

## Recent Urbanization Trends in Mongolia

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### Introduction

The last three World Population Conferences organised by the United Nations at Bucharest, Mexico City and Cairo in 1974, 1984 and 1994 respectively recognized urbanization as an integral part of the development process and stressed the importance of integrating population distribution policies into overall development planning as a way to promote equitable development. The deliberations at those conferences led to series of recommendations on population distribution. These included the use of incentives to reduce undesired migration and to stimulate the growth of small and medium-size cities; the reduction of inequalities between urban and rural living conditions; and more equitable policies to improve job opportunities, production and income levels, and the educational, health, and housing infrastructure in both urban and rural areas.

Before the 1994 International Conference on Population and Development in Cairo, the United Nations organized a series of expert meetings on key topics related to the interaction between population and development. Among these was an Expert Meeting on Population Distribution and Migration, held in Santa Cruz, Bolivia, in January 1993. Again, the group emphasized the importance of urbanization in development and stressed the marked differences between ongoing urbanization processes in developing countries and those that characterized the developed world a century earlier. Large scale rural to urban migration has emerged as one of the most serious population problems confronting developing countries; it is special concern because of its presumed linkages to poverty and environmental deterioration.

Importance of this type of study becomes relevant since there is no such study in Mongolia that covers this topic in detail. Such a study is expected to provide a basis for formation of socio-economic policies and development plans such that improving the quality of manpower, education and health services and solving the housing problems. It also provides a foundation for projection of labor force and employment in various categories of economic activities. These strategies are important for Mongolia in her transition period to market economy.

### Review of the literature

Very few publications about urbanization are available in Mongolia. Among them Ricardo Neupert, 1994 in an occasional paper of the East-West Center on "Urbanization and Population Redistribution in Mongolia" examined urbanization trends based on 1969, 1979, 1989 censuses data.

In international level many researchers have studied the relationship between levels of urbanization, patterns of population distribution, degrees of primacy, rates of urban and rural population growth, and urban settlement patterns on the one hand, and socio-economic development and industrialization on the other. While most studies have stressed analysis of differences between urbanization in less- and more-developed countries, some researchers have focused on the characteristics of urbanization in countries with centrally planned economies.

As the number of countries undergoing substantial urbanization has increased, it has become clear that a classifying system fails to explain adequately the variety of urbanization



experiences in relation to social and economic development. For example, urbanization in Australia has been quite different from the experience of South Africa, where population distribution cannot be divorced from racial policies. Urbanization patterns in Latin America, with strong tendencies toward population concentration in primate cities, are quite different from those in South Asia.

Among countries with centrally planned economies, experience has varied considerably in terms of implementation of population redistribution policies and success in controlling urban growth. Like any other social process, urbanization and population distribution are historically conditioned and modulated by a society's institutional structure. To ignore this premise is to assume that institutional patterns are homogeneous and constant across societies or that they change in determinate, predictable ways.

To understand fully the extent of variation in urbanization across countries and to identify commonalities, analysts require a number of case studies encompassing a wide range of urbanization patterns. These should be undertaken in countries at various stages of development, with different modes of adjusting population distribution to economic, social, and political conditions.

Comparisons of country experiences should allow better assessment of urbanization patterns in individual countries, as opposed to aggregate trends, and identification of similarities and differences in the trends and levels of urbanization under different sets of historical, social, economic, and environmental conditions. The experience of Mongolia provides a valuable case study, elucidating the underlying patterns common to countries undergoing urbanization as well as the changes that occur as nations shift from a command to a market economy.

## **Objectives**

The main objectives of this paper are:

- To describe and analyze the present levels, trends and patterns of urbanization;
- To determine the major factors that affect urbanization process in Mongolia;
- To measure the effect of urbanization and population distribution on socio-economic development.

This paper deals with urbanization and patterns of population distribution in Mongolia. A unique mixture of socio-economic, demographic, political, and geographic characteristics makes Mongolia a particularly interesting case study. Recent changes - from a pastoral, feudal society a socialist-industrial-agricultural one and then to a democratic-capitalist one - have made the study of Mongolia's economic and demographic situation complex. Research difficulties are compounded by serious limitations in the available data. Due to lack of data and information so little has been published on demographic and economic change in Mongolia. The present study of urbanization process and patterns of population distribution helps to fill some of the gaps.

