as 30% to 40% still live in nomadic conditions, they are able to educate almost everyone’ - Education consultant

Mongolia’s average annual growth rate has been above 7% – reaching 17% in 2011 – a trend that is projected to continue (IMF, 2012). Aided by higher government spending and private consumption (see UNESCAP, 2012), the economic recovery over the past decade has also been fuelled by a boom in mining exploration (most notably for copper, uranium, iron and gold), with copper and gold now thought to contribute more than two-thirds of the country’s GDP (World Bank, 2010) and accounting for 90% of total exports in 2011 (UNESCAP, 2012).

Sustained growth has coincided with higher average incomes in Mongolia, though whether poverty has actually declined in recent years is less clear. The national poverty rate, at roughly 30% of the total population, is now significantly below the average for middle-income countries, which stands at 39% of the total population (see Table 1). These numbers suggest that the country’s recent growth performance has been – to some extent – pro-poor. However, income inequality appears to have increased in recent years, if judged by the most recent estimate of the Gini coefficient – the 2008 Household Socio-Economic Survey (HSES).

Mongolia’s population has increased in recent years, although at a slower pace since the 1980s, with the largest single cohort of children born in the years leading up to the 1989 census. Fertility rates have also slowed. Having peaked at more than seven children for each woman in the 1970s, fertility rates stabilised at around two children for the years 2005 to 2010, according to UN estimates. The legacy of once high fertility rates and a rapid increase in life expectancy has left Mongolia with a very young population: according to the 2010 census, over 55% of Mongolia’s people are under 30 years of age, and the vast majority of these – around 27.6% of the population – are under 14.²

Increased number of years in school



As a result, Mongolia could benefit from a ‘demographic dividend’ – a large share of men and women of working age – with those aged 20 to 24 representing the single largest cohort according to the 2010 census. However, this is the generation that was hit first and hardest by the economic crisis during the early 1990s in terms of both access to and quality of education.

2.2 Access and enrolment rates

2.2.1 School life expectancy

The average number of years a child spends in school – known as school life expectancy – has almost doubled in Mongolia in the past two decades.³ This follows a steep drop in the early 1990s, when school life expectancy fell from over 10 years in 1989 to just 7.7 years in 1994. By 2010, school life expectancy had made up the lost ground

Table 1 Poverty and inequality in Mongolia, 1995-2011

	1995 LSMS	1998 LSMS	2002 LSMS	2008 HSES	2009 HSES	2010 HSES	2011 HSES
Poverty rate (percentage of population living below the national poverty line)	36.3	35.6	35.6	35.2	38.7	29.2	29.8
Inequality, as measured by the Gini coefficient	33.2	30.3	32.8	36.5			

Source: WDI, based on the Living Standards Measurement Survey (LSMS) and HSES data from the National Statistical Office).

- The share of the population aged under 14 has been declining steadily in recent decades, from 43.6% in 1980 to 40.5% in 1990 and 35.2% in 2000. According to the World Development Indicators, this share is now only marginally higher than the average for a middle-income country (26.9%).
- School life expectancy aims to show the overall level of development of an educational system in terms of the average number of years of schooling that the system offers the eligible population. According to the UNESCO Institute of Statistics, ‘it is calculated as the sum of the age specific enrolment rates for the levels of education specified. The part of the enrolment that is not distributed by age is divided by the school-age population for the level of education they are enrolled in, and multiplied by the duration of that level of education. The result is then added to the sum of the age-specific enrolment rates’ (UIS 2009, p. 7). <http://www.uis.unesco.org/Library/Documents/eiguide09-en.pdf>

– and more – to reach an average of 14.3 years. This has been one of the largest improvements recorded for any developing country in the past 20 years, based on internal project analysis.

Having seen the most rapid fall in school life expectancy among Central Asian transition economies, Mongolia's recovery signified the greatest improvement, climbing from worst performer in the early 1990s to almost catch up with the region's top-performer, Kazakhstan (Figure 1). Today, the average student in Mongolia is expected to complete at least some post-secondary education or training – a track record to rival that of many OECD countries.

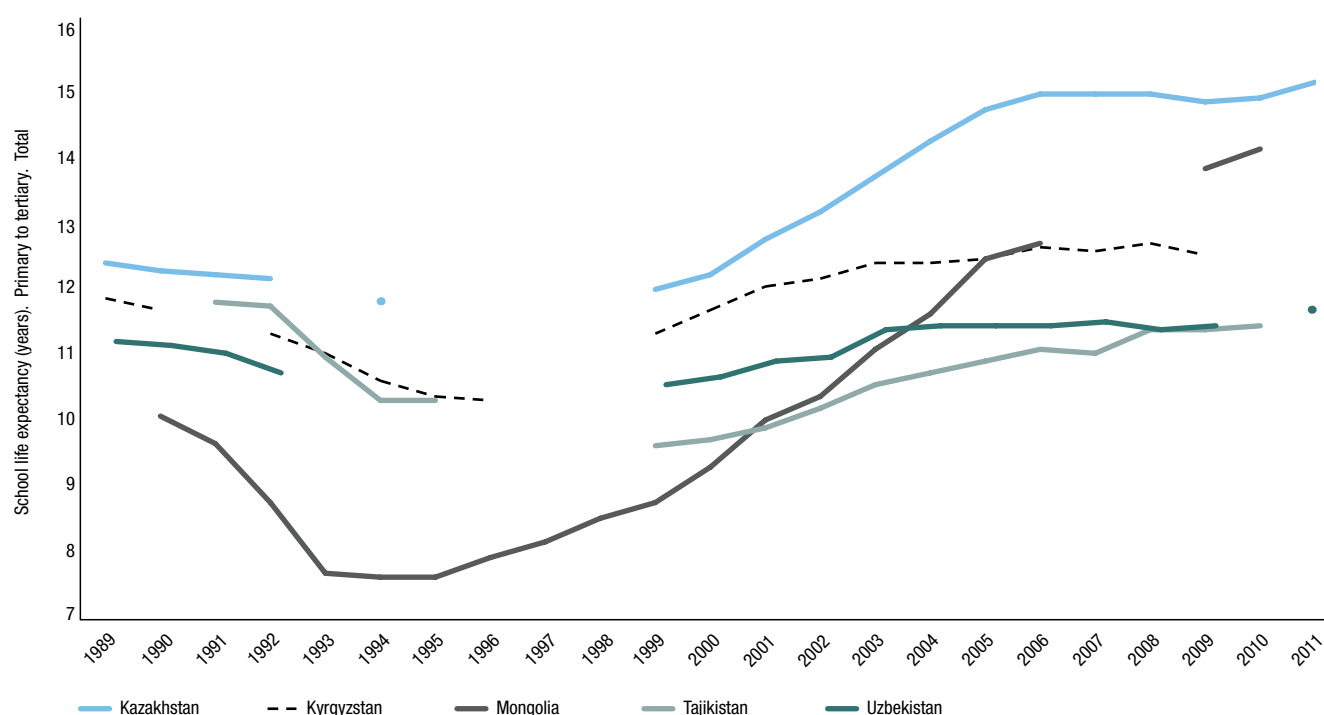
2.2.2 Primary completion

The rise in school life expectancy in Mongolia can be credited, in part, to a prior increase in primary completion rates, which generated higher rates of transition from primary to secondary school. The gross primary completion rate has increased from under 75% in 1995

to over 100% in the past few years.⁴ Not only are more children completing primary school, but more of those children are going on to secondary school. The transition rate stands at almost 100%, an increase of nearly 15% since the mid-1990s (Figure 2, overleaf).

Data on children who are out of school, and children who drop out, are always open to question, given the frequent 'invisibility' of such children in much data collection. Nevertheless, positive trends in Mongolia are reflected in the increased retention of students. While the proportion of primary-age and out-of-school children remained below 7% throughout the 1980s,⁵ drop-out rates reached almost 20% in the immediate post-transition years. Since then the number of children out of school – at both primary and secondary levels – has seen a steep decline. Other than a brief peak in 2003, the numbers have fallen consistently over the past 10 years (Figure 3, overleaf).⁶

Figure 1 School life expectancy in years, primary to tertiary, Central Asia transition economies



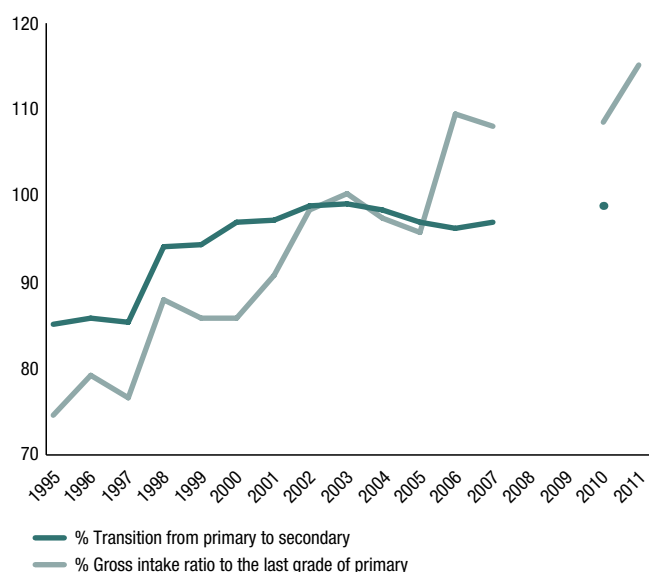
Source: UIS

4 The value is over 100% because of the simultaneous graduation of some overage and underage children, as well as (potentially) the transition first to an 11-year and then to a 12-year school system.

5 These figures were calculated using UIS data on the total number of primary-age children and WDI data on children of primary age who were out of school.

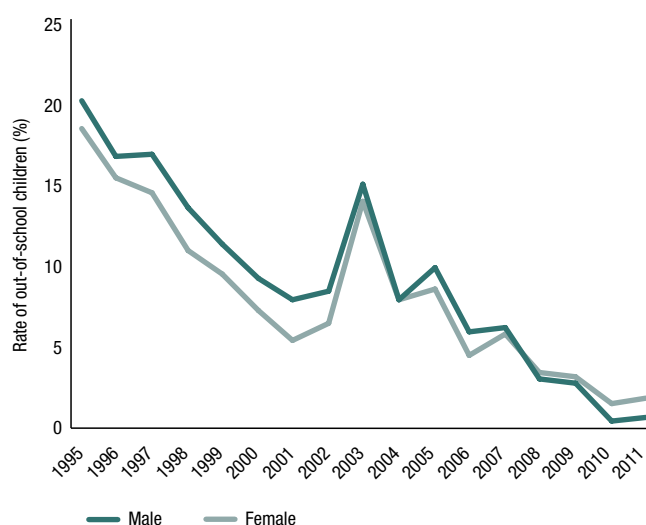
6 Drop-out rates are highly contested, with considerable variation in the figures. For the year 2003/04, the Human Rights Commission reported over 68,000 drop-outs from compulsory education, while the figures reported by UNICEF and the NFE Department of the Ministry of Education and Science reported 40,000 and the NSO listed only 11,953 drop-outs (Steiner-Khamsi, 2007).

Figure 2 Gross intake to last year of primary and primary-to-secondary transition rates (in %), 1995-2011



Source: UIS.

Figure 3 Rate of out-of-school primary age children (in %), 1995-2011



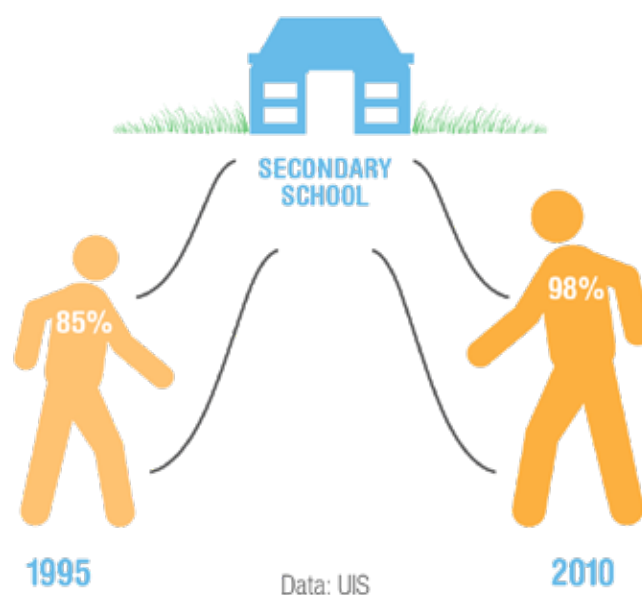
Source: Author's elaboration - UIS (total number of primary-age children) and WDI data (number of out-of-school children).

