URBAN POVERTY IN ULAANBAATAR

Understanding the Dimensions and
Addressing the Challenges

CONTENTS

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1.0 ACKNOWLEDGEMENTS

2.0 EXECUTIVE SUMMARY

2.1   INTRODUCTION

Mongolia's economic growth from 2010 has been unprecedented with GDP peaking at 17.5 percent in 2012 when Mongolia was the fastest growing economy globally. This unparalleled growth of the economy was accompanied by an equally impressive decline in poverty by 17 percentage points between 2010 to 2014. However, much of this decline was during 2010–2012. From 2012–2014 poverty declined by less than 6 percentage points, partly due to slowing growth and declining foreign direct investment. World Bank (2016) estimates raise concerns that poverty reduction is likely to come to a standstill due to the negative welfare impact of the economic slowdown in 2015, which is expected to continue through 2016. During 2015-16, urban poverty was projected to increase, and World Bank estimates suggest that approximately 6.5 percent of the urban population may have already fallen below the poverty line.

The risks of an impending stall in poverty reduction are particularly strong in urban areas that are home to almost two-thirds of Mongolia's population and account for 55.6 percent of the poor. Given the trends of rapid urbanization and growing centrality of cities in Mongolia, this report delves deep to examine multiple dimensions of urban poverty and how social groups might differ in their experiences of urban poverty.

The objective of this report is:

+   to carry out an in-depth analysis of the extent, nature and spatial distribution of poverty in the capital city of Ulaanbaatar, which holds the largest proportion of urban population in the country and serves as the most important destination for rural-urban migrants,
+   identify sources of vulnerability for poor and excluded populations using a variety of data sources that go beyond income metrics and highlight the deeply multidimensional nature of urban poverty in Ulaanbaatar.

The report takes a mixed methods approach, combining quantitative, qualitative and spatial analyses. Availability of rich spatial data and the use of spatial techniques are used to create a better understanding of the locational distribution of urban poor and the nature of poor places.

2.2   BACKGROUND AND CONTEXT

Ulaanbaatar generates 65 percent of the country's GDP[1], 85 percent of power, and 50 percent of investments. Ulaanbaatar's average real GDP growth was around 13.3 percent between 2008 and 2012, compared to the national growth rate of 8.8 percent. The expansion of Ulaanbaatar has been phenomenal, both in terms of population growth as well as its urban extent. Ulaanbaatar's population (housing 42 percent of the nation's population) rose from about half a million in 2001 to about 1.2 million in 2011, and is projected to rise to 1.7 million by 2025. Much of this population increase has been through rapid rural-urban migration in the last two decades. In 1989, 26.8 percent of Mongolia's population lived in Ulaanbaatar; by 2006 that number had risen to 38.1 percent; and by the 2010 census, 45 percent of Mongolia's population lived in the capital.

While urbanization presents an enormous opportunity for promoting prosperity, in Ulaanbaatar, urbanization has coincided with low-density sprawl. Instead of being able to leverage the benefits of agglomeration and densification, Ulaanbaatar is struggling with basic service delivery, especially for urban poor populations. There are three dynamics responsible for the low-density urban development of Ulaanbaatar's urban form:

+   The city's soviet style planning legacy and constitutionally mandated land ownership have led to large-sized urban blocks in the city center with low-rise structures.

[1] Asia Foundation 2015 estimate: https://asiafoundation.org/resources/pdfs/EconomicDevelopmentMongolia.pdf

Mongolian citizens registered who live in Ulaanbaatar are entitled to a free plot of land of up to 700m^2 in the fringes and between 400-550m^2 in the city center.

+ The city has not adequately planned for growth in its population, with considerable gaps in availability of affordable housing stock closer to the city center leading to considerable urban sprawl.

+ The rapid pace of rural-urban migration since the early 2000s has interacted with the first two conditions and spurred outward growth of the city in its peripheries.

The outcome is a patchwork of plots occupied with detached single-unit homes leading to low residential density. Such residential neighborhoods have come to be known as 'ger areas', which are a unique feature of Ulaanbaatar's urban landscape. _Ger_ areas, particularly at the periphery, have become home to many urban poor, whose income poverty is worsened by the severe lack of basic services and infrastructure provision in these neighborhoods.

2.3   INCOME POVERTY IN ULAANBAATAR

Ulaanbaatar is home to approximately 33 percent of Mongolia's poor population, with approximately 16 percent of the city's households below the poverty line. Given the greater shares of population living in Ulaanbaatar, the city has a higher proportion of poor than any other sub-national administrative location type, highlighting its centrality in interventions designed to target urban poverty. Levels of inequality in Ulaanbaatar have shown no reduction, as demonstrated by the Gini coefficient that has remained steadfast at 0.33 between 2010-2014.

An analysis of National Statistical Office's Household Socio-Economic Surveys (HSES) data from 2010, 2012 and 2014 for Ulaanbaatar highlights that the incidence of poverty in Ulaanbaatar is highest among households living in _Ger_ areas, with unemployed household heads, less educated

household heads, or those dependent on social transfers and private sector wages.

TYPOLOGY OF GER AREAS AND RELATIONSHIP TO INCOME POVERTY

The city classifies _Ger_ areas by three zones, central, mid-tier (middle) and fringe based on their location, connectivity to engineering networks and housing types. Within the official classification, Central _ger_ areas, where connection for centralized engineering networks is feasible, will be redeveloped with high-rise and mid-rise buildings. Mid-tier _ger_ areas are planned for redevelopment with low-rise and mid-rise buildings and will be connected to partial engineering networks. Redevelopment for Fringe _ger_ areas is planned in phases via land readjustment schemes with onsite networks. "Non-_ger_ areas" typically contain apartment buildings with some single-home plots and _ger_ structures mixed in.

There is a clear spatial dimension to the distribution of urban poor in Ulaanbaatar across its districts and _khoroos_. More than half of the urban poor report living in gers (57.5 percent), compared to less than 1 percent who report living in apartments. However, only 38 percent of people living in _ger_ areas are poor and poor households seem to be evenly spread out across the three classifications of _ger_ areas. Poverty is not concentrated solely in the fringe _ger_ areas, though the poverty headcount is positively correlated with distance from the city center.

TRENDS OF GROWING UNEMPLOYMENT

Despite the unprecedented growth of the past decade, the expansion of non-labor intensive industries meant that job creation in Mongolia only increased by 11 percent. According to the Institute for National Strategy (INS) of Mongolia, the number of unemployed seeking jobs has increased from 39,000 in 2012 to 55,000 in 2014, while the number of new jobs being created has halved. Youth unemployment continues to be a big concern, with 69 percent of unemployed falling in the age group of 15-34 years.

In Ulaanbaatar, the labor force participation rate steadily increased for both men and women between 2010 and 2014, However, between 2012 and 2014 the unemployment rate for women almost doubled, signaling that there are not sufficient jobs to absorb the increasing number of women entering the labor force. Unemployment for men in Ulaanbaatar also increased slightly. While unemployment declined overall from 2010 to 2014, some of the gains made between 2010 and 2012 are being reversed. Mechanisms perpetuating unemployment include:

+ **Age and gender bias:** Both men and women over 40 report that strict age requirements constrain their opportunities for employment. Men report this bias more in manual labor jobs and link it to perceptions of preference for Chinese workers. For women, the age bias has a gendered dimension as well. Prospective employers demonstrate negative attitudes towards women with children, who are perceived as unemployable due to their child rearing roles.

+ **Constraints posed by childcare:** Analysis of _khoroo_ household registry data shows that public kindergarten facilities are able to accommodate only 30 percent of children eligible for enrollment. Lack of affordable child care options are an important constraint on women's access to the job market. In the absence of strong family support systems, particularly in migrant households, women must stay at home to take care of children.

+ **Labor exploitation:** Between 2010 and 2014, the construction sector contributed to more than half of labor income growth for the poorest 20 percent. However, exploitation of informal workers in the form of non-payment of full wage, fraudulent contracts and unfair dismissals is prevalent particularly within the construction sector. These practices pose significant hurdles in accessing jobs and discourage job seekers from staying in the job market.

+ **Corruption & Cronyism:** Corruption and cronyism are seen as barriers to accessing employment opportunities, and job seekers must have influential connections or pay bribes to access jobs or even be short listed. Self-

employed small-scale traders and vendors also identified corruption when attempting to obtain permits to carry out their businesses in authorized market spaces.

+ **Education:** Among poor households 68 percent are headed by someone with upper secondary education or lower. Only 8 percent are headed by someone with higher education. Access to quality education is a key input into the development of human capability and determines the extent of inter-generational disadvantage transferred. An examination of the spatial distribution of schools in Ulaanbaatar highlights the inequality of physical access to schools for children from urban poor households living in _ger_ areas.

2.4   MULTIDIMENSIONAL POVERTY

Conditions in _ger_ areas have meant that the urban poor not only suffer from income poverty but are also adversely affected by multiple deprivations due to lack of basic services and infrastructure. Focusing solely on income poverty rather than multidimensional poverty provides an incomplete measure of the living conditions faced by the urban poor. Identifying additional deprivations is relevant from a policy perspective to enable the design of meaningful social and economic policies.

In order to understand multidimensional poverty in Ulaanbaatar, the World Bank Survey 2014 data was analyzed using the well-established Alkire Foster methodology. Results of the analysis show that overall 23.4 percent of the population of Ulaanbaatar are multidimensional poor. Multidimensional poverty is consistently higher and more intense among _ger_ residents. 39.5 percent of _ger_ residents are poor as compared to only 17.8 percent of non-_ger_ residents, meaning a person living in _ger_ areas is twice as likely to be multidimensional poor as compared to someone living in non-_ger_ areas.

Deprivations in the dimensions of 'Assets & Money', 'Water & Sanitation' and 'Solid Waste', are the largest contributers to multidimensional poverty with notable differences between *ger* and non-*ger* areas. In both *ger* and non-*ger* areas, alcoholism is also seen as not only an important indicator affecting the quality of urban livability but also makes a large contribution to multidimensional poverty.

2.5   VULNERABLE GROUPS

Certain social groups face disadvantages and stigma based on their identity or unique social circumstances creating social exclusion and vulnerability.

RURAL-URBAN MIGRANTS

Migrants are often stigmatized by local residents and seen as the source of Ulaanbaatar's high levels of poverty and urban sprawl, though these beliefs are not substantiated by the quantitative and ethnographic evidence collected for this report. The World Bank 2014 survey finds that migrants on the whole are not urban poor in terms of income. A linear regression model for determinants of income poverty shows no significant association between migrant status and income when controlling for age, gender, education status, employment status and residential location in Ulaanbaatar.

While migrants are not the urban poor in terms of income, 60 percent of migrant households are multidimensional poor as compared to 48 percent non-migrant households owing in large part to their concentration in ger areas lacking adequate infrastructure and services. As highlighted in the previous section, limited water provision and sanitation services are significant contributers to multidimensional poverty. A majority of migrants moving to Ulaanbaatar live in *ger* districts, though they are distributed across all *ger* locations rather than concentrated in fringe ger areas as is commonly assumed.

DISABLED

There are disability allowances within the social welfare system that aim to reduce the monetary vulnerability of disabled populations within Ulaanbaatar. Nevertheless, there is little provision for dealing with the everyday challenges faced by those who are physically disabled. Accessible physical infrastructure is limited, constraining the mobility of the disabled and their ability to be self-sufficient.

STREET CHILDREN

According to the Centre for Child Protection in the Police Department of Ulaanbaatar, the number of children living on streets of UB has declined from 889 in 2011 to 690 in 2012 and to further 260 children in 2013. In 2014, Ulaanbaatar Metropolitan Police Department launched a campaign to identify homeless and street children in collaboration with the Child and Family Development Centre. They identified and registed 74 street children and went on to provided them with health check-ups and attempted to reunite them with their families or place them in children's centers in the city. NGOs have raised concerns that the problem of children's vulnerability in Ulaanbaatar is shifting from streets to children's homes, which have limited capacity.

APARTMENT WATCHMEN

Since the privatization of Soviet style apartment blocks started during 1990's, Unions of Apartment Owners (UAO) have been set up and a new work position of "apartment entrance hall guard" created. The roles and duties of this work position include cleaning the apportioned public area, safeguarding the entrance hallways for 24/7, and other chores ordered by the apartment council. Typically, the guard lives under the staircase in the entrance ina space around 1,8 2m (3,6-4 2) in size, with a very low ceiling and the open side closed with cheap materials. It is a narrow space with limited air circulation and no natural light that gets cold in winter, is often noisy, and in many cases has no sanitation and toilet facilities. The residents of this space

are often single mothers with children under the age of five who have migrated from rural areas and do not have a permanent city address.

2.6   CONCLUSION

The analysis reveals important findings about Ulanbaataar's urban poor, namely that they are not exclusively migrants living in fringe *ger* areas. Rather, the urban poor are spread throughout the three *ger* areas and are more likely to be non-migrants. Employment and education are certainly important factors in addressing poverty, though they are compounded by non-income deprivations including the lack of adequate infrastructure and service provision.

The analysis highlights primary areas where government can initiate policy measures, namely employment, education, service delivery, and provisions for widespread alcoholism. The city government recognizes the importance of providing education, and has already taken steps to address gaps in both access and quality. Alcoholism remains largely unaddressed, and Mongolia would do well to seek examples from abroad in how to address this growing affliction. Finally, Ulaanbaatar already has the appropriate policy tools and mandate over urban planning and land use management, land taxes, and zoning regulations, all of which can be used to promote inclusive development through ensuring affordable and efficient service delivery. Better urban planning and land management aimed at promoting density and with a view to increasing access to services will not only be important for the efficiency and cost-effectiveness of service delivery but is also critical to enhancing the inclusion of urban poor and creating a livable capital city for all citizens.

3.0 INTRODUCTION: BACKGROUND & CONTEXT

3.1 POVERTY DECLINE IN MONGOLIA: STRONG START BUT FALTERING PROGRESS

Mongolia's economic growth from 2010 has been unprecedented with its GDP peaking at 17.5 percent in 2012 when it was the fastest growing economy globally[2]. This unparalleled growth of the economy was accompanied by an equally impressive decline in poverty by 17 percentage points from 38.7 percent in 2010 to 21.6 percent in 2014. However, much of this decline was during 2010-2012, and from 2012-2014 poverty declined by less than 6 percentage points.

A reason for this slowdown is the sharp downward turn in Mongolia's growth since 2012, with the growth slowing down to a single-digit due to plummeting foreign direct investment and chronic delays with mining projects[3]. As much as 11 percent of the country's population is within 10 percent of the poverty line, making them highly vulnerable to these economic shocks[4]. World Bank (2016) estimates raise concerns that poverty reduction is likely to come to a standstill due to the negative welfare impact of the economic slowdown in 2015, which is expected to continue through 2016. The challenge of achieving long term inclusive growth of Mongolia is a very real one, especially with the prevailing high levels of inflation[5] and dipping growth rates.

3.2 UNIQUELY URBAN NATURE OF POVERTY IN MONGOLIA

The risks of an impending stall in poverty reduction are particularly strong in urban areas that are home to almost two-thirds of Mongolia's population and account for 55.6 percent of the poor. This is unlike most other developing countries where poverty is concentrated in rural areas. Poverty declined at a much slower pace in urban areas as compared to rural areas during 2010-2014. Rural areas have contributed disproportionately more to the overall poverty reduction in the same period while constituting a smaller population base. World Bank estimates show that poverty in rural areas declined by 13.5 percentage points during 2010-12 and 9.1 percentage points during 2012-14, while there were much smaller declines of 9.9 and 4.4 percentage points in urban areas in the corresponding periods respectively (Table 1). Slowdown in the pace of urban poverty has been further accompanied by a lack of decline in the level of urban inequality. The Gini coefficient for urban areas has remained at 0.33 since 2010 whereas inequality declined in rural areas from 0.32 in 2010 to 0.28 in 2014. Levels of inequality in urban areas are not expected to decline in the short term.

The greatest impact of Mongolia's economic slowdown is being felt in urban areas. In the 2015-16 period, poverty was projected to have increased in urban areas, and approximately 6.5 percent of the population may have already fallen below the poverty line[6]. Mongolia is currently experiencing conditions of dzud (summer drought followed

Table 1   Urban-Rural National Poverty Trends : 2010 - 2014

	POVERTY HEADCOUNT RATE (%)			CHANGE	DISTRIBUTION OF THE POOR		
	2010	2012	2014	2012-2014	2010	2012	2014
Mongolia	38.8	27.4	21.6	–5.8	100.0	100.0	100.0
Urban	33.2	23.3	18.8	–4.4	55.2	56.2	55.6
Rural	49.0	35.5	26.4	–9.1	44.8	43.8	44.4

Source: World Bank authors' calculations from HSES 2010, 2012, 2014 in World Bank (2016)

by severe winter weather), which has historically led to significant losses of crops, livestock and rural livelihoods and spurred distress migration to urban areas. According to the Government of Mongolia estimates, at the end of 2015, 50 districts in 16 provinces were affected by dzud, and another 120 districts in 20 provinces were facing near-dzud conditions (ReliefWeb/UN OCHA) [7].

Conditions are expected to impact close to a million people in the affected rural districts (ReliefWeb/IFRC)[8] and may signal a reversal in Mongolia's poverty reduction achievements.

During the socialist period, migration was centrally controlled and urbanization for the recruitment of work forces in factories was promoted. By 1990, approximately 55 to 60 percent of all Mongolian citizens were living in urban areas[9]. For the remaining populations, the living standard in the soum-centers was, compared to today, reasonably high with schools, boarding schools, theatres, public transport, newspapers and electricity made readily available. This contributed to a relatively high standard of living even in rural areas[10]. Since 1990, the living standard decreased dramatically all over Mongolia, resulting in classic push-and pull factors that led to high levels of rural-urban migration, but without a strategy to manage rapid urbanization and plan for it. While a temporary de-urbanization was evident between 1990 and 1995, during which the rural population grew significantly, migration to urban areas increased after 1995 and even more after 2000[11]. Economic hardship in rural areas due to dzud has been a primary push factor for distress migration. But another key reason is social aspiration of rural families for intergenerational mobility, particularly with regard to better access to education and health services in the case of migrants to Ulaanbaatar, which has become the main migrant[12] destination and a rapidly expanding primate city.

Given the uniquely urban nature of poverty in Mongolia and the likelihood of an increase in urban poor in the short term, it is especially pertinent to better understand the nature of challenges faced by urban poor, the mechanisms that are likely to create durable forms of inequality and find ways to tackle these dynamics.

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[2] The declining trend started after high rates of growth in 2011 (at 17.5 percent), dropping to 12.3 percent in 2012 and 11.7 percent in 2013. World Bank 2016a Mongolia Poverty Report

[3] ADB East Asia Outlook 2014: https://www.adb.org/sites/default/files/publication/31241/ado-2014_1.pdf

[4] World Bank 2016a. Poverty reduction and shared prosperity in Mongolia: Well begun, but can it continue? Washington DC.

[5] Consumer price inflation soared to 12.9% year on year in July 2014 fueled by last year's highly expansionary fiscal and monetary policies.

[6] World Bank, 2016

[7] http://reliefweb.int/report/world/asia-pacific-region-el-ni-o-snapshot-january-2016

[8] http://reliefweb.int/report/mongolia/mongolia-extreme-winter-condition-emergency-plan-action-epoa-n-mdrmn005

[9] Gilberg, Rolf & Svantesson, Jan-Olof (1999) The Mongols, Their Land and History. In: Ole Bruun & Ole Odgaard (ed.) Mongolia in Transition Old Patterns, New Challenges. Richmond: Curzon

[10] Ibid. p. 180.

[11] Taraschewski, Thomas. (2008). Stadtentwicklung in Ulaanbaatar im Zeitalter fragmentierender Entwicklung. Aktuelle Migrations- und sozioökonomische Differenzierungsprozesse unter besonderer Berücksichtigung der Jurtenviertel. Berlin: Wissenschaftlicher Verlag.

[12] Migrant is a household head who was not born in Ulaanbaatar

4.0 AIM OF THE REPORT AND METHODOLOGY

4.1   AIM OF THE REPORT

This report explores various dimensions of urban poverty and how social groups might differ in their experience of urban poverty. The main thrust of this report is to carry out an in-depth analysis of the nature and spatial distribution of poverty in the capital city of Ulaanbaatar as well as the sources for vulnerability for poor and excluded populations using a variety of data sources. These challenges are particularly central for Ulaanbaatar, where population, poverty and economic growth have become increasingly concentrated over the last decade. This report goes beyond solely money metric measurements and highlights the deeply multidimensional nature of urban poverty in Ulaanbaatar.

The multidimensional view taken by this report does not diminish the importance of traditional poverty measurements that focus on economic deprivation and form the backbone of established poverty analysis. Rather, it augments the economic dimension by highlighting aspects of urban livability, whose absence can exacerbate the impact of income poverty on urban poor. More importantly, such dimensions of urban livability (particularly access to and quality of municipal services, basic infrastructure, education, health etc.) are central to supporting local governments in creating inclusive cities.

4.2   METHODOLOGY

The report takes a mixed methods approach, combining quantitative, qualitative and spatial analyses. Availability of rich spatial data and the use of spatial techniques further is further used to create a better understanding of the locational distribution of urban poor and the nature of poor places. Several sources of data utilized in this report (as described below) have also been used to produce the analyses for the World Bank Ulaanbaatar Service Delivery Report (2016) given that the two reports are outcomes of the same broader analytical and technical work. As such, some of the analyses presented in this report overlap with those presented in the Service Delivery Report. However, any overlapping analyses are not always explicitly mentioned in the interest of the report's flow and readability, given that the narrative of this report approaches the analyses presented from an urban poverty lens.

The primary data sources used for this study include the following:

+ **Household Survey on Service Delivery in Ulaanbaatar:** a geo-referenced, citywide random sample of 3000 households using a two stage random sampling design, stratified by ger and non-ger areas[13]. It collected information on socio-economic indicators, migration status, access to water, sanitation, solid waste collection, functionality of streetlights, access to health clinics and schools, social capital and neighborhood conditions. Data collection was carried out in 2014[14] (henceforth, World Bank Survey 2014).

+ **Analysis of 2010, 2012 and 2014 Household Socio-Economic Survey Data** collected by Mongolia's National Statistical Agency, with a focus on results for Ulaanbaatar (henceforth, HSES)

+ **Focus group discussions:** 18 focus group discussions with residents from different districts of Ulaanbaatar on the perceived quality, accessibility and outcomes of health and education as key locally-provided social services. These focus group discussions were also carried out in 2014. Henceforth, World Bank FGDs 2014. The analysis of focus group discussions allowed for a more nuanced understanding of how poverty is experienced and the mechanisms that serve to perpetuate poverty, particularly when interpreting quantitative data.

+ **Ethnographic Study:** The report also utilizes insights from an ethnographic study commissioned under the project, which delves deeper into the understanding of vulnerability in the urban setting of Ulaanbaatar. It captures the experiences of two vulnerable groups, namely, recent migrants living near a landfill site and ger area community that was established partially on a cemetery. The cemetery has subsequently been fenced off and exists alongside the community. Both groups face stigma from local residents in Ulaanbaatar and the in-depth study allows us insights into their lived urban experiences and coping strategies. Henceforth, World Bank Ethnography 2014

+ **Spatial data and analytics:** Extensive spatial data was secured from the Ulaanbaatar City Master Planning Department (MPD) in July 2014, which forms the basis for majority of the spatial analyses examining access to services. This includes GIS layers of the distribution of public transit nodes and networks, schools, clinics, streetlights, building footprints, residential classifications etc. In addition, the National Statistical Office (NSO) of Mongolia provided access to a poverty map that estimated poverty at sub-district level (i.e. *khoroo* level, or an urban ward). The poverty mapping was carried out using the decennial census and household survey data through the application of a robust small-area-estimation methodology[15]. The findings allow for urban poverty comparison across districts and *khoroos*. Henceforth, World Bank Spatial Analysis 2014.

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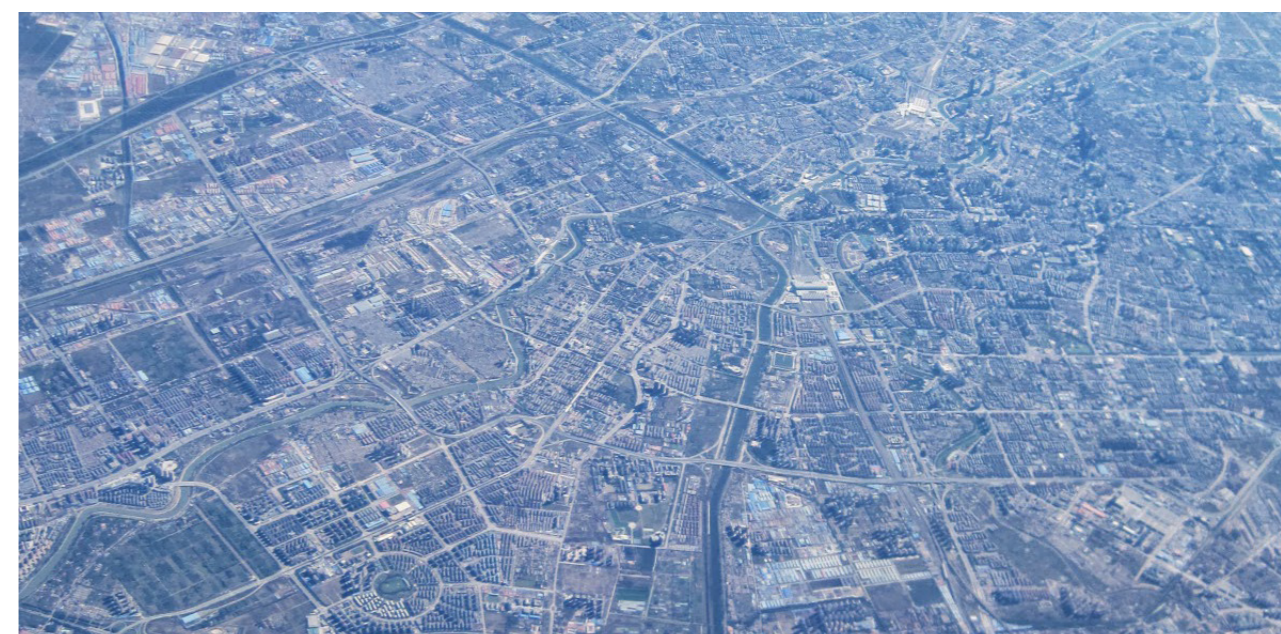
[13] The two stage sampling design first randomly identified specific khesegs to be targeted from which ten households were selected using simple random sampling. Ulaanbaatar city is divided into nine districts, which are subdivided into 152 khoroos. Khoroos are the lowest sub-district administrative units of the city Khoroos were divided into two strata- ger strata, if more than 50% percent of the households in that khoroo lived in gers, eslse the apartment strata, Khoroos were further subdivided roughly into smaller units of approximately 200 households each, resulting in a total of 1168 units that formed the primary sampling units (PSUs). 200 PSUs were randomly selected from the 'ger starta' and 100 from 'apartment strata'. For the second stage sampling, a listing exercise was undertaken in 300 PSUs, of which ten were randomly selected from each PSU, resulting in a total of 3000 households.

[14] The results of this quantitative survey instrument will be used throughout this report to illustrate the analysis.

[15] Small Area Estimation Maps: http://econ.worldbank.org/external/default/ main?theSitePK=477894&contentMDK=20292228&menuPK=545573&pagePK=64168182&piPK=64168060

5.0 ULAANBAATAR: UNPRECEDENTED GROWTH OF A PRIMATE CITY

Ulaanbaatar generates 65 percent of the country's GDP, 85 percent of power, and 50 percent of investments. Ulaanbaatar's average real GDP growth was around 13.3 percent between 2008 and 2012, compared to the national growth rate of 8.8 percent. Up to 99 percent of local output is comprised of construction, mining, transportation services, retail, light manufacturing and processing. Construction and maintenance works, retail and wholesale industries in UB accounted for 75 percent of the total national output in 2011. The real estate sector has grown significantly, driven mainly by increasing demand (rapid in-migration, rising disposable income, and interest rate subsidies), as well as boosted supply resulting from direct government funding to construction companies, producers of construction materials and developers to support new construction, as part of the government's 2012 Monetary Stimulus Programs. As these sectors continue to drive growth and generate employment in UB, further diversification in the service sector, such as financial services, hotel management and restaurants, will expand employment opportunities for UB's population (World Bank 2014).

