



Development  
Progress

## Case Study Summary

*Education*

### FROM DECLINE TO RECOVERY Post-primary education in Mongolia

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- A child who entered school in Mongolia in 1994 would complete, on average, 7.7 years of schooling. That average had almost doubled by 2010, to 14.3 years.
- Disparities in access to secondary education between urban and rural areas have almost disappeared in the past decade. In 2000, secondary net enrolment ratio (NER) for rural areas was 75.6% compared to 88.8% for urban areas; by 2011, this disparity had disappeared with the NER at 90.2% (rural) and 89.9% (urban).
- Almost three in five Mongolian youths now enrol in university – a rate comparable to the average for high-income countries. There was a six-fold increase in students between 1993 and 2010.

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

## Why explore post-primary education in Mongolia?

Mongolia is a key example of a country that has begun to address the knowledge and skills gap among its young men and women by expanding access to post-primary education. In the space of just 20 years, Mongolia has recovered from the most severe drop in both secondary and tertiary enrolments seen in any Central Asian transition economy to achieve enrolment rates that rival those of its neighbours and even some OECD countries.

In a globalised economy, national prosperity now 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. The knowledge and skills acquired in post-primary education are crucial for informed and effective civic engagement and in preparing young people for the world of work. By extension, post-primary education can help young people

and their families escape from poverty. This matters at a time of demands for increasingly complex skills, and a mismatch between what labour markets need and the skills young people actually possess.

The case study explores 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:

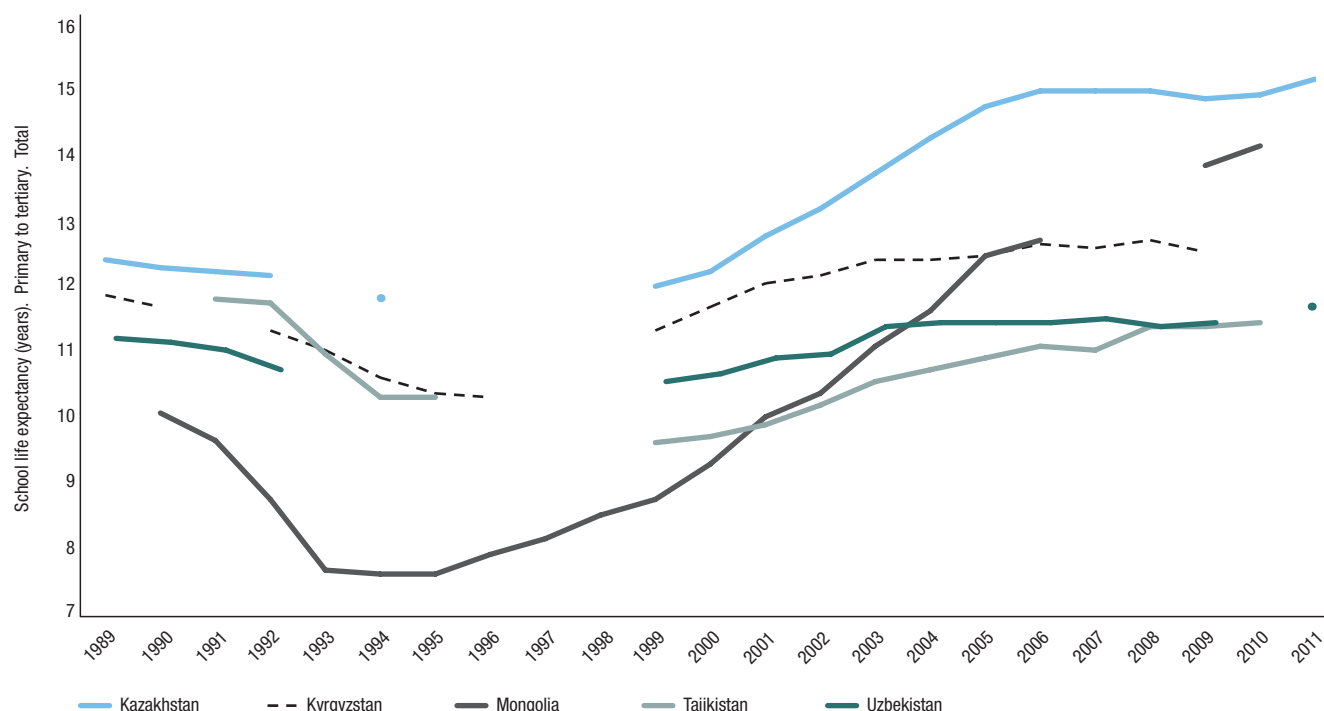
- What has driven progress on enrolment in post-primary education, and how has this been financed?
- How have other aspects of education evolved: quality, equity and relevance, as well as students' transitions from school to work?