2.2.3 Enrolment at general secondary level

The expansion of Mongolia's education system was particularly swift in the 1970s and 1980s. Between 1971 and 1986, according to UIS data, the gross enrolment ratio (GER) in secondary schools increased from 64% to 87%. The number of children completing secondary school increased almost five fold between 1969 and 1989 and the GER was close to 90% by the mid-1980s.⁷

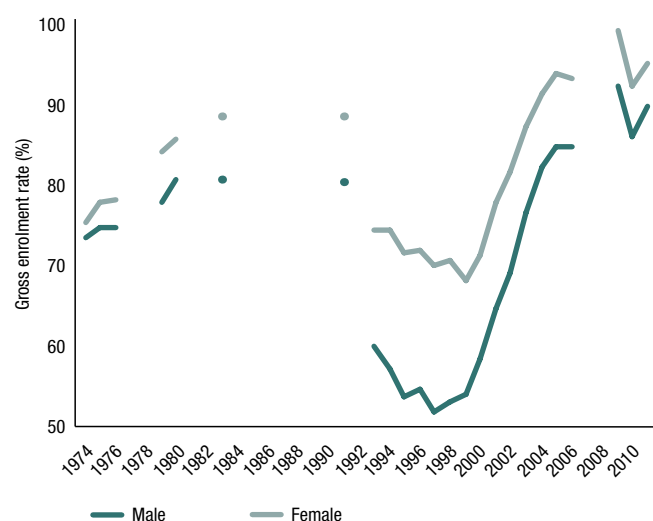
As already mentioned, the collapse of the Soviet Union in 1991 had a devastating impact on this progress, as government expenditure and household incomes declined dramatically. Secondary enrolment rates plummeted as more students dropped out or failed to enrol because they were working to bolster family incomes. Enrolment rates reached a 30-year low in 1997 of 61%. Furthermore, the gender gap in enrolment rates increased after narrowing in the 1970s and 1980s, with far more girls in school (71%) than boys (50%) (Figure 4, overleaf). However, enrolment for both genders recovered to pre-1990 levels six years later and has – in general – increased ever since.

More children transitioning from primary to secondary school



⁷ NSO data.

Figure 4 Mongolia's secondary gross enrolment ratio (in %), 1970-2011



Source: UIS

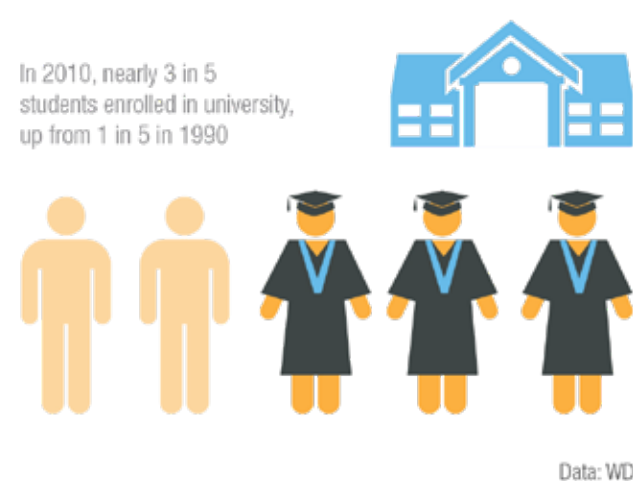
2.2.4 Enrolment in higher education

Beyond secondary levels, a striking feature of the post-1990 post-primary education system in Mongolia has been the expansion of tertiary education from 1993 onwards, following almost a decade of decline.⁸ The growth in enrolment has been fuelled, in part, by the increase in school life expectancy. It has continued despite the post-1990 introduction of tuition fees, and has been aided by the opening up of universities to the private sector (Figure 5).⁹ Following a drop in tertiary enrolment in the early 1990s, almost three in five young Mongolian now enrol in university.

2.3 Equity in access to post-primary education

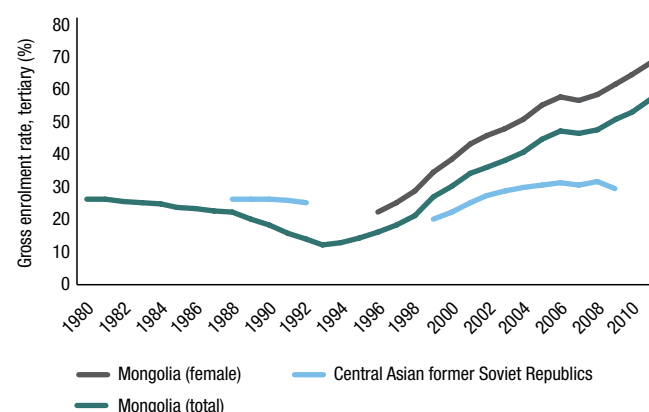
In many respects, post-primary education has also become more equitable than it was during the early stages of economic transition in the 1990s (although it remains less equitable than in the socialist era). According to UIS figures, those from poorer and more marginalised groups were more likely to be able to enrol and complete schooling beyond the basic level in 2005 than they were in the early 1990s. However, household income remains the most significant determinant of equity (or the lack of it) in lower-post primary completion, followed by region and, to a lesser extent, by ethnicity.

Majority now enrol in university



Data: WDI

Figure 5 Tertiary gross enrolment ratio (in %), 1980-2011, for Mongolia and Central Asian former Soviet Republics



Source: World Bank World Development Indicators.

Notes: The value for Central Asian former Soviet Republics was found by taking the mean value of the tertiary GER for Kazakhstan, the Kyrgyz Republic, Tajikistan and Uzbekistan. Only years in which all four countries reported data were included. Turkmenistan was excluded because of a lack of any post-1991 data.

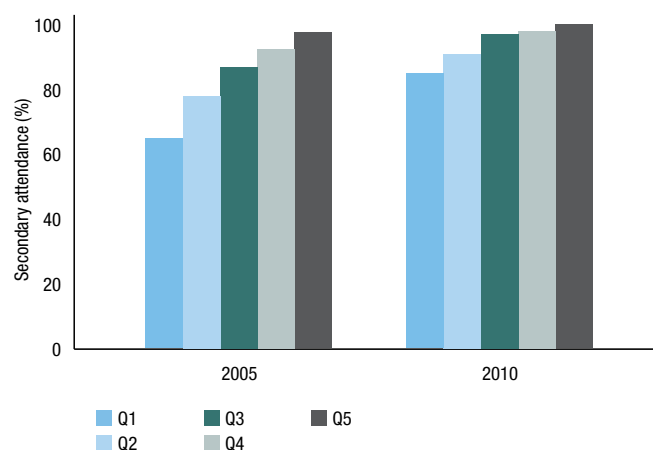
2.3.1 Poverty becoming less of an obstacle

There is limited information on the extent to which inequalities in income and assets are mirrored in access to education. However, the results of Mongolia's 2000 and 2005 Multiple Indicator Cluster Surveys (MICS) suggest that the recovery in education (and in the broader economy)

⁸ According to WDI data, drawing on Ministry of Education and Science figures.

⁹ The reasons for the drop in the mid-1980s (before secondary enrolment rates started to decline) are unclear. However, access to university (and to specific subjects within university) was strictly regulated by quotas and highly competitive application processes. It is likely, therefore, that the reduction before 1990 was the result of planning, i.e. quotas, rather than a reduction in demand. Today, access to tertiary education is open to anyone who completes a full general education cycle or graduates from a vocational school with an upper-secondary general education curriculum. Working youth with general-education credentials can enrol in tertiary education after passing a standardised college entry examination organised by the Education Evaluation Centre, a specialised agency of the Ministry of Education and Sciences.

Figure 6 Changes in secondary school attendance by quintiles (2005-2010)



Source: Data obtained from MICS 3 and MICS 4 Final Reports.

from the late 1990s was accompanied by a significant narrowing of the gap between rich and poor. The percentage of 7 to 16 year-olds who had never been to school fell from 11% to 3% overall, but a closer look reveals that it declined from 19% to 7% for those in the poorest income quintile, and from 7% to 0% for those in the richest.

According to more recent data, the Mongolia Human Development Report (UNDP 2011, p.76) finds ‘considerable equality’ in access to secondary education and that ‘income per capita is not correlated with educational outcomes’. The gap in secondary attendance between the poorest and richest has also narrowed considerably, although the latter remains a serious concern for the poorest secondary-age children, given that only 84% attend secondary school.¹⁰

While it is far more difficult to assess inequities in the quality of education, it seems logical that – as in other countries – wealthier students are more likely to receive a higher quality education, as suggested in Figure 6.

2.3.2 Rural areas have caught up

There is a wide variation between both the levels of poverty and school enrolment rates in remote rural areas and those seen in urban areas across Mongolia.¹¹ The post-1990 transition hit rural areas particularly hard, and the collapse of state-supported industries led to rises in both rural

Figure 7 Secondary school gender parity index (>1 implies more girls than boys)



Source: UIS.

poverty rates and rural-to-urban migration. Many schools closed or merged in the more remote areas, leaving children with a stark choice: live in school dormitories, with relatives, or drop out of school completely.

By 2000, the secondary GER for rural areas was just 74.9%, compared with 74.9% for urban areas. By 2011, however, rural areas had almost caught up, closing the gap to less than 2% (98.1% for urban and 96.3% for rural).¹² Similarly, the gaps between the aimags (provinces) with the highest and lowest enrolment rates have also narrowed.¹³

2.3.3 The reverse gender gap is gradually narrowing

Mongolia has a far higher enrolment rate for girls than boys – a gender gap that widens at higher levels of education and that is, in part, a legacy of the highly egalitarian and secular Soviet system that promoted girls’ education. However, the gap grew even wider in the early and mid-1990s (Figure 7), with parents more likely to pull boys out of school than girls. According to interviews carried out for this case study, this was in large part because boys were seen to have more chance of earning a living without a degree. Male students accounted for 72.5% of all drop-outs in lower secondary school in 1991/92 (Steiner-Khamsi and Nguyen, 2001). According to the two available MICS, 29% of adolescent boys and 21% of adolescent girls were out of school in 2000, but this fell to 23% and 20%, respectively, by 2005. The gap has further closed in recent years.¹⁴

10 National Statistics Office, UNICEF, 2011. ‘Multiple Indicator Cluster Survey 2010’ Summary Report, Ulaanbaatar, Mongolia.

11 The largest drop in the poverty headcount ratio has been recorded among urban dwellers, falling from 54.1% in 2002 to 26.9% in 2008, compared with a smaller drop among the rural population (from 69.7% in 2002 to 46.6% in 2008).

12 According to Ministry of Education and Science figures (which disaggregate regionally).

13 In 2000 there was a gap of more than 40% between Uvurkhangai (61.4%) and Orkhon (101.5%). By 2011, all but three of 21 aimags had GERs above 90%, with Tuv in last place at 85.8% (though still more than 30% behind the aimag with the highest GER – Darkhan-Uul). However, both Orkhon and Darkhan-Uul are essentially cities that had their status changed to aimags in 1992. As a result, this comparison is slightly misleading.

14 While there has been some explicit targeting of high male drop-out rates, affirmative action programmes to favour male students in university entrance exams were dropped following protests by donors (Steiner-Khamsi, 2007).

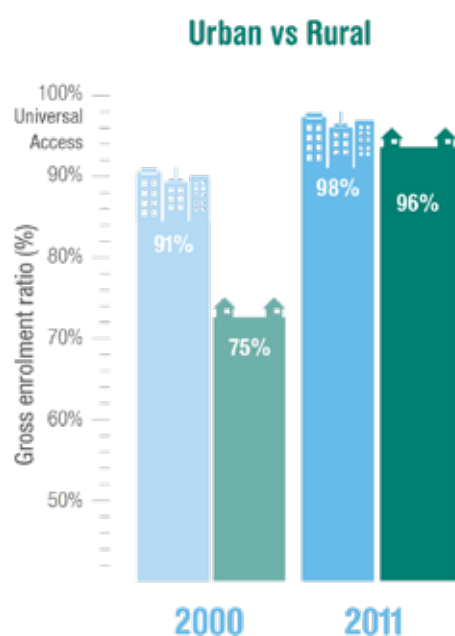
The imbalance between boys and girls has been even more extreme at the tertiary level. The gender parity index in the mid-1990s was 2.27 (22.4% tertiary GER for women and just 9.8% for men). The gap has narrowed as enrolment rates have increased for both genders, but women are still far more likely to enrol in university than men (68.6% and 45.9% GER, respectively). This is reversed among the relatively small number of students in technical and vocational education and training (TVET), where more men are enrolled than women, but this gap has also been closing in recent years and enrolment rates seem to be on the rise after precipitous falls in the 1990s (Box 2).

