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POVERTY SITUATION OF MONGOLIA

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1. CAUSES OF POVERTY

Mongolia had centrally planned economy from 1924 to 1990 and the government had set policies to provide equal distribution and living standard for households and individuals life standard at the same level. In 1990, the transition to a market economy was undertaken and has proceeded successfully. Old social security system collapsed and support and assistance mechanisms for individuals and households disappeared. In centrally planned system, child subsidies and grants were provided for the households with many children, kindergartens, nursery schools, primary, secondary and higher education were all fully financed by government, and hospital treatments and all kind of medical services were free of charge. Therefore, it was difficult for the majority of the Mongolian people to comprehend the necessity of self-sufficiency, relying on their own visions and ability. It was even very difficult for households with many children, disabled people and people without education and skill. Poverty is a very new phenomenon in Mongolia. Therefore there are distinguishing characters for Mongolian poverty. First, poverty level is higher in urban areas than in rural. Second, poverty is income based rather than shortage of skill.

As it is one of the conditions of transition period, price liberalization took place with some stages. Inflation rate had been higher than real income growth rate and it is one of the causes of poverty.

In transition period, structural reform and privatization process has led to reduction in number of employers. Increased unemployment is one of the causes of poverty. Although there are general characteristics of poverty, we need consider causes of poverty in rural and urban areas separately.

Rural poverty

Mongolia has vast territory (1564.1 thousand km²) and small and predominantly young population (preliminary result of population census 2000 shows that total population 2.382 million and 35.8 per cent is under 15). Let us consider the causes of high poverty in urban area than rural area. As stated by the law of cities and settlements, there are 22 cities, about 330 settlements (sums) in Mongolia and rural population is 989.3 thousand and it is 41.4 percent of total population.

According to the 1998 round of the Living Standard Measurement Surveys (LSMS), carried out by National Statistical Office (NSO) 39.4 per cent of the urban population and 32.6 per cent of the rural

population is poor. This implies 493.4 thousand people in urban area and 369.5 thousand people in rural area live in poverty. There are 6 main causes of poverty in rural area.

First, households with small number of cattle are in shortage of cash and they exchange consumption goods with their cattle distorting the appropriate structure of livestock.

In 1997, 71 per cent of herdsman's households had 51-100 number of cattle and it is estimated that holding less than 100 livestock is not economically profitable. In other words, most of the products are used for every day consumption and it makes an increase in number of cattle not possible. Thus these kind of households are counted as poor. In 1998, an absolute poor household has on average 13.6 cows and horses and 35.8 sheep and goats; a poor household has on average 24.5 cows and horses and 67.5 sheep and goats. Therefore, the level of poverty is mainly defined by the number of cattle.

Second, in transition period difference in income has become vast. People within cattle breed other's cattle and earned income is barely sufficient to sustain life. It is related to the specific features of Mongolian rural area such as weak development of infrastructure, separated from large markets and grazing livestock. Furthermore, considerable part of rural labor force is seasonally employed. This is one of the influencing factor in poverty. As majority of rural population is engaged in livestock and plantation, employment rate is higher in rural area. 1998 survey shows that 79.6 per cent of poor people are employed. It is by 14.6 per cent higher than national level. However, they can not get out of poverty because of the less productivity.

Third, school-drop out rate is high in rural area. It resulted in the cause of poverty from generation to generation. 35.1 per cent of 8-15 aged children have not been enrolled in primary education at all and out of total drop-out children 47.9 percent are primary ones, 28.4 percent in grade 4-5 and the rest in grade 6-7. The reasons for drop out shows that 17.6 percent are sick and disabled, 43.8 percent is (poverty) and need for labor income, 17.5 percent without interest.

Fourth, in rural areas schools are distant from children's home, because they are located in sum centers. Schools requires rural families to pay additional costs such as rent for school dormitory, food cost and transportation cost. Therefore, it becomes one reason for children from poor family to drop out of school. Furthermore, child labor is one of the sources for family income. Thus it influences the rate drop out.

