

URBANIZATION PROCESS OF MONGOLIA

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SUMMARY

Urbanization is not only increasing in Asia but is also varied across the region. This paper presents an overview of trends in urbanization and regional population distribution in Mongolia. Rural to urban migration is essentially the main cause of urban growth. Mongolia began experiencing urbanization in the 1950s. Both collectivization and industrialization played an important role. In the recent past the rate of urbanization has been very high. Currently urban population constitutes more than half of the total population. One-third of the population is found in the capital city of Ulaanbaatar. The changing definition by the government of what constitutes an urban center over the years, has changed the size of urban population over time. The proportion of urban to total population has been rising from 44% in 1969 to 56.6 percent in 2000.

Regional population distribution has been influenced by a wide range of factors. These include geographical, history, type and location of economic activities as well as the direct and indirect impact of policy decisions of government. There is a wide variation in the population sizes of the regions. Khangai and the west had the largest population sizes in 1979 and 2000 respectively. Central and Khangai currently have the highest concentration of urban population. The west has the lowest level of urbanization while central and east regions have the highest. Ulaanbaatar experienced the highest growth in urban population in the last two decades which was a result of out-migration of large numbers of population from west and central, especially since 1990.

Concentration of urban population between 1970 and 2000 was found in places that could be considered medium sized cities/soums with populations of between 20000 and 100,000. Some of the small-sized centers actually lost populations as found in 2000, 32% of resident population of Ulaanbaatar were migrants from other aimags and cities. Ulaanbaatar is the largest city while Darkhan was the second largest in 1989. In 2000 Bayan Undur was the second largest. The population size difference between the largest and second largest cities has been very large. Finally though there exist statutes governing and regulating internal migration, people do not follow these laws and regulations

Globally, only in Asia were there consistent increases in the levels of urbanization over the three-decade period from the 1960s through the 1990s. Urbanization has occurred within the context of rapidly increasing size of populations. Not only are urban areas growing faster than rural areas but the overall number of persons living in urban areas is increasing dramatically. Within Asia, there is considerable variation in the levels of urbanization, with growth in urbanization being most rapid in East and South-East Asian countries and areas.

Rural to urban migration is viewed as the main cause of urban growth. Recent analyses by the United Nations (2000) indicate that in the decade of the 1980s, migration contributed slightly over half of urban growth in Asian countries. The contribution of migration/reclassification to urban growth was generally lower in South and West Asian countries compared with East and South-East Asian countries. The large contribution of migration to urban growth in East and South-East Asia during the

1970s and 1980s can be attributed to the economic dynamism of the sub regions, most of on the large cities.

Mongolia began to experience significant urbanization and the growth of urban localities only in the 1950s. Before independence, virtually no cities existed in Mongolia except the capital city of Ulaanbaatar. The radical political, economic and social changes after World War II, and in particular, industrialization and collectivisation played an important role in the urbanization process of Mongolia.

Urbanization has been significant and quite rapid in Mongolia. The current urban population constitutes more than half of the total population. One-third of the total population is found in the Capital city of Ulaanbaatar.

TRENDS IN URBANIZATION

Table 1 presents temporal analysis of trends in urbanization in Mongolia. There was a significant increase in the urban population growth rate during 1969-1979. According to 1969 census, there were 46 urban areas in Mongolia. With a significant net increase of 14 urban areas between 1969 and 1979 the number of urban areas rose to 60. But it declined to 56 in 1989 and 51 in 2000 due to change of definition of urban areas during this period.

The definition of urban areas has been changed three-four times since 1961. The first definition of urban areas was approved by a government order in 1961. This definition changed in 1973 and 1993. According to the government order of Mongolia of 1973, urban areas were defined as those areas meeting the following criteria:

- i. Have a minimum of 6000 permanent residents;
- ii. with at least 75 per cent of the working population engaged in non-agricultural sectors; and
- iii. with areas resented for the location of schools, colleges, government offices, health services,

This definition was used until 1994. According to this law, the Capital city, aimag centers –soums and villages are considered to be in urban areas. This law changed the definition of urban areas. The law defined urban areas as those having a minimum population of 15000 with a large proportion of the working population engaged in the tertiary sector.