Box 2: Technical and vocational education and training: gradual recovery?

In the 1990s, with the collapse of the planned state economy, the socialist system of vocational education was essentially destroyed. TVET became one of the most neglected areas within an education system that was already forced to cut back severely (Yembuu, 2010). Like in many countries throughout the former Eastern bloc, the country had developed industrial and manufacturing sectors that lost their economic viability following the transition from central planning. As a result, the skills required for these jobs lost much of their relevance.

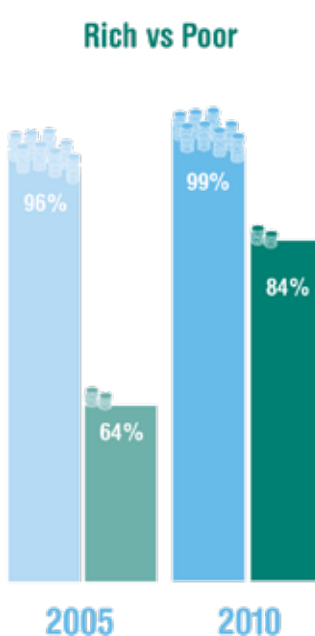
Enrolment rates in TVET fell precipitously during this time period, with a 75% decline in total students between 1989/90 (31,194 students) and 1994/95 (7,555). The past decade has, in turn, seen a very tepid recovery of the sub-sector, at least in terms of student numbers, with 48,134 students enrolled in 2011/12. As will be discussed in greater depth in Section 4, TVET has also received increased donor attention in recent years and may finally be on the road to recovery.

Increasing access while narrowing the gaps



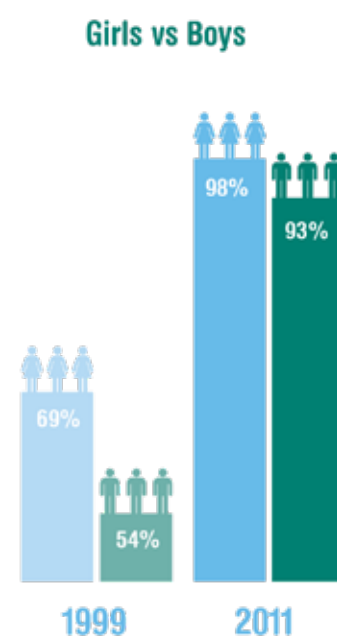
In 2000, secondary school enrolment in rural areas was 16% less than in urban areas. By 2011, gains in rural areas had closed the gap to less than 2%.

Data: Mongolian Ministry of Education



In 2005, secondary school enrolment amongst the poorest quintile in society was 32% lower than the richest. By 2010, the gap had halved to 15%.

Data: MICS



In 1999, secondary school enrolment amongst girls was 15% higher than boys. By 2011, the gap had closed to 5%.

Data: UIS

3. What are the factors driving change?



‘Culturally, nomadic Mongolian society always maintained high respect towards educated and literate people and always viewed education as a means for social mobility [...]. In the 1970s, illiteracy and non-schooling were reasons for feeling ashamed. Even today, almost everybody in Mongolia reads newspapers everywhere, including the homeless’ - Director of a state education institution

This section examines four interlinked and mutually reinforcing factors that have contributed to the expansion of access to post-primary education in Mongolia in the past 20 years:

- sustained demand, with households placing a high value on post-primary education, particularly in response to the progressive recovery of labour-market returns
- expanding secondary and tertiary provision as a result of government investment
- policy reform focused on improving education governance and improving enrolment and retention among marginalised and disadvantaged groups, and
- financial and technical support for post-primary education from the donor community.

While broader economic recovery has provided the backdrop for Mongolia’s improvements in post-primary education, these four factors have driven expanded access – especially the sustained improvement in secondary school retention, as well as the boom in university enrolment.

3.1 Strong demand and high value placed on post-primary education

3.1.1 A 'thirst' for education

Mongolian families are willing to make considerable sacrifices to send children to school,¹⁵ and education is seen as a crucial asset according to many of those interviewed for this case study. According to one Mongolian education expert interviewed, *'all parents seems to have a great desire to secure the best possible education for their children. There are many cases of herder families in the remote countryside, when asked about their immediate needs, saying "education for my children".'*

One consultant who has worked extensively in Mongolia was struck by the extraordinary *'thirst for education'* throughout the country – a thirst equal to that found in Korea and the other East Asian economic 'tigers' that have prioritised education, both for its intrinsic value and for economic development. According to our informant interviews, decades of mass-literacy campaigns and adult education courses, as well as formal schooling, meant that literacy and writing skills were seen as essential tools for social mobility. The traditional respect for education in Mongolia's nomadic society was amplified during socialist rule, when education was a top priority. In the post-war years, tertiary education gained such prestige that it became a prerequisite for most high-level State positions.

The economic crisis of the early 1990s saw household incomes collapse and many children – even those from relatively wealthy families with many cattle – leaving school to tend herds in the newly privatised agricultural sector.¹⁶ The biggest impact was on the poorest families who lost their cattle or found it harder to make a living from their remaining livestock,¹⁷ leading to greater reliance on child labour. A small-scale study on school drop-out (Del Rosario, 2005) found that parents removed their children from school because of poverty (50%), teacher discrimination (21%), a lack of dormitories (19%) and because they needed their children to work (16%).

While the collapse in enrolment in the early 1990s was a sign that families were stretched to their financial limits, the rapid recovery that followed confirmed the continued demand for education, with the completion of secondary

school – as a minimum – still high on the list of priorities for many Mongolian families.

There are also – at least formally – many ways for parents to participate in the governance of schools, although the actual influence of these mechanisms has been declining in practice. Management committees, consisting of teachers, students, parents and representatives of the local community, are in charge of monitoring all affairs related to the school (UNESCO/IBE, 2011). According to a ministry official, over 100 general education schools have functioning parent-teacher committees, student self-government units, and Principal's Advisory Committees composed of local representatives, parents, teachers and students. However, the degree of participation seems to vary and the 2002 Education Law has curtailed direct parental engagement, with school councils now having only a consultative role and, for the most part, including just two parent members.

Support for education in Mongolia does not stop at the household level, however. While it is difficult to compare the value attached to education across countries, the high value placed on education is reflected in its prominence in national policy and planning documents, political campaigns and in government action plans, regardless of the political party in power.

3.1.2 The economic premium of post-primary education

Incentives for post-primary schooling go beyond the parental value placed on education for its own sake: there is also an economic premium in the new market-driven post-Soviet economy.

In an assessment of the high rates of tertiary enrolment in the post-transition years, Bray et al. (1994) argue that *'the opportunity cost of studying was relatively low since in the short run the economy had significant open unemployment'*. As a result, *'students could undertake private trading and other activities outside classroom hours'*. The traditional value placed on education among families was further bolstered by a growing recognition of the changing nature of the economy and the shift from agriculture and factory work towards more highly skilled activities, creating strong incentives for higher levels of education. The completion of secondary school and, if possible, university were often seen as prerequisites for employment in the private sector.

15 The sacrifice many parents make to educate their children is also supported by a World Bank report (2010), according to which 67% of personal loans taken on by herders were spent on education.

16 This was because of the need for extra help to manage larger herds, paired with the belief that the curriculum was too academic and not relevant for children who were likely to work in herding. However, according to informant accounts, a combination of harsh winters (2001-03) during which many animals froze to death, and concerns over the viability of herding as a sustainable livelihood, saw many parents putting their children back into school. There is some controversy about data robustness, with a study by Steiner-Khamisi et al. (2004, p.85) talking of the 'politics of statistics on the issue of school dropout'. They argue that drop-out rates may have been inflated to secure grants and then deflated retroactively. What may be more plausible is that numbers were estimated in the absence of accurate drop-out statistics, which explains, in part, the wide range in estimates from different government agencies (ADB, 2008; see also Del Rosario, 2005, for an overview).

17 In the immediate aftermath of the privatisation of livestock and agricultural land in 1991, only 57 of 255 collectives survived, with 40 being disbanded and the remainder (158) becoming privately owned companies (Steiner-Khamisi, 2005).

This economic premium has also been substantiated by analyses on the economic returns to education for young Mongolians. In the first study on the rate of return for schooling, Darii and Suruga (2006) found that each additional year of schooling had a rate of return of 7.2% on wages – a rate that is higher than in most transition economies. They also found that each additional year of schooling added around a 9% wage premium for those under the age of 35. Pastore (2010) substantiated these results, finding that earnings increased alongside educational attainment, with a rate of return on a university education of 9.5%, compared with 4.2% for general education.¹⁸

While few Mongolians are likely to be familiar with these precise rate-of-return figures, there does seem to be a broad assumption that completing school and even enrolling in university is a reasonable investment of time in order to gain any kind of skilled or even semi-skilled job. And this assumption is reflected in the near tripling of enrolment rates in higher education, despite the introduction of tuition fees and the low quality of many college degrees.

3.2 Expanded provision through investment by the Government of Mongolia in education

3.2.1 Investing in schools

Mongolia has seen large-scale supply-side investments in both infrastructure and schools. Education planners, both from the government and from donors, have responded to the large rural-to-urban migration by focusing on school construction in cities, larger towns and peri-urban areas. Here, it seems that these supply-side investments in infrastructure have made a real difference.

Drop-out and low enrolment during the 1990s and early 2000s seemed, according to most available accounts, to have been concentrated in rural areas (see, for example, Del Rosario, 2005). Improved enrolment rates also indicate that rural students – while remaining at a significant disadvantage in terms of accessibility of schools and quality of provision – have also seen major improvements in their schooling conditions in recent years. Improving access for rural communities was a priority in the 2006-15 Master Plan (Government of Mongolia, 2006), and donors have also focused increasingly on this area, with sharp rises in funding over time.

Box 3: Incentives for greater demand in secondary education

The rise in enrolment rates has been accompanied not only by increased and better-managed resources for public education but also by a per-student-based allocation and funding formula – rather than a needs-based criterion – that has given schools a positive incentive to increase enrolment. This was confirmed in the 2002 Education Law.

The Education Law bars public schools from asking for mandatory parental contributions, but voluntary contributions persist. According to World Bank estimates (2009), parents often pay tuition fees for advanced classes, schools supplies and uniforms (and, since 2005/06, textbooks as well) (World Bank, 2009). Education accounts for 14% of household per capita expenditure for an eighth-grade student in lower secondary, jumping to 30% for a ninth-grade student entering higher secondary. Costs grow exponentially as students move up through the grades, peaking as they prepare for university entrance exams.

In response, the Government of Mongolia has implemented measures in the form of scholarships and subsidies to support school attendance by children from more disadvantaged households on the basis of assessment of family income. And in 2000, the government abolished the dormitory fee, which was introduced in 1996 and had a negative impact on enrolment.ⁱ

i However, it is worth noting that the funding mechanism based on the capitation formula does not apply to all schools in the country. For schools in Ulaanbaatar, which account for one-third of all students, there is no clear distinction between the chain of command that is involved for budget approval/re-allocation (Ministry of Education and Science) and for disbursement (Ministry of Finance). As a result, the old needs-based formula is usually applied.

In addition, there have been significant efforts in recent years to rehabilitate the condition of schools across Mongolia, in order to make them safer, more hospitable and energy efficient. Steiner-Khamsi (2007, p.33) finds that *‘a greater balance between urban and rural development is actively sought’*. This is demonstrated by the gradual increase in the number of general education schools, following large-scale closures in the 1990s¹⁹ – from 538 lower and upper secondary schools in 1990, to 596 in 2000 and 686 by 2012.

18 In a similar vein, Yano (2012) found that rates of return to education increased between the LSMS of 2002-03 and the LSMS of 2007-08, the labour market rewarding educational attainment.

19 Selected schools at the *soum* level were asked to serve pupils of upper-secondary school age from neighbouring *soums* for the purposes of better-quality instruction and cost efficiency. Later on, school closures also led to the development of complex schools in larger aimag centres and cities.

3.2.2 Addressing teacher shortages

In line with the increase in financial resources for education, recent years have also seen an increase in the number of teachers in secondary education, following a sharp decline in the 1990s. According to interviewee accounts, teaching is, traditionally, one of the most well-respected professions, with teachers often receiving higher salaries than doctors. In rural areas, in particular, teaching is often the only secure and well-paid position. While there is no clear breakdown between rural and urban, almost all aimags have seen growing numbers of teachers in recent years, according to Ministry of Education and Science data.