Fifth, Mongolia has very extraordinary weather condition. For example *Zud*, fire and storm causes livestock death. In 1999-2000, white and black *Zud* causes 2.39 million head of livestock death by the 1st of June. According to the situation report of the International Committee for Red Cross, over 450000 people in rural areas were affected by the shortages in the immediate term and by the loss of their livelihood in the longer term. Because grazing livestock entirely depends on weather condition, it becomes very risky. And at the moment there is no reliable protection against it.

(b) Urban poverty

Since ancient time Mongolians have had large families but it is changing nowadays. However, poor families have many children. The Living Standard Measurement Survey in 1998 shows that average very poor family size in rural areas is 6.1 and 5.9 in Capital City. Thus very poor family size in Capital City is by 31 percent larger than national average 4.8. As stated in Human Development Report-2000 54.8 percent of very poor family and 45 percent of poor family has more than 6 people. Poor families with many children have to stop their children going schools in order to involve them in jobs such as polishing shoes, cleaning cars and fetching luggage and even force them to beg. Some children leave their home and go to a street, the number of street children increased. An unofficial

estimate reported that in Ulaanbaatar the number of street children is more than 3000. Thus this phenomenon tells us that poor family makes the next generation poor, which is vicious cycle.

Aimag centers are counted as urban area and poverty level is very high in these areas. It is related to limited market size and weak development of infrastructure. A number of aimag centers have not got electricity and limited production and service. Insufficient work place is the main reasons for high unemployment rate. In 1998 unemployment rate was 21.4 percent in Dornod aimag, 11.3 percent in Bayan-Olgii and 8.4% in Zavkhan and majority of it lies in aimag centers. LSMS shows that unemployment rate is very high in extreme poor part of the population. Unemployment survey shows that more than 20 percent of urban poor families are employed in agriculture and 30 percent of urban poor is employed in public service sector such as health and education.

In urban areas skill and education are required for occupation and it is very difficult for unskilled and uneducated people to get jobs. Main large factories had been located in urban areas and most of them were closed down in transition period. Therefore, it resulted in the incidence of higher poverty in urban areas than that of rural areas with increasing migration from rural areas. According to LSMS in 1998 national unemployment rate was 19 percent, whereas 12 percent in rural areas and 30 percent in urban areas. Of the poor of working age in urban areas 37.6-48.3 per cent are employed. This is lower than the national average employment rate by 16.7-24.4 points. In addition, 27.3-38.8 per cent of the population are not employed, which is higher than the national average by 11.7-23.4 points. Urban, specifically, Ulaanbaatar's unemployment increase was caused by the close down of major factories as a result of structural reform and overall downsizing.

Some of poor people have migrated to other aimag and sum, specifically, from aimag centers to Ulaanbaatar and lives in suburbs and is involved in informal sector. 30 per cent of immigrants from rural areas come to Erdenet, Darkhan and Ulaanbaatar. In 1998, 16075 people immigrated to Ulaanbaatar.

Ulaanbaatar is the capital city of Mongolia and central heating, water, electricity, transportation development are more systematically provided compared with other cities and aimag centers. Because Ulaanbaatar has high population density and public services must meet demands for those people. However, low income households are facing the problems of cost recoveries for these public utilities. On the other hand, in rural areas households can support themselves by products from livestock. But in urban area households need cash for living cost. Because of this background minimum standard of living is defined differently in rural and urban areas. According LSMS in 1998, in 1998 minimum standard of living in Ulaanbaatar is 17450 tugrik and in rural areas 13300-15900 tugrik. The minimum standard is changed from time to time and people just over this line is counted as poor when the level increases. However, the periodic revision of the poverty line limits direct comparisons of the number of people below poverty line over time because whenever the line is revised income groups shift may have occurred.

2. THE METHOD OF POVERTY LINE MEASUREMENT BASED ON INCOME BY THE MINISTRY OF HEALTH AND SOCIAL WELFARE

The Living Standard Measurement survey, carried out by the National Statistical Office in 1994, covered 1717 (0.4% of total household number) household (1022 from urban area and 695 from rural area). The survey measured living standard based on income. Income includes all households money income (salaries, pensions, benefits) and other sources of income. In other sources of income there are livestock, agricultural production and selling properties sold which values were converted to average market price.

The NSO's sample survey based on household survey. However, income calculation based on the questionnaire about households income and it covered whole population. There was some bias because some people gave false information about their income (cautious about tax).