## **Levels and trends of Urbanisation**

### **Historical background**

Before independence (1911), virtually no cities existed in Mongolia except the capital city of Ulaanbaatar. This was not surprising in a country where the vast majority of the population was engaged in livestock production and the rudimentary processing of animal by products. Internal political and economic power was vested primarily in the temples and



monasteries, which were the main permanent settlements and regional centers for the limited nonagricultural economy.

In the decades immediately following independence, other urban centers began to develop, mainly as a result of emerging manufacturing activities. However, the country began to experience significant urbanization and growth of urban localities only in the 1950s. This development was clearly associated with the overall processes of economic and social change after World War II, and in particular with industrialization and collectivization.

### Urbanization trends, 1969-1989

Different criteria for defining urban areas are population size, population density, administrative classification, type of the predominant economic activity of the population and the type of services and infrastructure available in the area. The criteria used to define a place as urban are based on the economic activity of its population. Any permanent settlement in which at least three-quarters of the working-age population is engaged in nonagricultural activities is considered urban.

According to this definition Mongolia is currently divided into 21 administrative units: 18 *aimags* or provinces and three autonomous cities. Each *aimag* has a center or capital. In addition to these urban units, there are number of small cities and towns, most of them the administrative centers of the rural districts, called *som*. By 1989, all the *aimags* capitals had populations of more than 10,000. Zuunharaa was the only location with more than 10,000 inhabitants that was not an autonomous city or *aimag* center. Because of its size, it is included together with the other urban units in the present analysis.

Discussion will focus on the 1969, 1979, and 1989 censuses data, during this 20-year period because only these censuses are of adequate quality and include tabulations that are relevant for the analysis of urbanization. According to the data presented in Table 1, 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 concentrated in the three largest cities, each with more than 50,000 inhabitants. Annual population growth in urban areas was three times the rate in rural areas in both 1969-79 and 1979-89. In Darhan and Erdenet, the increase was exceptionally high. These data suggest that migration has been a major component of urban population growth.

Noteworthy also is the decline in the pace of growth during 1979-89 compared with the earlier decade. In part, this reflects a decline in natural increase, stemming from the fall in fertility during the 1980s. However, the decline in pace of growth of the urban population was also caused by a decline in migration. This change appears to be related to the mounting economic problems that country began to experience during the 1980s. Industrial investment was substantially reduced, with a consequent slowdown in the pace of urban job creation.

The overall decline in urban population growth is attributable to the slower growth of three autonomous cities. In the Aggregate, the *aimags* centers continued to grow at about same rate in both decades. The annual rate of population growth in other urban places actually increased during 1979-89 compared with the rate estimated for the previous decade.

Fertility decline in these places may have been less significant than in larger urban localities. However, the main explanation appears to be that most of these localities do not depend economically on the industrial activities that declined substantially during 1980s. They therefore continued to attract migrants who were absorbed in the expanding service-related and administrative work force.

The rapid population growth of urban areas boosted the demand for housing, education, and health facilities. This led to sustained government investment in housing, which in some years reached more than 20 percent of total government investment. In all urban



localities, physical expansion was rigorously planned. Dwellings ranged from pre-World War I, conventionally built, low-rise structures to 12-story apartment blocks with full services, including central heating. The government treated housing as a highly subsidized social service similar to health or education services.

Nevertheless, demand for housing outstripped supply. The problem was solved by using the *ger*, the traditional Mongolian dwelling tent. These are portable round tents, usually made of felt, which can accommodate a family of four. Mongolian cities are usually surrounded by encampments of *ger*. In some cities, as much as 70 percent of the population lives in this type of housing. All categories of human settlement in Mongolia, from the capital to *sum* centers, exhibit a typical pattern of division between formal government housing and *ger* encampments.

The *ger* has been the traditional dwelling of Mongolians from ancient times, so its use in urban areas is not defined by most government officials as a social problem. To some extent, *ger* areas in Mongolian cities resemble the shanty towns surrounding cities in other developing countries. Although *ger* encampments do not have the normal level of public services (piped water, sewerage, and central heating), the vast majority of their residents cannot be considered marginal since they tend to have formal employment in the urban economy and access to most available social services, such as education and health care. In addition, *ger* occupants represent a cross-section of income and occupational groups. *Gers* areas, especially in the largest cities and *aimags* centers, are officially designed by the municipal government, which exercises a degree of control and supervision of plot layouts. The land is provided rent free. In these areas, *ger* are rapidly being replaced or supplemented by self-built, rectangular, pitched-roof houses that are constructed from timber or masonry and contain one or two rooms. Their construction is the full responsibility of the owner-occupant, whether involved in the work personally or using casually contracted labor.