A village is a small settlement where 500-15000 people live with economic sectors, such as agriculture, industry, tourism and resort is developed, and which has independent governance.

Census years	Total population	Urban population	No. of urban areas	Percentage of urban population to total population	Decadal urban growth (%)	Tempo of urbanization (per cent per year)	
	(000s)	(000s)				Annual exponential growth rate	Annual gain in percentage of urban population
1969	1197.6	527.4	46	44	0	0	0
1979	1595	817	60	51.2	54.9	4.42	0.72
1989	2044	1166.1	56	57	42.7	3.56	0.58
2000	2373.5	1344.5	51	56.6	15.3	0.13	-0.04

Source: 1969, 1979, 1989 and 2000 censuses of Mongolia

The proportion of urban to total population in Mongolia was 44.0 per cent in 1969, which increased by 0.72 percentage points during 1969-1979 and by 0.58 percentage points during 1979-1989 to reach 57.0 per cent in 1989. A high decadal urban population growth of 54.9 per cent was recorded in 1969-1979. The urban population growth slightly declined by 0.04 percentage points to 56.6 per cent in 1989-2000. This was due to changes in the definition of urban areas between the 1989 and 2000 censuses. Also with the privatization of government enterprises located in villages, some enterprises were liquidated and many workers moved out of villages. This may have led to loss of a village's urban status.

CONTRIBUTION OF RURAL-URBAN MIGRATION TO URBAN GROWTH

The urban and rural populations of a country can change as a result of births, deaths, migration and reclassification of areas resulting from changes of the boundaries defining urban and rural areas. Identifying the contribution of each of these components to urban and rural population change is fundamental in the study of the urbanization process. Estimates of components of urban growth in Mongolia for two decades, 1969-1989 are shown in Table 2.

Component of growth	1969-1979		1979-1989	
	Number (000s)	Percentage	Number (000s)	Percentage
All urban areas				
Natural increase	NA	NA	88.3	80.4
Net migration	NA	NA	21.5	19.6
Ulaanbaatar				
Natural increase	84.3	62.5	112.9	77.3
Net migration	50.6	37.5	33.2	22.7

Source: 1969, 1979 and 1989 censuses of Mongolia

According to these estimates, the percentage share of net migration for all urban areas was 19.6 per cent in 1979-1989. The data for the capital city of Ulaanbaatar shows that the proportion of net migration decreased from 37.5 per cent in 1969-1979 to 22.7 percent in 1979-1989. It indicates that the natural increase has been the main determinant of the city's growth since 1969. Conversely, net migration is making a diminishing contribution. Unfortunately, vital statistics are not available to measure the extent of net migration and the secondary effect of migration. Therefore, these estimates cannot provide a more complete picture of the contribution of migration to urban growth in Mongolia.

REGIONAL POPULATION DISTRIBUTION AND PATTERNS OF URBAN GROWTH

The pattern of population distribution in any country is determined by a wide range of factors. These include geography, history, type and location of economic activity, and the direct and indirect impact of policy decisions of government of a country.

According to the Law on "Administrative and Territorial Units and Management" of 1993, Mongolia is divided into 22 administrative units: 21 aimags and the Capital city of Ulaanbaatar. Also it is divided into West, Khangai, Central and East regions and the Capital city of Ulaanbaatar. This regional classification was approved by the "Concept on Regional Development" of Mongolia, which was issued by Parliament on 14 June 2001.

The regional distribution of population reveals that there is variation in the population size of regions. The regions that had the largest population size are Khangai and West in 1979, Khangai and Central in 1989 and 2000. Almost similar variations are observed in the regional distribution of urban population. Central and Khangai regions have the highest concentration of urban population.

Considering the percentage of urban to total population, it is found that Central and East regions have high levels of urbanization and the West region have the lowest level of urbanization.