The expansion of Ulaanbaatar has been phenomenal, both in terms of population growth as well as its urban extent. Ulaanbaatar's population rose from about half a million in 2001 to about 1.2 million in 2011, and is projected to rise to 1.7 million by 2025. Much of this population increase has been through rapid rural-urban migration in the last two decades. In 1989, 26.8 percent of Mongolia's population lived in Ulaanbaatar; by 2006 that number had risen to 38.1 percent; and by the 2010 census, 45 percent of Mongolia's population lived in the capital. Population growth in the capital city is expected to continue at a high rate (current population growth rate being approximately 5%), signaling an urgent need to accelerate the provision of services and infrastructure. Besides economic growth, another reason

why Ulaanbaatar has received migrants from all parts of the country is due to the increased intensity of a series of severe winter storms (called *dzud)* that have destroyed considerable rural livestock and resulted in the large out migration of low-income, low-skilled rural families into Ulaanbaatar[16].

While migrants have contributed to Ulaanbaatar's population growth, they should not be held responsible for the rise in urban poverty. As discussed in the section titled Vulnerable Groups later in this report, migrants are not the income poor. The calculations based on World Bank 2014 Survey data find no significant association between migrant status and income when controlling for age, gender, education status, employment status and residential location in Ulaanbaatar (See Table 18). However, rural-urban migrants face considerable discrimination stemming from their migration status and also face multiple dimensions of deprivation, as discussed in more detail in latter parts of this report.

5.1 RAPID URBANIZATION HAS COINCIDED WITH URBAN SPRAWL

While urbanization presents an enormous opportunity for promoting prosperity, its benefits have not been realized in the case of Ulaanbaatar, which is facing considerable challenges of service delivery[17]. A main reason is that the urbanization has coincided with low-density urban sprawl of the city instead of being able to leveraging the benefits of agglomeration and densification. There are three dynamics responsible for the low-density urban development of Ulaanbaatar's urban form. One, the city's soviet style planning legacy and constitutionally mandated land ownership have led to large-sized urban blocks in the city center with low-rise structures (4-5 stories on average, 10-12 stories for the highest buildings[18]. Mongolian citizens

registered who live in Ulaanbaatar are entitled to a free plot of land of up to 700m^2 in the fringes and between 400-550m^2 in the city center[19]. Two, the city has consistently suffered from gaps in the availability of affordable housing stock closer to the city center and has not planned for growth in its population. Three, the rapid pace of rural-urban migration since early 2000s has interacted with the first two conditions and spurred an outward the growth of the city in its peripheries. The 700m^2 plot provision has meant that incoming households have the incentive to find the closest possible plot to the city, resulting in newcomers continuously being forced to settle in the fringes given the lack of affordable renting options in the city.

The outcome is patchwork of plots divided by fences, and occupied with detached single-unit homes ranging from traditional gers, to more free-standing single level

built houses, with low residential density. Such residential neighborhoods have come to be known as 'ger areas', which are a unique feature of Ulaanbaatar's urban landscape. As will be demonstrated in the subsequent sections, ger areas (especially in the peripheries of Ulaanbaatar) have become home to several urban poor, whose income poverty is worsened by the severe lack of basic services and infrastructure provision in these neighborhoods (World Bank 2016b).

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[16] Kamata, T. (2010). Managing Urban Expansion in Mongolia: Best Practices in Scenario-based Urban Planning. World Bank Publications.

[17] World Bank 2016b. Ulaanbaatar: Inequality in Access to Service Delivery.

[18] Nowadays both spaces commonly taken up by parking.

[19] According to Article 3 of the Law on Procedures for Observance of the Law on Land Allocation for Mongolian Citizens for Ownership. According to UB Mayoral Decree no. A/726 of 2013 the entitlement is currently applicable to UB residents who had registered their residency before 30 May, 2013

6.0 INCOME POVERTY IN ULAANBAATAR

6.1 LEVELS AND TRENDS

Similar to the national trend, poverty declined quickly during 2010-2012 in Ulaanbaatar, and was reduced by 11.4 percentage points.. In the following two years (2012-2014), the pace of poverty reduction declined to a third of previous levels, averaging only 3.4 percentage points in this latter period. From 2012-2014, the pace of poverty reduction in the capital city of Ulaanbaatar was one of the slowest, second only to the eastern part of Mongolia (Table 2) and also more sluggish than the national urban average decline (Table 1). Although having the lowest poverty headcount (16.4%) across all regions, the capital region of Ulaanbaatar is home to approximately 33% of Mongolia's poor population. Given the greater shares of population living in Ulaanbaatar, the city has a higher proportion of poor than any other sub-national administrative location type (Figure 1), highlighting its centrality in interventions designed to target urban poverty.

Approximately 16 percent of UB households were below poverty line in 2014 and a substantial percentage clustered around the poverty line, and hence vulnerable to economic shocks[20]. World Bank (2016a) estimates suggest that poverty rate of Ulaanbaatar (16.4 percent in 2014) is likely to be higher in 2015, reaching 22.1 percent of the population. Projections suggest that the situation may improve in 2016 but the poverty rate is estimated to remain above the 2014 estimates at 19.4 in Ulaanbaatar. The depth of poverty is also likely to increase, particularly among the unemployed and low-skill wage employees.

Levels of inequality in Ulaanbaatar have shown no reduction, as demonstrated by the Gini coefficient that has remained steadfast at 0.33 between 2010-2014. Reduction in inequality will be as important as declines in urban poverty in the coming years to ensure that growth is shared equitably in order to create an inclusive, world-class city.

6.2 SPATIAL DISTRIBUTION OF INCOME POVERTY

There is a clear spatial dimension to the distribution of urban poor in Ulaanbaatar across its districts and *khoroos*, with district level poverty headcounts ranging from 10.4% in Bayongol to 30% in Singinokhairkhan (Table 3). *Khoroos* with the highest poverty rates tend to be located in the peripheral areas of the city, along the edges of Songinokhairkhan and Khan-Uul, as well as in the rural districts of Nalaikh, Bagakhangai, and Baganuur. All residential *khoroos* of Songinokhairkhan have a poverty headcount over 20 percent. Particularly high headcounts of poor populations (over 34% of the population) are seen in *Khoroos* 3 and 11 of Songinokhairkhan district and in *Khoroos* 14, 7, and 6 of Khan-Uul district (see Figure 2).

Even among the well off districts such as Chingletei, the levels of poverty range from 4.7 to 30.5. Of the rural districts, Baganuur and Nalaikh have become satellite cities of Ulaanbaatar following a referendum in 2015. There is a high level of sub-district variation within Ulaanbaatar with *khoroos* in the city center having less than 6% urban poor as compared to some of the peripheral districts where *khoroo* poverty rates range from 35-45% of the *khoroo* population. The proportion of poor increases with the distance to UB city center, with central *khoroos* of Chingeltei (03), Bayongol (15), and Sukhbaatar (04 and 06) being the only khoroo's with a poverty headcount below 5 percent. Map 1 shows the distribution of households below poverty line by *khoroos*.

Table 2   Regional Poverty Trends: 2010 – 14

REGION	POVERTY HEADCOUNT RATE (%)			CHANGE	DISTRIBUTION OF THE POOR		
	2010	**2012**	**2014**	**2012-14**	**2010**	**2012**	**2014**
West	52.7	32.3	26.0	–6.3	19.0	15.9	18.2
Highlands	51.9	38.5	25.3	–13.2	26.0	27.0	22.2
Central	29.9	28.3	22.3	–6.0	12.3	15.7	16.3
East	42.3	33.4	31.4	–2.0	7.7	9.0	10.8
Ulaanbaatar	31.2	19.8	16.4	–3.4	35.0	32.4	32.5

Source: World Bank (2016a): calculations from HSES 2010, 2012, 2014

Figure 1   Distribution of the poor by location: 2010-14
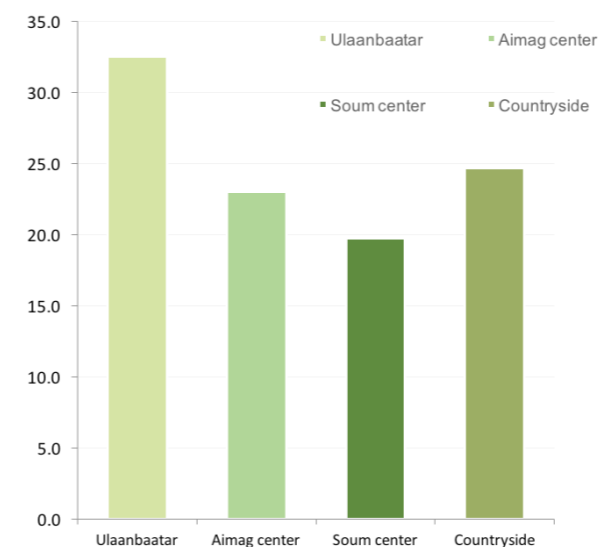
Source: World Bank (2016a) based on HSES 2010, 2012, 2014

Table 3   District Level poverty Headcount

DISTRICT	KHOROO POVERTY HEADCOUNT (%)	MINIMUM KHOROO POVERTY HEADCOUNT RATIO	MAXIMUM KHOROO POVERTY HEADCOUNT RATIO
BG	10.4	5	25.9
BK	24.2	20.4	27.9
BZ	21.2	5.6	34.2
CH	21.2	4.7	30.5
KH	27.2	6.3	38.3
SB	17.0	4.2	30.5
SH	30.0	10.8	40.4

Figure 2   Average Poverty Headcount per Khoroo
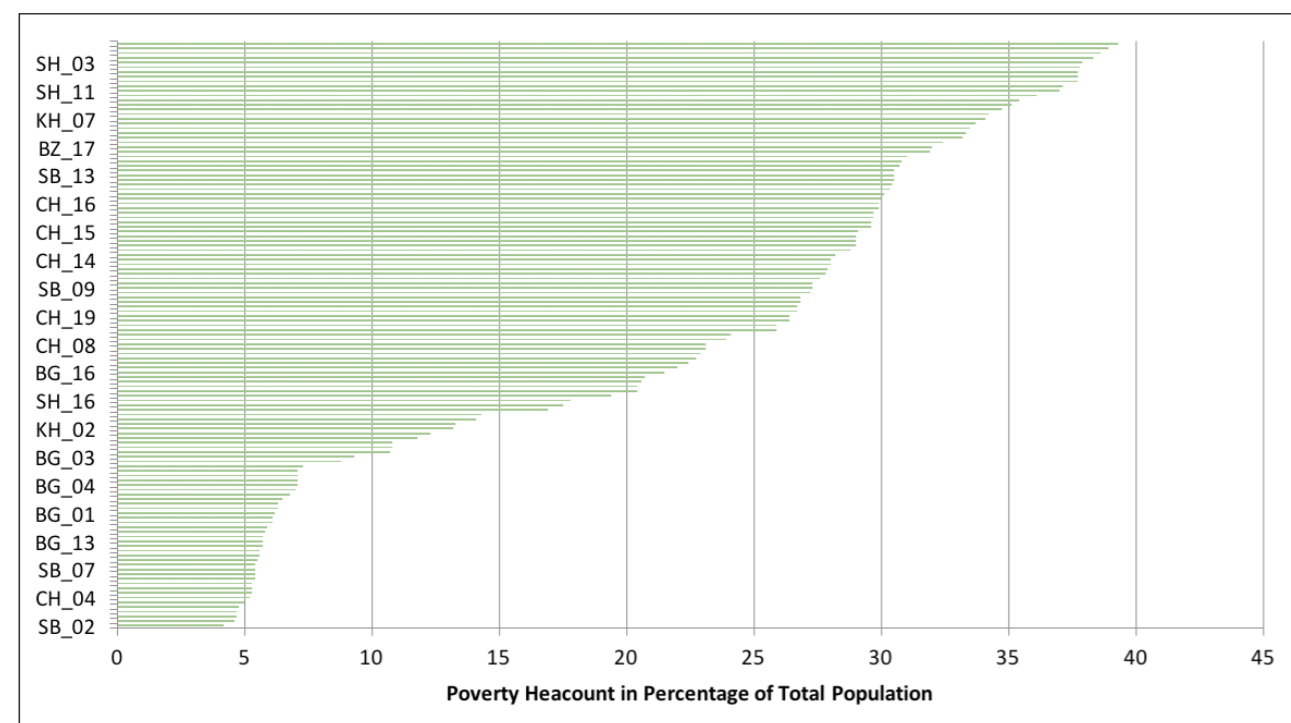
MAP 1. POVERTY HEADCOUNT
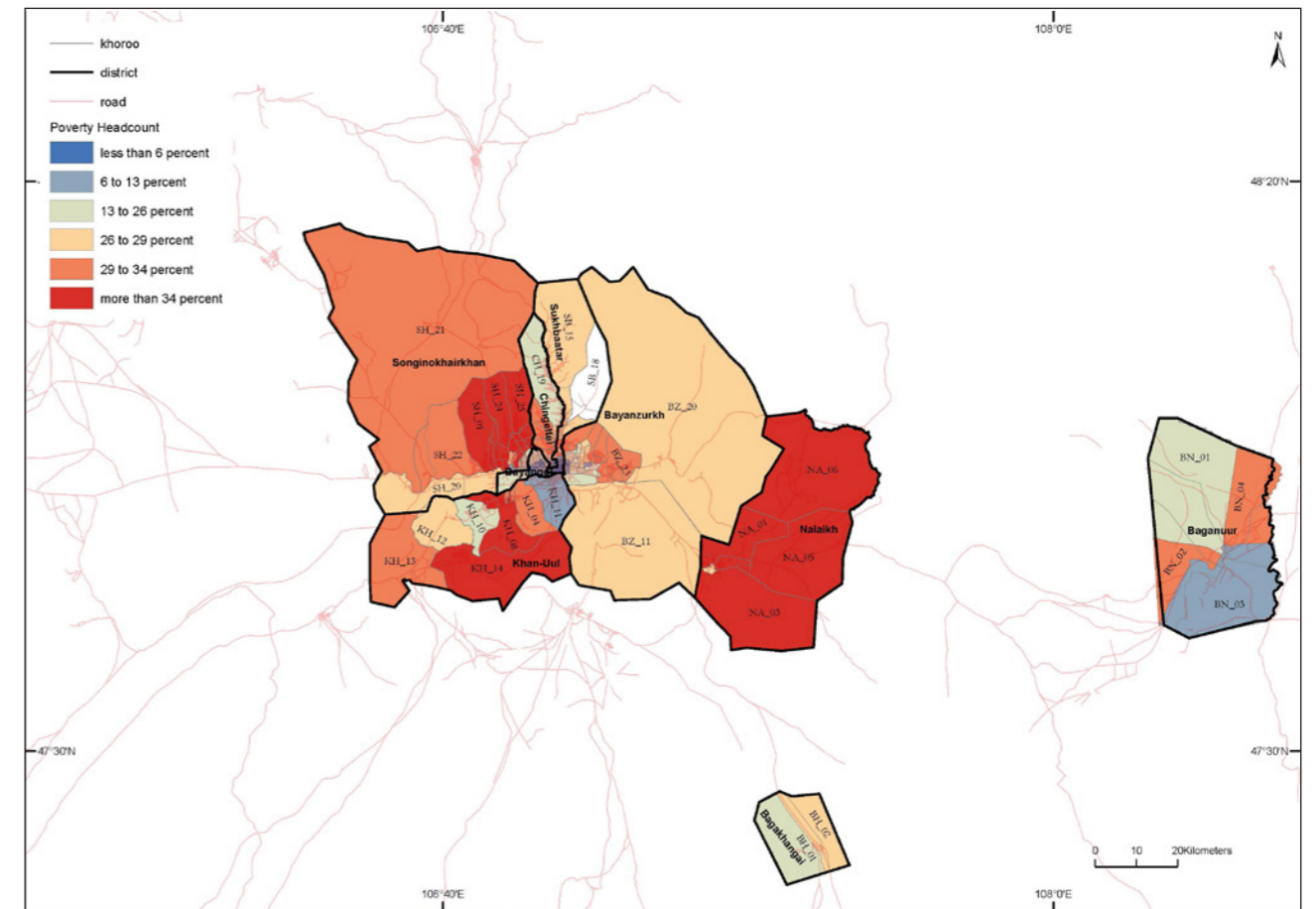
Source: Poverty Mapping carried out by the National Statistical Office (NSO), Mongolia using small area estimation techniques on Census 2010 and Household Socio-Economic Survey Data 2011[21].

[21] The map represents the proportion of poor people to the total khoroo population. The khoroo boundaries are the 2010 boundaries to keep the corresponding spatial distribution.

7.0 KEY CHARACTERISTICS OF URBAN POOR IN ULAANBAATAR

An analysis of National Statistical Office's Household Socio-Economic Surveys (HSES) data from 2010, 2012 and 2014 for Ulaanbaatar highlights that the incidence of poverty in Ulaanbaatar is highest among households living in Gers, with unemployed household heads, less educated household heads, those dependent on social transfers and private sector wages, and those dependent on social transfers and households living in gers (see Table 4). For example, about 24 percent of people in households headed by someone with upper secondary education lived in poverty in 2014 compared to only 3.7 percent amount those with a degree or diploma. The poverty rate among people whose major source of income is social transfers and private wages was 26 and 17.5 percent. With respect to housing type, approximately 38 percent of people living in ger residence are poor as compared to only less than 1 percent of those living in apartments. Of those who are poor, more than half live report living in gers (57.5 percent), which is a larger proportion as compared to 2010.

In the following sections, the report focusses on key characteristics of poor household presented here. Where possible, these descriptive results are augmented with the findings from qualitative research commissioned for this study highlighting mechanisms that perpetuate poverty.

7.1 TYPOLOGY OF GER AREAS AND RELATIONSHIP TO INCOME POVERTY

Ger areas are a unique feature of Ulaanbaatar's urban built environment, house approximately 60% of Ulaanbaatar's population and cover more than 9701.03 ha area of the city (i.e. 54.9 percent of built area in UB). Ger areas refer to land occupied by detached houses and by gers. "Non-ger areas" typically contain apartment buildings with scatterings of plots with single houses and ger structures. The city classifies Ger areas by three zones, central, mid-tier (middle) and fringe for future developments in terms of their locations, connectivity to engineering networks and housing types. Within the official classification, Central ger areas are those where connection for centralized engineering networks is feasible and will be redeveloped with high-rise and mid-rise buildings. Mid-tier ger areas are planned for redeveloping with low-rise and mid-rise buildings and connected to partial engineering networks. Redevelopment for Fringe ger areas is planned in phases via land readjustment schemes with onsite networks. Since the maps obtained from the city were dated prior to the time of the World Bank Household Survey 2014, some of the newer ger developments in the outskirts of the city had not been captured by the maps from the Master Planning Department (MPD). Additional analysis was carried out to exhaustively classify the surveyed households across the ger zones by overlaying the locations of the households with a combination of GIS layers from MPD and World Bank's PUMA 2013 'Artificial Area' layer for Ulaanbaatar[22].

The findings of the HSES Survey (2010, 2012, 2014) in Table 4 as well as the World Bank 2014 survey (Table 5) confirm that ger areas are home to a larger proportion of the city's urban poor as compared to the apartment areas. The total percentage of the extremely poor and near-poor residing in a ger dwelling is 65 percent. Among the extremely poor, 39 percent live in a ger dwelling, 39 percent live in non-ger detached housing, and 22 percent live in an apartment. In contrast, for the non-poor group, 22 percent live in a ger, 33 percent in non-ger detached dwelling, and 45 percent live in an apartment. However, poor households seem to

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[22] While, MPD's central and middle Ger GIS layers were predominantly used to represent central and middle ger, the fringe ger layer was enhanced using a combination of the MPD fringe GIS layer and the PUMA slums GIS layer for surveyed households whose coordinated were found to be outside of the SPPD fringe boundaries. Additionally, survey points located on the outskirts of the city but within 15 meters of a Ger area were assigned the Ger category when they fell outside both SPPD and PUMA layers to accommodate of the margin of error in the measurement of GPS coordinates. This assumption was further confirmed through visual verification of this subset of points.

Table 4   Poverty by Household Head's Characteristics, Ulaanbaatar

	POVERTY HEADCOUNT RATE			DISTRIBUTION OF THE POOR			DISTRIBUTION OF POPULATION		
	2010	**2012**	**2014**	**2010**	**2012**	**2014**	**2010**	**2012**	**2014**
Gender									
Male	29.1	19.0	14.3	70.2	76.7	67.9	75.4	80.4	77.7
Female	37.8	23.7	23.6	29.8	23.3	32.1	24.6	19.6	22.3
Education									
Less than primary	66.8	50.0	64.0	1.5	2.3	2.5	0.7	0.9	0.6
Completed primary	50.8	32.3	23.8	5.6	4.8	2.9	3.4	3.0	2.0
Lower secondary	50.9	36.9	36.1	17.2	22.1	18.5	10.6	11.9	8.4
Upper secondary	36.8	24.4	23.9	49.5	50.6	44.2	42.2	41.3	30.3
Vocational training	21.2	17.9	17.1	19.0	11.8	24.0	28.2	13.1	23.1
Degree or Diploma	15.4	5.6	3.7	7.3	8.3	7.9	14.8	29.8	35.5
Housing Type									
Gers	58.5	40.8	37.7	44.2	53.4	57.5	23.6	26.0	25.0
Apartments	10.3	3.4	0.6	10.6	5.5	1.5	32.1	32.3	38.4
Detached House or Flat	32.8	19.8	17.7	43.9	37.6	36.7	41.9	37.9	34.0
Other	17.5	17.6	27.2	1.4	3.4	4.3	2.4	3.9	2.6
Employment Status									
Wage - public sector	24.7	11.6	10.8	10.9	7.0	8.5	13.9	12.0	12.9
Wage - private sector	30.7	21.1	16.4	35.4	44.3	44.0	36.3	41.8	44.0
Family business - non-agric	17.5	12.4	11.6	6.4	8.6	9.7	11.6	13.8	13.7
Herders and farmers	43.4	21.9	2.6	0.8	1.4	0.1	0.6	1.3	0.9
Unemployed	41.1	39.6	33.6	5.6	4.5	6.5	4.3	2.3	3.2
Inactive	38.5	23.6	20.3	40.8	34.2	31.1	33.4	28.8	25.2
Income Source									
Agriculture	64.2	16.9	2.9	0.9	0.5	0.1	0.4	0.6	0.8
Public sector wages	24.2	11.3	12.8	14.2	8.5	12.5	18.3	15.0	16.0
Private sector wages	35.2	21.7	17.5	56.8	54.4	56.1	50.3	49.9	52.7
Household business	24.1	12.7	10.5	9.2	7.2	8.4	11.9	11.2	13.2
Social transfers	37.3	28.3	26.0	16.2	27.8	20.2	13.6	19.5	12.7
Remittances	17.8	12.6	10.7	2.7	1.4	1.8	4.7	2.3	2.8
Capital income	3.7	2.2	7.2	0.1	0.2	0.8	0.8	1.4	1.8
Total	31.2	19.9	16.4	100.0	100.0	100.0	100.0	100.0	100.0

be evenly spread out across the three classifications of ger areas rather than being concentrated in the fringe areas, contrary to the accepted narrative in Ulaanbaatar. One reason for the belief that fringe ger areas are home to the poorest residents of Ulaanbaatar is based on the assumption that recent migrants who have settled in the city's fringes are the urban poor. As discussed later in this report, this belief is not supported by the empirical analysis. It is also important to note that ger residents enjoy a high level of tenure security overall despite high levels of poverty.

Ninety percent of ger area residents own their *khashaa* plot[23], and an additional 6.6 percent have legal papers to prove possession or were in the process of formalizing their tenure title. However, as discussed in the next section, ger areas are more likely than non-ger areas to suffer from multiple dimensions of deprivation with respect to access to basic services. Such experience of multiple dimensions exacerbates the experience of poverty.

Table 5   Income by Locality Type

INCOME CHARACTERISTICS	LOCATION/DWELLING TYPE*			
	PERI-URBAN GER AREA	MID-TIER GER AREAS	CENTRAL GER	APARTMENT AREA
Mean HH income (MNT)	191,818	179,904	220,910	337,795
Share of quintile				
1 (lowest)	26	25	22	13
2	21	23	20	17
3	19	22	22	17
4	18	18	19	23
5 (highest)	16	11	17	29
Sum of bottom 3 quintiles	66	70	64	47

Table 6   Labor Force Participation Rate in Ulaanbaatar: 2010-14

	LABOR FORCE PARTICIPATION RATE			UNEMPLOYMENT RATE		
	2010	2012	2014	2010	2012	2014
Females	50.72	52.13	55.77	11.20	4.99	8.12
Males	63.26	68.21	73.45	13.61	6.58	7.79
Total	56.6	59.57	63.97	12.46	5.83	7.94

Source: World Bank (2016a): calculations from HSES 2010, 2012, 2014

23   A fenced plot will typically have one of more gers among open space, distinctly separate from the next plot.

7.2   TRENDS OF GROWING UNEMPLOYMENT

Despite the unprecedented growth of the past decade, job creation in Mongolia only increased by 11 percent mainly because the mining industry is not labor intensive. According to the Institute for National Strategy (INS) of Mongolia, the number of unemployed seeking jobs has increased from 39,000 in 2012 to 55,000 in 2014, while the number of new jobs being created has halved. Youth unemployment continues to be a big concern, with 69% of unemployed falling in the age group of 15-34 years. In Ulaanbaatar, the labor force participation rate (i.e. individuals who are employed or seeking jobs) steadily increased for both men and women between 2010 and 2014 (Table 6). However, it is especially worrisome that between 2012 and 2014, the unemployment rate for women almost doubled, signaling that there are not sufficient jobs to absorb the increasing number of women entering the labor force. Unemployment for men in Ulaanbaatar also increased but only slightly. Overall, while unemployment has declined from 2010 to 2014, some of the gains made between 2010 and 2012 are being reversed.

According to the World Bank Survey (2014) data, approximately 73% of male respondents and 53% of female respondents work either full time or part time. At the time of the survey, 65% of male and 48% of female respondents were employed full time.. Men working in part-time employment were more likely to be self-employed as compared to those in full-time employment. These figures reflect high levels of insecurity in labor force participation with a large proportion either unemployed or working part-time. When we look across household income quintiles, only 39% of respondents in the lowest quintile were employed fulltime as compared to 70% of those in the highest quintile, implying that the urban poor have more precarious employment.

Analysis of the focus group interviews highlight some of the mechanisms that are perpetuating a high degree of

insecurity in employment and creating barriers to labor force participation, especially among the urban poor. Two focus groups were organized with informal sector workers and two with unemployed participants to understand in greater depth the constraints to gainful employment as well as challenges of earning a living as an informal sector worker. These discussions revealed considerable barriers faced by urban poor in accessing stable employment opportunities, including discriminatory practices (particularly for women and middle-aged job seekers) and shared experiences of labor exploitation by employers. Interestingly, most participants did not perceive a shortage of jobs in Ulaanbaatar but both groups agreed that employers' bias towards younger and foreign workforce, exploitative labor practices, rampant cronyism and corruption were the main reasons for unemployment and barriers in accessing jobs. For those in the informal sector, additional barriers were created by high rents for space to carry out business, lack of transparency in permit procedures, and lack of access to information regarding job opportunities available. Participants who were unemployed additionally highlighted the following reasons for unemployment in Ulaanbaatar: declining quality of higher education in public schools, high rates of alcoholism, underdeveloped small and medium sized enterprises, economic downturn, low levels of salaries offered, and tendency to expect government welfare stemming from widespread social welfare availability that is a legacy of previous regimes.