## **Patterns of urbanisation**

### **Population distribution by city size**

We turn to an examination of population distribution by size classes of cities in 1969, 1979, and 1989 (Table 2). Only one city, Ulaanbaatar, fell into the largest size category of 100,000 and over. In 1969, no city belonged to the second largest size class, of 50,000 to 100,000, but Darhan moved to that category in 1979, and Erdenet followed in 1989. Darhan had only 23,000 inhabitants in 1969, and Erdenet did not exist at all; by 1979 Darhan had 51,000 inhabitants, and Erdenet had 32,000. The 19 cities that were in the 10,000 to 20,000 and the 20,000 to 50,000 categories in 1989 were mainly *aimag* centers. The smallest two classes (under 10,000 and 10,000 to 20,000) included urban areas that emerged with the growth of cooperative farming and the government's attempts to link isolated rural localities to the national economy. Some of them were *sum* centers serving rural districts distant from the provincial capitals. In 1989, the population living in these places comprised only 12.2 percent of the national total.

Table 1. and 2. suggest that between 1969 and 1989 urbanization was centered mainly in places that could be considered medium-sized cities, with population of 20,000 to 100,000. The population living in these urban place accounted for only 4.4 percent of total urban population in 1969 but had increased to 31.7 percent of the total in 1989. By contrast, the percentage of the urban population living in towns of less than 20,000 declined from 44.9 percent to 21.3 percent during the same period. This decline, along with the negative annual rate of growth observed among the smallest two size classes, does not mean that all the towns in these categories lost population; rather, it reflects the reclassification of many of them into larger size categories.



The proportion of the urban population living in Ulaanbaatar declined slightly, from 50.7 to 47.0 percent, between 1969 and 1989. This redistribution of population over the 20-year period indicates that intermediate city growth has countered a pattern of urbanization in which population was concentrated almost exclusively in the primate city.

If the four-city primacy index is used to assess Ulaanbaatar's primacy status within Mongolia, the results point to a sharp decline in the capital city's dominance of the urban hierarchy. In 1969, Ulaanbaatar was 4.77 times as large as the aggregated population of the next three largest cities, a strong level of primacy. Reflecting the growth of the smaller cities, this index declined to 3.62 in 1979 and 2.93 in 1989. Yet even this primacy index is higher than that of Seoul (1.35), Jakarta (1.37), and Karachi (1.14). Mongolia's high primacy reflects the country's early stage of development and urbanization, as well as its small total population (2.3 million), which is less than that of many of the large cities of other Asian nations.

Despite its reduced primacy during the period under consideration, Ulaanbaatar experienced rates of population growth well above the national rate, suggesting the persistence of significant in-migration. However, the migration flow to the medium-sized cities was even more important, accounting for a substantial increase in their share of total urban population. In-migration accounted for more than half of the rapid growth of medium-sized cities during the 1980s, in contrast to Ulaanbaatar, where in-migration was responsible for only one-fourth of population growth.

Rates of natural increase were similar for the capital and other cities. Between 1979 and 1989, the average annual rate of natural increase was 2.8 percent in the *aimag* capitals, 2.6 percent in Darhan, 2.8 percent in Erdenet, and 2.4 percent in Ulaanbaatar.

Table 3. shows changes in the distribution of urban places by size category between 1969 and 1979 and between 1979 and 1989. Several towns of less than 10,000 population emerged during both periods - 20 during 1969-79 and 12 during 1979-89. Intermediate cities also grew in importance during these decades. During 1969-79, eight urban places shifted upward from the smallest size category into the 10,000 to 20,000 class. In the following decade, the number of intermediate cities (20,000 to 50,000) increased again because of movement up the hierarchy of size categories. During these two decades, many other urban localities remained in the same size category, while others "disappeared". Most of these were *sum* centers.

The emergence and growth of small urban places in Mongolia appear to be linked to expansion of productive activities in the collective where they are located and to central decisions to transform them into important administrative or service centers. Some grew and were classified as urban localities because more than two-thirds of their economically active population was engaged in nonagricultural activities. While significant population growth occurred in some *sum* centers that were classified as urban, others lost their regional importance and even their status as urban places. Contributing factors were economic problems, the emergence of a competing center, or the transfer of activities to the *aimag* center or to another *sum* center. As a result, the proportion of the economically active population in nonagricultural activities may have declined and led to loss of a center's urban status.