In Ulaanbaatar, income calculation is based on the registration of personnel and households' income at districts' administration and it is not reliable.

Sometimes districts' administration officers try to exaggerate the number that they have large number of poor people.

3. CHARACTERISTICS OF POVERTY IN TERMS OF HOUSING ENVIRONMENT

3.1 Housing environment

(a) Housing

A ger is mongolian national house. A ger is very suitable for herders who moves 4 times in a year to breed livestock, so majority (3/4) of rural population lives in a ger. Most of urban people (4/5) live in a house (apartment). However ger differs from each other with their size, quality, design and provision. Poor people live in a ger with 4 lattice walls and single-covered whereas rich people live in a big ger with 5 lattice walls, double-covered and with a special cover, which protects from rain and wind. Poor families' ger has not got a floor and the woods are very old. Rich families live in a ger with floor, inner curtain and very nice painted woods. 40 percent of urban poor people lives in a ger whereas 10 percent of wealthy families lives in a ger. Considerable part of urban poor people lives in their relatives house. A certain part of poor people have not got a place to live and they live in sewage system. In the beginning of 1990s, certain part of poor people lives in a house. But those people are decreasing from year to year. The reason is that in the beginning of transition period most of the apartments were state owned but during the last few years (after the privatization of state owned apartments) apartment's rent and electricity have increased dramatically and it is getting more difficult to pay for the apartment. In last three years, house building was decreasing (living standard measurement survey, p. 45, table 20). 69 per cent (73.2 per cent of very poor people) of poor people has a private house, 20.9 per cent (13.1 per cent of very poor) of poor lives in state owned apartments. But in rural areas 91.1 percent of very poor (97.2 per cent of poor) has private house.

(b) Sources of household light

The important influencing factors in housing conditions are electricity and water provision. In 1998, about 90 per cent of urban households is provided by electricity where as more than 70 per cent of rural households uses candles as a source of household light. However all aimag and sum centers have electric power stations, they can not provide all households. Majority of people are provided by electricity at least for half day long. But electricity use of poor people is very limited and it is connected with electricity price increase. In 1995 electricity provision decreased in comparison with that in 1985. Specifically, in aimag centers because of the increase in price level and production activity shortages it decreased dramatically.

(c) Access to safe water and sanitation facilities.

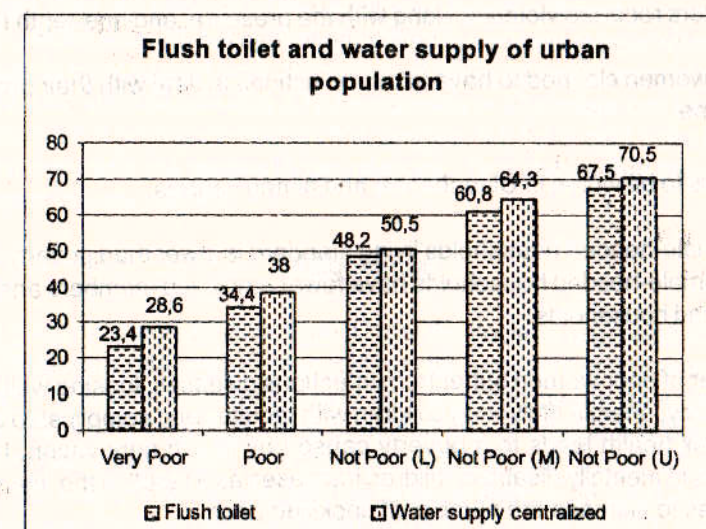
Less than 50 per cent of urban poor households have central water provision, while 85 per cent of urban wealthy households have. 30 per cent of poor people purchase water and 15 per cent of poor people drinks subsoil water like well, river and spring. Subsoil water has not got any guarantee. In Ulaanbaatar, 72 per cent of households is provided by water from central provision system. By contrast 60 per cent of rural households drinks river and snow water. In Ulaanbaatar, 46.2 per cent of very poor households provides their needs from central system, 32.1 per cent from well, 21.8 per

cent from delivery. In aimag centers 13.3 per cent of very poor from central system, 36.7 per cent from well, 22.2 per cent from delivery and 16.7 per cent by snow and rain water.