7.3   MECHANISMS THAT PERPETUATE UNEMPLOYMENT

AGE AND GENDER BIAS

Both men and women over 40 report that strict age requirements constrain their opportunities for employment. While men relate this bias more to manual labor jobs and link it to perceptions of preference for Chinese workers (particularly in the construction sector), for women the age bias has a gendered dimension as well. All women in the focus groups agreed that prospective employers demonstrate negative attitudes towards women with children, who are perceived as unemployable due to their child rearing roles. Others recounted instances of employers explicitly asking about their plans to have children or outright asking women to delay pregnancies. Older women highlighted an employer preference for younger women who were seen as more attractive by employers, particularly with respect to employment as hotel and restaurant wait staff (see Box 1).

In Ulaanbaatar, the female population makes up a significant share of labor force, and there are many families whose single breadwinners are women, particularly due to high levels of alcoholism in Ulaanbaatar's male population. According to WHO Global Alcohol report, men consume over five times more alcohol than women in Mongolia. As a result, women's unemployment during maternity leave or in circumstance when there are no alternative caregiving provisions, may result in economic vulnerability due to loss of income for the household. Given the increase in the level of female headed households in Ulaanbaatar between 2012 and 2104 (Table 7), the gender discrimination in access to employment opportunities is likely to increase the vulnerability of such households, particularly with respect to increase in poverty.

Table 7   Distribution of Ulaanbaatar's Population by Household Head's Gender

GENDER OF THE HOUSEHOLD HEAD	2010	2012	2014
Male	75.4	80.4	77.7
Female	24.6	19.6	22.3
Total	100.0	100.0	100.0

Source: World Bank Poverty Team calculations from HSES 2010, 2012, 2014

BOX 1: BIASES IN EMPLOYMENT

"I recently I went to a store at Sunday Market for a clerk post … interview was going well….but when I mentioned that I have 2 children, I was not hired. Some places have already set age range, like 20-25"

Female, Unemployment FGD.

"I went to one place to get a job. I was asked whether I have husband. Then I was told that I should not have a baby for some years in near future. So I thought that a child was a barrier. I replied–I don't have husband and am unlikely to have a baby in next 3 years. That's difference between men and women. [Employers] want continuous employment and don't want to give maternity leave money."

Female, 26 years old, unemployed.

"I called after an ad. When I say I'm over 50, then they say–okay okay and hang up. There are jobs available but the people are discriminated for their heights, appearances etc. That's what I think. Aged people like us are not even considered as humans. For us, no use in looking for jobs. I'm 50 years old but I'm not that old, I can at least work as a janitress."

Female, 55 years old, unemployed.

"There are jobs available for young people. But no jobs are available for people of our age. There are always age limits set. I searched a lot at first trying to even work as a janitress but now I'm discouraged. [Employers] say–will call you or talk to you later and disappear. People below 40 are hired. But law says women can work till 60 but there are age limits so I don't know what to do."

Female, 46 years old, unemployed.

"Unemployment is very high. Around middle ages of 40 to 55, [people] are usually unemployed. When I go to get a job, [they] say, you are old. I registered to a district labor exchange. Then I went to a job offered. I got the letter and went to see an auto mechanic. But I was told that I was old. So I called back to the labor exchange. I told them from the beginning that [employers] don't hire saying old, what's use, when I go there, I would be called old again When I want to retire, they say that you haven't reached the age but when you try to get job, they say you're old."

Male, unemployed.

MAP 2. KINDERGARTENS WITHIN A 30 MINUTE WALKING TIME: 2014
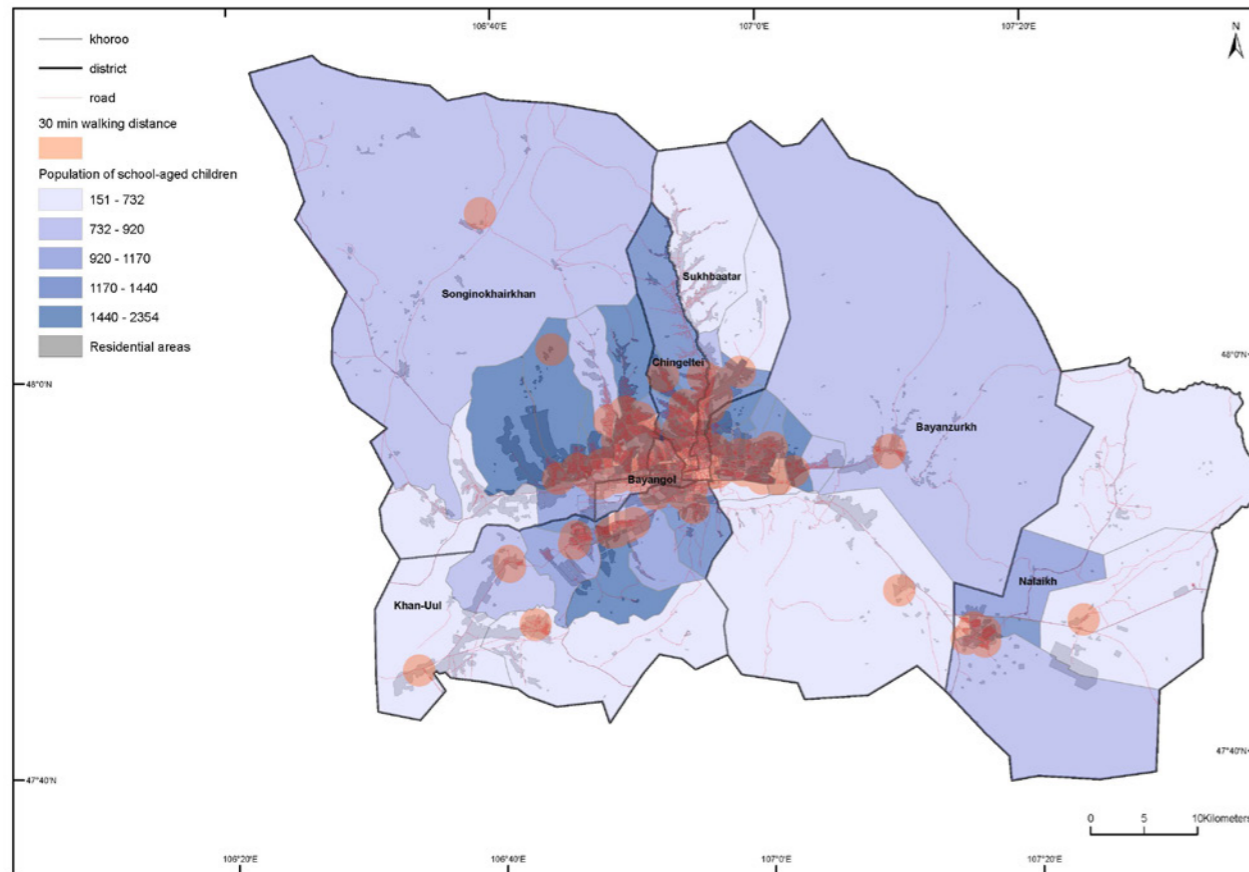
SHORTAGE OF AFFORDABLE CHILD CARE AS A CONSTRAINT ON EMPLOYMENT

Lack of affordable child care options are an important constraint on women's access to the job market. In the absence of strong family support systems, particularly in migrant households, women must stay at home to take care of children. As of March 2016, Ministry of Finance and Ministry of Population Development and Social Protection (MPDSP) estimated that about forty-six thousand children were left out of the preschool education and over half of the children (23,670) resided in UB city. An analysis of the level of access to public kindergartens in Ulaanbaatar revealed tremendous gaps in coverage of eligible populations across the whole city, particularly in poorer *khoroos*. Analysis of *khoroo* household registry data shows that public kindergarten

facilities are able to accommodate only 30% of children eligible for enrollment, indicating severe shortages.

These shortages affect urban poor disproportionately. As shown by Map 2, the majority of kindergartens are located in the city center, which is also home to a larger proportion of higher income residents and apartment dwellers. There are a number of settlements in the far north and west of Songinokhairkhan that either have no kindergarten or which are far outside of a typical walking distance of 30 minutes (see Map 2). Such inequality in spatial distribution of affordable child care has an especially negative impact on women's labor force participation, especially in lower-income households that cannot afford private facilities , nannies or domestic help.

CHILDCARE SERVICE LAW: KILLING THREE BIRDS WITH ONE STONE [24]

Policy-makers passed the Childcare Service Law in July 2015 to address the high demand for available kindergarten seats in UB city and *aimag* centers stemming from the urban-rural migration. According the official estimates at that time, about fifty-six thousand children were left out of pre-school education, with over thirty thousand parents unable to work. The new law aims to expand childcare services for preschool-age children who were unable to enroll in kindergartens due to overcrowding and unmet deman. Additionally, the law supports the employability of parents and creates jobs for women as well as men.

Policy makers designed a flexible scheme for childcare service provision. where any 18-65 year old person with secondary education or above is eligible to provide babysitting services for 2-5 year old children. The childcare provider must complete a 5 day special training, and services

can be provided on his/her owned, rented or leased space including apartment units, detached houses and gers that meet the specified requirements. Like the kindergartens, childcare service provision starts in September and ends on June every year. The government transfer for the costs of childcare service provision is set at 116'700 tugrik per child, with payments by parents not exceeding 60 percent. The permits to run a childcare service are issued by district and *aimag* governors based on the premise assessments by the pertinent *khoroo* and bag governors.

The law took effect in January 2016 and the contracting of the services started in April 2016. With a planned budget of MNT 10.8 billion for implementation in FY2016, over ten thousand children are expected to benefit from new childcare service provision nationwide with about 60 percent residing in UB city.

[24] Sources: compiled from relevant legal acts and media coverage: Childcare Service Law at http://www.legalinfo.mn/law/details/11223; regulations on childcare service provision, financial assistances, and beneficiary ceiling, respectively at webpages of MPDSP at http://www.khun. gov.mn/index.php/mn/service/khunamsermenu/247-huuhedharahcat/2447-saidintushal.html, http://www.khun.gov.mn/index.php/mn/service/ khunamsermenu/247-huuhedharahcat/2444-juram.html, and of National Center for Children at https://www.facebook.com/302578806509179/ photos/pcb.772104542889934/772098076223914/?type=3; consultation on proposed childcare service at Ministry of Education and Science at http://www.meds.gov.mn/Хүүхэд-харах-үйлчилгээний-талаар-нээлттэй-хэлэлцүүлэг-хийлээ ; media coverage on initiative implementation at http://medee. mn/main.php?eid=76219

BOX 2: EXPLOITATION OF INFORMAL WORKERS

"It's everywhere. They hire a worker and fire out him saying that he didn't do the work after employing the person for several days. The wage goes to their pocket"

Male, Unemployment FGD.

"I worked in many construction companies. I worked 2 days and 20 days. Whenever I go for job based on ads, I get hired. They say that they employ you for one week as a probation. After working 6 days, I asked if I could become a permanent employee but was told to work on probation for 3 more months with daily rate of MNT 20,000. After working a month, I requested my payment and eventually got only MNT 50,000 for the whole month."

Male, Unemployment FGD.

"Now these private companies say that [they] will see how you will work for 3 days when you go to get a job. After 3 days, [they] say you are not suitable for us and no payment or salaries are provided. They do real fraud activities."

Male, Informal Workers' FGD II.

"This has become profitable for these organizations. Hire and employ a person for 15 days and then fire without any wage. Another person is then hired and fired after 15 days. Basically, the private entities aim to employ people without a pay."

Male, Unemployment FGD.

"They throw the contracts at you saying- "take that contract and let's see where you can go and what you can do."

Male, Unemployment FGD.

"Let's say I'm the director of the contracted company. I'll assign the work to the engineer. I'll specify wage per square meter; for example, emulsion paintwork wage would be 9,000 tugriks per square meter. Then engineer gathers several people. In other words, he's hiring a brigade who will agree to his terms. Then, the wage becomes half 4,000-5,000 tugriks. Sometimes non-construction company which has no engineer gets the state tender through the back door and that company, takes a cut and then allocates the work to other company and eventually wage to the workers drops to 5,000-6,000 tugrik."

Male, Unemployment FGD.

LABOR EXPLOITATION BY EMPLOYERS CONTRIBUTES TO DISCOURAGED JOB SEEKERS

Exploitation of informal workers seems to be rampant in private sector firms, particularly within the construction sector that is a key source of manual labor jobs for men. As discussed in Box 2, exploitation often takes the form of non-payment of full wage, fraudulent contracts, unfair dismissals etc. "Slicing-off" or "*tsavchaa*" in Mongolian is a common term for labor exploitation practice, referring to the illicit appropriation of a certain portion of wage by a middle-person or entity, especially in the construction sector. Such exploitative practices were highlighted by all men in both focus groups and seen as significant hurdles in accessing jobs and discouraging job seekers from staying in the job market. Even in cases where written contracts exist, grievance redressal mechanisms do not seem to exist. The FGD participants overall displayed little knowledge of legal recourse options available and a low level of confidence in the judicial system in resolving such conflicts. Urban poor are particularly at risk of such practices that are likely to create poverty traps and increase the number of discouraged job seekers, given that the construction sector is the major employer of the poorer households in urban areas. Between 2010 and 2014, the construction sector contributed to more than half of labor income growth for the poorest 20 percent (World Bank 2016a).

CORRUPTION AS A BARRIER TO EMPLOYMENT

Corruption and cronyism are seen as the most important barriers to accessing employment opportunities and carrying out other income generating activities, unanimously by all participants of the four focus groups. These two dynamics often coexist and work together to create negative consequences for job seekers. All focus group participants agreed on the need to use influential connections or pay bribes to access jobs and at times, even for getting short listed. They spoke about cash and in-kind incentives and termed it as the practice of "looking at hands", which essentially refers to a manner of asking for a bribe in the form of an 'advance' from the potential salary that the job seeker would earn after getting the job. The FGD participants spoke about networks of corruption within organizations, particularly government offices, where there is an incentive to maintain the status quo that could be disrupted by adding new employees who may not cooperate with the existing dynamics. (See Box 3)

BOX 3: CORRUPTION AS A BARRIER TO EMPLOYMENT

"… Even when you can start from the beginning, [they] don't call you to an interview. So [you] need a person to pull you in from the top."

Male, Unemployment FGD.

"Generally, there are jobs. When we ask people, [they] often look at their hands. They say if you can find 2 million or 3 million tugrik, there are such and such jobs. But where could we find such amount of money? [They say] that give an advance of this and that million tugriks. There were several instances… [they] say - if I let you in, give me an advance of 2.8 million or 3 million tugriks. There are many such jobs."

Female Unemployment FGD.

"One pays money to get a job at a Customs Office, people say. In other words, the bribe amount is 10 million tugriks. … Groups of people work as a team. This means that they are not keen on welcoming a stranger to their team. They'd like to have someone who wouldn't disrupt the team rules and expose their work. Newcomers often tend to work sincerely so their interest is either to find their own person or keep it vacant."

Male, Unemployment FGD.

Self-employed small-scale traders and vendors also identified corruption within government as a barrier to accessing opportunities, specifically when attempting to obtain permits to carry out their businesses in authorized market spaces. Rent-seeking and clinetelism practices were also reported within government initiatives promoting small and medium enterprises, creating barriers for the beneficiaries. Non-transparency in selection outcomes within such initiatives and limited dissemination of information seem to support such corrupt practices. Not surprisingly, employment support services offered by local administrations are seen as ineffective,.Overall, there are low levels of awareness of available welfare services (See Ulaanbaatar Service Delivery Report for more details on the type of welfare provisions available). (See Box 4).

On one hand, the self-employed FGD participants highlighted the benefits of flexibility within informal work (particularly women with children) like the ability to receive wages directly without paying cuts to any intermediary. On the other hand, these participants also reported being exploited by police and public service providers (e.g. staff from the employment offices) who see them as easy targets to extract unofficial 'fees' for allowing them to carry out their daily business. (See Box 5) Another drawback of informal work highlighted by the participants was the inability to access formal banking institutions and social insurance programs due to the absence of payment records. . The majority of participants found interest rates of non-banking institutions and informal lenders unaffordable, which constrained their ability to expand their businesses.

BOX 4: LIMITED EMPLOYMENT SUPPORT SERVICES

"I sell small quantity of flowers in summer time. [I] set up a tent in Naadam field for 3 consecutive years. The process of getting a permit is a really bureaucratic and permits difficult without knowing someone. So this year I obtained it through my connections by begging them to help me."

Female, Informal Workers' FGD.

"I solicited to rent a small square to sell stationary for September 1st. If you don't have a connection, you would rent that small space for 400,000 tugriks. My friend has a stand and with his letter, I rented for 60,000 tugriks. This kind of slicing-offs is everywhere."

Male, Informal Workers' FGD II.

"… there was an exhibition for the opening of SME support project. As of now, none of the people who submitted the proposals received the money. Heard that the friends of *khoroo* staffs, who submitted the proposals, received the money. 2 of my friends also submitted the proposal but didn't receive the money, neither."

Female, Informal Workers' FGD.

"…indeed, the project is a matter that works out through connections. [They] say SME support project but [they] say that your proposal wasn't selected when you submit one. And [they] never say who was selected when [we] ask."

Female, Informal Workers' FGD.

"…One senior man advised me not to submit my project proposal to the *Khoroo* office.[He] told me that they would register my proposal under other's name and I would be just giving the proposal I developed to other person. This is how *khoroo* people works."

Female, Informal Workers' FGD.

"…if it's a project [support], it works out if you have a connection. The project money is transferred for us but the money goes to completely different people, not us. If that project had been reaching its beneficiary, we wouldn't have such credit-related problems. [They] tell us that *khoroos* receive funding of 100 million tugrik each but it's not clear where [it] goes to."

Female, Informal Workers' FGD.

BOX 5: EXPLOITATION BY POLICE AND PUBLIC OFFICIALS

"Recently, I rented a stand for 4 days was 270,000 tugriks at Misheel Expo. We were brought there by the District Employment Department. We sat there thinking it was free of charge but the staffs of Employment Department collected money. We were not previously informed and money was collected without our signature. We are often in contact with the Employment Department so we just gave the money to avoid trouble."

Female, Informal Workers' FGD.

"They come from *khoroo* offices and say okay lady, go away, take the things you are selling with you. And if you give some tugriks, they leave at once."

Female, Informal Workers' FGD II.

"Now the police have such mentality. In lunar new year when the market activities become regular, the police say that you can stand and 3,000 tugriks per person and tell one person to go and count the number of people and collect the money."

Male, Informal Workers' FGD II.

"[They] just take money and leave. [They] say-you, lady, give 5,000 tugrik or go away."

Female, Informal Workers' FGD II.

EDUCATION: ACCESS AND QUALITY

As shown in Table 4 urban poor are less likely than their better-off counterparts to have high levels of educational attainment. Of those who are poor, 68% live in households headed by someone with upper secondary education or less and only 8% in households with heads having higher education. This is confirmed by the finding of World Bank 2014 Survey (Table 8), which finds that three times more respondents in the highest income quintile have attained graduate education than those in the lowest income quintile. That said, there is overall a very high level of literacy among urban poor in Ulaanbaatar with only 3-4% respondents in the bottom two quintile who have primary or less than primary education, with a majority of urban poor having at least high school diplomas. (See Table 8).

While it is important to understand the educational attainment of urban poor, which is often a key determinant of urban poverty, it is equally important to understand the quality and access to education available to the children of urban poor. Access to quality education is a key input into the development of human capability and determines the extent of inter-generational disadvantage transferred.

Table 8　Characteristics of Urban Poor by Quintile (percent)

|	1 (LOWEST)	2	3	4	5 (HIGHEST)
TENURE STATUS					
Possession or owner	55	59	62	63	64
Renter	10	8	7	12	9
No Certificate	35	33	31	25	27
EDUCATION					
Primary or below	3	4	3	2	1
Middle school	18	12	8	8	5
High school	48	47	38	32	22
Technical and vocational	10	9	13	10	8
Undergrad or above	21	27	37	48	63
EMPLOYMENT					
Unemployed	29	17	15	13	7
Pensioner	16	16	20	18	16
Student	6	5	2	3	1
Self-Employed	16	18	17	18	23
Employed	32	44	46	48	53

Source: Data from World Bank Survey (2014)

ACCESS TO SCHOOLS

As demonstrated by the Ulaanbaatar Service Delivery Report 2016 (World Bank 2016b), most educational facilities in the city are publicly provided and, in principle, free of cost to ensure affordability for urban poor. The success of free public education provision is noted in the fact that a majority of households in apartment and ger areas (approximately 90 percent of respondents with school-age children) reported sending their children to a public school (World Bank Survey, 2014). However, the number of schools only meets 86 percent of existing demand based on data from Household Registry (2014). A close examination of the spatial distribution of schools in Ulaanbaatar highlights the problem of inequality in the ease of physical access to schools for children from urban poor households living in ger areas. As shown in World Bank (2016b), the distribution of schools across the city does

not optimize the use of existing educational facilities. Map 3 shows the total estimated school capacity in each *khoroo*[25]. Dark green-shaded *khoroos* represent an excess of demand for the available amount of school space, and light green shows *khoroos* with adequate school space. These areas are found just outside of the central city area, for example in Chingelei, Sukhbaatar and Bayanzurkh. Orange and red *khoroos* show that the supply of space far exceeds the demand. The map also shows that school capacity is sufficient mainly around the central city area, but becomes increasingly overcrowded in the core areas. By contrast, khooros in Bayanzurkh, Songinokhairkhan and Nalaikh tend to have an oversupply of space. These are also the *khoroos* with the largest proportions of their population residing in gers.

MAP 3. SCHOOL CAPACITY BY KHOROO: 2014
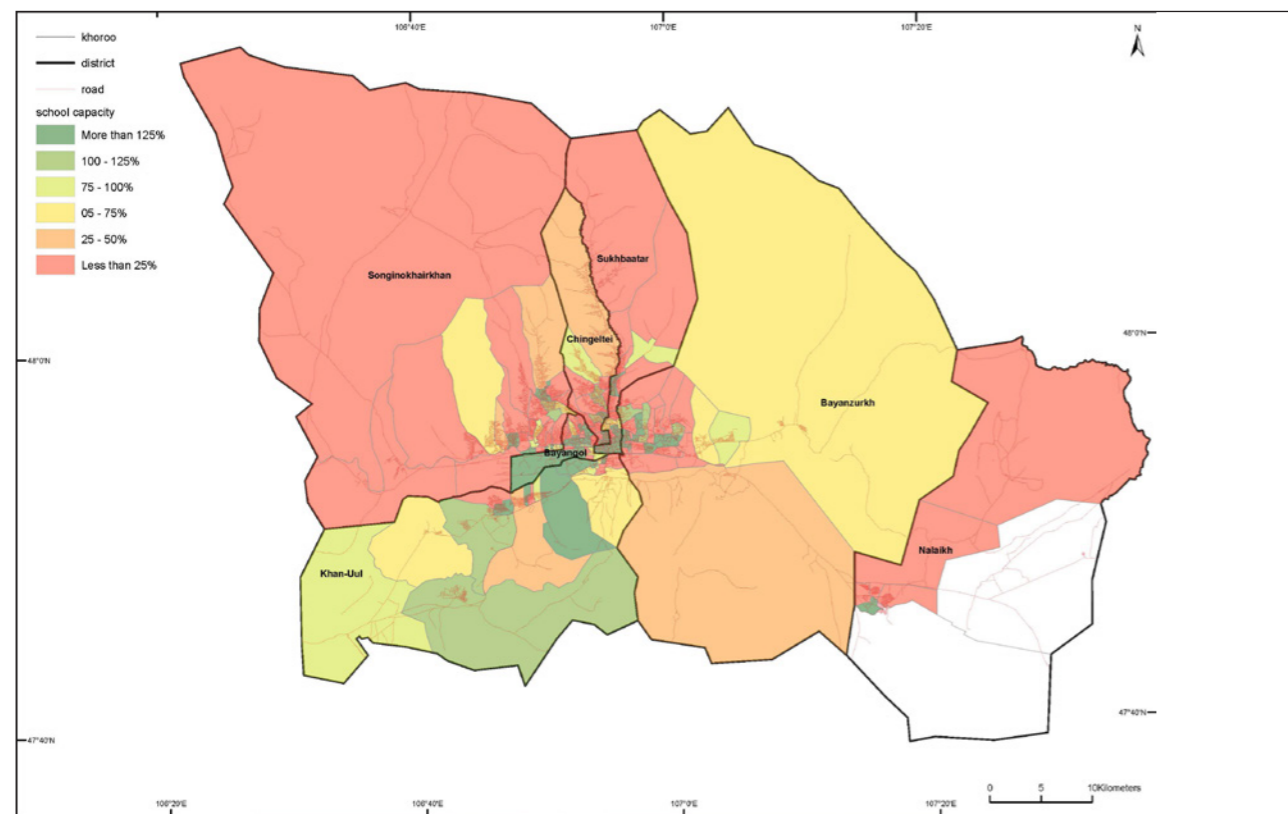
Source: Data from World Bank Survey (2014)

25 This is estimated by comparing the total number of potential students per khoroo to the total available seats in all of the schools within the khoroo.

"IT'S A GER AREA SO IT'S DIFFICULT. EARLY IN THE MORNING WHEN CHILDREN LEAVE [FOR SCHOOL], IT'S DARK AND FAMILIES HAVE MANY DOGS. CARS DON'T EVEN SIREN WHEN THEY ENTER THE ALLEYS. OUR NEIGHBORHOOD GENERALLY LACKS STREET LIGHTING. [CHILDREN] GO IN THE DARK, THEN THE DOGS OFTEN ATTACK… MANY DRUNK DRIVERS IN THE EVENING TIME AND THEY HIT SMALL CHILDREN."

"WHEN CROSSING THE ROAD, THE CARS DRIVE LIKE IT'S ABOUT TO HIT. WHEN IT'S EVENING, CHILDREN ARE FOLLOWED AND THEN ROBBED BY HOLDING THEIR HANDS AND FEET. MY CHILD'S FOOT WAS RUN OVER BY A CAR WHILE CROSSING A ROAD."

While there are fewer schools serving the fringe ger areas of the city compared to the central city areas due to population density, schools in the fringe areas are also located far from the neighborhoods that they serve. There are a number of settlements in the far north and west of Songinokhairkhan that either have no school or which are far outside of a typical walking distance of 40 minutes (see Map 4). The time taken to walk to schools differs considerably for children depending on where they live. Almost 40 percent of children living in ger areas take 40 minutes or longer to walk to schools, compared to only 17 percent of apartment area residents; and on average, ger area children have to walk twice as long as the apartment-area children (18 minutes versus 9 minutes). For example, more than 50% of the population of Songinokhairkhan lives farther than 40 minutes' walking distance from a school. In contrast, all residents in Khan Uul are served by a school within 40 minutes' walking time.

In addition to distance from kindergartens, majority of parents from both fringe and central ger areas raised significant safety concerns for their children during the focus group discussions[26]. The difficulties highlighted in the discussions were linked to the conditions and quality of the ger area neighborhood environments. These include, aggressive stray dogs, road and traffic accidents due to rash driving in tertiary roads, dark streets without functional street lights, presence of alcoholics and theft and bullying in the neighborhoods when children walk back and forth from schools[27]. Due to the growing concerns of children's safety in both fringe and central ger areas, Municipal Police and UB City Council have jointly commenced a recent initiative called "school police" that involves patrolling of streets during school opening and closing hours by concerned parents, which the parents spoke about positively[28].