Mongolia's experience may be relevant to other countries where more children are completing primary education and that want to expand equitable access to post-primary schooling. The country's recovery from social

**‘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**



**Figure 1: School life expectancy, Mongolia and Central Asia transition economies, 1989-2011**



Source: UNESCO Institute for Statistics (UIS) data (2012).

and economic collapse in the early 1990s also holds lessons for countries contending with similar shocks and crises, as well as long-term challenges, such as low population density and a harsh climate.

## What progress has been achieved?

Mongolia was a Soviet satellite state for more than 50 years, benefiting from support from the USSR and providing free education for every child from primary school right through to university. The disintegration of the Soviet Union and the resulting economic shockwave led to plummeting educational opportunities in the early 1990s, with access to secondary and tertiary education, in particular, undermined. There was little or no money for teachers' salaries, school heating and lighting, repairs, maintenance, equipment or textbooks.

Having seen the most rapid fall in school life expectancy (the average number of years a new starter spends in school) among Central Asia transition countries, Mongolia responded with the greatest improvement, climbing from worst performer in the early 1990s to almost catch the

region's top-performer, Kazakhstan (Figure 1). Today, the average student in Mongolia can expect to complete at least some post-secondary education or training – a track record to rival that of some OECD countries.

Rising school life expectancy has been, in part, the result of much higher secondary enrolment and primary completion rates and, in turn, higher transition rates from primary to secondary school. Secondary gross enrolment rates reached a 30-year low in 1997 of 61%,<sup>1</sup> but recovered to pre-1990 levels just six years later. They have, in general, increased ever since. One striking feature of the post-1990 education system has been the rapid rise in access to universities since 1993 (Figure 2, overleaf), despite the introduction of tuition fees in the early 1990s. Tertiary enrolment rates for women exceed those of men by almost 10% and are greater than the average for OECD countries, even though Mongolia's per capita GDP today is roughly one-sixth of the OECD average.<sup>2</sup>

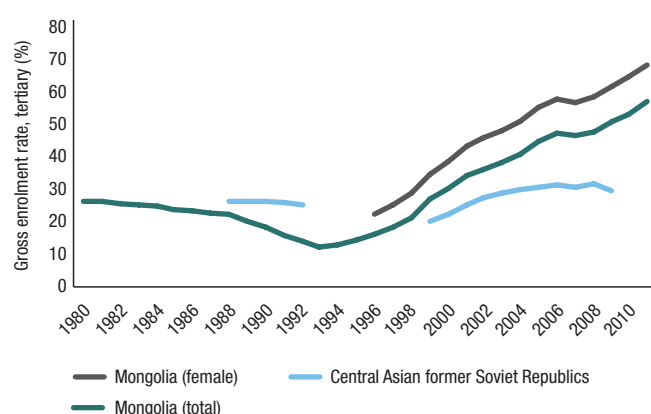
Post-primary education has also become more equitable than it was during the early stages of economic transition in the 1990s. While household income remains the most significant determinant of enrolment, those from poorer

**'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**

<sup>1</sup> Based on UIS data.

<sup>2</sup> OECD members are 34 high-income countries, often considered as benchmark for the group of high-income economies.

**Figure 2: Tertiary gross enrolment rates, Mongolia, Central Asian former Soviet Republics<sup>1</sup> and middle-income countries (MICs), 1980-2011**



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.

and more marginalised groups are now more likely to enrol and complete schooling beyond the basic level than they were in the early 1990s. By 2000, the secondary net enrolment ratio (NER) for rural areas was 75.6% compared to 88.8% for urban areas; by 2011, the gap had closed, with the NER at 90.2% (rural) and 89.9% (urban).

## What are the factors driving change?

While broad economic recovery provided the backdrop for Mongolia's improvements in post-primary education, four drivers have been necessary for the scale of progress achieved.

1. Strong demand for, and high value placed on, post-primary education.
2. Expanded provision through investment in education by the Government of Mongolia.
3. Policy reform and reaching the unreached.
4. External support through development partners.