The ‘rationalisation’ of teachers’ education structures was central to post-1990 reforms, given the inability of the government to pay salaries in the early 1990s and a national strike by teachers in 1995. ‘Rationalisation’ aimed to help local administrators make decisions over the size and staffing of schools, assist those affected by downsizing and encourage those prepared to do so to transfer to schools with vacancies.

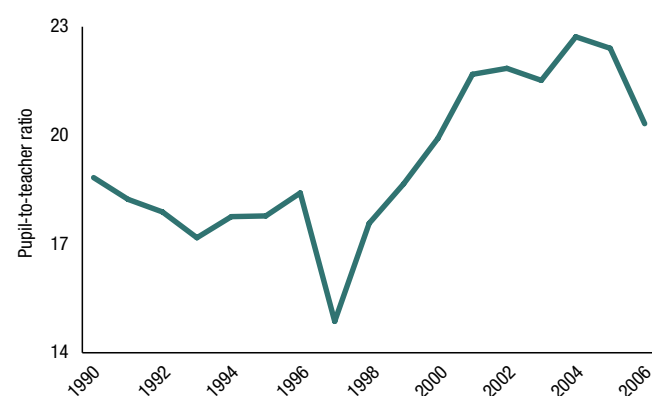
This led to major cutbacks in teaching staff and a merging of smaller schools, financed by the shift to per-student funding, a reduction in administrative and executive staff and the use of teaching staff across multiple classes per grade level.²⁰ This impact can be seen in secondary school pupil-to-teacher ratios (PTR) that increased progressively after the introduction of rationalisation reforms in the late 1990s before declining again in the mid-2000s (see Figure 8).²¹

Recent efforts to give teachers incentives to take posts in remote rural areas have included a rural bonus. It is unclear whether the bonus, instituted in 2006, is sufficient to entice teachers to take up these posts, though some have argued that it could better reflect hardships (see, e.g. Moock, 2012). However, it does constitute a first effort to improve the distribution of teachers between rural and urban Mongolia.

3.2.3 Support for higher education tuition fees and costs

Higher education was free under the Soviet system, with students also receiving a stipend. Education expenditure in the early post-transition years was targeted, increasingly, towards the primary and secondary levels. While continuing to cover fixed costs, the Mongolian government shifted the burden of education financing towards households by introducing tuition fees for higher education to cover

Figure 8 Secondary school pupil-to-teacher ratios



Source: UIS

variable costs (Wu, 1994; Bray et al., 1994). According to Bray et al. (1994), the average annual tuition fee corresponded to four months of a teacher’s salary. There are no significant differences – on average – between public and private educational institutions (see Figure 9, overleaf).²² It is important to note that enrolment in higher education has continued to rise, despite the shift of public resources to primary and secondary education, the introduction of tuition fees at higher levels and the greater cost burden on families.

By covering more than half of the total budget of both public and private higher education institutions, the introduction of tuition fees at tertiary level and the growth of private institutions have helped to contain public expenditure despite the steep rise in the enrolment ratio. The demand for higher education has also been driven by expectations of higher salaries in the private sector (which are, on average, three to four times higher than the salaries for comparable public-sector jobs), and by the low opportunity cost of studying, given high youth-unemployment rates.²³

The Government of Mongolia recognised that fees could deter students from poor families and, in 1993, introduced financial aid programmes through the State Training Fund, which provides loans and grants to eligible students. At that time, the terms and conditions of the loans were favourable, with interest payments required only after graduation and set at a rate that was far lower – at 3%

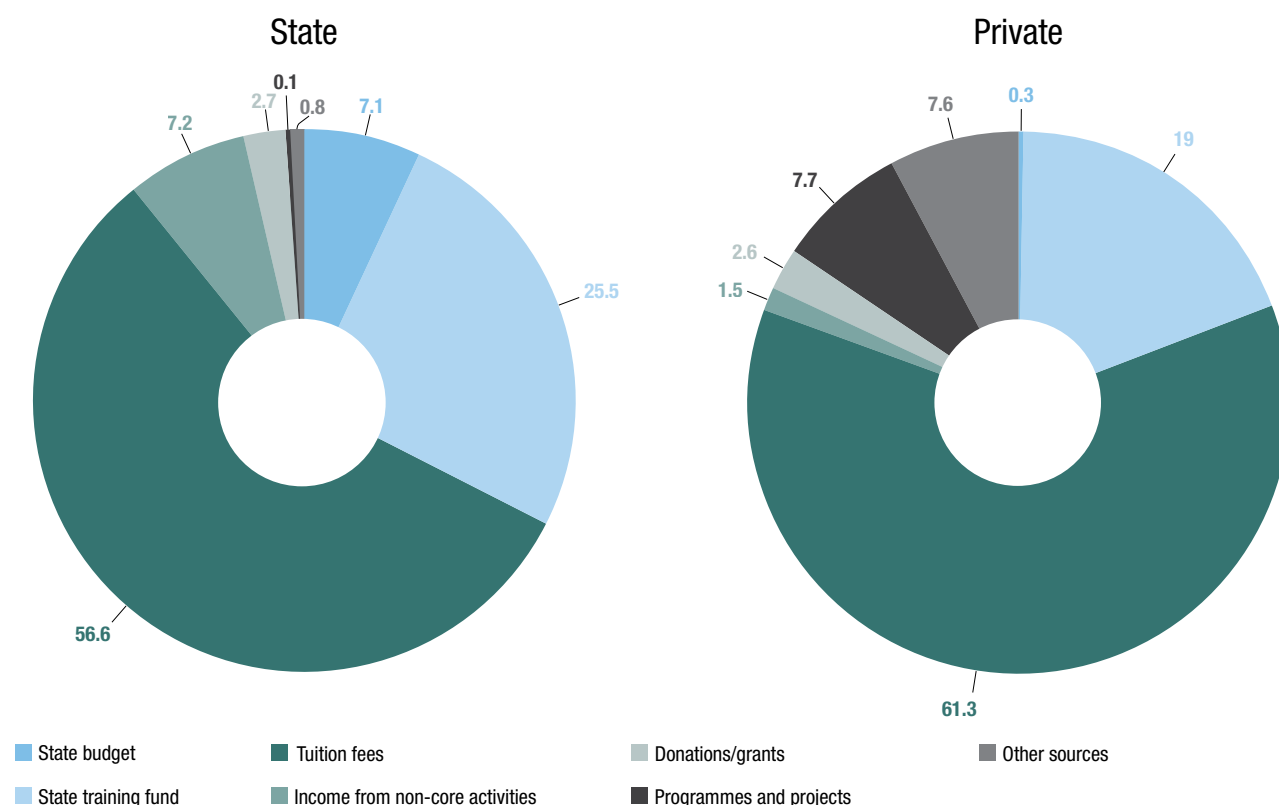
20 These policies, strongly promoted by the ADB and other donors, may have accelerated internal migration, resulting in many families removing children from more rural schools and enrolling them in these ‘complex’ schools.

21 For instance, in the case of primary education, although the PTR has increased through reform efforts, the average 27:1 remains low compared to the international benchmark of 40:1 (due to low PTR in rural schools of 22:1, or even 11:1 in some rural schools) (ADB 2008).

22 First, tuition fees both in private and public institutions cover all variable costs including teaching staff salary. Second, private institutions are still relatively small in size, so their fixed costs are lower. Finally, most private universities are new and specialise in humanities, entailing lower costs per student.

23 As per the Mongolia Education and Human Resource Sector Review in 1993.

Figure 9 Source of funding – higher education institutions in 2003, percentage of total expenditure



Source: World Bank (2009) on the basis of Ministry of Education and Science data.

annually – than the prevailing market interest rate of 2,300% (mid-1993). However, there are a few limitations on these loans, meaning that they are not fully pro-poor.²⁴

In addition to loans, students from low-income and herder families are also eligible for student grants,²⁵ and, as part of the benefits package for civil servants, the government had, until at least 2012, provided a scholarship grant to one child of every civil servant, although this grant seems to have been phased out.

In total, state financial aid in higher education provides support for up 40% of incoming students and is a key source of financing for both public and private higher education institutions.

3.2.4 Expanding public resources to education

Mongolia's education sector was democratised in the socialist era to create – according to some – one of the most equitable systems of education in the world (e.g. Suprunova, 2007).²⁶ With education expenditure

often exceeding 10% of GDP, it is not surprising that Mongolia's education system was considered one of the best in the developing world in the 1970s and 1980s. However, following the end of assistance from the Soviet Union, and during the early stages of the transition to the market economy, estimates suggest that public spending on education at all levels, as a share of GDP, was almost halved from 1990 to 1992 (Wu, 1994).

Since then, Mongolia has built up a revitalised industrial base and mineral discoveries have also increased the resources available to its government. This, coupled with a strong and historic commitment to education in the country, has increased the revenue allocated to education across the board, including allocations at post-primary levels. Today, public expenditure on education in Mongolia is higher than both the regional average (East Asia and Pacific) – 3.8% in 2008 – and the world average (4.6%), at least as a share of GDP, based on UNESCO figures. It is now also in line with, or higher than, the share found

24 First, loan and grant programmes do not cover living expenses, which limits access for disadvantaged students (World Bank, 2010). Second, only students who had sponsors could be granted loans. The most common sponsors were government agencies, which undertook to employ the students after graduation and to ensure that the loans were repaid. During the interviews it emerged that state loans could be considered as very 'soft' loans as the government has written them off on occasion. As a result, students and households do not, in general, expect that they will have to repay such loans.

25 We do not have reliable, recent and publicly available information on the share of students benefitting from scholarships.

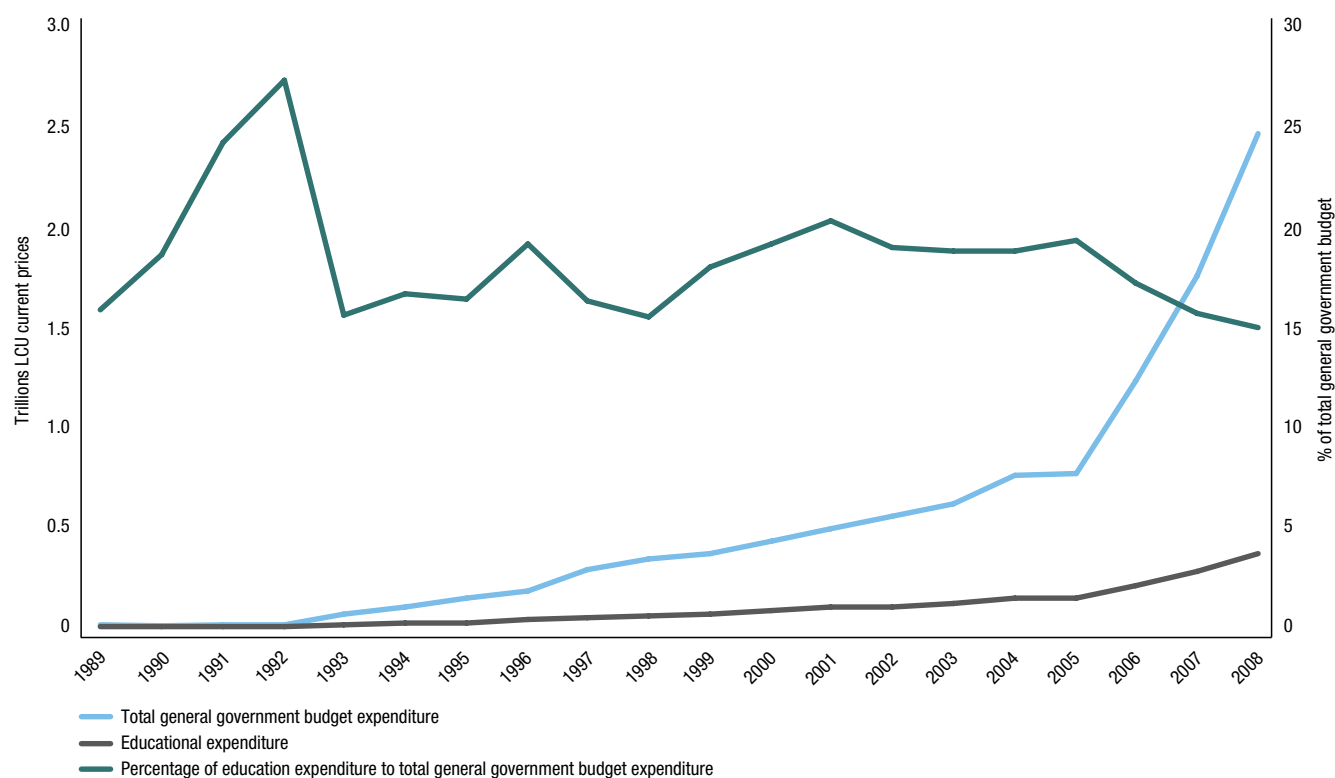
26 Mongolia's literacy rate in 2010 was above 97% for people aged 15 and over – almost the same as it was in 2000. In comparison, the average literacy rate for middle-income countries was 83% in 2010.