26 Other less frequent contextual challenges reported were related to the terrain in the ger areas and transportation for the school children. In terms of terrain, at least one participant from both geographical locations spoke of the difficulties created by the absence of footpath and slippery road or pathway in wintertime. Whilst, only two female participants from fringe ger areas spoke of the issues related to the transportation of the school children, namely, charging fee for school buses and their non-functional uses, i.e. transporting school staffs instead of the children.

27 4 female participants from fringe ger areas and 3 male participants from the central ger areas spoke of their concerns with regard to the aggressive dogs of the households in their neighborhoods that frighten and, in some cases, bite their children whereas all female participants from the central ger areas in addition to 3 male participants from the same geographical location shared the same concern. 5 participants (2 female and 3 male participants) from the fringe ger areas and 6 participants (2 female and 4 male participants) from the central ger areas spoke of the traffic and road related challenges that their children encounter in commuting to and from schools, respectively.

28 3 parents from each geographical location spoke positively about the initiative that Municipal Police and UB City Council jointly commenced on 25 October 2013.

MAP 4. KINDERGARTENS WITHIN A 40 MINUTE WALKING TIME: 2014
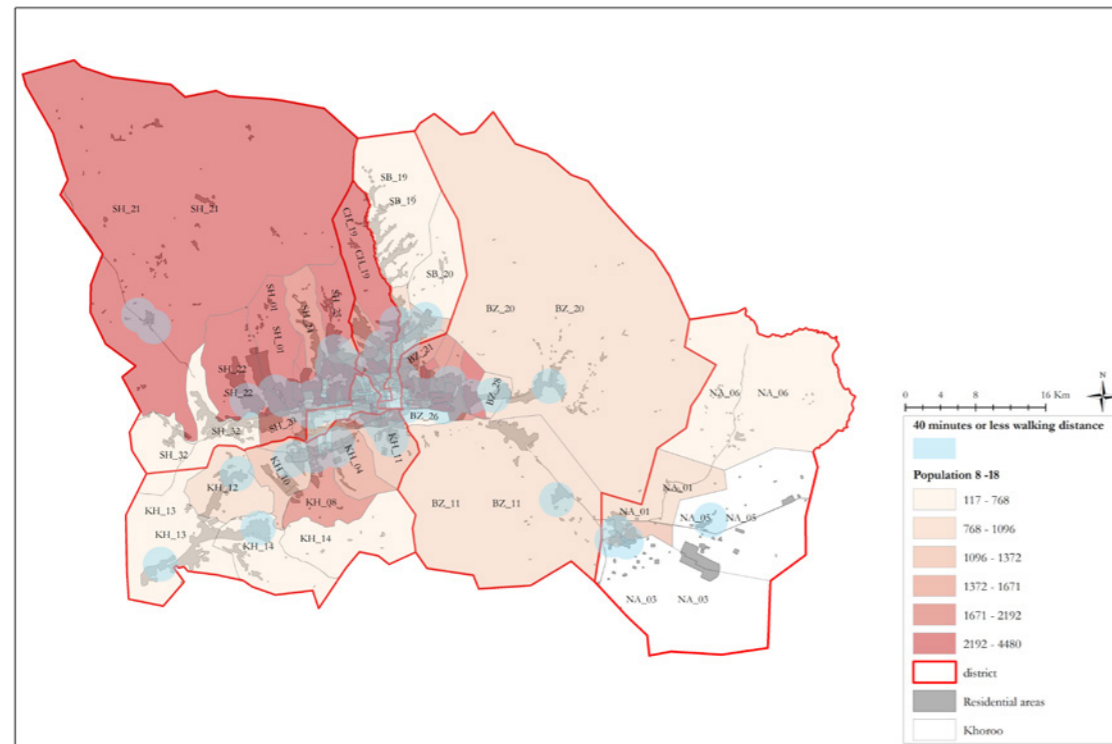
Source: Data from World Bank Survey (2014)

QUALITY OF EDUCATION

Participants of World Bank FGDs 2014, were asked to rate their children's school facilities and quality of education on a scale of 1 to 10, with 10 being the best and 1 being the worst. On average, parents from both fringe and central ger areas rated schools at 5.8 and 5.6 on average respectively. Parents who rated their children's schools the highest were those who reported high quality of the facilities and high caliber of teachers. Inadequate ability of the teachers to impart quality education was the most important reason for low ratings by parents from both geographical locations. Parents felt that the quality of education and teachers' ability in ger areas suffers from the overcrowding, poor quality of education in teacher training institutions and high turnover rates in fringe schools resulting in a shortage of experienced teachers. Most FGD participants considered

the education quality and availability of proper facilities to be superior in apartment areas as compared to ger areas. Particularly in fringe ger areas, parents complained about dilapidated sports facilities, damaged or insufficient number of desks and chairs in the classrooms, condition of sanitation facilities, and lack of playgrounds. Sanitation facilities were reported to be located outside the schools without proper protection from cold and at times, without door locks. Pit latrines were reported to be in desperate need of maintenance, however, only the toilets used by children but not by the teachers. Parents felt that the lack of sanitation hygiene affected the educational experience of their children, especially of adolescent girls. In other parts of the world, lack of access to adequate toilets has been associated with higher high school dropout rates in urban poor communities[29].

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[29] World Bank; International Monetary Fund (2013) Global Monitoring Report 2013 : Rural-Urban Dynamics and the Millennium Development Goals. Washington, DC

BOX 6: QUALITY OF EDUCATION

"But, it's generally difficult. It's more difficult in wintertime. Snow storms, crowded buses, it seems that good teachers are taken by the central schools or they just don't stay. So, it's like a test rabbit."

Male, fringe ger area, SBD 17.

"Generally, fringe schools are of no use. I once enrolled my child at the school in Khujirbulan and pulled out. [My child] told me that it's same, dad. Tends to lag behind the modern requirements. Central schools seem better."

Male, fringe ger area, BZD 20.

"I guess the central schools are fine but the teaching skills of teachers at fringe schools are very poor... for the ger area schools, they are quite lower when compared with the levels of the schools closer to the center."

Female, central ger area, CHD 8.

"In terms of teaching, indeed, teachers seem like they don't overcome overcrowding... generally, the children's education is poor from the early grades ."

Male, central ger area, SBD 18.

"My child's school is old so the chairs and desks are broken, it's a poor school. Money is collected to get the parents' support. Something should be done with that money but nothing. We don't supervise everything so don't know very well."

Male, fringe ger area, SBD 17.

"For example, i give saving fund money for all of my four children. My four children monthly give 6000 tugriks for cleaning... four kids also purchase textbooks for 3500 tugriks. Actually the school is free of charge. However, other costs when combined constitute the school fee."

Male, Central ger area, BGD 16.

Poor condition of school facilities appears to place a considerable burden on low-income households as schools routinely carry out unofficial cash collections for improving and maintaining the classrooms. Five participants from the fringe ger areas and seven participants from the central ger areas reported that teachers collect cash and in-kind contributions to improve the classrooms (e.g. replacing the windows, curtains, printer toners, repairs, purchasing new cabinets and so on) and charge parents for maintenance

on a monthly basis. Participants also felt that children from poorer households were more likely to be discriminated against in the classroom and paid less attention to by the teachers if the parents are unable to fulfil the unofficial requests for cash or in- kind contributions from the schools. Such practices do not allow poorer households to fully benefit from the state-funded free public education system.

8.0 MULTI-DIMENSIONAL POVERTY IN ULAANBAATAR

The discussion so far has highlighted that ger areas are not only home to a larger proportion of urban poor but also pose particular development challenges of service delivery given their low population density, locational disadvantage, and unique urban morphology. Such conditions in ger areas have meant that urban poor not only suffer from income poverty but are also adversely affected by multiple deprivations due to lack of basic services and infrastructure. As a result, a sole focus on income poverty becomes an incomplete measure for capturing the lack of wellbeing and deprivation in access to dignified living conditions faced by urban poor in Ulaanbaatar. Identifying the profile of deprivations faced by urban poor in addition to income poverty is particularly relevant from a policy perspective to enable the design of meaningful social and economic policies. This section uses rich sources of data available for this report to quantify the nature and composition of multidimensional poverty for residents of Ulaanbaatar by taking into account both economic dimensions as well as non-economic dimensions central to urban livability.

An operationalization of a view that places importance on both economic and non-economic aspects of urban deprivation can be borrowed from the literature that views poverty (and wellbeing) as essentially multidimensional (Alkire 2008; Chakravarty, and D'Ambrosio, C. 2006; Anand and Sen 1997; Bourguignon and Chakravarty 2003, to name a few[30]). A multidimensional understanding of wellbeing is especially important when we are concerned that the experience of poverty may be different for social groups

within a population. Such deprivations, especially when co-existing, function as collective structures of constraints on individuals preventing them from fully realizing their capabilities, increasing their vulnerability and reducing the likelihood of promoting shared prosperity. While income poverty captures constraints of individuals' budget sets, multidimensional poverty highlights the aspects of poverty that are actually experienced. These findings are particularly relevant for policy makers in the as they highlight important dimensions that require state action to improve the lives of urban poor. More importantly, the use of multiple dimensions of consumption (food and non-food) and living standard allows us to identify more vulnerable groups than one would on solely do on the income dimension. It is possible that these people might be just above the poverty line and as such missed by the income poverty measure but equally vulnerable as those below the poverty line in their experience of multiple depravations.

8.1 OVERVIEW OF THE METHODOLOGY

In order to understand multidimensional poverty in Ulaanbaatar, the World Bank Survey 2014 data was analyzed using the well-established Alkire Foster methodology (AF method, hereon) (Alkire and Foster, 2011[31]), which was applied to 22 indicators from the survey data that were grouped across eight dimensions (namely, Assets & Money,[32] Accessibility, Accommodation, Education, Employment, Solid Waste, Water & Sanitation, Community

Quality). The reason for carrying out this analysis is twofold. One, this investigation allows for an understanding of the level of deprivation across subgroups, in this case, ger and non-ger strata households. Two, and more importantly, it allows us to decompose the contribution of constituent dimensions to overall multidimensional poverty to better understand the nature of urban poverty.

The AF method identifies multidimensional poor using a "dual cut-off" method. First, a cut-off is applied to each indicator (see definitions of Deprivation Line in Table 9), below which or within which a person is considered deprived within that

dimensional indicator. The application of the first cut-off is used to identify those individuals who were deprived in each of the dimensions to get a dimension specific deprivation for each individual in the data. For example, within the dimension of Water and Sanitation, 58% of households are deprived with respect to the indicator on 'access to sanitation', which measures whether or not a household has access to a flush toilet. Similarly, deprivation in the dimension of accommodation is captured by dual indicators, including ownership status (renter versus owner) and residence in a ger or not.

Following the first cut-off using the deprivation line, a second cut-off is applied to specify the breadth of deprivations, i.e.

Table 9   Deprivation Line

DIMENSION	INDICATOR	DEPRIVATION LINE	RAW MEAN
Accessibility	Deprived in access to close bus stop	More than 15 minutes of distance	0.17
	Deprived in fast access to workplace	More than 60 minutes of distance	0.14
Accommodation	Deprived in secure tenure	Renter	0.05
	Deprived in proper accommodation	Ger	0.26
Assets & Money	Deprived in household assets	Scale average	0.43
	Deprived in per capita household income	118,668 Mongolian Tughriks	0.33
Education	Deprived in school attendance of youth	No attendance of 6-7 y.o. children	0.01
	Deprived in access to internet	No access	0.44
	Deprived in education	Up to middle school	0.12
Employment	Deprived in employment	Average unemployment share	0.38
	Deprived in secure employment	Informal sector	0.21
	Deprived in regular employment	Part-time (<11 months)	0.28
Solid Waste	Deprived in access to garbage collection service	No access	0.28
	Deprived in regular garbage collection service	No collected + irregular + doesn't know	0.47
Water/Sanitation	Deprived in water supply	No centralized water supply	0.57
	Deprived in close water source	Not on plot / in house	0.57
	Deprived in access to sanitation	No flush toilet with central sewage discharge	0.58
	Deprived in sole access to toilet	Toilet shared by more than 1 household	0.39
Community Quality	Deprived in Community Employment	Major problem	0.59
	Deprived in Absence of Wife Beating in Community	Major problem	0.07
	Deprived in Absence of Alcoholism in Community	Major problem	0.50
	Deprived in Community Safety	Major problem	0.23

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[30] Alkire, S. 2008. Choosing dimensions: the capability approach and multidimensional poverty. In: Kakwani, N., Silber, J. (eds.) The Many Dimensions of Poverty, pp. 89–119. Macmillan, New York; Chakravarty, S.R., D'Ambrosio, C. 2006. The measurement of social exclusion. Rev. Income Wealth 53(3), 377–398; Anand, S., Sen, A. 1997. Concepts of Human Development and Poverty: A Multidimensional Perspective. UNDP, New York; Bourguignon, F., Chakravarty, S.R. 2003. The measurement of multidimensional poverty. J. Econ. Inequality 1(1), 25–49.

[31] Alkire, S and Foster, J. 2011. "Understandings and misunderstandings of multidimensional poverty measurement," Journal of Economic Inequality, Springer, vol. 9(2), pages 289–314, June.

[32] The key economic aspect of wellbeing was captured by household income in the survey data. However, the income information collected in the survey was provided in a categorical form (income intervals) and had to be converted to a continuous measure, such that each household could be assigned a specific value before applying the first cutoff to determine deprivation in this dimension. A simulation method was applied to transform it into a continuous income variable for each household. *Additional details on methodology available from Task Team.*

how many dimensions should a person be deprived on to be considered poor. Results presented in this report are based on a 30% cut-off point, implying that for a household to be considered deprived, it has to be deprived in at least 30% of the 22 indicators (i.e. 7 or more indicators) used to construct the multidimensional poverty index (MPI)[33].

A final step in the AF method is assigning of weights to dimensions or indicators constituting the dimensions. Often the choice of weights (whether equal or differential) is highly subjective and solely at the discretion of the analyst. In this report, we use an innovative approach by **integrating qualitative weighting with the estimation of multidimensional poverty** in Ulaanbaatar, Mongolia,

combining survey data with a matrix of responses from focus group participants who were asked to rank each relevant indicator by its overall contribution to the experience of poverty. A total of 16 focus groups generated a matrix of responses from 128 individuals that were used to weight the indicators used to constitute the eight dimensions of poverty[34]. Given that qualitative weighting is more context-specific, it is likely to produce a more realistic representation of the depth and dimensionality of deprivation.

8.2 LEVEL AND DISTRIBUTION OF MULTIDIMENSIONAL POVERTY IN ULAANBAATAR

Results of the analysis (utilizing qualitative weighting) show that overall **23.4% of population of Ulaanbaatar can be categorized as multidimensional poor.** However, multidimensional poverty is consistently higher and more intense among Ger residents and this result is robust regardless of the levels of cut-off applied. Using the abovementioned methodology and specifications, 39.5% of ger residents are poor as compared to only 17.8% of non-ger residents. In other words, a person living in ger strata is
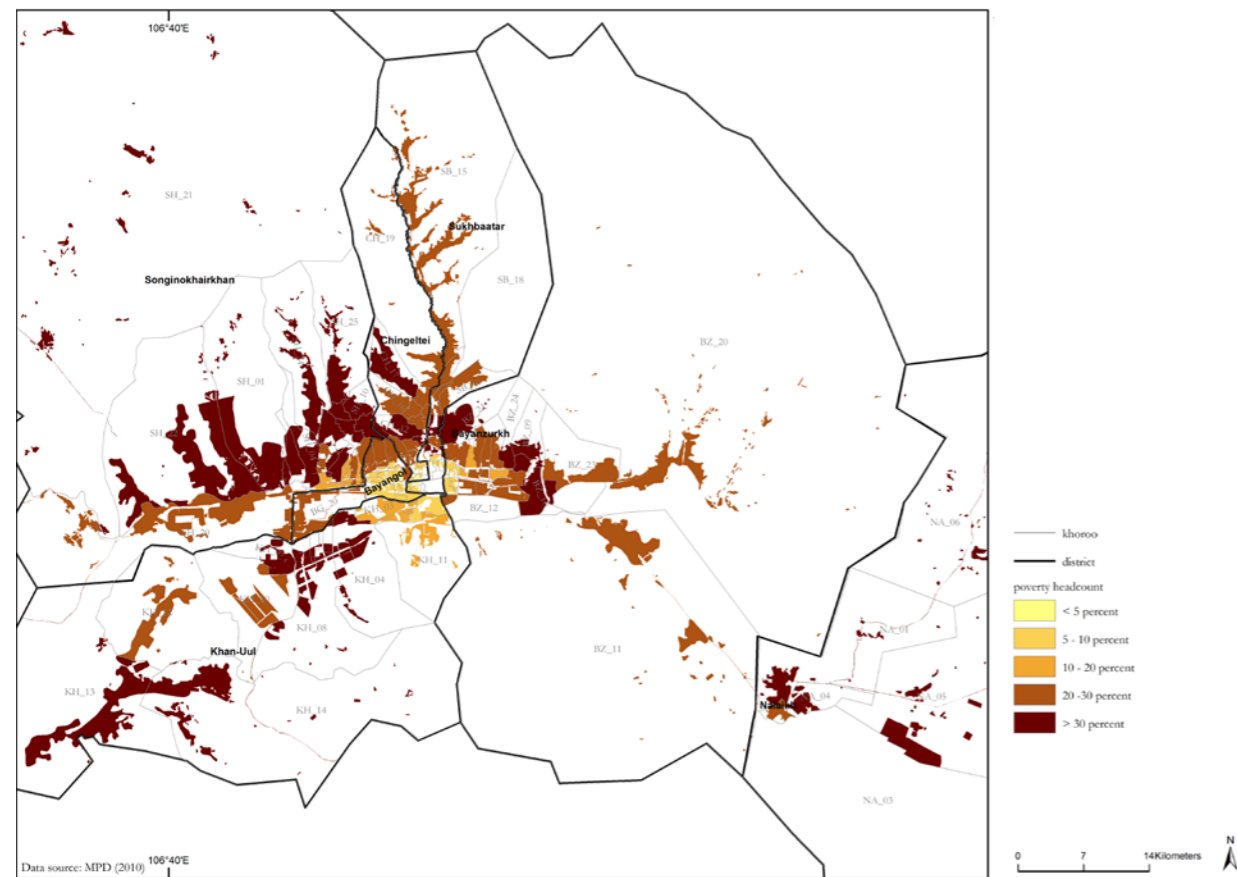
twice as likely to be multidimensional poor as compared to someone living in non-ger strata.

A spatial examination analyzing the clustering of multidimensional poverty further demonstrates that while *khoroo* clusters of highly deprived neighborhoods are located in all districts, large hotspots of deprivation are located in Bayanzurkh, Chingeltei, and in Songinorkhairkhan, as well as in Bayangol (See Table 10). Most of the high deprivation clusters seem to be midway from the city center to the edge of the city i.e. outside the city center. In contrast, the city center is home to clusters of low deprivation or high levels of multidimensional wellbeing, particularly in Khan-Uul (KH11, KH15), Bayangol (BG03, BG04, BG17, BG02) and Sukhbaatar (SB03, SB02, SB04, SB01).

Table 10   Key Hotspots of multidimensional poverty

DISTRICT	KHOROO NUMBERS
Bayanzurkh	BZ12, BZ08, BZ16, BZ19, BZ14, BZ04, BZ05, BZ02, BZ15 ,BZ18, BZ25
Chingeltei,	CH10, CH11, CH09 and Ch15, CH13, CH12, CH14,CH18, SB14
Songinorkhairkhan	SH04, SH20 SH26, SH05, SH06
Bayangol	BG20, BG21, BG09, BG10, BG11, BG12, BG14, BG23

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[33] *Further details on the dimensions, rationale for the cut-off point and the steps employed within the AF method can be found with the Task Team.*

[34] *Additional details on methodology available from Task Team.*

MAP 5. MULTIDIMENSIONAL POVERTY CLUSTERING MAP

8.3　UNDERSTANDING THE DIMENSIONS OF DEPRIVATION

The multidimensional poverty estimates can be further decomposed in order to provide estimates of how much each indicator (and dimension) contributes to the overall poverty level. Table 11 allows us to see three types of results that are important to understand the nature of multidimensional poverty in Ulaanbaatar. The **first panel** of results presents the proportion of households deprived with respect to a specific indicator regardless of whether or not they are also deprived on other indicators i.e. regardless of whether they are multidimensional poor (namely, 'Uncensored Deprivation Headcount'). For instance, only 12.2% of the households are deprived in terms of adequate education levels attained in Ulaanbaatar. But when stratified by location type, three times more ger residents are deprived in the education dimension as compared to non-ger residents, which includes primary or less than primary educational attainment.

The **second panel** provides the percentage of households that are deprived on particular indicator along with being simultaneously deprived in at least other 6 indicators (namely, 'Censored Deprivation Headcount'). In other words, this panel provides **the proportion of multidimensional poor who are also deprived on that dimension**. For example, overall 29.9% of overall residents are below the absolute poverty threshold for household income in addition to being deprived on the income indicator. When broken down by strata, the proportion of households with income deprivation is 45.6 percent in Ger areas and 24.3 percent in non-ger areas.

Table 11　　Poverty Level & Dimensional Contribution to Overall Poverty by Ger & Non-Ger Areas

DIMENSION	INDICATOR	UNCENSORED DEPRIVATION HEADCOUNT			CENSORED DEPRIVATION HEADCOUNT		
		TOTAL	NON-GER	GER	TOTAL	NON-GER	GER
Accessibility	Access to close bus stop	16.6%	12.2%	29.2%	12.5%	8.2%	24.8%
	Access to workplace	14.4%	12.4%	20.1%	8.6%	5.5%	17.4%
Accommodation	Secure tenure	5.0%	3.2%	10.2%	4.5%	2.8%	9.5%
	Proper accommodation	26.0%	0.0%	100.0%	21.6%	0.0%	83.2%
Assets & Money	Household assets	42.8%	27.4%	86.6%	33.9%	20.2%	72.8%
	Per capita household income	33.2%	28.9%	45.6%	29.9%	24.3%	45.6%
Education	School attendance of youth	1.3%	1.1%	1.6%	1.1%	0.9%	1.4%
	Access to internet	44.0%	36.2%	66.1%	29.1%	19.7%	55.6%
	Education	12.2%	7.6%	25.5%	8.9%	4.7%	21.1%
Employment	Employment share	38.4%	33.4%	52.6%	25.6%	18.4%	45.9%
	Secure employment	20.8%	20.6%	21.3%	11.7%	9.8%	17.0%
	Regular employment	28.3%	26.5%	33.3%	16.0%	11.9%	28.0%
Solid Waste	Access to garbage collection	27.8%	34.6%	8.6%	10.0%	10.7%	8.1%
	Regular garbage collection	46.5%	39.2%	67.3%	34.6%	25.1%	61.7%
Water and Sanitation	Water supply	57.3%	42.7%	98.9%	43.6%	30.0%	82.4%
	Close water source	57.4%	42.9%	98.6%	43.7%	30.2%	81.9%
	Access to sanitation	58.2%	43.5%	100.0%	44.2%	30.5%	83.2%
	Sole access to toilet	39.3%	28.6%	70.1%	33.3%	22.9%	63.1%
Community Quality	Unemployment in community	59.2%	58.7%	60.9%	36.3%	29.7%	55.1%
	Wife beating in community	7.0%	7.3%	6.0%	5.5%	5.4%	6.0%
	Alcoholism in community	50.2%	51.5%	46.4%	30.5%	25.9%	43.5%
	Community safety	23.2%	23.1%	23.6%	15.6%	13.3%	22.0%

Source: Ulaanbaatar Survey Data (World Bank, 2012): Note: Sample size = 2983

Table 12   Absolute dimensional contribution to multidimensional poverty

DIMENSION	INDICATOR	ABSOLUTE CONTRIBUTION TO MULTIDIMENSIONAL POVERTY		
		TOTAL	NON-GER	GER
Accessibility	Access to close bus stop	0.13%	0.08%	0.26%
	Access to workplace	0.09%	0.06%	0.18%
Accommodation	Secure tenure	0.29%	0.18%	0.63%
	Proper accommodation	0.32%	–	–
Assets & Money	Household assets	0.17%	0.10%	0.38%
	Per capita household income	5.80%	4.72%	9.14%
Education	School attendance of youth	0.09%	0.08%	0.12%
	Access to internet	0.15%	0.10%	0.29%
	Education	0.04%	0.02%	0.11%
Employment	Employment share	0.13%	0.09%	0.24%
	Secure employment	0.06%	0.05%	0.09%
	Regular employment	0.08%	0.06%	0.14%
Solid Waste	Access to garbage collection	0.90%	0.96%	0.75%
	Regular garbage collection	3.10%	2.25%	5.71%
Water and Sanitation	Water supply	0.22%	0.15%	0.43%
	Close water source	0.22%	0.15%	0.42%
	Access to sanitation	4.18%	2.88%	8.12%
	Sole access to toilet	3.15%	2.16%	6.15%
Community Quality	Unemployment in community	1.26%	1.03%	1.98%
	Wife beating in community	0.33%	0.32%	0.37%
	Alcoholism in community	1.82%	1.55%	2.68%
	Community safety	0.93%	0.80%	1.35%

Source: Ulaanbaatar Survey Data (World Bank, 2012); Note: Sample size = 2983

The relative contribution of each dimension overall can be seen in Figure 3, with the key dimensions being economic (Assets and Money), access to basic services (Water and Sanitation), social problems at the neighborhood level (Community Quality) and garbage collection (Solid Waste). Interestingly, the same dimensions are important for ger and non ger households (see Annex 1).

An additional strength of this methodology is its ability to estimate the absolute contribution of constituent dimensions to overall multidimensional poverty level. This offers a starting point to policy makers with respect to the decisions about prioritization of resources, while keeping in mind institutional constraints. For example, it may not be possible or sustainable to bring all the income poor households out of poverty by increasing household incomes through social transfers, especially during a phase of economic downturn. But it may be possible to develop interventions targeting urban infrastructure, basic service provision, social interventions addressing community level social problems, public health provision or improving solid waste management services. Such interventions can reduce multidimensional poverty and improve the quality of life of urban poor.

Table 12 shows **the absolute contribution of each dimension to the overall multidimensional poverty.** This table describes the absolute amount of multidimensional poverty that would be reduced if all resources were put into bringing each household deprived in terms of a dimensional indicator above the deprivation line. For example, multidimensional poverty would decline by 5.80% (i.e. from 23.4% to 17.6%) if we could raise the household incomes of all households above the poverty line. Most interestingly, addressing the deprivation in the Water & Sanitation dimension, could reduce multidimensional poverty substantially from 23.4% to 15.7%. Even a simpler intervention such as improving the reach and efficiency of Solid Waste collection could alleviate multidimensional poverty by 4 percentage points. Interestingly, provision of

apartments in itself is less likely to be important for reducing multidimensional poverty but its importance is likely to be expressed through lowering of contribution of other dimensions such as better access to water and sanitation, garbage collection etc. It should also be noted that these results are weighted by the ranking of dimensional indicators by the qualitative preferences expressed by the focus group respondents. If we give each of the dimensions equal weight, the results are somewhat different but the importance of the dimensions of Assets & Money, Water & Sanitation, Solid Waste and Community Quality.

As shown in Table 12, the largest contributions to multidimensional poverty are made by deprivations in dimensions of 'Assets & Money', 'Water & Sanitation' and 'Solid Waste', with considerable differences between ger and non-ger residents. The dimension of neighborhood quality based on the presence of social problems is also important, particularly with respect to employment and alcoholism. Interestingly, in both ger and non-ger areas, alcoholism is seen as not only an important indicator affecting the quality of urban livability but also makes a large contribution to multidimensional poverty.