### 1. Strong demand for, and high value placed on, post-primary education

Mongolian families make considerable sacrifices to send their children to school, and education is seen as a crucial asset by 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, says "education for my children".' Both secondary and tertiary education are seen as important assets: 67% of personal loans taken on by herding families are spent on education, according to analysis by the World Bank (2010).

Support for education does not stop at the household level. Its high value 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.

Beyond its cultural value, education's economic premium has been substantiated by analyses on the financial returns to education for young Mongolians. In the first study on the rate of return for schooling, Darii and Suruga (2006) found that that each additional year of schooling had a rate of return of 7.2% – higher than in most transition economies. They also found that each additional year of schooling added around 9% to the wages of those under the age of 35. Pastore (2010) found that earnings increased alongside educational attainment, with a rate of return on a university education of 9.5%, compared to 4.2% for general education. As the most severe impact of the post-transition economic crisis subsided, the opportunity cost of post-primary education also diminished and many children who had dropped out re-enrolled.

### 2. Expanded provision through investment in education by the Government of Mongolia

Mongolia's economic recovery, built on a revitalised industrial base and mineral discoveries, has increased the resources available to its government. And greater efficiency in tax collection has generated further revenue (World Bank, 2010, p.3). According to World Bank data, public expenditure on education as a share of GDP has been higher than the East Asia and Pacific regional average in recent years (3.8% in 2008 in the East Pacific region; 4.9% in Mongolia on average between 2005 and 2009). This has

**'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**

meant more resources for education across the board.

This bigger resource envelope has allowed Mongolia to make large-scale investments in school construction, alongside more spending on both transport and communications infrastructure. Education planners have responded to large rural-to-urban migration by building schools in cities, larger towns and peri-urban areas. There has also been a major push to rehabilitate the condition of schools to make them safer, more hospitable and energy-efficient.

Recent years have also seen an increase in the number of secondary school teachers, following a sharp decline in the 1990s (see Figure 3).

According to interviewees, teaching is 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 rural/urban breakdown, almost all 22 provinces have seen growing numbers of teachers in recent years, according to Ministry of Education data.

Finally, at the tertiary level, the introduction of tuition fees and the growth of private institutions have helped to contain public expenditure, despite soaring enrolment rates.

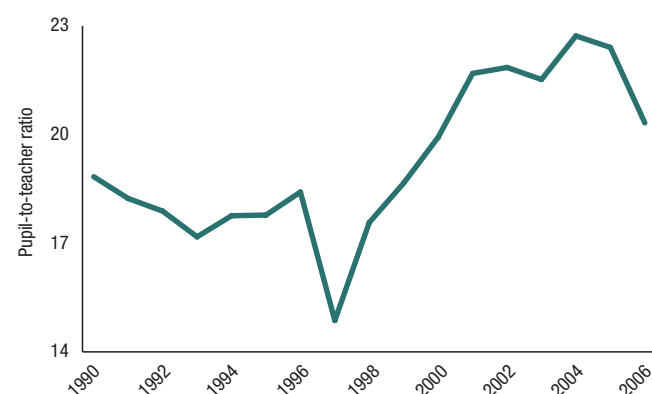
### 3. Policy reform and reaching the unreached

Mongolia's education reforms have been enshrined in laws and strategy documents including the 1991 Law on Education, the 1993 Education Master Plan and the 1995 Primary and Secondary Education Law, as well as the country's 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 compartmentalised system of education based on the Russian model to a more flexible system, including improving efficiency and effectiveness of education at all levels through rationalisation and decentralisation.*'

While these laws reinforced primary and secondary education as free and compulsory, they also shifted the ideology from socialism to more democratic and humanistic approach. 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, covering both public and private institutions. As part of ongoing reforms, 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

Figure 3: Secondary school pupil-teacher ratios



Source: UNESCO UIS (2012).

of new standards for each level of education. According to a UNESCO assessment, the new system focuses '*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 current Education Master Plan (2006-2015) 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.

The single most effective measure to expand access to education for rural pastoral communities is believed to be the establishment of boarding schools and dormitories, with the government now funding all dormitories in rural areas. There have also been programmes in recent years, implemented at the behest of donors, to support disadvantaged children who are already in primary school, and to promote retention and transition to higher levels of education and, ultimately, to employment. Recent years have also seen donor-funded programmes to improve educational access for children from marginalised groups. Although they do not target post-primary education directly, these programmes ensure that marginalised groups have the chance to enter secondary school.<sup>3</sup> Schools also have a strong incentive to enrol children and keep them in school, as funding is allocated on a per capita basis.