Table 3.1.1. Share of households with electric light, by location and consumption groups, %

	Very poor	Poor	Not poor (L)	Not poor (M)	Not poor (U)	National
Urban						
1995 Electricity	90.5	95.2	97.2	96.8	96.5	95.2
1998 Electricity	83.9	89.2	89.6	90	93.3	89.3
Ulaanbaatar	97.4	93.3	94.2	95.9	97.2	95.8
Aimag centers	72.2	85.5	83.8	80.8	81.3	80.5
Rural						
1995 Electricity	53.7	41.4	40.4	45.9	61.5	46.1
1998 Electricity	24.2	19.4	17.5	25.8	25.7	22.5
Sum centers	35.7	45.1	43	51.8	44.8	44.5
Rural	11	5.4	5.9	8	13	8.3

Sanitation facilities and their access are strongly correlated with rising living standard, as in the case of other key indicators. Of total households, 80 per cent have access to disposable amenities, 50 per cent to disposable holes and 60 per cent to outside toilets. Water quality is also affected by the poor sanitation situation in many urban areas, particularly around ger settlements in suburbs, where toilet facilities are frequently inadequate unsanitary or located at an unsafe distance from water sources.



3.2 Gender dimension

Female-headed households number is increasing since the beginning of transition process. In 1993 a total number of female-headed households was 37813 is compared to 54530 on 1998. The divorce, unregistered marriage and having illegitimate children are the reasons for an increase in the

number of female-headed households.

60 per cent of female-headed households and 30 per cent of male-headed households are poor. More than half of unemployed people is women. In 1998 female unemployment level is 6.4 per cent, while national level is 5.8 per cent. 38600 (73 per cent) female-headed households out of 54500 female-headed households have children under 16 years. During the privatization hundreds of women became unemployed. Reduction of kindergartens (in rural areas nursery schools have decreased by 80 per cent) influences negatively in employment of female-headed households with many children.

In rural areas, the decrease in medical service supply affected significantly in living standard of rural women. A number of pre-natal facilities has decreased dramatically and it increases number of maternal (mother). In 1998, number of maternal deaths was 80 and it is lower than in 1990 (89) and higher than in 1997 (71). In old economic system, state and women's organizations considered about labor valuation, women's involvement in social and cultural activities and social safety service extension in rural areas. In recent years, as a result of livestock privatization process rural women's working time and burden have increased. In remote areas, markets are distant from herdsman and this situation worsened the living standard of women households.

The limited use of electric goods, which save labor and time, leads to more time spending on household work. Moreover in rural area, the limited use of TV and radio makes information provision difficult.

In transition period, the increase of crime, alcoholism and violence increase made women's lives too difficult. The poverty leads some women to alcoholism, prostitute and leave their children. Girls from poor family are usually involved in money making. One nationwide survey by the Centre Against Violence covered 1900 women, of which:

- One-third reported psychological and physical pressure in their lives;
- One-fifth attributed this to alcohol-related reasons;
- One-third reported the pressure from husbands/partners and one-quarter from in-laws;
- Three-quarters reported violence along with the pressure, and one-tenth reported sexual pressure;
- Nearly half women claimed to have taken no actions to deal with their problems, and one-fifth left home

The situation appears to be worse in Ulaanbaatar and aimag centres.

More than half of female-headed households living standard is lower than poverty line. According to the LSMS in 1995, female-headed households have fewer employed members and lower education level than male-headed households.

Considerable number of poor women suffer from infectious diseases, losing weight, diseases associated with pregnancy, anemia delivering children with racites and complicated delivery. Delivering children with weak health leads to a poverty caused by health deprivation. In Gobi region, it appears that birth rate of mentally disabled children increases as a result of the intermarriage among relatives and it causes to increase the number of unskilled poor.