Table 3. Total and urban population of regions, Mongolia, 1979, 1989 and 2000

Regions	1979			1989			2000		
	Total population (000s)	Urban population (000s)	Urban population as percentage of total population	Total population (000s)	Urban population (000s)	Urban population as percentage of total population	Total population (000s)	Urban population (000s)	Urban population as percentage of total population
Mongolia	1595	817	51.2	2044	1166.1	57	2373.5	1344.5	56.6
West	341.6	95.1	27.8	401.9	129.2	32.1	421.6	122.7	29.1
Khangai	369.5	104.9	28.4	454.8	162.8	35.8	545.7	175.7	32.2
Central	268.5	137.3	51.1	412.6	213.8	51.8	443.7	201.4	45.4
East	150.7	57.2	38	194.9	81.1	41.6	202.5	84.7	41.8
Ulaanbaatar	402.3	402.3	100	548.4	548.4	100	760.1	760.1	100

Source: 1979, 1989 and 2000 censuses of Mongolia

Of the total urban population in 2000, 56.5 per cent lived in Ulaanbaatar, 15.0 per cent in the Central region, 13.1 per cent in Khangai region, 9.1 per cent in West region and 6.3 per cent in East region. The Khangai region (1.4 persons per sq km) is the most densely populated region while the East region is the least densely populated (0.7 person per sq km).

The national urban population growth rate declined slightly in 1989-2000. The general downward trend in urban population growth is reflected at regional level as well (Table 4). West and Central regions experienced negative urban population growth, that are from growth of 35.8 per cent and 55.7 per cent in 1979-1989 to -5.0 per cent and -5.8 per cent in 1989-2000.

Table 4. Decadal urban population growth, by regions, Mongolia, 1979-1989 and 1989-2000

Regions	Decadal growth (%)	
	1979-1989	1989-2000
Mongolia	42.7	15.3
West	35.8	-5
Khangai	55.2	7.9
Central	55.7	-5.8
East	41.8	4.4
Ulaanbaatar	36.7	44.6

Source: 1979, 1989 and 2000 censuses of Mongolia

The Capital city of Ulaanbaatar is the only city which experienced a positive and significant increase in urban growth, that is from 36.7 per cent in 1979-1989 to 44.6 per cent in 1989-2000. One of the possible reasons for such a growth pattern is out-migration of large numbers of population from West and Central regions to the Capital city of Ulaanbaatar since 1990.

POPULATION SIZE AND CONCENTRATION OF URBAN POPULATION

Urban areas of Mongolia are classified in five broad population size categories: Class I 100000+; Class II 50000-99999; Class III 20000-49999; Class IV 10000-19999; and Class V less than 10000.

According to 2000 census, there were 1 class I cities, 2 class II cities/soums, 8 class III cities/soums, 12 class IV cities/soums, and 28 class V villages/soums in Mongolia. Class I and II cities/soums together accounted for about 70 per cent of Mongolia's urban population. In 1989, class I and II cities/soums claimed a share of about 60 per cent of the country's urban population. The increasing concentration of urban population in the highest size-class category is a result of in-migration to the capital city of Ulaanbaatar and the second and third largest urban localities of Darkhan and Bayan-Under soums. On the other hand, the number as well as population share of smaller villages and soums of other class categories declined between 1989 and 2000. As mentioned above, it is explained by the changes in the definition of urban areas and intensive migration streams to Ulaanbaatar and central regions' aimags during this period.

The analysis as shown in Table 5 suggests that urbanization was centered mainly in places that could be considered medium sized cities/soums, with populations of 20000 to 100000 during the periods under consideration. The population living in these urban places accounted for 31.7 percent of total urban population in 1989 but had decreased to 26.0 percent of the total by 2000.

It was also observed that the smallest size-class and medium size-classes have a negative annual rate of growth. This decline may not only be a result of the changes in the definition of urban areas. This shows that all the villages and soums in these categories lost population during this period.