Table 2 Public spending on education, total (% of GDP) in Central Asia

	1990-94	1995-99	2000-04	2005-09
Kazakhstan	-	4.1	2.8	2.7
Kyrgyz Republic	5.6	5.0	4.2	5.8
Mongolia	-	4.9	5.7	4.9
Tajikistan	8.2	2.2	2.5	3.6
Uzbekistan	9.5	7.4	-	-

Source: World Bank (2012).

Figure 10 Evolution in total budget expenditure and education expenditure, 1989-2008 (trillion of local currency unit and share of total general government budget)



Source: NSO.

in most other Central Asian transition economies (Steiner-Khamsi and Amgaabazar, 2008; see also Table 2).

The 1995 Primary and Secondary Education Law established that education should receive 20% of the total budget expenditure – a target in line with the Education

for All commitments – and that was met in 2001/02.²⁷

Since then the target has remained elusive, but overall expenditure on education has stabilised at a level higher than that achieved in the previous decade (Figure 10).²⁸

²⁷ In 2002, education expenditure accounted for 7.2% of GDP in Mongolia compared with 3% and 4.3% at regional and global levels, respectively.

²⁸ Looking into the functional allocation of public expenditure during the transition period and its evolution over time, the share of social spending on total budget (i.e. education expenditure, health services and social security and welfare services) has expanded since the mid-1990s. This is particularly the case for expenditure on social security and welfare services (NSO yearbook, various issues).

3.2.5 Reform of public financial management

Better management of public finances was central to these improvements. Mongolia's 2002 Public Sector Management and Finance Law (PSMFL) represented '*a profound change in the way public monies were managed*', according to the World Bank (World Bank, 2009, p.3). Its recentralisation of public resources – while removing local control of budget decisions – is likely to have increased both rigour and predictability through medium-term budgeting. At the same time, greater efficiency in tax collection has generated higher revenues (World Bank, 2009, p.3).

The PSMFL has helped to make school financing more predictable and has introduced more fiscal discipline at school level in at least two ways. First, aimag treasury authorities are now responsible for disbursement only, as the approval process has been centralised at ministry level. Second, aimag treasury offices administer funds via a single account only – and not multiple accounts as they did prior to reform – and these are disbursed directly into the school account to accelerate disbursement and reduce the risk of capture at local level.

In this sense, the recentralisation of education budgets has induced fiscal discipline along the entire system, and helps to ensure that schools receive their correct share of the budget and that they receive it on time.

3.3 Policy reform and reaching the unreached

3.3.1 The evolving policy framework for post-primary education

The move away from a Soviet-aligned, centrally planned economy led to sweeping education reforms in Mongolia from 1990 onwards. These were driven, in part, by the changing external climate and the stronger role of Western donors, but also had their roots in domestic pressures. Teachers had, for example, been pushing for changes since 1988, when proposals at the fifth congress of Mongolian teachers included increased local involvement in the management of education and greater administrative decentralisation (ADB, 2004).

Education reform built on the findings of diagnostic studies on, for example, reducing the role of central government and direct support to students, decentralisation, introducing fees, encouraging private schooling and changing the focus to in-service rather than pre-service training. Studies had also explored creating multi-grade classrooms, increasing double-shifts and introducing triple-shifts in schools, with students attending classes either in the morning or in the afternoon and schools being at full capacity throughout the day.

The reforms were enshrined in new laws and strategy documents, including the 1991 Education Law, the 1993 Education Master Plan and the 1995 Primary and Secondary Education Law, as well as in the country's

Box 4: The increasing role of private-sector provision

The 1991 Education Law established the legal basis for private provision of education services. The number of private schools in the basic education sector has increased steadily over the past few years and they now account for 20% of all schools. In terms of overall enrolment in basic education, however, their share of students is relatively small (less than 5% of all students in general education).

The private sector has had a much larger impact on tertiary education, where there has been a mushrooming of private institutions of variable quality in a short space of time. There has also been a massive increase in the number of students in universities since the post-Soviet transition, enabled in part by a decline in barriers to entry and a far greater number of university options, with a more than six fold increase in the number of university students between the post-crisis low of 1993 (28,722 students) and 2011 (171,165 students). Between 1990 and 1998 alone, the number of colleges and universities soared from 40 to 104, of which 71 were private. Private higher education institutions now account for 73% of all higher education institutions and 34% of all students.

According to a World Bank analysis (2007, p.iii), however, there has been a 'proliferation of poor quality private institutions' since the 1990s. While 50% of higher education institutions are now accredited, just 15% of these were private institutions (as of 2003 for a five-year period). Most of these private institutions are in Ulaanbaatar; the remaining are small universities with a low survival rate (World Bank, 2006).ⁱ

i TVET education has the smallest private presence with 10 private education institutes accounting for about 1.6% of vocational training students – the remaining 98.4% attended the 23 public TVET schools.

new constitution in 1992. They followed many core tenets of the Washington Consensus model, and were, according to Weidman (2001), '*designed to change from a highly specialized and compartmentalized system of education based on the Russian model to a more flexible system, including improving efficiency and effectiveness of education at all levels through rationalization and decentralization.*'

While these laws reinforced primary and secondary education as free and compulsory, they also shifted the system's ideological orientation from socialism to an approach that aimed to be more democratic and humanistic. The 1993 Master Plan provided the most detailed strategy. Based on a donor-funded sector review, it was premised on a need to increase the efficiency of the system and mirrored many other donor-supported education reforms at that time (see, for example, Samoff, 1996). The Master Plan had a real impact on the

realignment of education financing in terms of volume, financing mechanisms and the expanded private provision of education services. However, other goals, such as greater decentralisation, were implemented only partially, at best.

The most significant reform of the curriculum took effect in 2003, requiring compliance from both public and private institutions. As part of this ongoing process of reform, the length of compulsory schooling was extended from 10 years to 11 years in 2004, and to 12 years in 2008. This has had a real impact on curriculum reform and on the development of new standards for each level of education. According to a UNESCO assessment, the new system is, broadly speaking, focused *‘on shifting from academic-oriented instruction to a life-oriented one, and the overall curriculum aims to develop students’ competencies in learning and living in the global world’* (UNESCO 2011, p.10). The second Education Master Plan (2006-15) has three main goals: to reduce disparities in access to quality education; improve the enabling environment for the provision of quality education; and improve education policy-making and management capacity.

In addition to this shift in curricular focus, equity gaps appear to be closing and this may be a result of specific and targeted assistance, through both donor and NGO programmes, as well as certain government measures. There has, throughout the past two decades, been a dominant understanding among Mongolian educational and government authorities that providing targeted assistance for vulnerable groups would be divisive. As a result, much of the impetus in this area is said to have come from NGOs and donors and few measures can be found in education policies to target specific needs.

That said, the single most effective measure that has allowed rural pastoral communities access to education is believed to be the establishment of boarding schools and dormitories. In the socialist era, such schools and dormitories were fully subsidised by the government. Then, during the first and most difficult years of economic transition, parents had to pay for their children’s placements. Today, after a period where support had been stopped completely, the government once again funds all dormitories in rural Mongolia.

In urban areas, children from rural areas are generally accommodated in dormitories in special schools for children with disabilities. Previously, children could attend primary grades in their villages before moving to *soum* schools and living in dormitories after grade 4 (at the age of 12). Now, following the closure of many remote rural schools, most of the children from villages have to live in *soum* school dormitories from the age of six, a policy that enables better access but may raise other kinds of child-protection issues.

Box 5: Tension between decentralisation and centralised approaches

Mongolia’s shift towards liberal democracy and a capitalist free-market economy has included efforts to steer governance and public administration towards fiscal and political decentralisation and to increasingly professionalise and de-politicise the civil service (see Hausman, 2010, for an overview). However, these have been piecemeal processes that have been characterised by frequent changes and a degree of policy incoherence.

One key dimension has been efforts – particularly led by donors – to decentralise governance and increase the power of local administrators. However, while decentralisation has remained a stated objective, local government officials accustomed to a highly centralised system have been reluctant to make decisions, awaiting instructions from above. More importantly, there seems to have been little appetite, particularly in the Mongolian People’s Revolutionary Party, to devolve substantial decision-making authority, with the government committing to decentralisation as a ‘flag of convenience’ before or after a new loan agreement and then shifting back to centralised planning (Steiner-Khamsi and Stolpe, 2004). Therefore, after almost 20 years of decentralisation reforms, there has been little devolution of decision-making authority. While aimags and municipalities now have control of budgets, it seems that directives on expenditure are still top-down.

These broader reforms in public administration, as well as the difficulties inherent to them, have also manifested themselves in the education sector, where there has been a substantial degree of policy inconsistency (see, e.g. ADB, 2008).

There have been several programmes (particularly at the behest of donors) in recent years to support disadvantaged children who are already in primary school and promote their retention and transition to higher levels of education and, ultimately, to employment. These have included free textbooks for children from poor families²⁹ as well as free school supplies for such children at the beginning of each school year (UNESCO/IBE, 2011). In addition, a school feeding programme that was designed originally for children from poor families has been made universal for primary-grade students. There is initial evidence that this has helped to reduce drop-out, particularly in rural and poor communities.

Recent years have also seen a number of donor-funded programmes to improve educational access for children

29 On average, textbooks cost between 3,000 to 15,000 MNT (around \$1.75 to \$8.75) and a child needs about 10 to 16 textbooks in any given year. Nationwide, 40% of schoolchildren are estimated to receive free textbooks. But this programme will cease when a pending decision to move back to a textbook rental system is approved.

from marginalised groups. Although they do not target post-primary education directly, these programmes ensure that these groups at least have the opportunity to enter secondary school.³⁰ There are also budgetary arrangements to support disadvantaged groups and minorities. Special schools for children with disabilities have received higher per-capita funding, with teachers at these schools receiving a 30% salary bonus. Kazakh schools in Bayan-Ulgii province also receive 50% more in per-capita funding than the rest of the country to compensate for the additional expenses related to bilingual teaching. Donors have proposed numerous models to increase equity through improved block-grant systems but these have not found widespread acceptance within the Ministry of Education and Science and have not, therefore, been implemented.

3.4 External support through development partners

The traditional donors of the Development Assistance Committee (DAC) and multilateral donors helped to fill part of the assistance gap left by the collapse of Soviet support in the mid-1990s. Mongolia was the first former centrally planned economy in the region to start large-scale education development projects with foreign donors. Financial resources to the education sector from donors, especially to infrastructure development, and their policy advice played an important role in the recovery of the education sector in Mongolia.

3.4.1 Rising aid to the education sector

The per capita level of official development assistance (ODA) from DAC donors has risen steeply, from less than \$10 in the 1980s,³¹ oscillating between \$80 and \$100 in the 1990s and 2000s, and achieving a peak of \$137

in 2009, or 8% of GDP per capita. These figures make Mongolia a ‘donor darling’ when compared with the far lower averages seen across the East Asia and Pacific region (just \$5.2 ODA per capita in 2009).³²

When it comes to the education sector, its share of total ODA also increased in the early 2000s (from 9% of total ODA in 2001 to 26% in 2004), reflecting the efforts of the donor community to support social-sector spending in the wake of the Millennium Conference.³³

With the exception of 2005, when ODA to basic education totalled more than 60% of education ODA overall, DAC and multilateral donors have concentrated on post-secondary education, and on higher education in particular.³⁴ The Asian Development Bank (ADB) has been a major development partner in this sector since Mongolia joined the Bank in 1991 and has provided the largest amount of donor support to secondary education, becoming one of the key contributors, in terms of both finance and policy advice, to the Government of Mongolia in its reform of the education sector.³⁵

Donor contributions to the education sector, through both loans and grants, have, for the most part, financed capital expenditure for school reconstruction and renovation. While domestically funded capital expenditure has been relatively low, donor financing has been concentrated on infrastructure development and maintenance (World Bank, 2009).