3.3 Employment status

According to the Mongolian Statistical Year book in 1999, unemployment rate reached the highest level (8.7 per cent) in 1994 and during the last few years it ranges from 5 to 7 per cent. There is a slight increase in employment rate from 1997 (64.1 per cent) to 1999 (64.9 per cent). One of the

reasons of recent years unemployment reduction is related to the statistical offices unemployment measurement methodology. The statistical office counts unemployed people if they are officially registered. It makes difficult to measure real unemployment. The survey in 1995 which involved 42000 unemployed people, shows that new entrants to the labor market, were not registered at the Employment Regulation Office, when they were employed or engaged in a temporary job. People, searching for job, must be registered monthly. People are registered to find a job. Therefore, if they could not find a job for long time, they are fed up with being registered. Thus they stop to go to register (they keep searching for job) and the actual number of unemployed people could be reduced.

Second, in recent years investment has fallen, state owned factories has been privatized and structural reform in public sector has taken place. They cause increase in unemployment.

Third, there has been a reduction in unemployment rate because of large numbers of early-retirement takers. The projects strengthening Labor Coordination Offices and employment supporting activities reported that in the end of the September in 2000 there were 39762 unemployed people and unemployment rate was 4.8 per cent and 22685 vacancies. Labor Coordination Agency mediated job only for 16084 unemployed and it is not a sufficient number.

The active policy (vocational training and self-employment program) in labor market was not very effective. In number of summer vocational training's reduces. Unemployed people's social security activities are just at the beginning stage.

Fourth, people involved in seasonal employment (herdsman) are not registered in employment. Thus unemployment and employment rate differs from actual value. Fifth, 37.6-48.3 per cent of urban poor people are employed and it is 16.7-27.4 per cent lower than national level. 27.3-38.3 per cent of urban poor is unemployed while 15.5-14.9 in national level. 60 per cent of the unemployed and 50 per cent of the rural population are poor. 20 per cent of urban poor people are employed in agriculture and 30 per cent is employed in education, health, public administration and public service sectors. In urban area, 40 per cent of the employed in agriculture is poor compared to 25 per cent in rural area. In urban area, 26 per cent of employed in services is poor whereas 42 per cent of employed in services is poor in rural area. Sociological study of the "Human development report-2000" covered more than 1000 people with 170 households in 10 aimags and Ulaanbaatar. According to the respondents 60.3 per cent could not find any job, 51.5 per cent have small income from trade, 32.0 per cent lives with the support from relatives. This shows that there is no substantial change in employment of poor people.

3.4 Education

Mongolia had quite good indicators for education. Under the socialist regime all educational services were free and in 1989 literacy rate over 15 years old was 96.5 per cent and primary school enrolment rate was 98 per cent. The education sector was fully financed by the government. In transition period primary and secondary education have remained free of charge however higher and vocational education have become payable. Although there is still free access to primary and secondary education, in 1990-1997 school enrolment rate has reduced sharply. In 1990 school enrolment rate from 8 to 15 years old was 98.6 per cent compared with 82.3 per cent in 1997. However in 1998 and 1999 school enrolment rate has increased and it reached to 90.6 per cent in 1999. School enrolment rate differs by genders and location.

Table 3.3.1. Concentration of poverty, by employment and International Standard Industrial Classification (ISIC), (last 7 days) %

Poverty	Total	Agriculture	Manufacturing	Construction	Trade, Hotel, restaurant	Transportation and Communication	Government management	Education	Health	Services	Other
Urban											
Very poor	100	26.5	7.8	3.4	8.3	3.9	8.3	5.9	5.9	15.7	11.3
Poor	100	23.8	8.8	3.6	8.8	4.7	15.0	6.2	4.7	10.4	10.9
Average	100	18.3	10.2	3.3	10.7	6.1	15.7	7.4	7.1	9.2	7.1
Rural											
Very poor	100	82.6	0.4	0.4	1.9	0.8	3.5	3.1	2.7	3.1	1.6
Poor	100	90.1	0.5	0.3	0.7	0.3	2.0	2.7	1.5	0.5	1.2
Average	100	86.3	0.5	0.2	1.1	0.7	3.8	3.2	1.5	1.2	0.8
National	100	63.2	3.8	1.3	4.3	2.5	7.9	4.6	3.4	3.9	2.9

Table 3.4.1. Net enrolment rate in basic education (1998)

	Total	Female	Male
City	89.6	92.3	87.0
Countryside	68.3	71.3	65.3

Number of the unemployed with high and special secondary education has been stable, while number of the other unemployed (graduated training centers, professional training and no profession) has increased in every years. Education level and employment are more correlated in urban areas than rural areas.