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. In Mongolia, the most important factors have been socio-political, particularly the influence of the government. The pattern of population distribution and urbanization has been strongly affected by the objectives established in successive five-year plans and by the policies adopted to achieve those objectives. Industrialization, collectivization, and the transformation into a modern industrial-agricultural society within the context of a command economy - these goals are closely related to the population distribution policies adopted by the government and therefore to urbanization.



## Conclusions

Mongolia serves as a valuable case study to help understanding both the processes of urbanization and development and the course of change as countries undergo a transition from a socialist to market economy. Especially after the 1950s, significant economic and social changes have transformed the nation's economy from an emphasis on pastoralism to a mix of industrial activities, sedentary livestock production, and farming.

Urbanization in Mongolia has been significant and rapid. By 1990, the country had 56 urban places. Almost 60 percent of the population was urban, and 22 urban localities has more than 10,000 inhabitants. Three factors have been identified as major determinants of these changes.

Industrialization policy created industrial complexes in some existing urban locations and at new sites. Collectivization resulted in only marginal increases in rural production, not enough to absorb the growing rural population. Rather, rural residents formed a reservoir of labor for the expanding urban economy, especially in the provincial centers. Administrative control of population movement, directed initially at settling the pastoralist population, was later used to channel rural out-migration to urban areas where labor resources were needed. Migration was thus a major factor in urban growth. Fertility, especially that of in-migrants, was also an important factor.

Governmental and economic transformation since the 1980s has seriously slowed economic growth, led to privatization of agricultural activities, and eliminated administrative restrictions on movement. While it is not possible to predict the long-term impact of these changes, rural-urban migration is likely to increase, and the urban population will continue to grow through both heavy in-migration and high fertility. These developments can be expected to put considerable strain on natural resources and infrastructure.

## Policy Recommendations

Government should reassess policies relating to urbanization and seek to implement policies that recognize that urbanization is inevitable. These policies should stress human resources development and be concerned with environment and sustainable development and improvements in the quality of life in cities and the countryside, particularly in slums and other disadvantaged areas. Linkages between rural and urban areas are of such strength and significance that rural and urban development should not be undertaken in isolation from each other, and therefore comprehensive planning should be undertaken.

Sectors in which there is either labor shortage or labor surplus need to be identified to facilitate the development of policies to achieve a better matching of the distribution of job opportunities on the one hand and labor supply on the other.

Policies need to be developed to involve the private and public sectors in adequately accommodating the growth of big cities and to create opportunities in rural areas and smaller cities to divert migration away from big cities. To cope with rapid urbanization government should create a favorable climate for private sector investment in smaller towns and cities and provide the required support mechanisms, such as physical and social infrastructure, and favorable fiscal and monetary policies.

Existing data sources for the study of urbanization, migration and development at the national and international levels should be fully utilized. Research that seeks explicitly to measure the costs and benefits of rural to urban migration should be undertaken. Migration impact should be studied in greater detail. Data collection systems to obtain better information on forms of short-term migration or circulation within national boundaries as well as international movements need to be developed. Government should strive to adopt more



consistent and comparable data collection systems on international movements and develop measures to share the data and information.

**Table 1. Numerical and Proportional Distribution, and Average Annual Growth of Population by Urban Centers: Mongolia, 1969, 1979, and 1989**