Figure 3   Relative Contribution of Each Dimension to Multidimensional Poverty
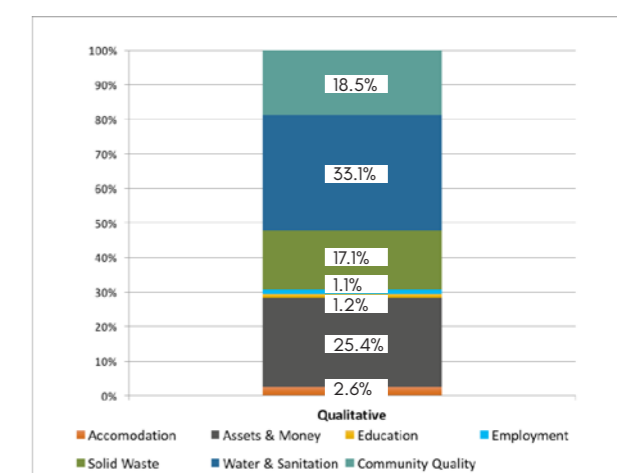
9.0 THE IMPORTANCE OF NON-MONETARY DIMENSIONS

A transitional matrix approach is further used to estimate the probability of being multidimensional poor and non-poor, given the income poverty status. Table 13 shows these transitional probabilities for two different cut-offs for monetary poverty. In Panel A, monetary poverty is shown based on the poverty line evaluated at 118,668 Mongolian Tugriks of monthly household income in 2012. In Panel B is based on monetary poverty evaluated as the bottom 40% of the income distribution. Two main results stand out from this table.

The first important result in Panel A is that one third of the income non-poor are also poor in multiple non-monetary dimensions (33.8%)[35] and that non-monetary deprivation is mainly concentrated among residents in Ger areas (peaking at 69.2%). Also, in the overall population, 10.1% households who are income poor are not poor enough in sufficient dimensions to be considered multidimensional poor. These poor households likely live in closer to the city center or in apartment areas and as such, benefit from the generally higher levels of service provision. However, among the Ger residents all those who are income poor are also deprived in other dimensions i.e. the overlap between monetary and non-monetary poverty measurements is complete.

The second result worth noting is the higher level of overlap between income and non-monetary dimensions of poverty when measured based on the 40% poorest threshold (i.e. with a monthly household income of 139592 Mongolian Tugriks). While the proportion of income non-poor individuals who are simultaneously deprived in at least 30% of non-monetary dimensions was 33.8% in Panel A, in Panel B this proportion declines to 8.7%. Panel B further shows that

100% of people who are in the bottom 40% of the income distribution are also multidimensional poor. In other words, non-monetray poverty seems to be concentrated among the bottom 40% of the income distribution and the richer populations have a better quality of life as compared to the bottom 40%. Differences between ger and non-ger area populations continue to persist.

A spatial representation of the concurrence of income poverty with multidimensional poverty reveals some clusters with high multidimensional deprivation and low income (i.e. High –Low). Such areas are in need of immediate attention from policy makers as they are likely to deteriorate given the presence of multiple disadvantages and lack of opportunities. Examples of such areas are *khoroos* in Chingeltei (CH13, Ch12, Ch11, CH10, CH07), Songinokharkhan (SH06, SH27, SH04 SH11, SH31), Bayanzurkh (BZ04, BZ02), Khan-Uul (KH10, KH08) and Bayangol (BG21, BG09, BG10,BG22,BG23).

In the following sections, the report delves deeper into a discussion of some of the key indicators of deprivation highlighted above and their relationship with urban poverty in particular. Leveraging the geo-referenced nature of the survey data as well as other spatial data sources available for Ulaanbaatar, the report highlights the spatially distribution of deprivations that constitute multidimensional poverty, with a particular focus on their relationship with the distribution of urban poor within the city. Where possible, the analysis is strengthened by qualitative findings to understand why some of the patterns emerge or affect the lived experiences of deprivation for urban poor.

Table 13   Transitional Probabilities comparing Income versus Multidimensional Poor Individuals based on their Income Status – Ulaanbaatar, Mongolia: 2012

PANEL A - ABSOLUTE POVERTY LINE						
			Multidimensional Poverty (k = 30%)			
Income	Total		Ger		Non-Ger	
	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor
Non–Poor	66.2	**33.8**	30.8	**69.2**	75.7	**24.3**
Poor	**10.1**	89.9	**0.0**	100.0	**15.7**	84.3

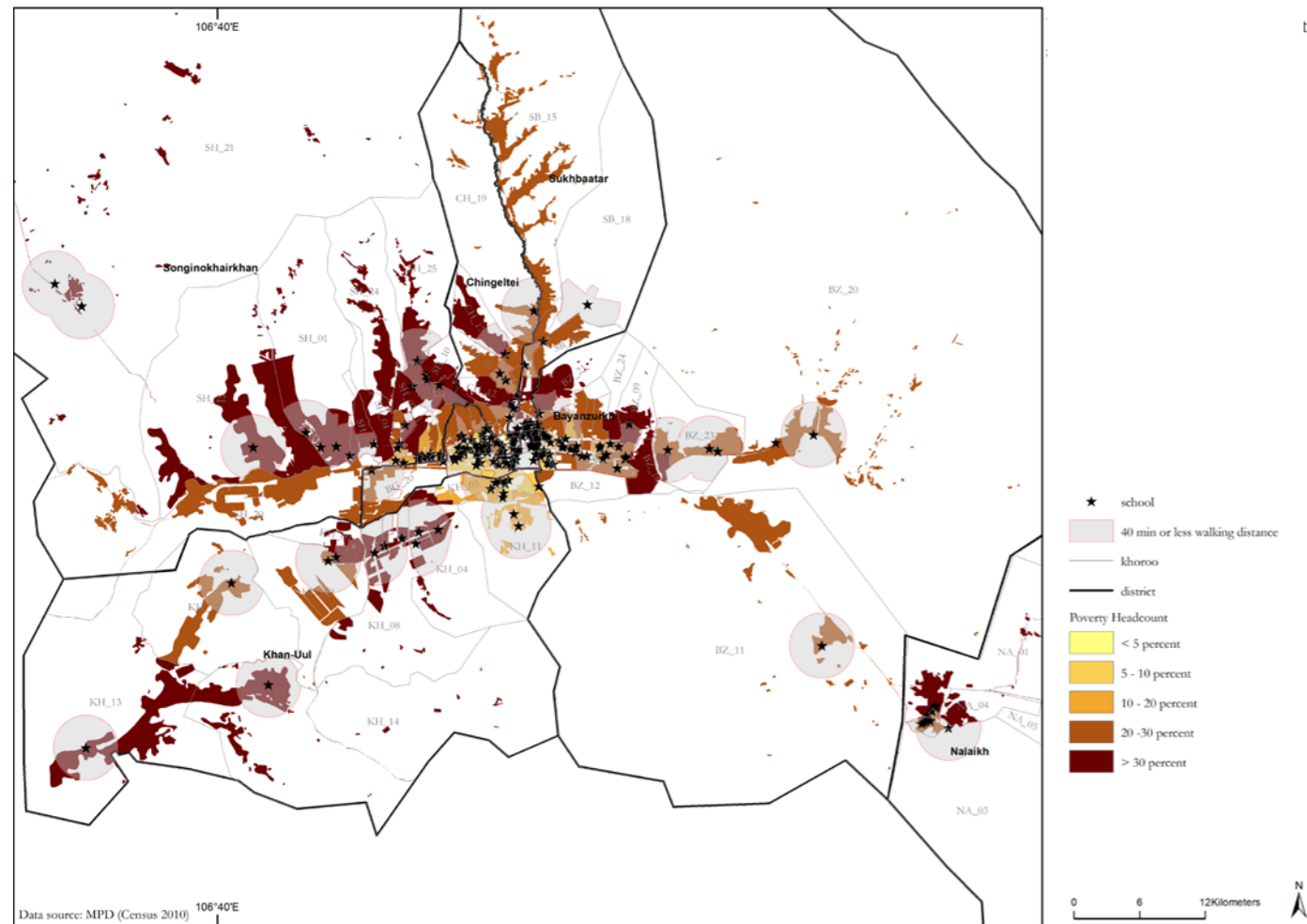| PANEL B – BOTTOM 40%						
			Multidimensional Poverty (k = 30%)			
Income	Total		Ger		Non-Ger	
	Non-poor	Poor	Non-poor	Poor	Non-poor	Poor
Non–Poor	91.3	**8.7**	87.6	**12.4**	92.3	**7.7**
Poor	**0.0**	100.0	**0.0**	100.0	**0.0**	100.0

Source: Ulaanbaatar Survey Data (World Bank, 2012); Note: Sample size = 2983

MAP 6. CLUSTERING OF INCOME AND MULTI-DEPRIVATION BI-LISA

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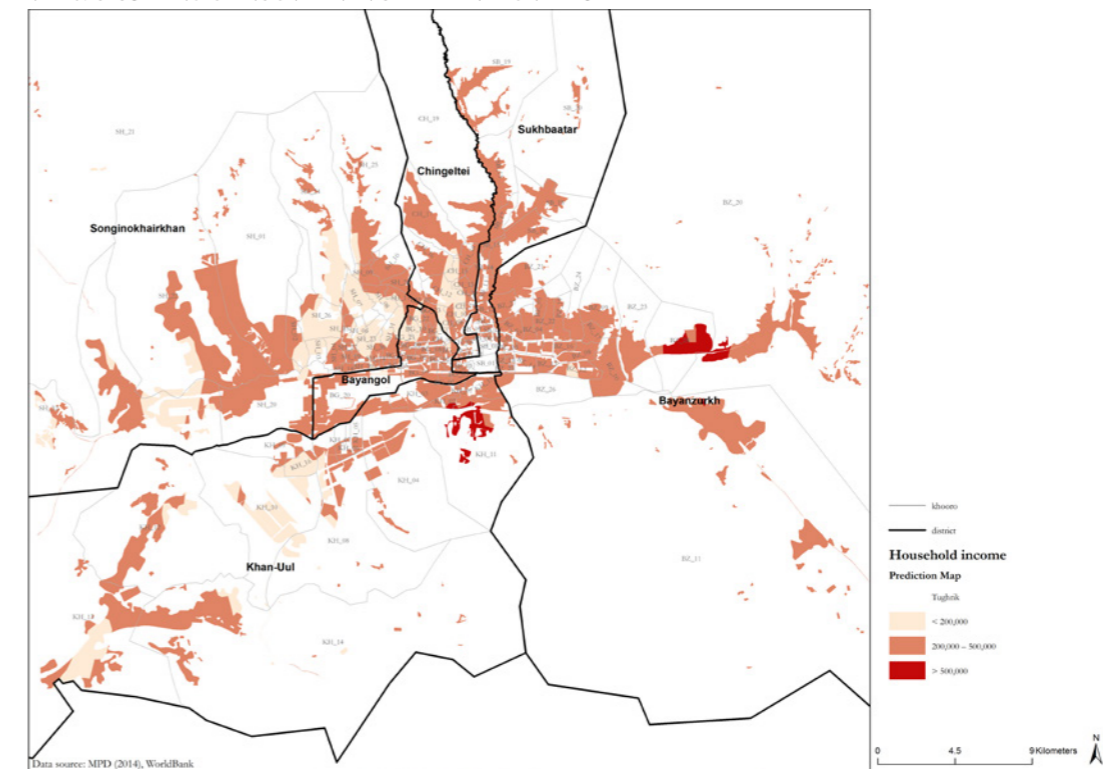
[35] In other words, deprived in at least 7 other dimensions beyond income since income is accounted for in the matrix.

MAP 7. ULAANBAATAR POVERTY HEADCOUNT AND SCHOOL ACCESSIBILITY

Data source: MPD (Census 2010)

Figure 4   Poverty headcount and centralized water access
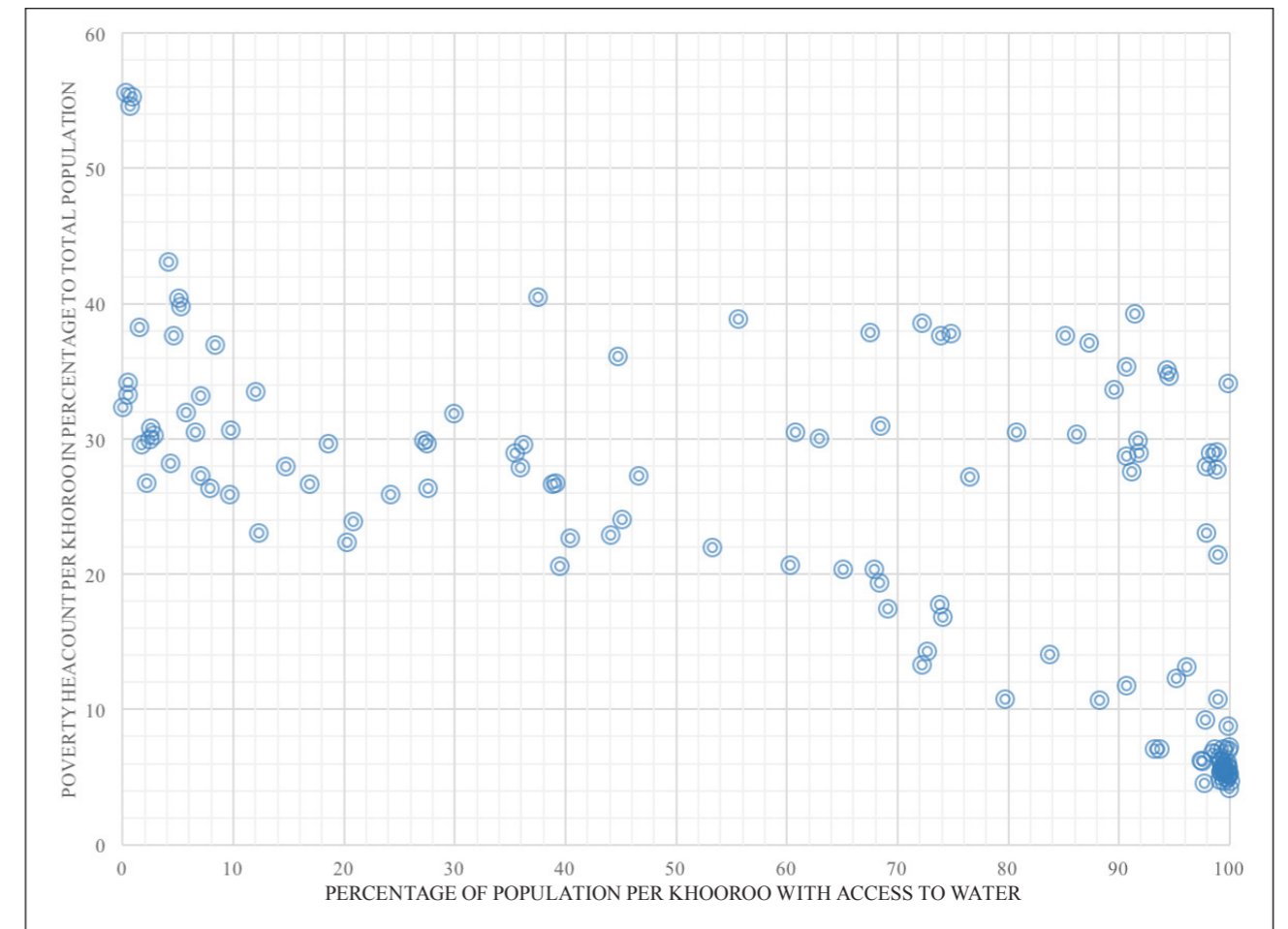

Source: Census 2010 data

9.1   URBAN POOR'S ACCESS TO MUNICIPAL SERVICES

The World Bank Service Delivery Report (2016) highlights the presence of spatial inequality in the access to services for populations living in different parts of Ulaanbaatar due to the topography and the continuous urban sprawl in Ulaanbaatar over the last decade, which has made a rapid expansion of services difficult. The findings of the present report suggest that the burden of lack of access to services is more significant for urban poor. In other words, the spatial inequality in distribution of services and social infrastructure affects urban poor disproportionately, in turn lowering their access to opportunities and a reasonable quality of life.

If we look at streetlight as an approximate proxy for economic prosperity, *Khoroos* with high poverty headcount rate are left out; SH22, SH20, SH01, SH24, KH13, and KH14 (2010 *Khoroo* names) are good examples. Following the same rational, rich neighborhoods are also the most lit; Bayangol district is the most lit district and has the lowest poverty rate of all districts with 10%.

9.2   URBAN POOR ARE UNDERSERVICED IN TERMS OF WATER DELIVERY

As shown in the previous sections, access to water supply is a key component of multidimensional deprivation. The results in Figure 4 further show that lack of access to water affects urban poor disproportionately.

When compared with poverty headcount based on Poverty Mapping using Census 2010 and 2011 HSES 2011 data (made

available by NSO), areas with low access to centralized water systems (piped access or kiosk linked with centralized water pipeline) are those with high poverty headcounts (greater than 30% –e.g. SH22, SH31, SH20, KH14, KH12, SB20, SB19). While overall majority of *khoroos* with high poverty headcount ratio lack access to centralized water, there also seem to be some *khoroos* with poverty headcount ratio greater than 20% that have good centralized water access e.g. SH10 or KH04.

These findings are supported by the World Bank 2014 Survey which finds that only 19 percent households in the lowest

income quintile have piped water, as compared to more than half of those in the highest quintile (Table 14). More importantly, households in the lowest quintile are more dependent on water delivery to kiosks via trucks. Kiosks served by trucks are known to face severe water shortages during winter and rainy months when the heavy vehicles cannot access the areas in the steeper topography, particularly in fringe ger areas that lack proper roads. Given that Ulaanbaatar City is responsible for the provision of water

supply to its residents, this is an area where investments by the city will not only reduce overall multidimensional poverty but can also improve the quality of life for urban poor. However, in order to do so, the city urgently needs to address urban sprawl and increase the density of population in areas close to the existing infrastructure while at the same time planning future infrastructure investments in a manner that takes into account population distribution across the city, including interventions to improve access for urban poor.

Table 14   Access to water by quintile

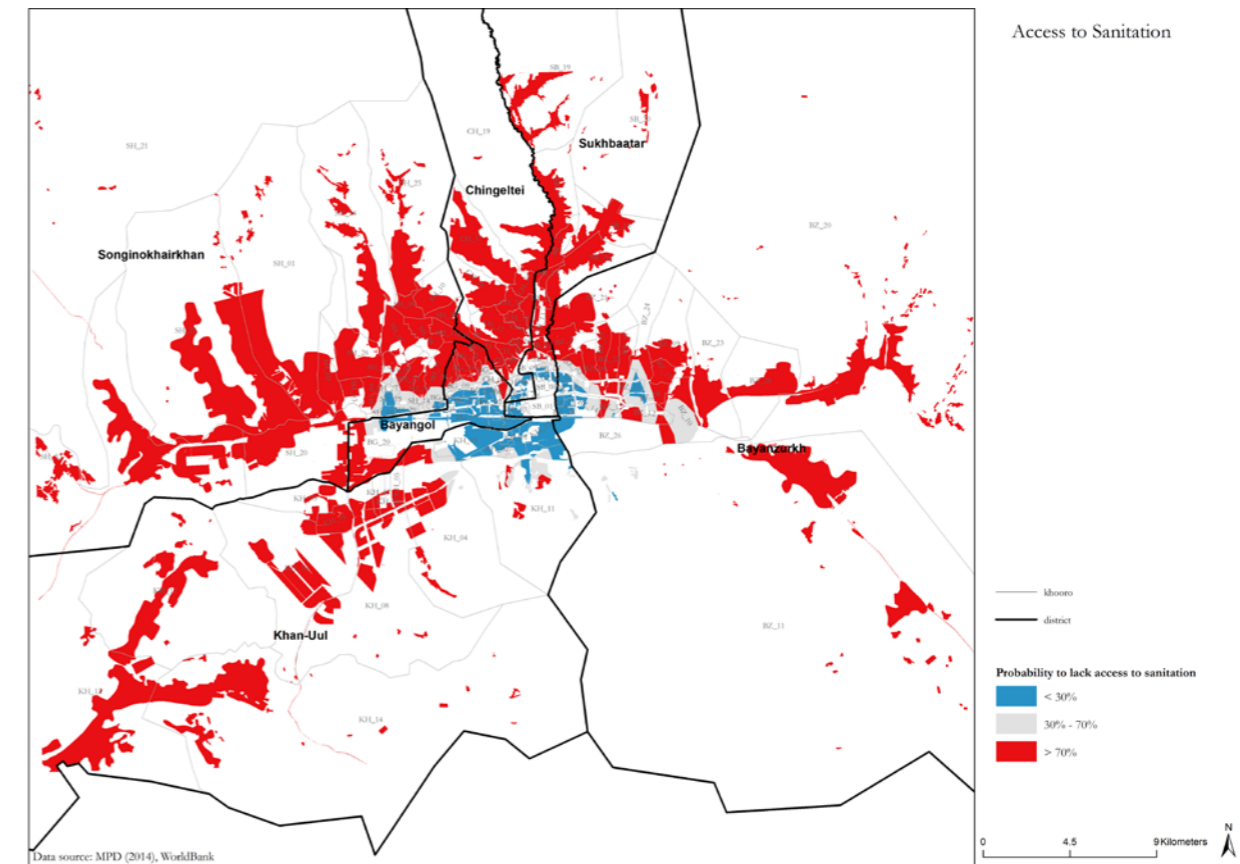| POVERTY QUINTILES				
1 (LOWEST)	**2**	**3**	**4**	**5 (HIGHEST)**
WATER DELIVERY				
Piped water				
19	28	31	42	54
Kiosk connected to central pipeline				
24	22	23	20	15
Tubewell & other				
19	17	18	13	11
Kiosk with truck delivery				
37	33	28	25	20

Table 15   Access to Improved Sanitation Facilities

POVERTY QUINTILES				
1 (LOWEST)	**2**	**3**	**4**	**5 (HIGHEST)**
ACCESS TO TOILET FACILITY				
Flush				
19	28	31	41	54
Improved latrine				
3	3	2	3	3
Unimproved or none				
78	69	67	56	43

9.3   BURDEN OF LACK OF ACCESS TO SANITATION IS DISPROPORTIONATE FOR URBAN POOR
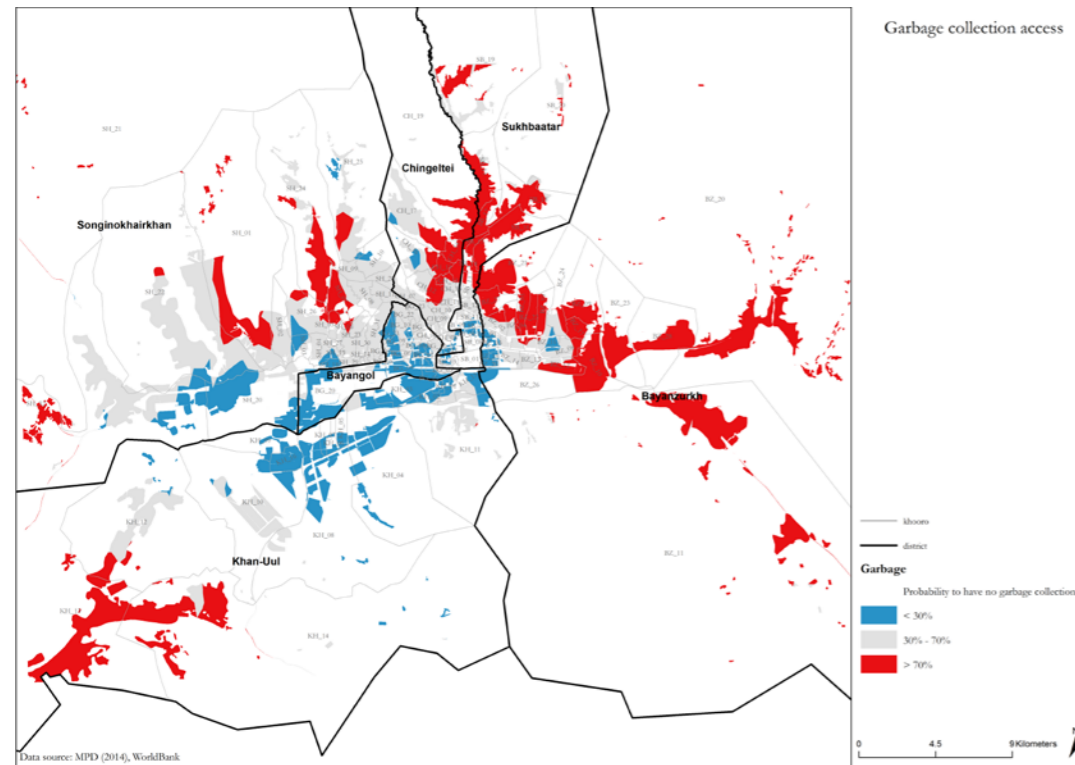
Map 8 represents the probability of access to sanitation measures by access to flush toilets. Overall only parts around downtown are more than 70% likely to have access to sanitation. The spatial pattern of access to sanitation also follows the poverty headcount ratio map and emphasizing that the level of access to sanitation positively correlated with level of income. Results from the World Bank Service Delivery Survey also support the spatial results. With respect to urban poor, 77% of household in the poorest income

quintile lack access to improved sanitation as compared to 43% of the richest quintile. While these data suggest that poorer households face significant barriers to basic water and sanitation services, they also signal that some households who are income non-poor are also underserved by the existing networks for service provision. This is not an entirely surprising result given that lack of access to services also has a spatial dimension. Almost 100% of apartment dwellers (majority of whom are close to the city center) have flush toilets, and most ger dwellers utilize unimproved sanitation facilities (including open pit latrines and open defecation). Both networked services of water and sanitation, spatial location within the city and the dwelling type is highly relevant.

MAP 8. ACCESS TO SANITATION SERVICES

MAP 9. ACCESS TO GARBAGE PICKUP

Table 16   Frequency of garbage collection by Income Quintiles and Location in the City

	POVERTY QUINTILES					LOCATION IN THE CITY			
	1 (LOWEST)	2	3	4	5 (HIGHEST)	PERI-URBAN GER AREA	MID-TIER GER AREAS	CENTRAL GER	NON-GER AREA
FREQUENCY OF GARBAGE COLLECTION									
Multiple times per week	12	20	18	24	29	16	5	10	40
Multiple times per month	32	31	34	30	28	14	29	42	31
Once a month	35	33	26	24	20	32	44	38	8
Irregular or not collected	21	16	22	22	23	38	21	11	21

9.4   LACK OF EFFECTIVE SOLID WASTE MANAGEMENT IS AN IMPORTANT DIMENSION OF MULTIDIMENSIONAL DEPRIVATION FOR URBAN POOR AND NON-POOR

While more non-poor than poor have the highest frequency of garbage collection, both rich and poor segments are both likely to report similar levels of infrequent collections (Table 16). The findings resonate with the spatial distribution of the probability of garbage pickup/access in neighborhoods that was developed based on the georeferenced survey data (Map 9). The spatial pattern does not clearly map onto poverty but low levels of garbage pick-up seem to be correlated with peripheries of the city. In fact, nearly 40 percent of ger residents in peri-urban areas reported lack of garbage collection or irregular collection despite payment of the municipal fee, as compared to only 21 percent of apartment area residents and 11 percent of central ger residents (Table 16).

9.5   URBAN POOR BEAR DISPROPORTIONATE BURDEN OF DYSFUNCTIONAL HEALTH CARE SYSTEM

As discussed in detail in the Ulaanbaatar Service Delivery Report, public healthcare services and facilities are managed by the city government.   Funded by the state budget, public hospitals[36] in UB consist of four categories: 1) district hospitals and health centers[37]; 2) maternity hospitals[38]; 3) specialized health centers[39]; and 4) family clinics. The family clinics are under the Municipal Health Agency, while the other three types of facilities are under the Ministry of Health. The largest segment of coverage is family clinics or household health centers; and there are 130 such facilities throughout the city. These clinics are mandated to provide healthcare services free of charge to the residents, temporary and non-residents without discrimination[40]. There are district hospitals in Bayanzurkh, Khan-Uul, Sukhbaatar, and Songinokhairkhan districts. The Ulaanbaatar Service Delivery Report 2016 highlights spatial inequality in the distribution of healthcare facilities, in particular the family clinics, which are concentrated in the central city area. Map 3.5 (see Annex 2) shows the residential areas in which health clinics are located within 30 minute-or-less walking distance. The concentration of family clinics in and around the central city area has left large parts of fringe and remote residential areas un-serviced, which are also the areas with higher incidence of poverty. More importantly, the report goes on to highlight deeper problems in the quality of public health services available to Ulaanbaatar's residents, including overcrowding of health facilities, blatant neglect of patients by health care workers and rampant corruption within the health system.