Table 3.4.2. 1998, %

	Uneducated	Primary education	Secondary education	Vocation education	Tertiary education
Employed (urban)	26.7	37.1	38.0	51.6	67.5
Unemployed (urban)	23.3	22.9	28.3	23.0	11.3
Employed (rural)	68.3	79.9	77.0	78.3	80.1
Unemployed (rural)	4.9	7.3	11.5	12.6	9.6

According to the LSMS 1998 education level is highly correlated to people's income. Among urban household heads with vocational and tertiary education. 31 per cent are considered as very poor 47.3 per cent as poor and 57.1-73.1 per cent as not poor. 23.5 per cent of not poor people (upper) have higher education level compared with only 3.1 per cent of very poor and 5.6 of poor. However, this survey also shows that 5.1 per cent of very poor and 4.3 per cent of poor are noneducated. Therefore poverty in Mongolia is mainly caused by income shortage, as the absolute majority of poor people are educated. (74.6 per cent of very poor and 82.7 per cent of poor have higher education than primary level) It is resulted partly from the previous socialist system (all people must attain primary and non-completed secondary education (grades from 4 to 8)) and partly from the current system in education policies (free access to primary and secondary education and informal education). However drop out rate is high for children of very poor family. The LSMS 1998 shows that 58.6 per cent of urban drop out children and 29.4 per cent of rural drop out children left their schools because of the lack of income. Poor families cannot afford to pay education expenses. Therefore, poverty reduces poor families' children's enrolment rate in education (in 1995, enrolment rate in primary education was 74 per cent for poorest 20 per cent of families compared with the national level 90.7 per cent). In other words, poor family makes the next generation unskilled, which is vicious cycle. According to the LSMS in 1998 there is a big change in the age structure of uneducated people. In 1989, 60 per cent of uneducated people were over 60 years old and only 4.1 per cent were from 15 to 19. However, in 1998 48.9 per cent were over 60 and 18.5 per cent were from 15 to 19 years old.

In Mongolia education level in rural and urban areas differs considerably. In rural areas 5.7 per cent is non-educated and it is more than 2 times higher than in urban areas. In rural areas 39.8 per cent of total population have the education level higher than non-completed secondary compared with 68.6 per cent in urban areas.

In 1998, urban average for higher education is 19.6 per cent and illiteracy rate is 1.3 per cent compared with rural average 4.4 per cent and 2.2 per cent respectively.

There are two reasons for this difference. First, the issue of child labor has become one of the sources of household income generation. In 1990 livestock privatization has started and herdsmen have their own livestock. Herdsmen faced the shortage of working force and they need their children to look after their herds. According to the "Mongolian national report on education for all assessment-2000" there is a (negative) correlation between aimag's gross enrolment rate and livestock per person. In addition, LSMS in 1998 shows that 8.1 per cent of rural children of out-of-school need to work, while national average of this is 5.7 per cent. Second, education costs are relatively high in rural areas. In rural areas schools are located in sum centers. Therefore, herdsmen's children study in sum centers far from their family and live in dormitories. Before the transition food costs was fully covered by the government. However it has changed in the transition period because of the limited budget for dormitories. Thus parents need to pay additional food costs in accommodations. LSMS in 1998 shows that about two third of rural children live far from their family and average educational expenditure including dormitory cost is twice as much as that at home.

In urban areas there is higher correlation between education level and income level than in national level (in 1998, 39.6 per cent of not poor (upper) and 4.4 per cent of very poor and 8.7 per cent of poor have higher education level whereas 2.6 per cent of not poor (upper) and 15.1 per cent of very poor and 9.6 per cent of poor have primary education level). However in rural areas the correlation is weaker than the national level. There could be two reasons for this. First, herdsmen obtains knowledge and skill of breeding livestock from their parents or each other. There is not a special or vocational training on breeding livestock. Therefore people with very low level of education could have large number of herds. Second, in sums there is very limited labor market for highly educated people as the markets are very small. Most of highly educated people work for public services such as kindergarten, schools, administration and hospitals.