	Total population (000s)	Population distribution (%)	Average annual growth rate (%)	1969.00	1979.00	1989.00	69-79	79-89
Urban centers	1969.00	1979.00	1989.00	1969.00	1979.00	1989.00	69-79	79-89
Cities								
Ulaanbaatar	267.4	402.3	548.4	22.3	25.2	26.8	4.17	3.15
Darhan	23.3	50.7	85.7	1.9	3.2	4.2	8.08	5.39
Erdenet	-	31.9	56.1	-	2.0	2.7	-	5.81
Total	290.7	484.9	690.2	24.2	30.4	33.7	5.25	3.59
Aimags centers								
Choibalsan	19.3	28.5	45.3	1.6	1.8	2.2	3.97	4.74
Olgii	11.9	18.7	26.9	1.0	1.2	1.3	4.62	3.70
Hovd	135.	17.5	24.9	1.1	1.1	1.2	2.63	3.59
Ulaangom	10.6	17.9	23.5	0.9	1.1	1.1	5.38	2.76
Moron	11.2	16.5	22.4	0.9	1.0	1.1	3.95	3.10
Tsetserleg	12.9	14.9	21.7	1.1	0.9	1.1	1.45	3.83
Bayanhongor	11.4	15.6	21.4	1.0	1.0	1.0	3.19	3.21
Uliastai	11.4	16.3	21.0	1.0	1.0	1.0	3.64	2.57
Suhbaatar	10.0	14.3	20.2	0.8	0.9	1.0	3.64	3.51
Altai	10.0	13.8	19.3	0.8	0.9	0.9	3.27	3.41
Arvaiheer	9.4	12.3	17.5	0.8	0.8	0.9	2.73	3.59
Baruun-Urt	8.0	11.6	16.5	0.7	0.7	0.8	3.79	3.59
Maldalgov	6.4	10.2	16.0	0.5	0.6	0.8	4.77	4.60
Zuunmod	7.1	9.8	15.9	0.6	0.6	0.8	3.28	4.96
Ondorhaan	7.7	11.1	15.3	0.6	0.7	0.7	3.72	3.26
Dalanzadgad	6.5	10.0	14.8	0.6	0.6	0.7	4.24	4.00
Zuunharaa	8.1	11.4	14.3	0.7	0.7	0.7	3.48	2.29
Bulgan	9.8	11.3	13.9	0.8	0.7	0.7	1.43	2.09
Sainshand	8.3	11.1	11.8	0.7	0.7	0.6	2.95	0.61
Total	193.6	272.8	382.6	16.2	17.0	18.6	3.49	3.44
Other urban centers	43.1	59.3	93.3	3.6	3.7	4.6	3.24	4.64
Total	1,197.6	1,595.0	2,044.0	100.0	100.0	100.0	2.91	2.51
Urban	527.4	817.0	1,166.1	44.0	51.2	57.	4.47	3.62
Rural	670.2	778.0	877.9	56.0	48.8	43.0	1.50	1.22

Note: There may be some discrepancies in totals due to rounding.

Source: 1969, 1979, and 1989 Censuses of Mongolia



**Table 2. Numerical and Percentage Distribution, and Annual Growth of the Urban Population by City-Size Class: Mongolia, 1969, 1979, and 1989**

Indicator	Categories of locality size	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
Population (000s)						
1969	114.5	122.2	23.3	0.0	267.1	527.1
1979	69.1	234.5	60.4	50.7	402.3	817.0
1989	93.3	155.3	227.3	141.8	548.4	1,166.1
Percentage of total population						
1969						
1979	9.3	10.2	1.9	0.0	22.3	43.7
1989	4.3	14.7	3.8	3.2	25.2	51.2
Percentage of urban population	4.6	7.6	11.1	6.9	26.8	57.0
1969						
1979						
1989	21.7	23.2	4.4	0.0	50.7	100.0
Annual rate of growth						
1969-79	8.5	28.7	7.4	6.2	49.2	100.0
1979-89	8.0	13.3	19.5	12.2	47.0	100.0
	-4.92	6.74	9.99	-	4.17	4.47
	3.05	-4.04	14.17	10.28	3.15	3.62

Source: 1969, 1979, and 1989 Censuses of Mongolia

**Table 3. Changes in the Distribution of Localities by Size-Class Categories: Mongolia, 1969-79 and 1979-89**

Changes 1969-79	Size of locality in 1979	Total				
	Less than 10,000	10,000-19,999	20,000- 49,999	50,000- 99,999	100,000- and over	
Became urban	20	0	1	0	0	21
Moved from smaller to larger size class	0	8	1	1	0	10
Moved from larger to smaller size class	0	0	0	0	0	0
Remained in the same size class	19	9	0	0	1	29
Disappeared	4	0	0	0	0	4
Changes 1979-89	Size of locality in 1989	Total				
	Less than 10,000	10,000-19,999	20,000- 49,999	50,000- 99,999	100,000- and over	
Became urban	12	0	0	0	0	12
Moved from smaller to larger size class	0	1	8	1	0	10
Moved from larger to smaller size class	1	0	0	0	0	1
Remained in the same size class	21	9	1	1	1	33
Disappeared	12	0	0	0	0	12

Source: 1969, 1979, and 1989 Censuses of Mongolia



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