[36] The list of all municipal health service providers are available on www.ubhealth.mn

[37] The district health centers are outpatient clinics that provide preventive, diagnosis, treatment services, while the district hospitals are in-patient clinics.

[38] There are three maternity hospitals, which provide services related to pregnancy, delivery, post-delivery and infants. Pregnancy control services are provided mostly through district health centers.

[39] Includes the emergency center, addiction treatment facility, rehabilitation center, dentistry & maxillofacial center and a clinic serving vulnerable groups.

[40] According to Government Resolution No. 364 of 2011 on Comprehensive Regulation on Household Health Centers, item 4.1 & 4.3.

BOX 7: IMPACTS OF CORRUPTION WITHIN HEALTH SERVICES ON URBAN POOR

"One must to have friends and acquaintances at district hospital. I have 2 friends from our province who work there. I call them before I go to the district hospital. I put MNT 5,000 in the pocket of my friend. Then I follow her around in the hospital and able to visit all doctors. This is how I manage everything."

Female, central ger area in Bayanzurkh district.

"I needed to be admitted to the hospital but had to to wait for about a month in order to stay in hospital for treatment. Hospital which is supposed to provide 10 days of treatment only allows a week of treatment and sends off patient. Poor people are poorly treated like this. Rich people are treated for 2 weeks and given more than 10 injections. Such people with means and wealth and can give things to doctors are provided with high quality treatment and treated for 14 days."

Female, central ger area in Bayanzurkh district.

"I lost my baby while giving birth for the first time in the Maternity Hospital no1. I heard that pregnant women usually gave 100'000 tugrik for bribe. I didn't give that money directly so i was neglected. I was in pain continuously for 10 hours and was scolded for screaming."

Female, central ger area in Chingeltei district.

"I spent 10 days to get treatment. There was one guy whose condition worsened and was admitted to intensive care after being sent home twice due to the bed unavailability. Money issues are explicit… Those with social connections receive treatments while those without social connections are left behind, like people who are always ready to die."

Male, fringe ger area in Sukhbaatar district.

While these issues affect all users of the public healthcare system, their impact is the highest on urban poor who are less able to access private hospitals given their economic constraints. Mistreatment of urban poor by hospital staff looking for bribes is also more severe given their relative inability to pay the bribes or access influential connections to expedite access. Maternal health services seem to be particularly notorious for corruption practices, including giving money to specialists and other staff at each phase of obstetric care. Tip amounts for medical service providers mentioned during the FGDs included: MNT 5,000 for medical doctors; MNT 50,000–100,000 for head of doctors's team that helps pregnant women give birth; MNT 20,000 for nurses; and MNT 10,000 for service staff. According to both male and female respondents from the focus group, the lack of such "gifts" may result in poor treatment or negligent care (World Bank Focus Groups 2014). Urban poor who are unable to pay adequately are likely to be neglected, often leading to negative health outcomes, as highlighted in Box 7.

Majority of study participants from central as well as ger areas rated that the quality of care at the family clinics below the average. Using the scale of 1 to 10, majority of participants scored family clinics in Ulaanbaatar below average (ranging from group averages of 2.5 to 4.5), with 10 being the best and 1 being the worst. Beyond the experience of corruption and its link with negligent care, a key reason for low rating was a strong perception of poor ability and qualifications of doctors working in family clinics, particularly with regard to diagnostic skills. As a result, some urban poor opt to pay higher costs at private hospitals instead of accessing the public health system where they have to deal with long queues, waiting times and perceived low ability of health workers. Delays in accessing health care were emphasized by all focus group participants, who linked such chronic delays as having detrimental consequences for their health outcomes. Box 8 provides some narratives that emphasize this point.

BOX 8: DELAYS IN ACCESSING HEALTHCARE

"I shirk from the wrong diagnosis of the family clinic and 2 to 3 month queue at the district health center so instead of going there, a sick person goes to private hospitals and pays money. Nowadays, one will live healthy if got money or there's no other way to live healthy."

Female, central ger area, BZD 12.

"There's an old saying: a Mongolian person reaches out to a hospital before dying. What it means is that the person has been trying to access a hospital from the beginning after getting sick and gets necessary treatment just one day before dying. It's not that the person didn't pay attention to his/her health. It happens from queuing."

Male, central ger area, BGD 16.

"To get hospitalized, one waits for at least 20 days. [They] say-wait till the beds become available or you can get hospitalized in the corridor. One puts a mattress in the corridor to get hospitalized. It's difficult to stay in the corridor. I stayed 7 days at home after getting a queue for hospitalization and then I went to the emergency unit for treatments for 12 days. I stayed in the hospital for 11 days as my condition was serious and I was released. People like me can't get a complete treatment. There's a severe overcrowding and this happens only in ger areas."

Male, Central ger area in Bayangol district.

9.6 LOWER INTERNET ACCESS AMONG URBAN POOR IS LIKELY TO EXCLUDE THEM FROM UB'S E-GOVERNANCE INITIATIVES

A high proportion of households in Ulaanbaatar are without access to internet (44.0%) in the whole city. Within Ger areas 66% of households lack internet access (World Bank Survey 2014). While the relative contribution of lack of internet access to overall multidimensional poverty, it is important to note that urban poor are disproportionately affected. Map 10 represents a household's the probability of having internet access based on the World Bank 2014 Survey data (see Annex for methodology of poverty maps). The clear spatial pattern emerging in this map suggests that households closest to the downtown areas are more

likely to have Internet access than households farther away from the downtown area. Songinokhairkhan, and Khan-Uul households are the least likely to have Internet access (particularly in SH22, SH25, SH08, SH07, SH23, SH22, SH32 and KH04, KH08, KH12, KH13, KH14). Households on the outskirts of Bayanzurkh and Sukhbaatar and Chingeltei are also less likely to have Internet access. It is important to note that inequality is not only between districts e.g. Songinakhairkhan and Bayangol but also between *khoroos* within the same district (e.g. KH11 vs KH14). When these findings are examined in relation to poverty, we observe that *khoroos* with very high poverty headcount (>30%) are highly correlated with low Internet access (e.g. SH32, SH22, SH01, SH10, KH12, KH14, KH13). Similarly there is a clear link between *khoroos* with low poverty headcount (<5%) and high internet access, particularly in the downtown area. Given that UB is increasingly focusing on e-governance initiatives, access to internet will be critical for ensuring the inclusion of urban poor in Ulaanbaatar's drive to increasing efficiency of service delivery.

MAP 10. INTERNET ACCESS IN ULAANBAATAR
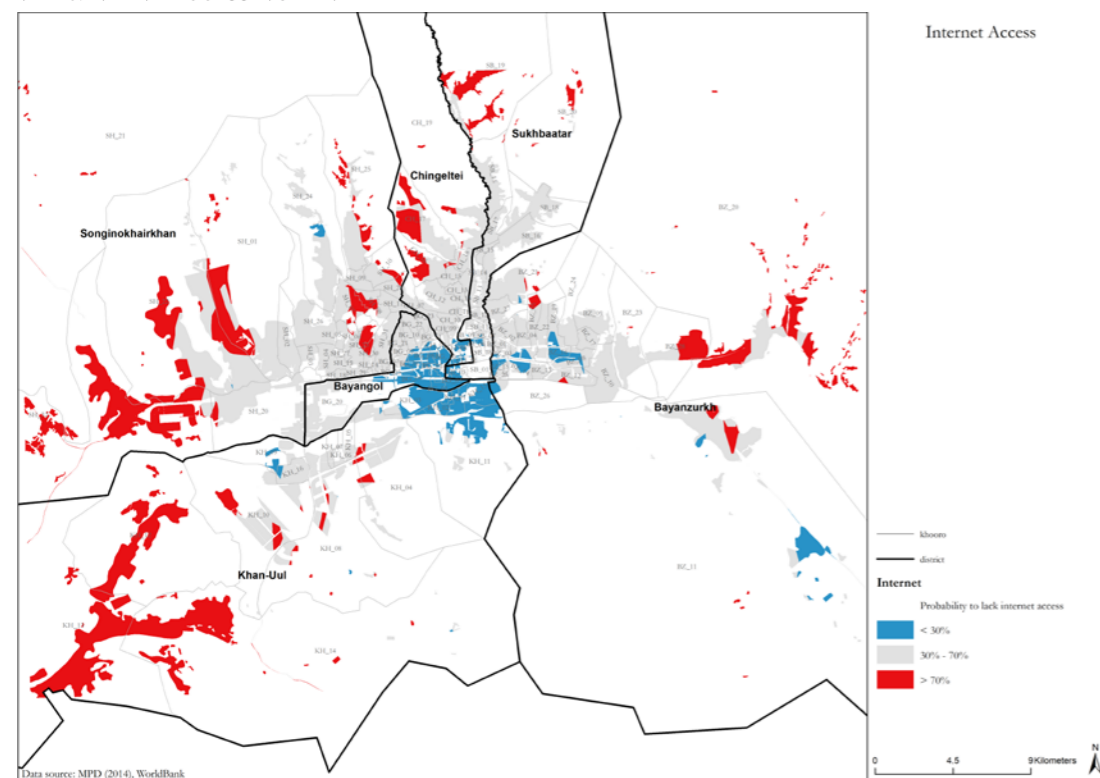
9.7 NEIGHBORHOOD RELATIONS IN GER NEIGHBORHOODS

World Bank Survey 2014 shows that majority of respondents in both ger areas and apartment areas report a low level of familiarity/interaction with their neighbors with levels of familiarity being particularly low within apartment areas. 68% of households in apartment strata claim that they either do not know their neighbors at all or do not know them very well, as compared to 54% of households in ger strata. Within ger areas, fringe ger households report slightly higher levels of familiarity with neighbors as compared central and middle ger areas households respectively. However, a large proportion of respondents across all there strata report low or negligent familiarity with neighbors at 45% in fringe, 57% in middle and 53% in central ger areas. Respondents within focus group discussions for fringe ger residents who tend to be poorer, were more likely to report neighborly interactions, especially among women who engage with other women in the community while strolling with their babies, helping each other with household tasks and discussing issues of common concern. In contrast, neither men nor women FGD participants from ger areas closer to the city center report low levels of social interaction, citing high neighborhood turnover and busy working hours. Focus group participants who reported low familiarity or interaction with neighbors in all groups showed low relations of reciprocity within the community, including rarely providing or receiving support from their neighbors[41]. These respondents explained the absence of community support and close ties in terms of lack of trust within the context of urban life in Ulaanbaatar. They also reported that they largely turn to their relatives followed by friends and colleagues in the absence of close community ties.

Ger area residents, especially from ger areas close to the city, emphasized the lack of community spaces as a barrier

to social interactions. Men from fringe ger areas spoke of various meeting points such as street corners, community exercise area, water kiosks, bus stop and corner shops as meeting points. Female residents perceived more limitations in areas for social interaction and community gatherings in the neighborhoods. In contrast, apartment dwellers spoke more positively about the ability of public spaces for socialization within neighborhoods. The disparity in access to public spaces within poor versus wealthier neighborhoods is likely to lower the formation of strong social capital and social cohesion in poorer neighborhoods.

Such lack of strong social networks (especially among urban poor communities) not only implies low levels of community cohesion and a lack of availability of social support from neighbors, but also represents a low level of collective capacity within communities to organize efforts on issues affecting their neighborhoods. It is not surprising that the World Bank 2014 Survey data shows a conspicuous absence of community groups that enable residents within neighborhoods to come together to address issues of common concern across Ulaanbaatar, particularly absent in fringe ger area neighborhoods. Less than 10% of households surveyed in fringe ger areas have any household member participating in a civil society group or neighborhood association (compared to 42% of apartment area residents). Low levels of collective capacity among urban poor in turn means that these citizens cannot effectively participate within the democratic local governance structures and influence municipal decision-making on important issues such as *khoroo*-level investment priorities. Even after controlling for respondent's age, gender, education and employment in a logistic regression model, we find a strong statistically significant difference in the odds of membership to community organizations between central versus other ger area locations. Odds of fringe and middle ger households having membership to any community organization are 47% and 42% lower as compared to central ger residents[42].

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[41] Two or three respondents in both male and female groups in the fringe ger areas and female groups in the mid-tier ger areas spoke of lack of community supports whilst most of or half of the respondents in male groups in mid-tier ger areas and apartment areas reported the same.

However, while there is a lack of organized civil society in ger areas of Ulaanbaatar residents in focus groups mentioned several instances of households coming together informally to work together for a common neighborhood concern. This was emphasized more by participants in fringe ger areas, where respondents perceive low availability of support from the city. For example, fringe ger residents reported several instances of organizing themselves informal self-help groups to voluntarily help neighbors in assembling gers, putting up fences, growing vegetables, maintaining alleys (e.g. cleaning alleys and illegal waste dump areas in their neighborhood) and addressing other issues of common concern (e.g. covering stagnant water with black earth) etc.

9.8 SALIENCE OF ALCOHOLISM IN ULAANBAATAR'S NEIGHBORHOODS AND LINKAGES WITH POVERTY

Alcoholism in Mongolia is pervasive and considered a national problem. Factors contributing to the high levels of alcoholism are manifold, particularly related to unemployment. Growing up in a society with a higher level of alcohol abuse, a number of children, particularly boys, have been reported to start consuming alcohol at an early rate, with underage drinking on the rise. Findings of the World Bank 2014 survey suggest that alcoholism is a citywide problem in Ulaanbaatar. The map represents the probability of perceiving alcoholism as a problem within the community based on the responses of survey respondents. It highlights that alcoholism affects communities across the city and does not present a particular spatial pattern and suggests that policies addressing alcoholism should be coordinated among districts rather than being spatially targeted.

The beginning of rampant alcoholism in Mongolia can be traced back to the 1990's, coinciding with the country's abrupt transition from a socialist to a capitalist system. A simultaneous shift from a dominant nomadic system in rural areas to an increasing need to adapt to a market economy spurred in new socio-cultural norms. The effects of these transformations on the country's social fabric have been profound and the capacity of this historically relatively isolated population to cope with the changes have been limited (Armstrong et al, 2007)[43] . These changes, along with the relatively uncontrolled access to potent alcohol at cheap prices, have placed a large number of people at risk of becoming substance dependent. At the same time, anthropologists argue that social norms and symbols of masculinity embedded into the transformation processes, put pressure on the male population to over consume the substance. Alcoholism is considered a major obstacle to employability of many Mongolians, especially poor households for whom alcohol abuse is contributing to a vicious poverty trap (Mongolia Human Development Report, 2007). Unemployment, alcoholism and poverty mutually reinforce each other, as shown by the in-depth ethnographic work in the community living in Dalan Davkhar (or the Sambalkhundev's Cemetery) that was commissioned for the purposes of this report (See Box 8).
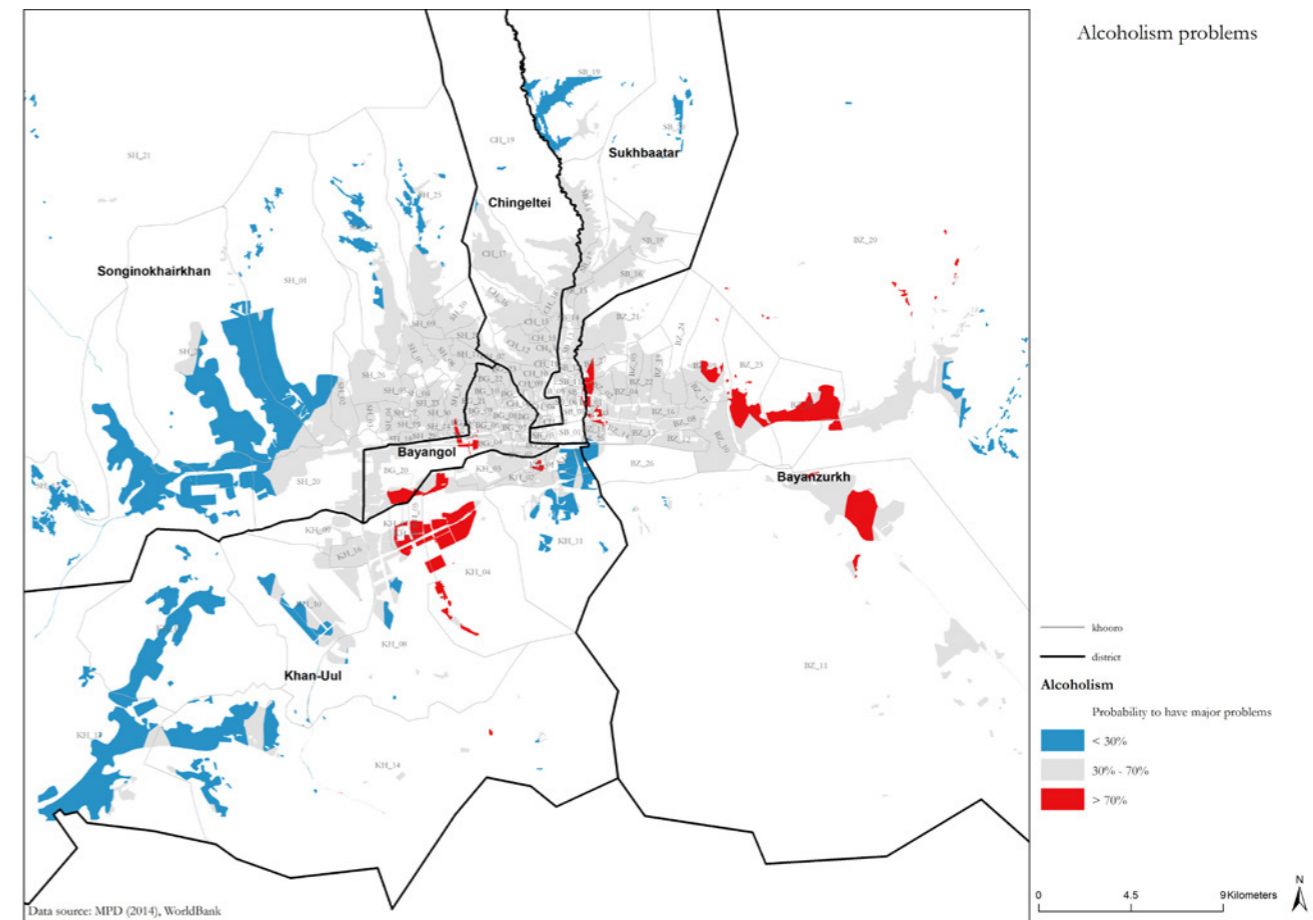
In this location, alcoholism is a feature of the poorest households. People addicted to alcohol typically survive by doing menial labor jobs at the market such as cleaning sheep heads or collecting plastic bottles and other recyclable garbage materials from the dumpsite or by wandering throughout the city in search of such materials with large sacs on their backs. Their daily income fluctuates around from MNT 5-20'000 per day, with most of it is spent on alcohol. Children born to such parents are often not enrolled in schools, exploited for child labor (collecting garbage, carrying loads at the market, washing cars etc.) or engaged in begging on the street Street Children form a particularly

vulnerable group in the city. It is difficult to say, whether alcoholism induces poverty and vulnerability, or whether it is desperation that encourages alcoholism. As it is pointed out in the UNDP 2007 report, "the causative link between unemployment, poverty and alcoholism is complex, and these studies cannot be considered proof that alcoholism is causing poverty and unemployment or vice versa." (UNDP, 2007: 46)[44] .

MAP 11. PERCEIVED ALCOHOLISM WITHIN COMMUNITIES

42 Calculations by the World Bank team using World Bank 2014 Survey data

43 Armstrong, Sean (2007): Alcoholism in Mongolia: Social norms or cultural beliefs?

44 Mongolia, and United Nations Development Programme (Mongolia). 2007. Mongolia human development report. http://www.mn.undp.org/content/mongolia/en/home/library/National-Human-Development-Reports.html.

BOX 9: ALCOHOLISM IN THE CONTEXT OF POVERTY AND VULNERABILITY

Chimgee is an alcohol addict and lives alone. She has been drinking for about a decade. Chimgee is one of the many people who failed to adapt to the structural changes in Mongolia. Chimgee lost her job at the outset of the economic crisis that accompanied the transition to a market economy when the factory she was working in was closed. She is divorced from her husband, and her only child, a son, lives in the city with her husband's family. Chimgee's sister's family tends the few livestock she owns in the countryside and sends her a little bit of meat and dairy for consumption.

When asked why her people are becoming alcohol addicts, Chimgee answered, "Alcoholic people are depressed. The main challenge is finding a job. When there are full-time jobs, they often don't pay the small wages (MNT 200,000 or 300,000 per month) they promised or after working many days on probation, only pay the half so that's why young people don't want to be employed by companies. Instead they can earn better money (daily around 20'000 tugriks) by working informally at the market, such as washing and burning sheep heads, deboning meat, or carrying loads by wheelbarrow, but for an old person like me it is impossible to find a job." Then she added, "I don't want to blame our government for everything, but, it must be not too hard to provide jobs for only 3 million people. There are countries with more than 50, 60 million people where all their citizens have jobs so it must not be so impossible given that our country is livestock and resource rich". She also mentioned that neither she nor her neighbors receive(s) any welfare support from the government.

There are no extended social institutions or social services specifically targeting alcoholics. During winter, police in Ulaanbaatar often have to resort to gathering up alcoholics in sobering-cells to prevent them from freezing or attacking others. Public health professionals have criticized the lack of funding for national program to address this issue. The alcohol industry has been far more effective in promoting alcohol consumption than public health campaigns in highlighting the "hazards" of alcohol[45].

With respect to addressing the problem of alcoholism, examples of interventions from other countries can be sought. Countries around the world have increasingly emphasized the role of the local governments in addressing the challenges of alcoholism, particularly since the problems associated with alcoholism are felt firsthand at local level. Local governments are well placed to respond to the problems related to alcohol as local institutions are already responsible of the delivery of various social services (e.g. health, education and welfare) to their people. They are likely to have the most precise and relevant information and data on their respective constituents. The local policy and actions on alcoholism can complement the national efforts to address alcoholism and may have a significant role between the national level policies (e.g. excise tax) and individual level actions (e.g. treatment).

[45] Armstrong, Sean & Tsogtbaatar, Byamba (2010): The dual nature of alcohol use and abuse in Mongolia: Reflections through policy. Asia Pacific Journal Public Health, Volume 22, no. 3, pp. 209-215

BOX 10: THE ROLE OF LOCAL GOVERNMENTS IN ADDRESSING ALCOHOLISM: CASE OF AUSTRALIA

In Australia, the role of local governments in addressing the challenges of alcoholism is greatly recognized by the national, state and local governments. The National Alcohol Strategy 2006-2011: Towards Safer Drinking Cultures[1] reports that Australian local governments recognize the alcohol issues as the most significant drug related issues they have to deal with. The local governments have both leading and supportive roles in developing and implementing alcohol policies and actions. They often initiate and manage various programs on alcohol and facilitate the coordinated responses of local service providers towards the alcohol related problems in their communities. The National Drug Strategy[2], which is an overarching framework for the actions on alcohol in Australia, highlights the relationship between socio-economic disadvantages and alcohol abuse and thus, the importance of integrated service approaches.

The local actions on addressing the challenges of alcoholism in Australia range from the development and implementation of local alcohol policies and establishment of the local liquor accords to specific and broad programs on alcoholism. Adoptions of local alcohol policies are a common practice across Australia. For example, the cities of Gosnells and Armadale in Western Australia adopted a comprehensive alcohol policy and management plan in 2000 after forging a partnership involving their police and health centers to develop strategies to address alcoholism and related social problems in 1999. Another way of addressing alcoholism involves creation of local alcohol action groups, which include the representatives from concerned organizations such as social welfare, treatment center, health, police and local government authorities. Such action groups or teams set up in New South Wales work towards informed and coordinated alcohol policies and actions. The policies and action groups on alcohol provide a framework of the development and implementation of the programs on alcoholism. One example of alcohol action program is the Neighborhood Renewal Program in Victoria, which addresses the alcohol related problems through increased opportunities for the disadvantaged communities. The program involved the Department of Human Services, Victoria state government, and local governments and focused on the socio-economic conditions in specific neighborhoods or towns to reduce social problems including alcohol abuse. The program promoted the across government approaches to planning and service delivery and provided a range of opportunities for training, job creation, health promotion and community safety. On the other hand, the local governments also work with the local liquor licensees, police, and health centers to promote the responsible service policies, compliance with the national and local legislations and regulations on alcohol sales in order to reduce alcohol related incidents and hospitalizations. One example of such collaboration is the Maitland Liquor Accord in Maitland city in New South Wales. The Accord has a membership of 90 percent of local licensees and implemented public education campaigns on alcohol in addition to the responsible service programs.

Source: Trevor King and Jennifer Richards, Australian Local Government: Alcohol Harm Minimization Projects 2004, accessible at http://www.ihra.net/ files/2011/07/21/04.6_King_-_Australian_Local_Government_-_Alcohol_Harm_Min_._Projects_.pdf

Note: [1] National Alcohol Strategy 2006-2011: Towards Safer Drinking Cultures, accessible at http://webarchive.nla.gov.au/gov/20140801013918/http:// www.alcohol.gov.au/internet/alcohol/publishing.nsf/Content/nas-06-09

[2] National Drug Strategy 2010-2015, accessible at http://www.nationaldrugstrategy.gov.au/internet/drugstrategy/Publishing.nsf/content/nds2015

10.0 MARGINALIZED GROUPS

The discussion so far has focused on monetary and non-monetary dimensions of poverty and inequality in Ulaanbaatar, namely access to basic infrastructure and services. While these dimensions undoubtedly place limitations on the ability, opportunity and dignity of urban residents, they do not explicitly highlight the disadvantage that some social groups face based on their identity or unique social circumstances. Such disadvantage often expresses itself in the form social stigma, which is instrumental in creating social exclusion and vulnerability. World Bank's 2013 report titled 'Inclusion Matters'[46] emphasizes the importance of understanding and addressing the dynamics of social exclusion in order to fully address inequality. This section highlights key dynamics in this regard in Ulaanbaatar, with particular emphasis on two groups: (1) rural-urban migrants residing adjacent to the *Ulaanchuluut* landfill site in a fringe ger area with low levels of service provision; and (2) community living near a cemetery called *Dalan Davkhar* (also known as the TV District) (Figure 5). The findings in this section are based on ethnographic fieldwork commissioned under this study, which investigated intersections between the concepts of poverty, vulnerability and social exclusion in two communities. Insights to the experiences of stigma faced by these communities highlight the nature of exclusionary dynamics that prevent these communities from fully integrating into the city's urban fabric.

10.1 RURAL-URBAN MIGRANTS: NOT POOR BUT VULNERABLE

During socialist times, migration was centrally controlled and urbanization for the recruitment of work forces in factories was promoted[47]. The living standard in the sum-centers was, as compared to today, relatively high with schools, boarding schools, public transport, newspapers and electricity available in every center. In the years after 1990, living standards and accessibility to services such as education and health decreased dramatically in the rural areas. While a temporary de-urbanization was evident between 1990 and 1995, during which the rural population grew significantly, migration to urban areas increased after 1995 and even more after 2000[48].