In every education level female children's enrolment rate is higher than male children. According to the LSMS 1998, in 1998, school enrolment rate for female children aged 12-15 is by 11.4 points higher than male children and female children's higher educational institutions and colleges enrolment rate is by 13.6 points higher than male children. Thus school drop out rate depends likely on probability to join the next level of study. As written in "Human development report 2000" 70 per cent of university students are female. In the future this will contribute to unequal gender distribution among populations education.

3.5 Health

In the socialist system health services were fully financed by the government and were free of charge. Therefore, health indicators were very good. In transition period it has changed with management privatization and health insurance system and since 1995 health services are financed from the health insurance system. People have to cover the definite part of the health As a result of new health system people have to pay definite portion of medical expenditure. It is very difficult for poor people to receive medical treatments. It is even more difficult for people immigrated to Ulaanbaatar who are not registered. Because these people have not got health insurance and medical treatment becomes very expensive without insurance. According to LSMS in 1998 the number of visits to doctors among poor people are considerably smaller than the not poor people. Monthly per capita health expenditure of very poor is one forth and half of not poor (middle). However, the share in total expenditure for poor is bigger than not poor.

According to LSMS in 1998 fertility rate was declining. Mothers over 51 years old had 5.7 children whereas mothers aged 15-30 had 2.2 children. Fertility rate depends on living standard. It is more evident in urban areas than rural areas. Fertility rate is 2.9 of urban very poor and 2.0 of urban poor compared with urban average of 1.9. However it is 2.6 for rural very poor and 2.2 for rural poor whereas rural average is 2.3. Therefore women from poor families have more children. Average birth

Table 3.4.3. Concentration by education level, %

Poverty categories	Population over 16 years	Higher	Special secondary	Vocation	Completed secondary	Non completed secondary	Primary	Non educated	Of which: illiteracy
National average	100	11.4	12.3	4.9	24.4	27.4	15.3	4.2	1.8
Urban average	100	19.6	15.8	5.7	24.5	21.2	7.6	2.6	1.3
Rural average	100	4.4	9.4	4.2	21.8	32.7	21.9	5.7	2.2

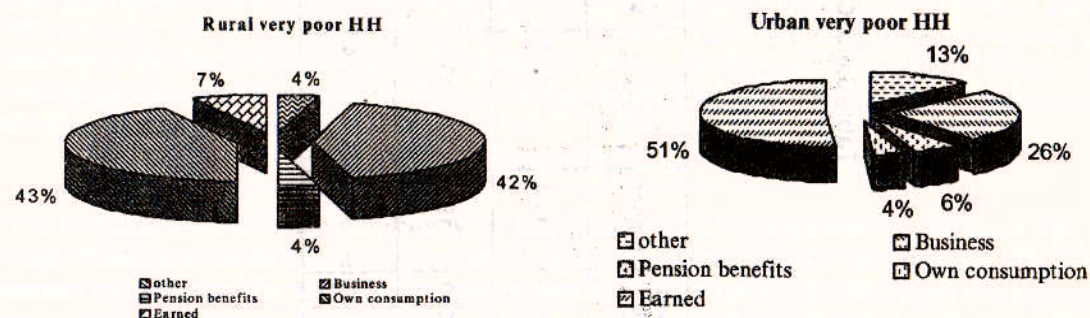
weight is 3.1 kg for very poor females while 3.5 for non-poor females. Breast-feeding is very important for healthy growth of children. The breast-feeding period of poor females is by almost 2 months longer than not poor.

All income groups are covered by universal and free vaccination of the population from age 0 to 15. There are 2 cases of HIV/AIDS recorded in 1997. However sexually transmitted infections has risen in last few years in national level.

In suburbs of Ulaanbaatar households are in shortage of drinking water and garbage collection system is very poor. Thus it increases diseases caused by water and environment pollution higher. According to CCA 2000 only 32 per cent of all households are consuming iodized salt due to its higher price.