Table 5. Number and population of urban areas by broad size-class categories, Mongolia

Indicator	Size-class/population					Total
	Less than 10 000	10 000- 19 999	20 000- 49 999	50 000- 99 999	100 000 and over	
Number of cities						
1969	34	10	1	0	1	46
1979	39	17	2	1	1	60
1989	34	10	9	2	1	56
2000	28	12	8	2	1	51
Population (000s)						
1969	114.5	122.2	23.3	0	267.1	527.1
1979	69.1	234.5	60.4	50.7	402.3	817
1989	93.3	155.3	227.3	141.8	548.4	1166.1
2000	42.4	192.9	215	134.1	760.1	1344.5
Percentage of total population						
1969						
1979	9.3	10.2	1.9	0	22.3	43.7
1989	4.3	14.7	3.8	3.2	25.2	51.2
2000	4.6	7.6	11.1	6.9	26.8	57
	1.8	8.1	9.1	5.6	32	56.6
Percentage of urban population						
1969						
1979	21.7	23.2	4.4	0	50.7	100
1989	8.5	28.7	7.4	6.2	49.2	100
2000	8	13.3	19.5	12.2	47	100
	3.1	14.4	16	10	56.5	100
Annual rate of growth						
1969-1979						
1979-1989	-4.92	6.74	9.99	-	4.17	4.47
1989-2000	3.05	-4.04	14.17	10.28	3.15	3.62
	-4.96	2.2	-0.49	-0.49	3.51	1.39

Source: 1969, 1979, 1989 and 2000 censuses of Mongolia

The percentage of urban population living in Ulaanbaatar declined slightly, from 50.7 to 47.0 percent between 1969 and 1989 and increased significantly, from 47.0 to 56.5 per cent, between 1989 and 2000. This increase is caused by the subsequent rapid migration to Ulaanbaatar.

In 2000, 32 per cent of the resident populations of Ulaanbaatar were migrants from other aimags and cities. The rapid migration to Ulaanbaatar result from the huge differences in the socio-economic development and living standards of the population residing in urban and rural areas. According to unpublished data from the National Statistical Office of Mongolia, in 2000, more than half of all economic entities were located in Ulaanbaatar, which produced 51.6 per cent of the country's GDP. By contrast, on average the production of a typical aimag accounts for only 2.3 per cent of GDP (NSO, 2002).

The urban areas with populations of more than 10000 are provided in Table 6. These areas were arranged in descending order of their 2000 population. The majority of these areas are aimag center-soums. Ulaanbaatar is the largest city in Mongolia. Darkhan was the second largest city in Mongolia until 1989. In 2000, Bayan-Undur the second largest city in terms of population size.

Table 6. The urban areas having population of more than 10 000 in 2000 arranged in descending order of their 2000 population, Mongolia

Rank in 2000	Urban areas	1969		1979		1989		2000	
		(00 Population 0s)	Percentage to total urban population	(00 Population 0s)	Percentage to total urban population	(00 Population 0s)	Percentage to total urban population	(00 Population 0s)	Percentage to total urban population
1	Ulaanbaatar	267.4	50.7	402.3	49.2	548.4	47	760.1	56.5
2	Bayan-Undur	*	*	31.9	3.9	56.1	4.8	68.3	5.1
3	Darkhan	23.3	4.4	50.7	6.2	85.7	7.3	65.8	4.9
4	Kherlen	19.3	3.7	28.5	3.5	45.3	3.9	40.1	3
5	Murun	11.2	2.1	16.5	2	22.4	1.9	28.9	2.1
6	Ulaangom	10.6	2	17.9	2.2	23.5	2	26	1.9
7	Ulgii	11.9	2.3	18.7	2.3	26.9	2.3	25.8	1.9
8	Jargalant	13.5	2.6	17.5	2.1	24.9	2.1	25.8	1.9
9	Mandal	8.1	1.5	11.4	1.4	14.3	1.2	24	1.8
10	Sukhbaatar	10	1.9	14.3	1.7	20.2	1.7	22.4	1.7
11	Bayankhongor	11.4	2.2	15.6	1.9	21.4	1.8	22.1	1.6
12	Arvaikheer	9.4	1.8	12.3	1.5	17.5	1.5	19.1	1.4
13	Erdenebulgan	12.9	2.4	14.9	1.8	21.7	1.9	18.5	1.4
14	Sainshand	8.3	1.6	11.1	1.4	11.8	1	18.3	1.4
15	Uliastai	11.4	2.2	16.3	2	21	1.8	18.1	1.4
16	Kherlen	7.7	1.6	11.1	1.4	15.3	1.3	18	1.3
17	Yesenbulag	10	1.9	13.8	1.7	19.3	1.6	15.7	1.2
18	Baruun-Urt	8	1.5	11.6	1.4	16.5	1.4	15.1	1.1
19	Zuunmod	7.1	1.3	9.8	1.2	15.9	1.4	14.8	1.1
20	Saintsagaan	6.4	1.2	10.2	1.2	16	1.4	14.5	1.1
21	Dalanzadgad	6.6	1.2	10	1.2	14.8	1.3	14	1
22	Kharkhorin	-	-	-	-	-	-	14	1
23	Bulgan	9.8	1.9	11.3	1.4	13.9	1.2	12.7	0.9