Contemporary migration streams from rural-urban areas are governed by both economic hardship as well as social ambition[49]. Economic hardship in rural areas had been exacerbated by the loss of the herds in extremely harsh winters (*dzud*[50]), increased rural unemployment, and alcoholism. Individual experiences including death of a family member, divorce or imprisonment can also push rural families into poverty. Migration due to social ambition describes the

effort a family puts into the education of a child by sending him/her to the capital to pursue higher education, find a good job and earn enough money to later care for the rest of the family. Main factors for migration today are migration for education and work, migration for medical reasons, migration due to natural catastrophes and the loss of livestock and livelihoods and the absence of alternatives for self-sufficiency and chain migration. Very little information is available on the structures and conditions of the migration process, the trajectory of migrant adaptation and the conditions in which migrants live in Ulaanbaatar. Migrants are often stigmatized by local residents, seen as the source of Ulaanbaatar's high levels of poverty and held responsible for urban sprawl, though these beliefs are not substantiated by the quantitative and ethnographic evidence collected for this report.

World Bank 2014 survey finds that a majority of migrants moving to Ulaanbaatar live in ger districts. However, they are not necessarily concentrated in fringe ger areas as is commonly assumed, but distributed across all ger locations (Table 17). This also holds true for recent migrants who have arrived in the last five years.

Further investigation suggests that migrants on the whole are not urban poor in terms of income. A linear regression model for determinants of income poverty shows no significant association between migrant status and income when controlling for age, gender, education status, employment status and residential location in Ulaanbaatar (See Table 18). The table presents the results of a linear regression model that shows the association between logarithm of income as the dependent variable with independent variables of age, gender, migration status, location of residence, employment, and education. Of particular note is the absence of significant association between migration status and log income. This is contrary to the popularly held view that the city's urban poor populations are comprised of recent migrants. Instead, key determinants of income poverty include residential location, employment status and educational attainment. Gender and age also play a role, with men earning approximately 10 percent higher log income than women. A separate model that included migrants only did not show any statistically significant relationship between income and year of arrival.

Underscoring the previous discussion of spatial inequality in access to services, individuals living in peri-urban and mid-tier ger areas earn log income approximately 14 percent and 17 percent lower than those living in central ger areas while individuals living in non-ger areas have log incomes approximately 12 percent higher relative to those in central gers. This makes sense in the context of spatial distribution of deprivations, and the unequal provision of services across residential areas. Unsurprisingly, unemployment has the greatest affect on income with individuals who are unemployed earning approximately 68 percent lower log incomes than those who are employed. Finally, with regards to educational attainment, individuals who attended only middle school or lower, high school, or technical and vocational school see log incomes that are approximately 60 percent, 45 percent and 40 percent lower respectively than individuals who attended at least college, signaling substantial returns to higher education.

Table 17   Distribution of migrants and non-migrants across residential locations

RESIDENTIAL LOCATION	NON-MIGRANT	MIGRANT	TOTAL
Central ger	22.12	26.03	24.23
Fringe ger	13.2	12.46	12.8
Middle ger	23.57	26.96	25.4
Apartment area	41.12	34.55	37.57

Figure 5   Ulaanchuluut landfill site – in the territory of 26th khoroo, Songinokhairkhan district

(Adapted from UB Municipality's community mapping web page http://manaikhoroo.ub.gov.mn)

[46] World Bank (2013), Inclusion Matters: The Foundation forShared Prosperity, Washington,DC.

[47] Gilberg/Svantesson 1996: p. 20.

[48] Taraschewski 2008: p. 157.

[49] Bruun 2006: p. 180.

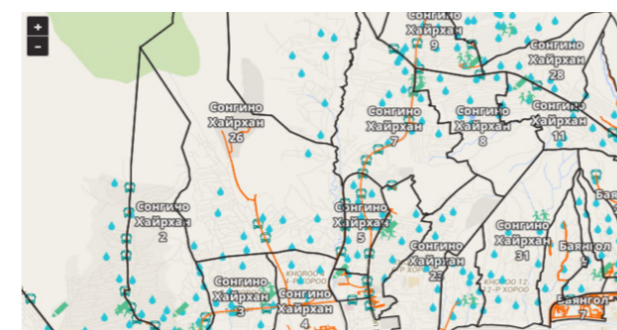[50] The term "*dzud*" denotes the effect of extreme weather conditions which is the mass death of livestock

Table 18   Determinants of (Log) Income in Ulaanbaatar

	COEF.	STD. ERR.	
Age	–0.0254	0.0069	***
Age squared	0.0003	0.0001	***
Male (ref: female)	0.1006	0.0343	***
Migrant (ref: non-migrant)	–0.0442	0.0334	
RESIDENTIAL LOCATION (REF: CENTRAL GER)			
Peri-urban ger area	–0.1367	0.0569	**
Mid-tier ger area	–0.1682	0.0465	***
Non-ger area	0.1161	0.0444	***
EMPLOYMENT TYPE (REF: EMPLOYED)			
Unemployed	–0.6802	0.0625	***
Pensioner	–0.1552	0.0757	**
Disabled	–0.6061	0.0986	***
Homemaker	–0.2996	0.0755	***
Other	–0.6849	0.1012	***
EDUCATION LEVEL (REF: COLLEGE AND ABOVE)			
Middle school or below	–0.6021	0.0566	***
High School	–0.4469	0.04	***
Technical and Vocational Training	–0.3947	0.0594	***
Observations	2983		
R2	0.1724		

***, **, and * indicate statistical significance at the 1, 5, and 10 percent level

While migrants are not the urban poor in terms of income, it should be noted that 60% of migrant households are multidimensional poor as compared to 48% non-migrant households. In order to better understand migrants' urban experiences and the mechanisms that increase their vulnerability, the ethnographic study focused on a migrant community living in the fringe ger areas close to city's largest landfill site. The *Ulaanchuluut's* 19-hectare landfill was established in 1975 in the western end of Ulaanbaatar city (Figure 5). In 2012, 3110 households (with 12051 people) were registered with 26th *khoroo* in Songinokhairkhan district which is the territory including Ulaanchuluut's dump area[51].

The garbage collectors work in unsanitary conditions of the garbage dump every day. They are often harassed by the police and subject to high levels of crime in and around the garbage dump. Many of the newcomers, especially rural-urban migrants, are not registered in Ulaanbaatar and therefore unable to access all urban services such as schools, health care, social welfare etc.

The fringe location of this areas also translates into insufficient access to infrastructure and services. Many households have built large detached houses with red or other colorful roofs on their plots. The area was not connected to the central electricity grid until October 2013 and thus was called as "*харанхуйхан*"' or "those in the dark area". Streets still don't have lighting and some households interviewed mentioned that households located further still do not have access to electricity. The community also faces problems related to water supply. The nearest water well/kiosk is more than 5 km away; households fetch water by cars or ask their neighbors with cars for help. Schools and kindergartens are absent in the area and the nearest school (that is already overcrowded) is 7–8 km away. People with cars are able to send their children to schools in other *khoroos*. Given poor road infrastructure and bus service, many households own vehicles. The price of a plot of land is lower compared to other areas of the city, ranging from MNT 1.5 - 10 million given its peripheral location and it is still possible to occupy a vacant plot of land for few months and then apply for the land certificate to obtain the title free of charge. Given the lack of affordable housing available closer to the city, this area becomes an attractive option for households to arrive and settle in the community despite the lack of services.

Over time, newer households have come to depend on the landfill site for their livelihoods, including rural-urban migrants. The majority of households in this area are comprised of adults in their 30s or 40s with small children, who have arrived from rural areas over the last decade. Most migrant households reported that they stayed in plots owned by their relatives or acquaintances before moving to acquire their own *khashaa* plots. These households were marked by their industriousness- some had full-time formal employment (such as seamstress at factory or driver at a private enterprise) while others had informal or seasonal employment (such as taxi driver or construction worker). Some households run garbage businesses: they collect scrap metals and other materials from the dumpsite, load the scraps on their porter cars and deliver them to middlemen who export them to China. When asked about their reasons for moving into the city, they emphasize the need to secure the future of their children and highlight the importance of a good education. Other reasons include, unavailability of jobs in the countryside, loss of livelihoods to the Zud and hardships in the rural lifestyle. Some still have a small number of livestock being taken care of by their relatives in rural areas. Even though there are schools in every *soum* (a rural sub-district) in the countryside, parents strongly feel that being far from home in rural dormitories that are poorly managed is not easy for children. They further believe that urban schools provide better quality education and have aspirations for their children to go to the universities. If generational aspirations are a key reason for undertaking migration, coupled with a persistent lack of quality education in rural areas, it is likely that rural-urban migration will continue to increase.

10.2   CHALLENGES RELATED TO OBTAINING A PLOT IN THE FRINGE

URBAN REGISTRATION, SOCIAL NETWORKS AND CORRUPT PRACTICES IN LAND OFFICES

While Mongolian nationals are free to move and live anywhere within the country[52], citizens migrating from *Aimags* to UB are required to transfer their registration status from rural to urban residence and register their city address with the municipal authorities. The residential address registry is the basis on which basic public services including land titling, pre-school, primary and secondary education and health services are provided to all residents in UB city. The Civil Registration Law (Article 25 and 26) requires the citizens moving from one administrative unit to another for more than 180 day or for good to be registered to the concerned administrative units by their residential address. However, the process of registering residency for rural migrants moving to UB city requires them to complete a set of fragmented yet complicated procedures and may place burden and cost

51 http://acfmongolia.mn/index.php/mn/90-26

52 Article 16.18, the Constitution of Mongolia.

BOX 11: PROFILE OF A RURAL-URBAN MIGRANT

Bayabaatar is an ex-herder who moved to UB with his family in 2002 to work abroad but lost his money to a fraudster. His family lived in his uncle's yard in a nearby district for several years and obtained registered city residency address. He occupied the plot in the community in 2012 when electricity was unavailable and fenced it. Last year, with the arrival of the electricity, the family built an 8x8 m2 house.

Bayabaatar has primary education and he is one of many informal cab drivers in the city and has aspirations for his children to have a bright future. Every day he drives his two children to a school in the city center about 15 km away. His wife Uli works for a cashmere factory as a seamstress and earns a regular income that provides stability and allows the family to plan their expenses and build a life in the city.

on the citizens. The process of transferring residency from an administrative unit outside UB city to a *khoroo* and required procedures are shown in the Figure 6.

As a result, despite the availability and affordability of the plots in the fringe of the city, obtaining and registering a plot is challenging for the rural-urban migrants. Access to land-titling services is tied to urban residency status and provided at the respective *khoroo* or district facilities. The process

for obtaining urban residency status, involves various public offices including *Bag* and *Soum* Governors' Offices, *Khoroo* Office and Capital City Civil Registration Office[53]. First, migrants are required visit *Bag* Governor's Office to obtain a circulation sheet[54]. When the circulation sheet has the signatures of all relevant organizations/authorities, the Governor of *Bag* deletes the previous registry of migrants and provides a document affirming the deletion of registry. Then, the migrants are required to visit the State Registrar at the *Soum* Governor's Office with the required documents[55].

This office provides an official form called Civil State Registration Form 22. After this, the citizens are required to visit the State Registrar at the local *Khoroo* Office in UB city to submit the required documentation[56]. Lastly, the migrants submit the form together with other required documentations[57] to the Civil Registration Office in UB city, which validates the registration of a new residential address and provides a document known as "address change slip" to the migrants as soon as the deletion of registry is entered and confirmed in the online Integrated System of Civil Registration.

The total cost[58] required for this process per person is MNT 12,000. While the process is expected to take 14 days, local experience is that it can take up to a month or more. Even when the procedure of changing registration is followed correctly, a migrant effectively has no access to public services in their place of origin or destination throughout the registration process due to the initial step of deletion of her Soum registration. This can increase migrants' vulnerability given the absence of any safety net.

The availability of social networks plays an important role in facilitating urban residency and eligibility for land titling in the city. Rural-urban migrants often rely on their connections and acquaintances by registering their residency with households that already have urban residential status. With the urban residency status, migrants can access land-titling services for available plots, which are mostly located in the fringe or undesirable land (hilly or mountainous areas) with limited access to services. However, rural-urban migrants may also suffer from the corrupt practices of service providers (duplicate land allocation, cash and in-kind bribe demands and intentional provision of false information on the availability of the vacant plots and their future planning) when they attempt to obtain the titles on the vacant plots in the fringe. Overall, lengthy administrative procedures and requirements for urban residency status and land-titling coupled with both a lack of social networks and corrupt practices of service providers leave rural-urban migrants in a precarious situation with regards to land registration. The consequences vary from denied access to loss of opportunities or other economic costs, such as the payment of demanded bribes.

Figure 6   Administrative procedures for obtaining urban residency status

[53] It should be noted that the migration within UB or among Districts is dealt by the District Civil Registration Departments.

[54] The document lists eleven organizations or authorities including the Governor of Bag and the citizens are required to obtain signature and stamp from each organization/authority. These include Banks, Financial Department, Taxation Office, Environment Department, Police, Land Office, Social Insurance, Energy, and Military Headquarter present in the Soum. After obtaining the clearances or signatures from all these organizations and authorities, the Governor of a Bag signs and verifies the circulation sheet.
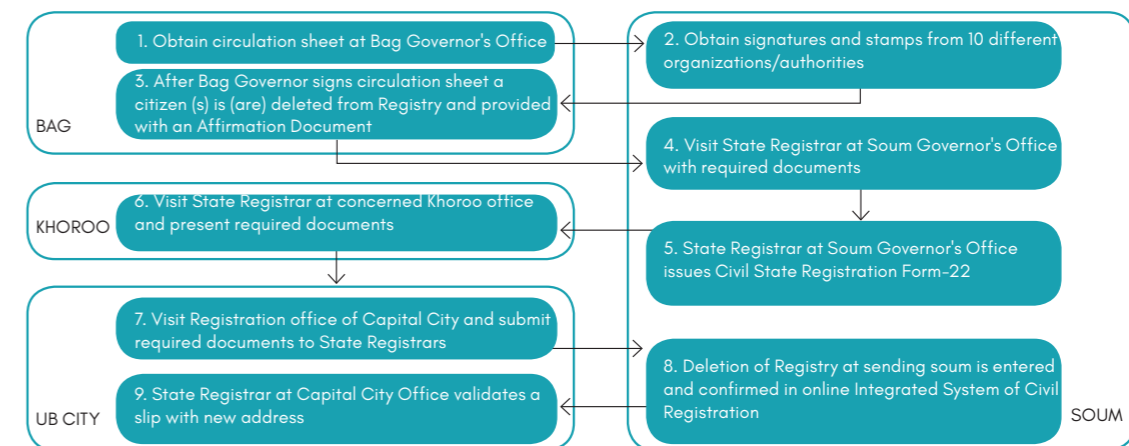
[55] Needed documentations are: ID and its copy; the affirmation document from the Bag Governor; Service Fee of MNT 5'000 payable to Civil Registration Department account at a commercial bank and and stamp duty of MNT 1'000 payable to the State Bank; one photograph (3X4); and a birth certificate of a child under age of 16 and its copy in case there is an accompanying child.

[56] Needed documentations are: Civil State Registration Form 22; ID Card and a birth certificate of a child under age of 16 in case there is an accompanying child; and documents of relatives or parents who are the address holders or a document certifying the ownership of the residential property   (apartment or khashaa plot etc.)

[57] At this stage, the needed documentations include: migration registration form 22; MNT 6,000 fee payable to a bank account; and a photograph (size 3X4).

[58] Please note that this amount doesn't take into account any other costs such travel cost that a migrant may incur.

BOX 12: NARRATIVES OF VULNERABILITY

There are about ten households that survive by collecting garbage in the *Ulaanchuluut* landfill. The *kheseg* leader[59] referred them as the most vulnerable households but spoke disparagingly about the causes of their vulnerability as laziness and alcoholism, which was contrary to the perceptions of interviewees and the in-depth interview narratives. According to the *kheseg* leader, the vulnerable households buy alcohol using the food vouchers they are given. However, the individual cases mentioned below demonstrate that these households suffer from multiple dimensions of vulnerability and are exposed to exclusion mechanisms while lacking the support of an urban networks or family base in the countryside that are vital to the resilience and success of migrants living in the city .

One example is an old widow named Dorj, in his 70's, an ex-herder who lost his all livestock during *dzud* and came to city from Khujirt soum, Uvurkhangai province several years ago. His stepchildren neglect him while his son, who is a driver and stays with his in-laws, couldn't transfer his rural residential address to the city due to the complicated procedures on obtaining clearances, particularly in relation to the military enlistment record, in Khujirt *soum*. Dorj occupied an empty plot of land in the area and built a small shelter with scrap materials collected from the dumpsite. As he's not a registered resident in UB city, he was not eligible to apply for the land title certificate. Despite living on the plot for many years and building a shelter, he lost the plot as *khoroo* social worker. Let someone else to reside on the land, planning to take it for himself later (See Image 1). Now he has no home and wanders from one household to another. "It is all very complicated for me", the old man says, "I thought I'll just build a small hut on the land, which was not occupied by anybody and live there without bothering anyone but two, three years ago suddenly people started to take lands and build fences around here, I cannot apply for this plot as I don't have a city address".

Image 1: Old man built the shelter on the right but plot is now occupied by another household

Image 2: A *ger* near the landfill site. Neighbors say that the household members often drink and fight. Two kids, aged 7 and 11 attend the informal Christian school.

Another example is Tsatsraltuya, a woman in her 40s, who completed 8th grade and scavenges daily to support her family of alcoholic husband (who also scavenges) and 4 kids. Her family moved from Bornuur soum, Tuv province, where they were herders, to UB city 8 years ago and finally settled in the area to have their own plot (Image 2). Her husband does not have ID documents while her children's ID documents were erroneous. This has prevented her family from receiving social welfare benefits such as child allowance, food voucher and others targeted for extremely poor households. She spoke of burdensome process for soliciting the food vouchers and child allowance. Her family could not get a food voucher after soliciting it for four months. She also visited the social welfare office (at district) twice to meet the officer in charge of children related issues to solicit the child allowance but the officer was not available at each time, attending some other sessions. She finds frequent visits to the social welfare office burdensome and costly (to go the office, she needs 2 bus transfers and 2'000 tugriks for the bus fares, which is great amount of money for her). Her family uses sacks as a fuel to heat the ger in cold and currently survives on the income from scavenging. She spoke of her poor health, particularly her leg illness that prevents her from formal employment such as working as a janitress and she finds scavenging gainful. She says "about 1'000 people work at dumpsite, daily 200-300 people are there, children come to work there after school; it's very dangerous for them as they are prone to truck accidents, half of the people working here don't drink". She mentions that scavengers earn about MNT 5-20'000 per day on average by selling their collected refuse materials (plastic cans, bottles and metal) to middlemen who come with porter cars to load them. She wants to build a fence to obtain the land certificate, but she does not have money to buy fencing materials. She also mentions that her relatives are aloof and it's easier for her and her family to live in the neighborhood as they are not discriminated and people don't say "ugh or eww" when they go to stores. All these contribute to her desperate life.

A young wife, Uranbaigali aged 31, has 2 small kids (4 year old and 9 month old). She migrated from Dornod province to UB city when her family lost all their herds during *dzud* in 2000. She neither has a birth certificate nor an ID document. She had her documents searched from the National Archive but with no success. Perhaps, she was misspelling her name or her name changed after the birth certificate was registered[60]. She could not receive any welfare assistances such as the pregnancy or child allowances due to the lack of identification documents. She mentioned that her relatives were distant and aloof while she could not enroll her eldest child to a kindergarten due to lack of connection. Her stomach was getting bigger last year so people thought she had liver disease and was going to die but it was discovered later that she was pregnant and she gave birth. Her family does not afford meat, so only buys *jijiglen* or small piece of organ meats to survive (MNT500 per piece). Her husband, who is a construction worker (finds work

[59] Khoroo is further divided into so-called khesegs or sections. There are about 1168 khesegs in UB city, with each represented by a volunteer activist who is recognized by the respective khoroo officials as the leader.

[60] This happens when parents change the name of their sick child by asking a monk for a more suitable name, assuming that old name was harsh. It becomes difficult later to find the birth certificate with original name from the archive when it is forgotten.

Image 3: Uranbaigali, aged 31, from Dornod province. This is the ger set up on old man Dorj's plot.

only during warm seasons through his connections and when he does, he earns daily MNT25-30'000), drinks and beats her sometimes. She thinks there is nothing to do in the countryside and the city has better opportunities. However, she says that she encounters problems with finding good jobs; only job she could find was dishwashing with a daily wage of MNT 7'000.

Lastly, a nurse Navchaale aged 45, lives with her husband (who is an auto-technician) and their children. They migrated to UB city from Tuv province in 1996 and settled in the area in 2011 to obtain their own plot after residing on her sister's plot nearby. She says that her household stayed without electricity for 3 years and that the *khoroo* activities targeted at vulnerable groups are not felt that much. "There are many people who are not registered to the *khoroo* but make a living in the dumpsite. They are the people who are fighting for life for real and making their ends meet in the *Ulaanchuluut* landfill site. "

11.0 COMMUNITY LIVING IN THE DALAN DAVKHAR CEMETERY

The *Dalan Davkhar* cemetery (also known as *Sambalkhundev's* Cemetery) was established in the 1930s and is located within 5 km distance from the city center[61]. The cemetery is surrounded by the ger areas known as *Denjiin Myanga* (hillside thousand households) and *Zuragt* (TV district – due to its closeness to Mongolian National Radio and Television Broadcaster) neighborhoods that fall in the territory of *Khoroos* 7, 10, 11 and 12 of Chingeltei district, with each populated with 8-12,000 residents (see map below).

The plots usually consist of detached houses and a ger and are shared between 2 households who are often related. Most households hold land titles, though a few are renters. Households often have a car. Nearby services include a water kiosk within 500 meters as well as a school, kindergarten and bus stops all within close walking distance. The price of a plot of land is higher than other areas of the city given the proximity to the city center, and range from MNT 25 – 20 million. Households in the community point out the lack of street lighting and piles of wastes, which vendors from the nearby markets dump, as common problems.

MAP 12: DALAN DAVKHAR CEMETERY – SURROUNDED BY KHOROOS 7, 10, 11 AND 12, CHINGELTEI DISTRICT
(Adapted from UB Municipality's community mapping web page http://manaikhoroo.ub.gov.mn)
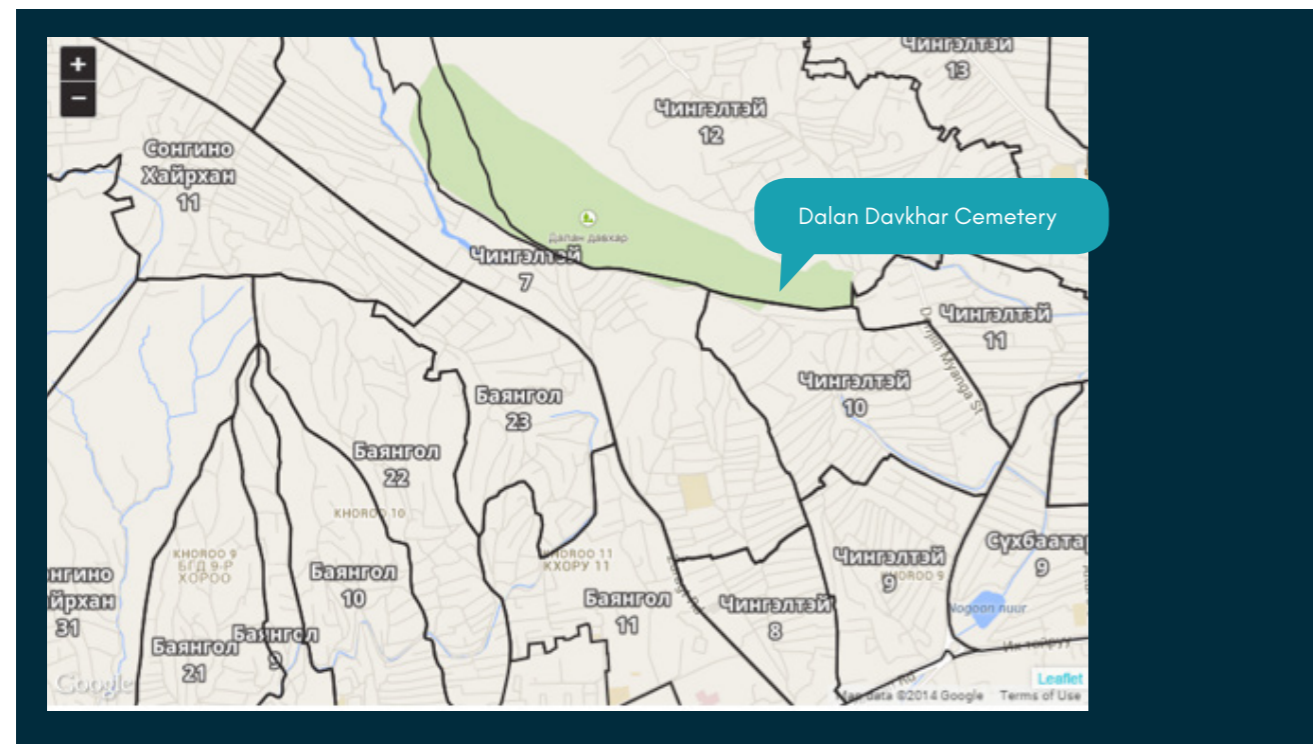
Unlike the community adjacent to the landfill site, the households living near the cemetery have been living there since Mongolia's early years of transition from a socialist to market society. The majority of households in the area include adults in their 30s or 40s with small children and are engaged in trade or do menial work (cleaning sheep heads or carrying loads by wheelbarrows at the market)[62] at the nearby markets. Some households have formal employment (e.g. public school teacher, plumber, construction worker) while others run small stores in the area or stalls at the markets nearby. Most of the households interviewed in the area report that they migrated from a rural area to the city in search of employment after consecutive *dzuds* in their home provinces. They also highlight the importance of education opportunities for their children in the city. Adult male members of the households typically attained a 4th to 8th grade education, with a few having attained some vocational education while female members commonly attained an 8th to 10th grade education, some vocational education and even in a few cases, higher education. Most migrant households reported that they stayed in the plots owned by their relatives or acquaintances before moving to the area to acquire their own *khashaa* plots.

The reason that they chose to live in the area despite the nearby cemetery is related first of all to its closeness to services (such as school) and Shonkhor and Naran Tuul-2 markets. Now, some households' livelihoods depend on these markets as five households' heads work at the market; some households rely on cheap meat or variety meats for daily food consumption. On the other hand, other vacant areas in the city outskirts are too far away from the services and thus cost high to commute. Many downtown residents as well as other residents from all corners of the city come to the market to purchase their weekly or monthly meat and food items in bulk. So the market serves as the meeting place for the ger-district residents of Denjiin Myanga/cemetery area

and the modern apartment residents who often look down and stigmatize them.

The households that are living right next to the cemetery are not necessarily the poorest. However, they have been widely stigmatized by the society for residing near the cemetery. Residents from other districts of UB city would describe the residence in the area as unbelievably horrific and tell each other dreadfully as "each *khashaa* plot has at least one or two graves and their kids play with human bones". Although everybody admits that there are graves underneath the yards, they are not visible as it is impossible to tell where the graves are. They usually sell and buy the plots in the community through their networks of relatives and friends. They mostly report that they have become accustomed to the place now and there is nothing to be scared or ashamed of. So there are different perspectives about the place between the insiders and outsiders.

While there are households who managed to settle successfully and living normal lives, there are ones who fail to do so. Those households are described as alcoholics who survive on income from the meager jobs at the market, according to the *khoroo* officers and some residents in the neighborhoods. From washing sheep heads, daily income for one person can be around MNT 15,000 per day so many households appear to rely on this income for a living. People, who do menial or casual jobs such as cleaning sheep heads, working as butchers, or carrying loads on a wheelbarrow at the market are looked down and stereotyped by the urban society as the jobs performed by unfortunate, unskilled, homeless, or alcoholics despite the fact that these jobs provide reasonable incomes.

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[61] It was closed in 1998.