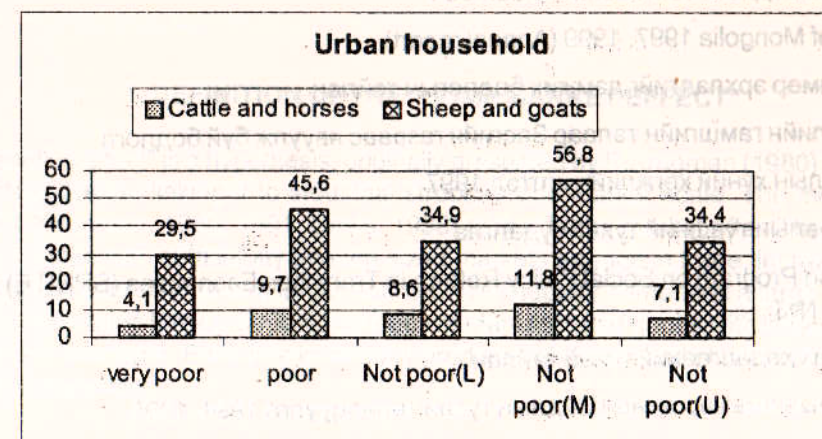
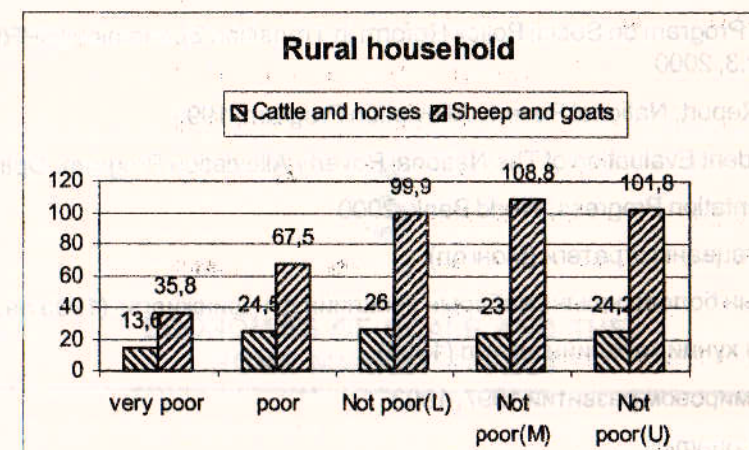
3.6 Livelihood

Sources of income in urban and rural areas are very different. In urban areas cash income is most important source (51-58 per cent) regardless of living standard. According to LSMS in 1998, 72.4 per cent of income of urban very poor households is salaries, pensions and befits compared with 4.5 per cent is own consumption own livestock meat, butter, fat, vegetables. However in rural areas main source of income is own production (41-56 per cent) regardless of income level. 41.3 per cent of very poor and 56 per cent of poor households income is own consumption whereas 26 per cent of income of very poor and 15.8 per cent of income of poor households get salaries, pensions and benefits. Thus cash income and pensions are just supplementary for rural households. Cash income is 61 percent for urban very poor and 71.1 per cent for urban poor compared with 25.8 per cent for rural very poor and 15.7 per cent for poor households. Therefore in rural areas cash income accounts for the small proportion.



3.7 Property ownership

Poor people's main property is livestock. From 1995 to 1998 very poor households' average herd size has increased from 11 sheep to 35. In 1999, 70 per cent of herdsmen have less than 150 livestock's. Livestock's less than 100 is considered as economically inefficient. In rural very poor households, average livestock size is 13.6 cattle and horses and 35.8 sheep and goats and poor households' average is 24.5 cattle and horses and 67.5 sheep and goats. However urban average for very poor households is 4.1 cattle and horses and 29.5 sheep and goats and for poor households is 9.7 cattle and horses and 45.6 sheep and goats.



In Mongolia land ownership issue is not yet allowed. The law of the ownership of land is not ratified. Mongolians have rights to use land but not to own.

There are three types of housing namely apartment/house, hostel/dormitory/other and ger. Housing ownership differs for rural and urban areas. 73.2 per cent of urban very poor and 69 per cent of urban poor live in their private houses compared to 91.1 per cent of rural very poor and 97.2 per cent of rural poor. A ger is main type of housing in rural areas. Because in 1998 about one third of urban poor live in a ger.

Household goods varies depending on households' income level. However, there is no survey on this issue.

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