3.4.2 Policy advice to the education sector

Mongolia’s shift from a centrally planned economy and its sweeping education reforms from 1990 onwards were driven not only by domestic pressures but also by a changing external climate, including the much stronger role of Western donors. The main pillars of the country’s education reform, including a reduced role for government, decentralised planning and financing, the introduction of

30 This includes a \$10 million grant from the Global Partnership for Education (GPE) to build 37 kindergartens and develop alternative preschool education services for children in rural and peri-urban disadvantaged communities.

31 Constant 2010 US\$ gross disbursement.

32 However, while per capita ODA has increased, ODA as a share of GNI has declined substantially in past years as the expansion of the economy has outpaced any increase in aid flows. The ODA/GNI ratio in 2010 was 75% lower than in 1997 (5.4% versus 21.5% of GNI, respectively) but is still higher than the average for lower-middle-income countries (0.9% of GNI in 2010). The ODA/government expense ratio achieved a peak of 138.4%; it plummeted to less than 70% when the Public Financial Management reform was introduced in 2002; the average ratio was 23% between 2006 and 2010.

33 The share of ODA for education in Mongolia, however, plunged from 26% in 2004 to just 6% in 2008. It is worth noting that the share of total ODA channelled towards the education sector in Mongolia has followed quite a different path compared with the rest of the region. The share of ODA to education in Mongolia has been far larger than the regional average (Far East Asia) from 2000-05 – more than 20% of total assistance – while the regional average was 12.8% and 15.9% in 2003 and 2004, respectively, when major policies in the education sector were implemented (authors’ elaboration on the basis of OECD/DAC CRS data).

34 Since the mid-1990s there have been no donor programmes to universities, but given OECD Creditor Reporting System classifications, this includes aid to TVET as well as university scholarships awarded to Mongolian students.

35 According to its own evaluation report, assistance from ADB and collaboration with the Government of Mongolia has helped to restore secondary enrolment rates to 90% (ADB, 2008). The first ADB programme – the (first) Education Sector Development Project (ESDP) 1997-2002 – aimed to rationalise education structures and staff, promote cost recovery schemes and support privatisation and private provision of education also by reducing the number of teachers through a voluntary separation incentive. The ESDP (1996) included rationalisation of 171 school facilities and development of complex schools; reduction in education sector staff (resulting in the cutback of about 8,140 staff in the sector); and rehabilitation of 135 school buildings. The Second Education Sector Development Project has resulted, among other activities, in the renovation of 88 schools; distribution textbooks and instructional materials; and establishment of 70 ICT training centres.

fees and the growing involvement of the private sector, was largely consistent with education reforms implemented in many other transition countries and heavily indebted low-income countries (particularly those with a large donor presence). According to Suprunova (2007) foreign donors were *'willing and eager to invest funds in the sphere of education, rightly assuming that this will make it possible to exert the greatest influence on the character of social and political processes in Mongolia'*.

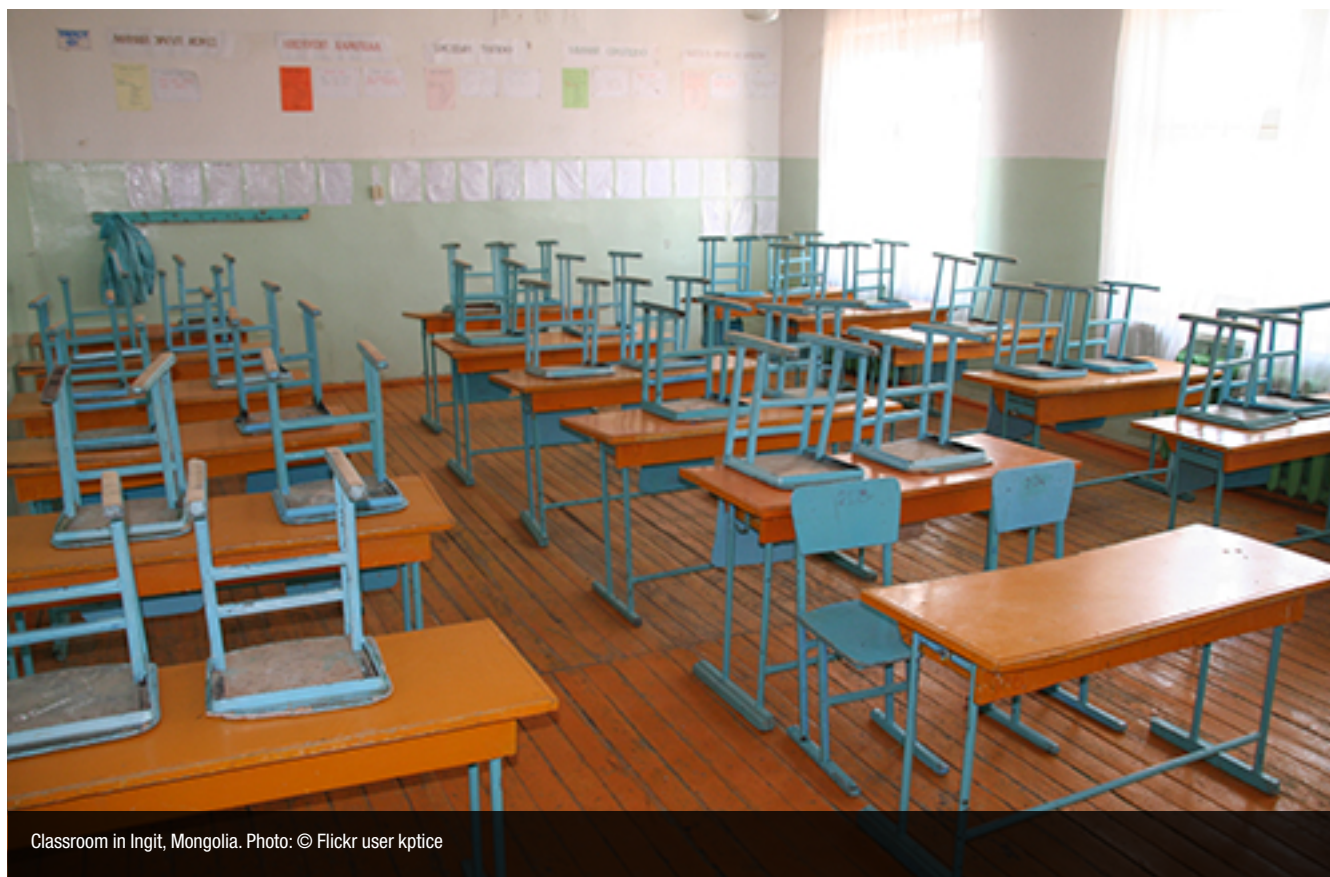
ADB has worked closely with the government and other development partners to address challenges in the sector. For example, we mentioned in the section 3.3.1 that Mongolia's 1993 Education Master Plan, which provided the most detailed strategy for education reform, was based on the donor-funded sector review of education carried out during the preceding years. It was premised on a need to increase the internal and external efficiency of the system and mirrored many of the other donor-supported education reforms being carried out at the time.

We also mentioned that 1993 Master Plan had a real impact on the realignment of education financing in terms of volume, financing mechanisms and the expanded private provision of education services. Measures introduced under the ADB Education Sector Plan in the mid-1990s reduced the number of teachers through a voluntary separation

incentive scheme and an increase in the PTR. ADB funding to the education sector in 1996 was conditional upon the implementation of a series of reforms, including the rationalisation of education structures and staff, the introduction of cost-recovery schemes and support to privatisation and private-sector provision (Weidman, 2001).

According to Riddell (2007), the government led the coordination of donor support for education initially, having been requested to do so by the ADB. ADB has, for example, taken a lead, alongside Japan, in harmonising development assistance by backing the development of a sector-wide approach (SWAp) in education as part of Mongolia's Second Education Master Plan (SEMP; 2006-15), which was prepared with ADB assistance. However, the ADB then operated as a Project Implementation Unit within the Ministry of Education and Science, raising issues of ownership and capacity development. According to World Bank (2009) the Education Donors Consultative Mechanism, together with the SEMP, has improved donor coordination with the Ministry taking on *'a more active role in coordinating grants and loans provided by donors'* (World Bank, 2009, p. xiii). However, we have found only limited evidence for this statement from the round of interviews we conducted, and several interviewees reported the irregularity of these meetings in recent years.

4. What are the challenges?



Classroom in Ingite, Mongolia. Photo: © Flickr user kptice

‘We need workers who are trained in narrow skills and competencies (electricians, engineers, etc.). Because there is a severe shortage of trained workers and the private employers are desperately looking for trained people’ - Private sector employer

This section outlines the emerging and continuing challenges to post-primary education in Mongolia:

- the need to address the quality of post-primary education, which has failed to keep pace with quantity, leading to poor learning outcomes
- improving the transition from school to work, with schools still failing to meet the needs of a growing mining and industrial sector, and
- ensuring sustainability, given Mongolia’s heavy reliance on its mineral industry for economic security and, by extension, resources for education.

4.1 Addressing poor learning outcomes

Rapid improvements in access to education, while certainly positive in their own right, have raised issues about whether (and how much) students are actually learning, which has become a widespread concern. According to many interviewees, there has been a lack of coherent measures to address the more complex (and expensive) reforms that are needed in school management, curricula, teacher training and sector governance. Addressing quality is, given the nature of the reforms required, of a substantially higher priority in terms of the efforts required than increasing access still further.

The government and donors are, increasingly, focusing on quality, which is now a central priority in the SEMP, 2006-15, and many donor projects are addressing teacher training and curriculum reforms more actively. Following the 2012 election, the new Democratic Party-led government promised a renewed focus on quality, including a reform of teaching

methods, a new system to assess learning progress, and regular qualitative assessments of student learning to support monitoring and generate evidence. Consultative committees, expert boards and open fora for public deliberation have been created and NGOs are being mobilised for the drafting and redrafting of new and existing legislation. Social media platforms are also being used to gather public opinion and suggestions. However, it is far too early to tell whether these initial developments will be backed by sufficient funding.

Existing analyses, as well as informant interviews carried out for this case study, all suggest that learning outcomes for Mongolian youths at all levels of post-primary education – secondary, TVET and university – are worrying and are improving only slowly, if at all. A UNESCO/IBE sector analysis (2011, p.12) argues that the current curriculum is not aligned with modern education standards: *‘The curriculum continues to be by rote, too theoretical, and focused on traditional academic subjects, while teaching continues to be teacher-centered rather than interactive.’*

Similarly, an ADB assessment (2008, p.4) notes that *‘student examinations have little transparency due to lack of clear standards’* and that a ‘significant number of teachers have inadequate teaching qualifications and skills; and there is a need to establish a comprehensive in-service teacher training system and a national teacher accreditation system’.

Like most countries in its region, Mongolia has not carried out any internationally comparable assessment tests (such as the PISA or TIMSS tests), although there are some discussions about participating in both tests in the near future. However, a recent national assessment of student achievement found large disparities between students in urban and rural schools, with adolescent students struggling to complete more complex and analytical tasks. According to one interviewee, the *‘quality of secondary, technical-vocational and higher education has deteriorated in recent years, with the rural–urban divide in education growing’*.

This belief was shared by many of the domestic and external stakeholders who were interviewed and also applies to tertiary education, which has expanded rapidly *‘with low cost and low quality’* (World Bank, 2009, p.5).

4.2 Improving school-to-work transitions

The unemployment rate among youth was so high during Mongolia’s transition to a market economy that it often made sense to continue studying. While enrolment rates in tertiary education may have soared in the past two decades, many young people have still been unable to find jobs:

22.1% of all those unemployed in 2008 had completed university degrees (World Bank, 2012) compared with a world average of 6.1% in 2005.³⁶ The unemployment rate for 20 to 24-year-olds was more than twice as high as the total unemployment rate (23.1% vs. 9.9%) in 2009 (ILO, 2012). Today, many highly-qualified workers are employed in jobs well below their qualifications or have no job at all.

It seems that the low quality and relevance of the post-primary education system in Mongolia has resulted in what a 2011 UNESCO report identified as a *‘serious mismatch between skills supply and labour market demand’*.

In a World Bank study (2011), Mongolia ranked behind comparator countries in East Asia in terms of employer perceptions of employees’ communication skills, problem-solving, leadership, creativity and work attitude. Informant interviews for this case study found that many employers – especially large firms – are facing shortages of certain types of technical, managerial and language skills, and are looking for workers who are trained in very specific competencies. In particular, large foreign investment inflows that have started production in two new mines (Oyu Tolgoi and Tavan Tolgoi) have expanded demand for workers in the mining sector. According to Ianchovichina and Gooptu. (2007), over half of the large firms they surveyed cited a shortage of skilled workers as a reason for being unable to operate at full capacity. One-third of the firms surveyed for this study had vacancies for professionals and nearly two-fifths reported vacancies for educated workers.