Other urban centers	43.1	8.2	59.3	7.3	93.3	8	42.4	3.1	
Total		527.4	100	817	100	1166.1	100	1344.5	100

Source: 1969, 1979, 1989 and 2000 censuses of Mongolia

The percentage share of population of the largest city in urban population was 50.7 percent in 1969, 49.2 per cent in 1979, 47.0 per cent in 1989 and 56.5 per cent in 2000. The difference between the population size of the largest and the second largest cities has been very large. These are indicators of high primacy existing at the national level. In 1969, Ulaanbaatar was 4.77 times larger than the aggregated population of the next three largest cities, a strong level of primacy.

This index declined to 3.62 in 1979 and 2.43 in 1989. But it increased to 4.36 in 2000. The decline of this index was caused by the growth of the smaller cities during 1969-1989. On the other hand, the increase in the Capital city's dominance of the urban hierarchy, reflects Ulaanbaatar's primacy status within Mongolia. Mongolia's urban population is concentrated almost exclusively in the primate city.

Table 7. Urban Primacy Indices of the 5 largest cities/soums in 2000, Mongolia

Cities/soums	Primacy index*			
	1969	1979	1989	2000
Ulaanbaatar	4.77	3.62	2.93	4.36
Bayan-Under	-	0.49	0.58	0.51
Darkhan	0.51	0.64	0.67	0.69
Kherlen	0.50	0.53	0.60	0.50
Murun	0.37	0.35	0.35	0.37

Source: 1969, 1979, 1989 and 2000 censuses of Mongolia

Summary

An overview of trends in urbanization and regional population distribution in Mongolia is presented in this paper. This paper includes temporal and spatial analysis of levels of urbanization and urban population growth patterns, an assessment of the contribution of rural-urban migration to urban growth, regional population distribution and patterns of urban growth, distribution of urban centers by city-size and the degree of concentration of urban population. The major findings of this paper are summarized as follows:

- Urbanization has been significant and quite rapid in Mongolia during 1969-2000. But there has been a slowing down in the pace of urbanization in recent years. The urban population growth rate declined from 3.56 per cent per annum in 1979-1989 to 0.13 per cent per annum in 1989-2000.
- The contribution of rural-urban migration to urban growth also declined during 1969-1989. Unfortunately, the analysis of components of urban growth is

constrained by the lack of suitable secondary data. Therefore, this paper could not provide a more complete picture of contribution of migration to urban growth for the period of 1989-2000.

- The pattern of population distribution and urbanization has been strongly influenced by indirect and direct impact of policy decisions and type and location of economic activity in Mongolia. Industrialization, collectivization and the transformation into a modern industrial-agricultural society within the context of a command economy were most important factors in influencing the process of urbanization during 1969-1979. But it was mainly affected by reclassification of urban areas and high level of rural-urban migration during the past two decades. Administrative restriction of movement has almost been eliminated since 1992. There are a number of laws and government orders to regulate internal migration, however, people do not follow these laws and regulations. Thus, rural-urban migration has intensified during the last decade. Industrialization has almost stopped and privatization has been undertaken during the same period. All these changes have a major effect on the urban population growth and urbanization in Mongolia.
- The current urban population constitutes more than half of the total population. One-third of the total population is considered in the Capital city of Ulaanbaatar. In 2000, Ulaanbaatar was 4.36 times larger than the aggregated population of the next three largest cities.

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