### 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. Official development assistance (ODA) from DAC donors has risen steeply, from less than \$10 per capita in the 1980s, oscillating between \$80 and \$100 in the 1990s and 2000s, and achieving a peak of \$137 in 2009, or 8% of GDP per capita.

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



Mongolia was the first of the former centrally planned economies in the region to mount large-scale education projects with foreign donors. Financial resources from donors, especially for education infrastructure, and their policy advice, played a key role in the recovery of the education sector. The share of total ODA to the sector increased in the early 2000s (from 9% of total ODA in 2001 to 26% in 2004) reflecting donor community support for social-sector spending following the Millennium Conference.

Mongolia's shift from a centrally planned economy and its sweeping education reforms were driven not only by domestic pressures, but also by a changing external climate, including the much stronger role of western donors. The pillars of education reform, including a reduced role for government, decentralised planning and financing, the introduction of fees and the growing involvement of the private sector, were consistent with education reforms implemented in many other transition countries and in 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'*. The Asian Development Bank (ADB), in particular, has worked with the government and other development partners to address sector challenges.

## What are the challenges?

While two decades of recovery and reform in Mongolia have led to some success, new challenges have been revealed, while some old challenges remain unaddressed.

Independent assessments and interviews carried out for this case study suggest that learning outcomes for Mongolian youths at all levels of post-primary education are worrying and are improving only slowly, if at all. A sector analysis (UNESCO, 2011) argues that the current curriculum is not aligned with modern education standards, and a recent national assessment of student achievement found large disparities between students in urban and rural schools. There is also significant concern about the quality and comparability of degrees earned at many higher education institutions.

The low quality and limited relevance of post-primary education has resulted in a mismatch between skills supply and labour market demand. This is reflected in a World Bank (2010) analysis, which argues that the expansion of higher education has failed to produce graduates who can improve Mongolia's international competitiveness. Only 36% of university graduates can find a job in the year after graduation, compared with 60% of graduates from institutions focused on technical and vocational education and training (TVET) institutions. This has informed efforts since 2009 to reform and expand TVET to give more young men and women technical skills that match the demands of an economy that has both a booming mining sector and a growing need for service-sector skills.

Finally, Mongolia's economic growth has been driven by the mining sector boom, which is expected to generate more than 50% of GDP by 2016 (UNESCAP, 2012). However, high dependency on mineral exports leaves the country highly vulnerable to commodity price shocks. This could, in turn, affect tax revenues, indirectly undermining public education financing.



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

## Lessons learned

Mongolia's progress on post-primary education shows how a country can adapt to changing social and economic demands, economic shocks, demographic transition, rapid urbanisation and environmental stress. What has worked here holds lessons for other countries facing similar challenges, and countries exploring policy solutions to manage pressure on budgets caused by more children making the transition from primary to secondary education.

- **Education provision needs to adapt to changing rural-urban demographics.** As Mongolia has shifted from a nomadic, herding economy 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, while supporting access to secondary education in rural areas. Still more needs to be done to support higher education access for rural students, including the consolidation of schools, increased dormitory accommodation and greater teacher incentives to teach in more remote areas.
- **Gains in education equity can be made through whole-sector approaches, but targeted demand-side measures are needed to go the extra mile.** Mongolia has made substantial progress on educational equity front by expanding overall provision and mounting specific efforts to reach the most marginalised. Other countries facing similar challenges may consider embedding efforts for greater equity in overall education policies, plus targeted measures for groups that have been neglected to date, such as ethnic minorities and those with disabilities.
- **Support decentralisation efforts through specific incentives, financial or other, that can motivate greater school-level responsibility.** Mongolia's decentralisation policies have battled a more familiar

culture of centralised decision making. One policy that has cut through that tension is the per-capita allocation formula: an incentive for every school to expand enrolment and reduce drop-out rates. Such formulas can incentivise schools to reach full capacity and decrease dropout 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.** There is limited private provision at the secondary level in Mongolia, but massive expansion of private institutions at the 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. As countries experience growth in private provision, rigorous monitoring is needed to ensure that the degrees on offer are of good quality, and better engagement with the private sector is needed on the skills for school-to-work so that graduates can, in fact, find appropriate jobs.

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, matched by high levels of demand. 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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This summary is an abridged version of a research report and one of a series of Development Progress case studies being released at [developmentprogress.org](http://developmentprogress.org)

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