According to the World Bank (2010), the expansion of higher education has failed to produce graduates who can improve Mongolia’s international competitiveness, with only 36% of university graduates able to find a job, compared with 60% of graduates from technical and vocational education. The mining and quarrying sectors provide only a small fraction of the jobs in the economy, and only started to expand in the second half of the 2000s.

As a result, the Mongolian labour market is, as a 2008 ADB assessment argues, *‘plagued with untapped human capital, low-productivity jobs, and lack of skilled workers’*. However, according to several interviewees, the government does seem to recognise the challenges facing higher education and TVET in Mongolia and has responded with, for example, the creation of a TVET National Council and a TVET Support Fund. As mentioned in Section 2, vocational training has also benefited in recent years from a series of large development cooperation programmes and government interventions.³⁷

36 Latest data available.

Box 6: Continued marginalisation and inequity

Despite strong progress on equity in a number of areas, certain marginalised groups lag behind in access to post-primary education in Mongolia. These include children from ethnic minorities,ⁱ those with disabilities, migrant children and those who are ‘undocumented’.

Bilingual education programmes have attempted to boost access for children from ethnic minorities in recent years. According to our informants, however, such children have been marginalised within the education system, and particularly since the 1990/91 transition.ⁱⁱ The sizeable Turkic-speaking Kazakh minority has not been integrated effectively into an education system that works, for the most part, in the Mongolian language, according to the most recent MICS (2005, as reported in the UNESCO WIDE database).

Children with disabilities also face discrimination within the education system, and make up the largest single group of school drop-outs, according to the National Association of People with Disabilities. In 2004, only 41% of children with disabilities aged 8 to 11 were enrolled.ⁱⁱⁱ In part, this is a product of teacher incentives – while student norms are adjusted and are marginally higher for children with disabilities, this still provides insufficient incentive for some teachers to promote their inclusion, particularly as teacher salaries are determined to some extent by the number of failing students. Only about 40% of 33,000 school-age children with disabilities go to school, mostly to one of six special schools for children with disabilities.^{iv}

Civil-society groups report that some migrant children from rural areas who initially enrolled in school in Ulaanbaatar have dropped out because of the lack of remedial classes to help them catch up with both the content they have missed during their transition to the city and the more advanced content found in urban schools. This lack of remedial classes is also cited as a reason to discontinue the schooling of children who have spent time in hospital, especially if their parents cannot afford to hire a private tutor to help them make up the lost ground.

There is evidence that undocumented children (often recent migrants who have not been able to register) are being excluded from the school system and other social services (Steiner-Khamsi and Amgaabazar, 2008). Registration procedures are very complex and poor families, in particular, are often left behind in this process. There are, however, no available estimates so far (the last census took place in 2010) on how many children fall into this category – the result, in part, of their ‘invisibility’.

Furthermore, inequality is perpetuated by several factors, including high rates of internal migration, the continued closure and consolidation of schools in rural areas, and a tertiary education system that is still centred in Ulaanbaatar (see Steiner-Khamsi and Amgaabazar, 2008). As a result, overlapping sources of marginalisation reinforce each other, with spatial inequality playing a key role in unequal access to education.

While we have seen that the gap in enrolment rates between rural and urban areas has declined over time, rural schools face specific cost burdens. For one, low student enrolment means that rural school buildings are underused, making it more costly to heat empty rooms in winter. Second, small rural schools spend more on dormitories and food while larger schools that offer multiple shifts spend more on staff salaries. Third, rural schools face higher transport costs for staff to attend workshops and meetings in *aimag* centres. Fourth, rural schools have a greater proportion of low-income families and are less able to rely on community resources. Fifth, rural schools have less access to public services and contend with less-efficient infrastructure. Finally, rural schools have lower PTRs than urban areas.

i Mongolia’s population is relatively homogenous, with ethnic Mongols accounting for over 95% of the population (among ethnic Mongols, Khalkhs make up by far the largest ethnic group).

ii According to informants, there was a stronger focus on bilingual education and integration of the Kazakh minority during the socialist era (including through quotas in education, employment and political representation). Following the 1990 transition, the Kazakh-language textbook printing factory was privatised and eventually went bankrupt, limiting textbooks to sources almost exclusively from Kazakhstan. Teacher education was decentralised to the teacher training college in Bayan-Ulgii, an almost exclusively Kazakh-language province, which also provided most teachers, the vast majority of whom spoke only Kazakh. As a result, there has been a significant decline in bilingualism among the Kazakh minority.

iii Mongolia Census, 2004.

iv <http://mongolian.mongolia.usembassy.gov/hrr2010.html>

37 Both in 2008 and 2010, the Millennium Challenge Corporation provided extensive support (more than \$25 million in constant terms) to vocational training. This was central to the implementation of TVET reforms, including reforming policy and the operational framework, creation of standards and competencies, training of teachers and administrators, establishing a labour market information system and upgrading facilities. A recent ADB project has also tried to address this by improving data on the nature of the problem through a labour market survey and tracer studies, as well as through information campaigns on social development issues in higher education, an industry training programme through public-private partnerships and collaboration with foreign higher education institutions, the improvement of modern research facilities and establishment of e-learning centres, improvement of the national accreditation system and establishment of mechanisms to monitor performance of higher education graduates in the labour market. See <http://www.adb.org/projects/45010-001/main>

4.3 Economic growth trends and implications for public finance

Revenues from Mongolia's mining sector have helped to increase fiscal revenues, alongside the public financial management reforms implemented in 2003 (see Section 3). However, the country's high dependency on mineral exports, with the mining sector expected to generate more than 50% of GDP by 2016 (UNESCAP, 2012), leaves the country highly vulnerable to external commodity-price shocks. Such shocks could, in turn, have knock-on effects on tax revenues and, indirectly, on financing for public education at all levels.

While the country has been able to extract greater fiscal revenues from its mining sector than other resource-rich countries, its outstanding growth performance (more than 17% in 2011 and projected to continue) and fiscal resource mobilisation depend on future trends in mineral-commodity prices, with one-third of total government revenues related to mineral resources.

The Mongolian system is also one of the few examples of public support to the private provision of education

services (teachers' salaries only, with parents paying tuition fees to cover other costs), which puts more pressure on government budgets that depend, to a great extent, on commodity prices.

To improve the management of public revenue from mineral extraction, the government introduced a Fiscal Stability Law in 2010, setting a structural fiscal balance. Following the Chilean model (IMF, 2012),³⁸ the Fiscal Stability Law introduced a ceiling on the structural deficit (2% GDP as of 2013), a link between expenditure growth and the rate of growth of non-mineral GDP, and a public debt ceiling of 40% of nominal GDP (in net present value terms, effective in 2014).

The challenge ahead is to manage the gains achieved as a result of Mongolia's mining revenue windfall effectively and to diversify the economy. This is essential to avoid what is known as the 'resource curse' (see Sachs and Warner, 2001; Gylfason, 2001; Van der Ploeg, 2010), where greater demand for commodities undermines already weak governance and leads to the contraction of employment-creating export sectors in manufacturing and agriculture.

38 See <http://bit.ly/1kQGZvX>

5. What lessons can we learn?



First day back at school in Mongolia. Photo: © Nick Farnhill

While sharing a socialist legacy with other Central Asian countries, Mongolia has outperformed most of them in terms of recovering and expanding access to post-primary education. On average, the number of years children spend in school has nearly doubled since 1994 – one of the most impressive improvements at country level in the past 20 years. Almost three in every five Mongolian youth now enrol in university and there was a sixfold increase in the numbers going to university between the post-crisis low of 1993 and 2011.

The country's greatly improved school life expectancy outcomes are the result of improved access driven by a rapid recovery of enrolment at all levels of schooling. This can particularly be attributed to a sustained focus on (re-)enrolment and retention at the secondary level in rural areas, as well as a boom in tertiary enrolment driven mostly by urban private-sector institutions. This case study analysis finds that four interconnected factors have contributed to changing Mongolia's fortunes in terms of post-primary enrolment: household demand for schooling,

investment in education provision, policy reform related to strengthening governance and equity, and external support.

Impressive gains have been made to improve equity, narrowing the gaps between rich and poor, girls and boys, and rural and urban areas. Nevertheless, reaching the poorest and most remote communities remains a challenge. And those whose education was curtailed in the early 1990s as a result of the country's economic collapse are in a particularly difficult situation – caught between older and younger generations who have had far more education. There are also concerns about Mongolia's heavy reliance on mineral exports, which leaves the country vulnerable to commodity price shocks that could undermine tax revenues and, by extension, funding for public education.

Mongolia's progress on post-primary education is an important example of how a country can adapt to changing social and economic demands within the context of an economic shock, an ongoing demographic transition, rapid urbanisation and strong environmental pressures. What

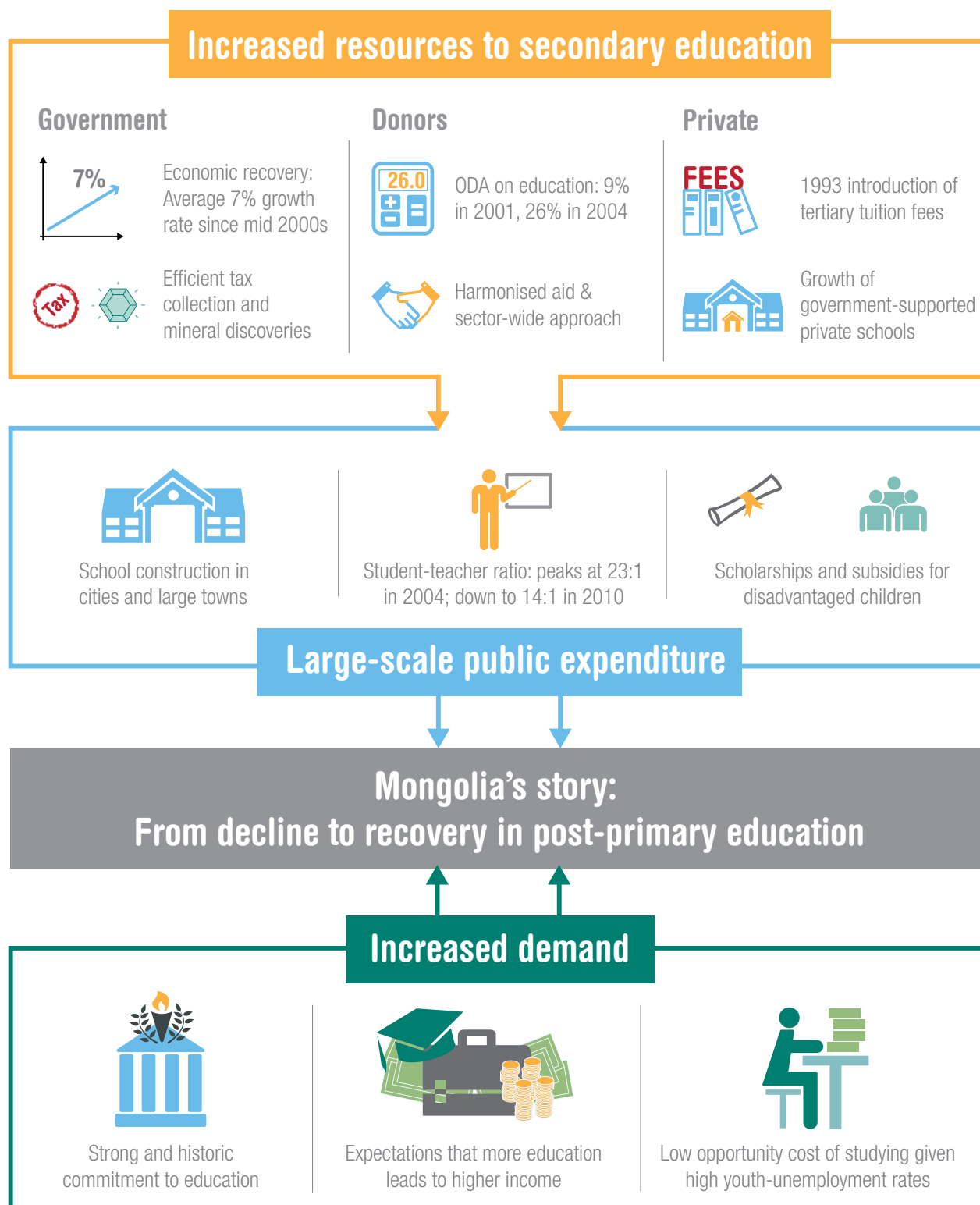
has worked here could provide important lessons for other countries that face similar challenges, as well as those with large rural communities, and for countries exploring policy solutions to manage pressure on government budgets caused by ever-growing numbers of children making the transition from primary to secondary education.

This case study touches on some big current debates and tensions in the education sector as other nations will focus increasingly on extending access to higher levels of education. Addressing rural-to-urban migration, improving equity, incentivising decentralisation, engaging with private actors and strengthening the focus on school-to-work transitions are all areas where the Mongolian experience can lend insight.

- Education provision needs to be adapted deliberately to changing rural–urban demographics. A trend toward urbanisation is seen the world over, with increasing internal migration often accompanied by continued mobility. In Mongolia, as the country has shifted from a nomadic economy based on herding to an industrial one, the education sector has made a valiant effort to adjust. Much has been done to increase education capacity in peri-urban areas and support access to secondary education in rural areas, including the consolidation of schools, increased dormitory accommodation and greater incentives for teachers to teach in more remote areas. More attention, however, is needed to support higher education access for rural students. With rural-to-urban migration likely to continue in Mongolia – as in other countries – new multi-sectoral initiatives that take account of urban development, labour market policies and education will be needed to adapt to this demographic shift.
- Gains in education equity can be made through whole-sector approaches, but need targeted demand-side measures to go the extra mile. As enrolment rates increase across primary, secondary and tertiary levels, the question of who remains excluded is increasingly being faced by policy-makers. Mongolia is an example of substantial progress having been made on the equity front through broad efforts at expanding provision, barring a few specific efforts to reach the most marginalised. This approach was, to some extent, based on an understanding that targeted assistance for vulnerable groups would be divisive; however, this view was perhaps more of a misunderstanding, given that in Mongolia small donor-driven programmes have been successful alongside broad efforts at expanding enrolment. Other countries facing similar challenges may want to consider embedding efforts toward greater equity in their overall education policies, plus targeted measures for groups that have been neglected to date, such as ethnic minorities and those with disabilities.
- It is important to support decentralisation efforts through specific incentives, financial or other, that can motivate greater school-level responsibility. It is often taken as received wisdom that decentralisation facilitates development, bringing the decision-making closer to the end user. In the case of Mongolia, however, policies encouraging decentralisation have battled against a more familiar culture of centralised decision-making. One of the policies that seems to have cut through that tension is the per-capita allocation formula, designed to reach out to every school by creating positive incentives for schools to expand enrolment at full capacity and reduce drop-out rates. Capitation formulas such as these can incentivise schools to reach full capacity and decrease drop-out rates, but the allocation formula should be designed to increase equity.
- The education sector should engage more proactively with private-sector providers and private employers, particularly at the tertiary level. While private-sector involvement in the field of education may be a fait accompli, the level of involvement varies widely from country to country. In Mongolia, there is limited private provision at the secondary level, but massive expansion of private institutions at tertiary level. While the opening up of higher education to private-sector providers has fuelled a massive increase in the number of Mongolians in university, this has raised concerns about the quality of the education on offer. Whatever the level of education, there is only minimal engagement between education actors and employers on school-to-work transitions. As countries experience growth in private provision, rigorous monitoring needs to be introduced to ensure that the degrees on offer are of good quality, and better engagement is needed on skills for school-to-work transition so that graduates can, in fact, find appropriate jobs.

While Mongolia has weathered the most severe drop in post-primary education enrolment in Central Asia and has restored enrolment rates to levels above those seen in the Soviet era, there is a sense that this is where the hard work must begin: that more complex institutional reforms are needed to improve the quality of education and ensure a smooth journey from education to employment.

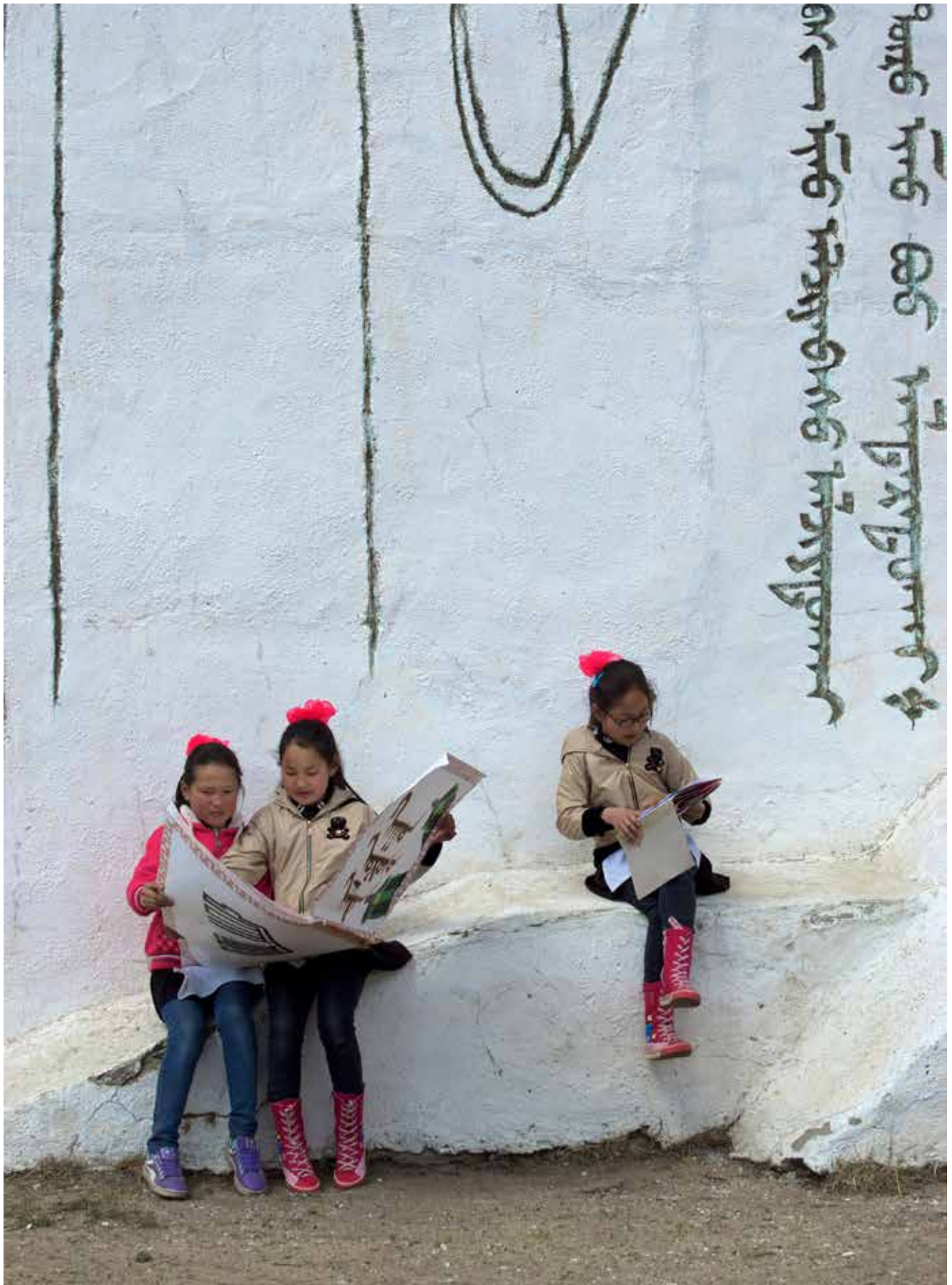
Mongolia has already demonstrated its ability to rise to the challenges. The government-backed expansion of post-primary access was built on a historic commitment to the sector and has been met by high levels of demand. And the high value placed by families on higher education can be seen in enrolment rates that have nearly tripled, despite the introduction of tuition fees and the low quality of many college degrees. Such commitment, coupled with impressive and rapid progress on access to education, could provide the launch-pad for ever greater achievements in Mongolia's drive for a good quality post-primary education for all.



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Reading books by the Chinggis Monument, Dadal County, Mongolia. Photo: © Khasar Sandag, World Bank

Annex 1: Timeline

Year	Broader international context	National political context	Donor projects/ relations	Education policy changes	Changes in education financing
Pre-1921		Independence from China in 1911 and start of constitutional monarchy under Bogd Khan until 1924		Literacy rate assumed to have been < 1% Most students in monastic schools	
1921-1950		1924: Death of Bogd Khan. Mongolian People's Revolutionary Party (MPRP) assumes power – country becomes socialist 1921-1940: 'Revolutionary Democratic Phase' 1947: First national plan – start of planned economy		Late 1920s: Ban of monastic schools	
1950-1980		1950s: Collectivisation of livestock husbandry 1961: Becomes member of UN 1962: Becomes member of the Council for Mutual Economic Assistance (CMEA)	1962: Start of close alliance with USSR	1956: Imposition of Compulsory Education Act 1970s: Massive expansion of school system	
1980-1989	1989: collapse of Berlin Wall	Internal reform proposal for MPRP	Heavy investment by USSR (up to 30% of GDP)	1988: fifth congress of Mongolian teachers proposes reforms (increased local involvement in management, administrative decentralisation, etc.)	
1990	Education for All (EFA) Jomtien Conference	Street protests First elections won by MPRP			
1991	Collapse of USSR	Start of privatisation of agricultural land and livestock	Withdrawal of assistance and suspension of trade by USSR and other socialist countries		
1992				Constitution: Right to education with free basic general education provided by the State (Art 16, Para 7)	Imposition of fees for public higher education institutions
1993			Sector Review (funded by ADB and UNESCO)		

Year	Broader international context	National political context	Donor projects/relations	Education policy changes	Changes in education financing
1994				Education and Human Resource Development Master Plan	
1995				Education Policy to overcome short-term crisis Education Law (right to education, compulsory education for all, decentralisation measures) Teacher strike	Imposition of cost-sharing for dormitories
1996		The Democratic Union Coalition (DUC) opposition party, under Mendsaikhan Enkhsaikhan, wins the election			
1997				National Programme on Non-Formal Education (NFE) (1997-2004) Rationalisation of education (merging of small schools, firing of around 8,000 teachers)	
1998				National Programme on TVET	Per-student financing formula with different norms for each aimag
1999	EFA Dakar Conference			Review of plans for development in education and human resources	Change in normative means to reflect variations within aimags (coefficients based on distance of school from the centre of a soum)
2000	Start of MDGs	MPRP defeats DUC		Abolition of dormitory cost-sharing	
2001					
2002				2002 Education Law. Start of teacher training content and methodology	Voucher in-service teacher training reform
2003			ADB Education Development Project 2 (through 2008—loan)		Simplification of formula (four locational categories)
2004		DUC establishes new government	ADB and Institut de Recherches sur l'Enseignement des Mathematiques (IREM) (through 2006 – grant)	Transition from 10 to 11 years of schooling	Division of western region into two parts
2005		MPRP has president...	JICA Teaching Methods Improvement Project (through 2008 – grant)	Agreement on Education Master Plan (2006-15)	

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2006		And Prime Minister	World Bank Rural Education and Development (through 2008 – grant) UNESCO Rural Education Improvement Project (through 2008 – grant) Save the Children Quality Basic Education Project (through 2009 – grant)		Division of central region in two parts Rural bonus introduced (10%) for non-Ulaanbaatar teachers
2007			World Bank FTI Trust Fund (through 2009 – grant) ADB Education Development Project 3 (through 2012 – loan and technical assistance)	Teacher reform (change from teaching load to workload system)	Re-simplification: schools classified according to four locations (bagh, soum- and aimag-centre and city)
2008		Launch of National Development Strategy	ADB Education Sector Reform Project (grant/ technical assistance)	Transition from 11 to 12 years of school	
2009			Millennium Challenge Account (MCA) Vocational Education Project (through 2012 – grant)	Education Sector Master Plan (2009-15) TVET Law	
2010					
2011					
2012					Amendment to Education Law approved, extending monetary incentives for teachers to non-teaching staff and private schools

This is one of a series of Development Progress case studies. There is a summary of this research report available at developmentprogress.org.

Development Progress is a four-year research project which aims to better understand, measure and communicate progress in development. Building on an initial phase of research across 24 case studies, this second phase continues to examine progress across countries and within sectors, to provide evidence for what's worked and why over the past two decades.

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