[62] These jobs reportedly allow the households to earn an income of 15'000 tugriks per day.

12.0 OTHER VULNERABLE GROUPS

12.1   DISABLED

While there are disability allowances within the social welfare system that aim to reduce the monetary vulnerability of disabled populations within Ulaanbaatar, there is little provision for dealing with the every day challenges faced by those who are physically disabled. Disabled accessible toilets and other facilities are non-existent. People with disabilities living in the ger districts are generally confined to their homes and often cannot participate in public life. The lack of disability accessible public transport in a key reason for this confinement. Unpaved roads, lack of proper sidewalks, and traffic lights in ger areas further constrain mobility, particularly for persons in wheel-chairs. Such restrictions in mobility can make mundane tasks challenging for the physically disabled, such as collecting water from distant water kiosks.

12.2   STREET CHILDREN

The number of homeless and street children in Ulaanbaatar grew soon after the end of the socialist era[63]. Their growth was attributed to a number of sources including abandonment, unaccompanied migration, domestic violence and orphans running away from orphanages where they were ill-treated. They live in groups to protect each other from other groups and possible raids. They spend the severe Ulaanbaatar winters nestled up to underground hot water pipes and scavenge on food to survive. However, over the recent years, the numbers of street children seems to be declining. According to the Centre for Child Protection in the Police Department of Ulaanbaatar, the number of children living on streets of UB has declined from 889 in 2011 to 690 in 2012 and to further 260 children in 2013. Around 60 percent of them are between 9 and 14 years old with the remaining

40 percent between the ages of 14 and 18. Since 1996, the Center has taken in approximately 25,000 children[64]. In 2014, Ulaanbaatar Metropolitan Police Department launched a campaign to identify homeless and street children in collaboration with the Child and Family Development Centre. They identified 74 street children in Ulaanbaatar, registered them, provided them with health check-ups and attempted to reunite them with their families or place them in children's centers in the city[65]. However, NGOs have raised concern that the problem of children's vulnerability in Ulaanbaatar is shifting from streets to children's homes, which also have limited capacity. While this is a step in a positive direction, it does not address the underlying causes that are forcing children to take to streets in the first place.

12.3   APARTMENT ENTRANCE HALL WATCHMEN

Since the privatization of Soviet style apartment blocks started during 1990's, Unions of Apartment Owners (UAO) have been set up and a new work position of "apartment entrance hall guard" created. The roles and duties of this work position include cleaning the apportioned public area, safeguarding the entrance hallways for 24/7, and other chores ordered by the apartment council. Typically, the guard lives in the staircase in the entrance. Staircase is a space around 1.8X2m (3,6-4m^2) in size, with a very low ceiling and the open side closed with cheap materials. It is a narrow space with limited air circulation and no natural light that gets cold in winter, is often noisy, and in many cases has no sanitation and toilet facilities. The residents of this space are often single mothers with children below 5, migrated from rural areas and without city addresses. According to a survey carried out by the "1 3=5 or Families Living in the

Entrance Halls" project, about 80 percent of the guards living in the staircases are single mothers with children. They are not hired with a formal labor contract, their salaries are often not paid on time and salaries vary from month-

to-month depending on the amount of maintenance fees collected by the UAO for a particular month.

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[63] The exact number of street children varies according to source. Odgaard refers to 3000 street children in the years from 1994-1995. (Odgaard 1996: p. 119; Bruun, Ole and Ole Odgaard (Eds.). Mongolia in Transition. Old Patterns, New Challenges, Studies in Asian Topics, No.22. Nordic Institute of Asian Studies. Richmond: Curzon Press) UNICEF refers to the same number in its report on street- and unsupervised children of Mongolia 2003. (UNICEF. (2003). "Street and Unsupervised Children of Mongolia". [http://www.unicef.org/mongolia/street_children_Report_Eng.pdf 20.11.2013].)

[64] Statistics produced from the Centre for Child Protection, Police Department of Ulaanbaatar.

[65] http://mad-intelligence.com/37-street-children-returned-to-parents/

13.0 CONCLUSION

After years of strong economic growth and impressive declines in poverty, 2012-2014 saw Mongolia's growth rate slow from a peak of 17.5 percent to single-digit growth. Unsurprisingly, there was also a slowdown in the rate of poverty reduction, exposing underlying weaknesses in Mongolia's approach to poverty alleviation. Given that Ulaanbaatar serves not only as the country's economic engine, but also houses nearly half of Mongolia's population, addressing urban poverty is critical to any attempts to alleviate poverty more broadly throughout the country and ensure that the gains from growth and urbanization benefit all.

This study takes a close look at the nature and spatial distribution of poverty in Ulaanbaatar in order to determine how patterns of urbanization affected both economic opportunity and quality of life for residents living in various parts of the city. The findings showed a deep spatial dimension associated with both income poverty and multidimensional poverty, with people living in peripheral areas of the city faring much worse than those closer to the city center. The current sprawling urban form in Ulaanbaatar makes the delivery of services costly and inefficient and contributes to spatial inequality. Spatial inequality in turn is responsible for exclusion from the benefits of urban living for the urban poor, making the experience of poverty more severe.

13.1   EXTEND INFRASTRUCTURE IN LINE WITH URBAN POPULATION GROWTH:

Ulaanbaatar's unique sprawl pattern creates barriers to adequate infrastructure and service provision as houses sprawl further from the urban core. The city must use planning tools based on tier excellent spatal data, as well as land and fiscal management instruments (including better land use management, land value capture, and zoning regulations) to promote densification in order to lower overall costs of service delivery and provide quality services to more of the population. The city can also bulid upon the survey data from the World Bank's urban poverty and service delivery reports, to understand city growth patterns and areas of deprivation in order to effectively target investments in infrastructure in areas of density.

Analysis of income poverty revealed that contrary to popular opinion, migrants are not the urban poor. However, their experience of living in Ulaanbaatar is marred by social stigma and subsequent challenges in accessing gainful employment and basic services (ie. registering for land). Given the large number of migrants already living in the city and likelihood of sustained migration streams, it is important to address the mechanisms underlying migrant exclusion that are creating a class of citizens without a city. Other vulnerable groups, including the disabled and street children, experience the various deprivations faced by migrants. Regulations governing residency and land registration that plague rural-

urban migrants also affect the ability of other vulnerable groups to access critical social services.

13.2   MIGRANT REGISTRATION REFORM

Ulaanbaatar's current registration system perpetuates inequality by complicating the process for rural-urban migrants to gain urban residency. Without urban registration, migrants are excluded from local social services and are often unable to legally extend infrastructure services to their homes. Ulaanbaatar can take steps to streamline the registration process such as consolidating registration forms in one government office or using a wider range of documents for proof of identity. A more efficient process will not only reduce vulnerability among migrant populations, but also reduce opportunities for corruption within city offices. Similar registration systems in Vietnam and China have been unable to stem in-migration and instead created a class of undocumented residents without any rights to the city. These systems are now undergoing reforms to better accommodate these vulnerable groups. Ulaanbaatar would be wise to avoid these mistakes.

The largest factor to play a role in income poverty is unemployment. The urban poor face a number of constraints in finding employment including age and gender biases, corruption, limited and unaffordable childcare, exploitative employment practices, and finally accessibility and quality of education. Looking further to factors contributing to multidimensional poverty, Assets & Money', 'Water & Sanitation' and 'Solid Waste', are shown to be the largest contributors. Multidimensional poverty is experienced unevenly across ger and non-ger strata.

13.3 DEVELOP MECHANISMS FOR IMPROVING REGULATORY OVERSIGHT AND ENFORCEMENT AROUND CORRUPTION

Corruption and exploitative labor practices are perceived as primary barriers to employment. The city can do more to collect data and investigate claims, and introduce mechanisms to facilitate documenting these events. Low-cost mobile platforms utilizing SMS (I Paid a Bribe in India and Lapor in Indonesia) have allowed citizens in other countries to quickly report incidents in order to create a knowledge base that either government, civil society groups or a combination of both can leverage to initiate audits, investigations and mobilize resources and citizens.

The analysis highlights primary areas where government can initiate policy measures, namely employment, education, service delivery, and provisions for widespread alcoholism. The city government recognizes the importance of providing education, and has already taken steps to address gaps in both access and quality. A recent intervention tackles not only the issue of limited kindergarten capacity but leverages that to enhance labor force participation and job creation. This innovative but simple intervention, the Childcare Service Law, is discussed in depth in an earlier section of the report. Alcoholism remains largely unaddressed, and Mongolia would do well to seek examples from abroad in how to address this growing affliction. Finally, Ulaanbaatar already has the appropriate policy tools and mandate over urban planning and land use management, land taxes, and zoning regulations, all of which can be used to promote inclusive development through ensuring affordable and efficient service delivery. Better urban planning and land management aimed at promoting density and with a view to increasing access to services will not only be important for the efficiency and cost-effectiveness of service delivery but is also critical to enhancing the inclusion of urban poor and creating a livable capital city for all citizens.

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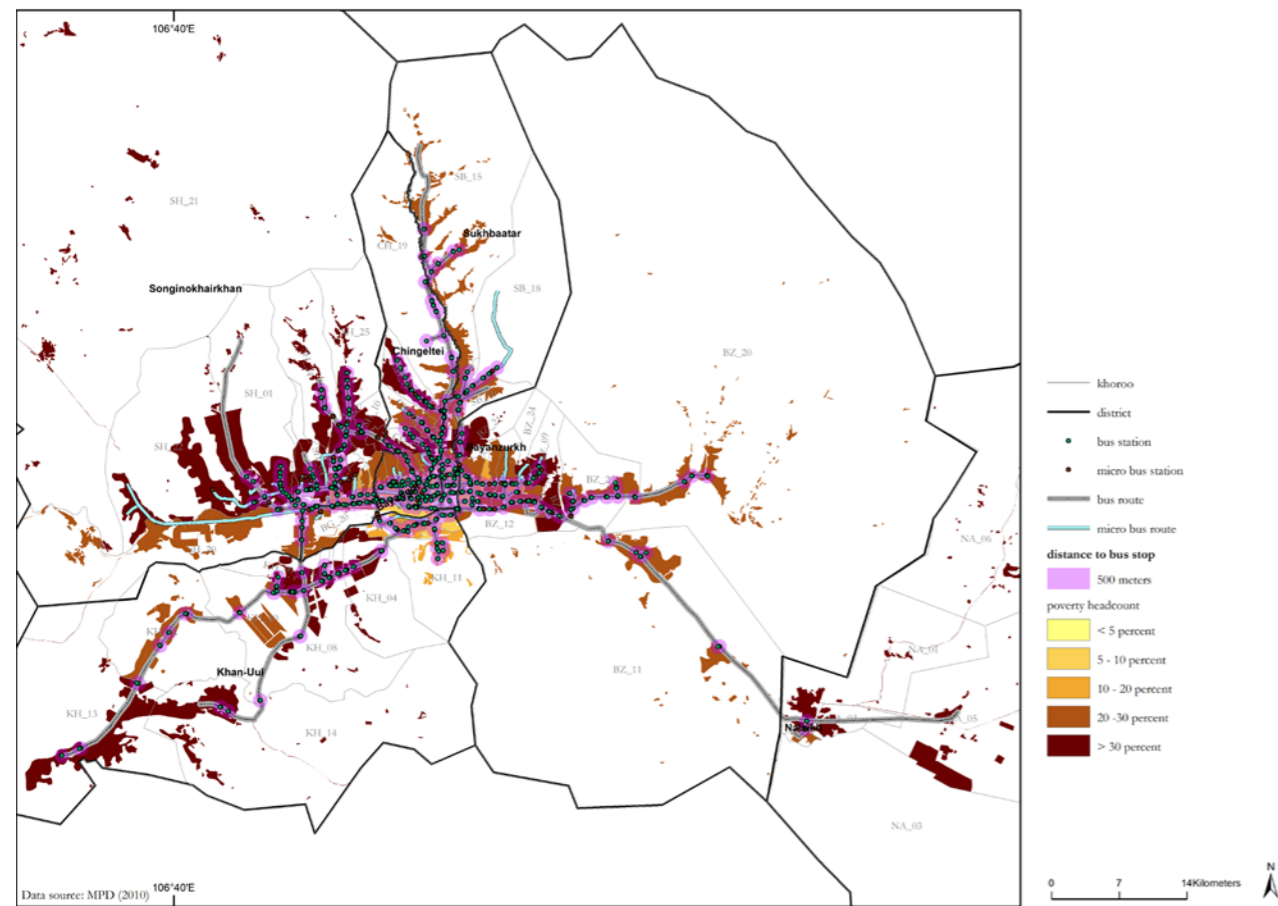World Bank, Forthcoming. "Toward Inclusive Urban Service Delivery in Ulaanbaatar, Mongolia." Ulaanbaatar
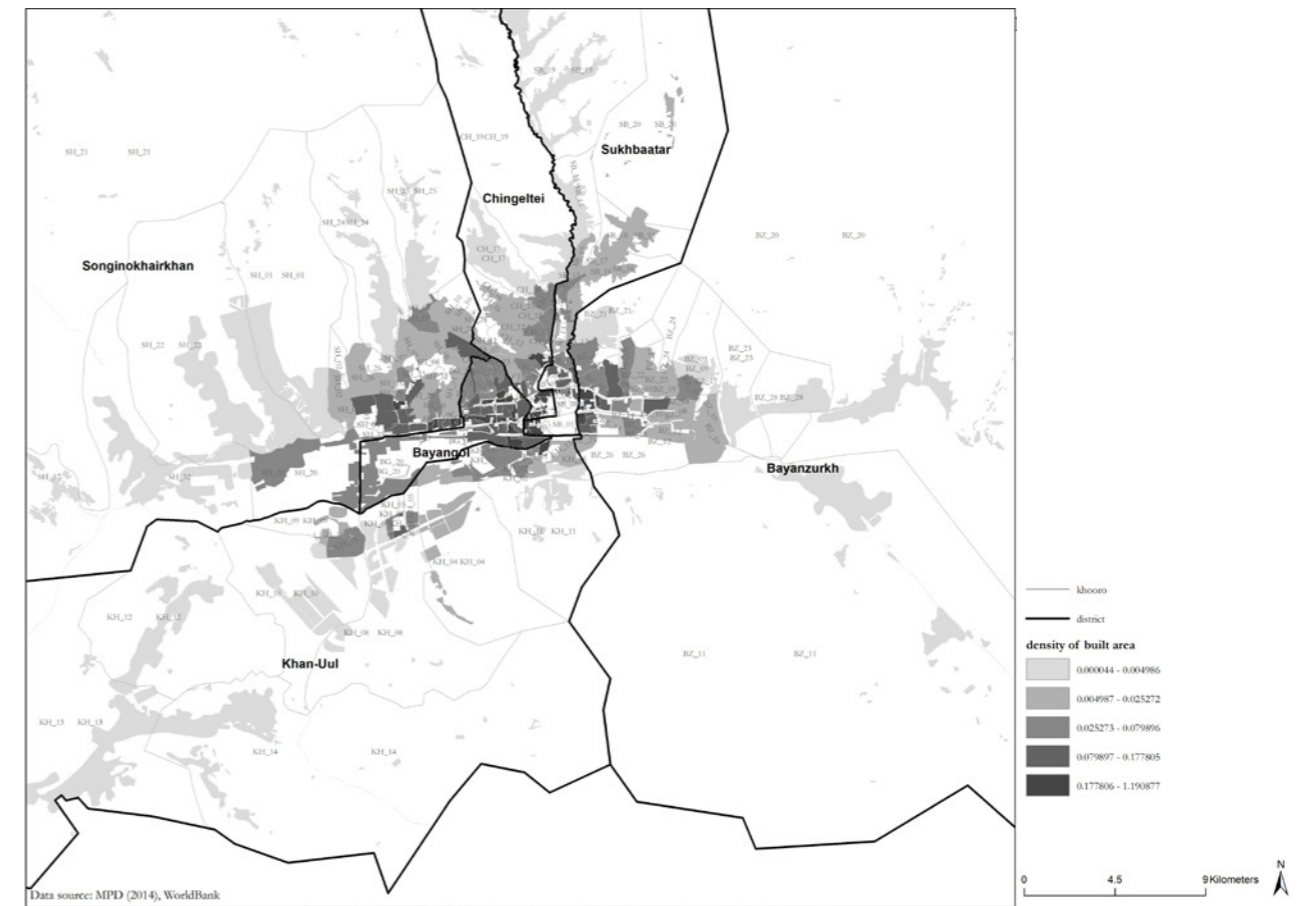
15.0 ANNEX

15.1 POVERTY MAPS

A1. BUS ACCESSIBILITY
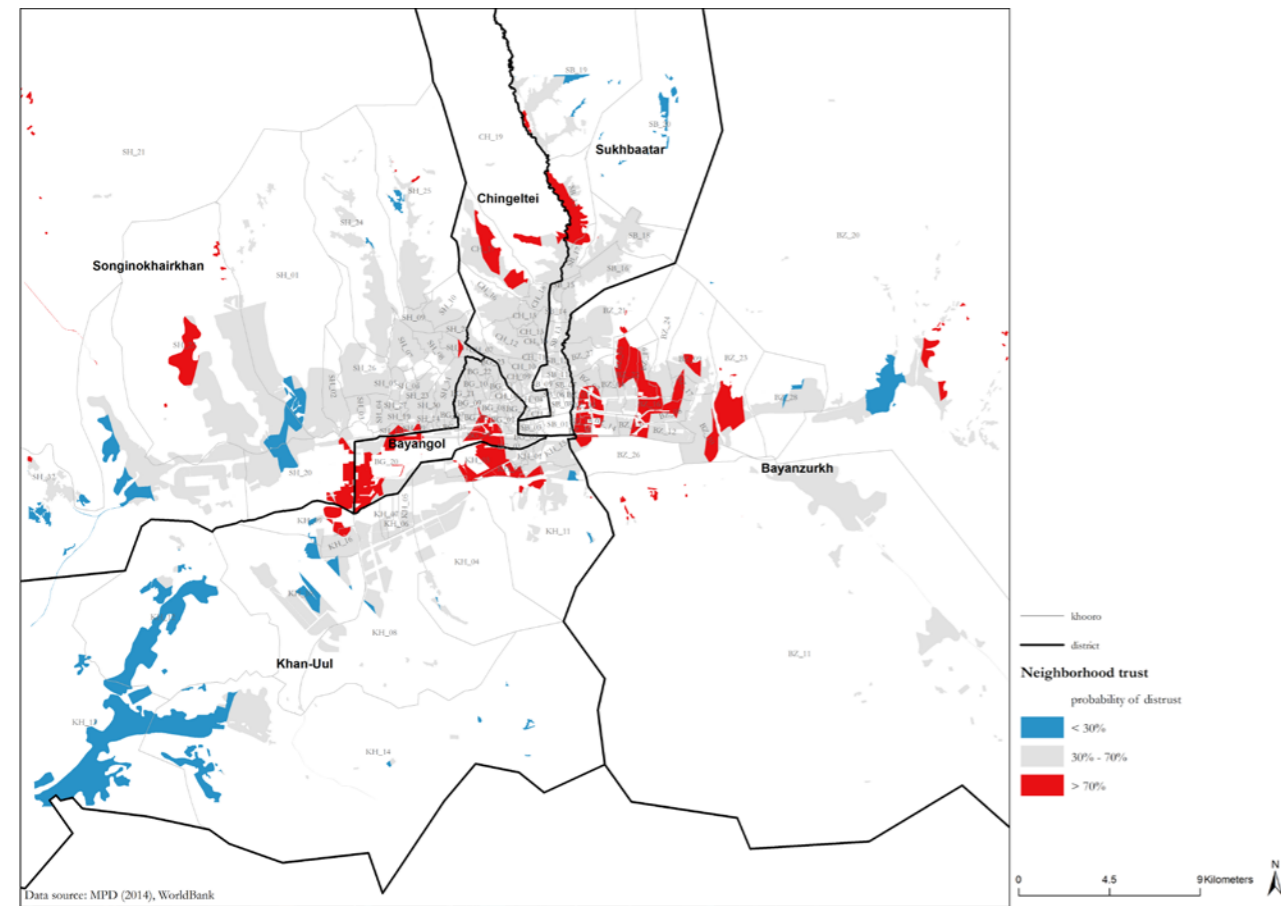

Data source: MPD (2014), WorldBank
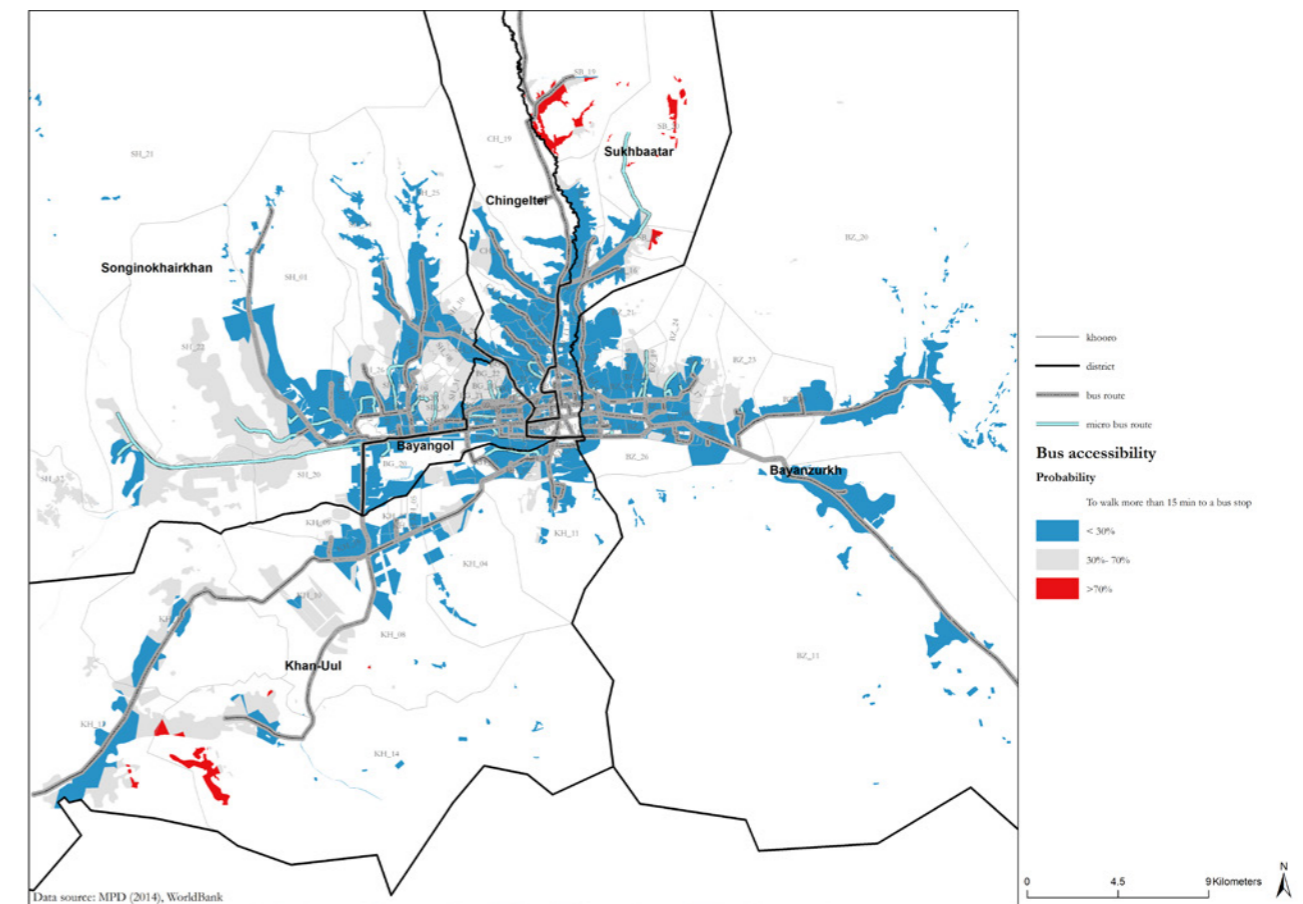
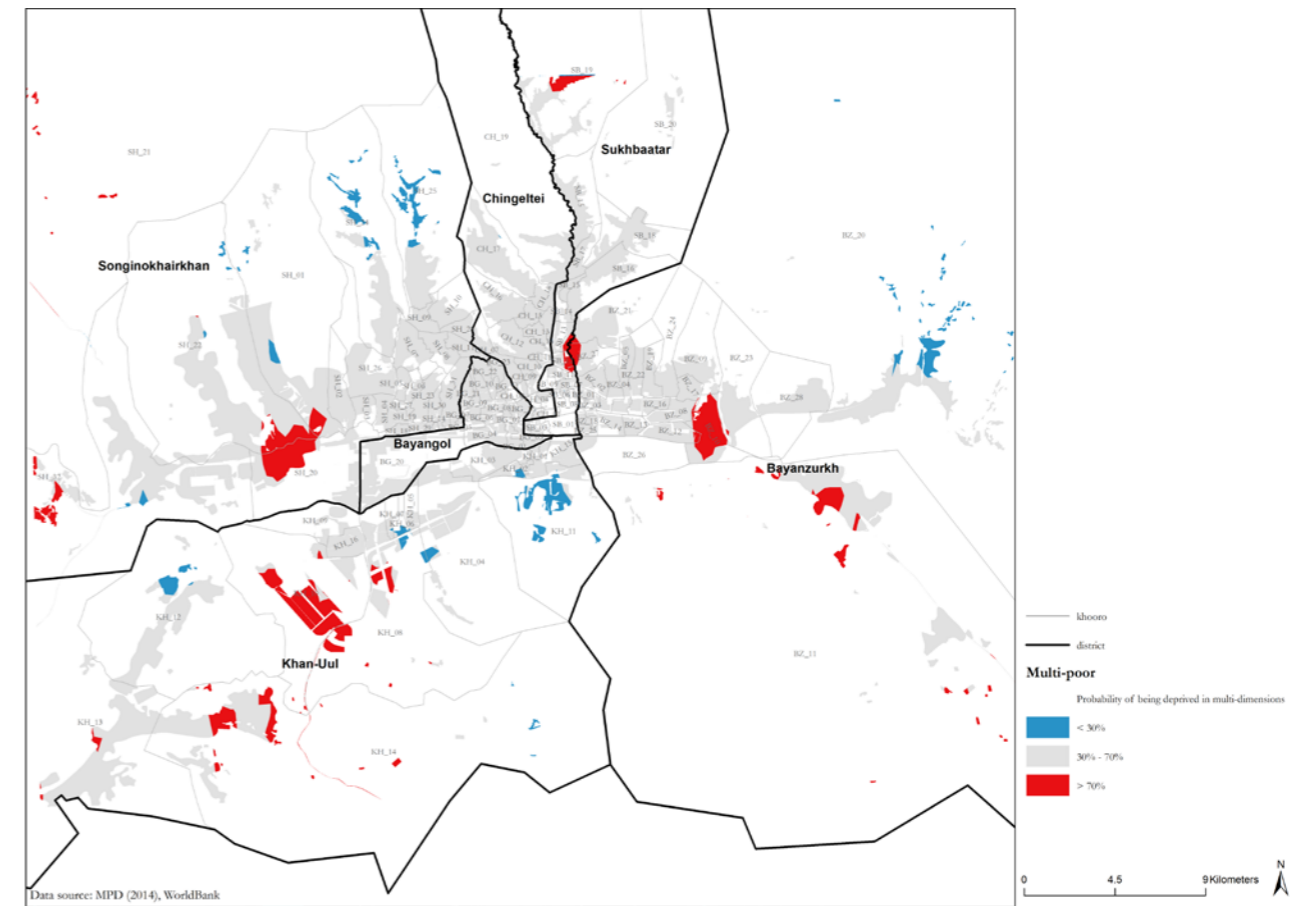## A2. ULAANBAATAR POVERTY HEADCOUNT AND BUS ACCESIBILITYY

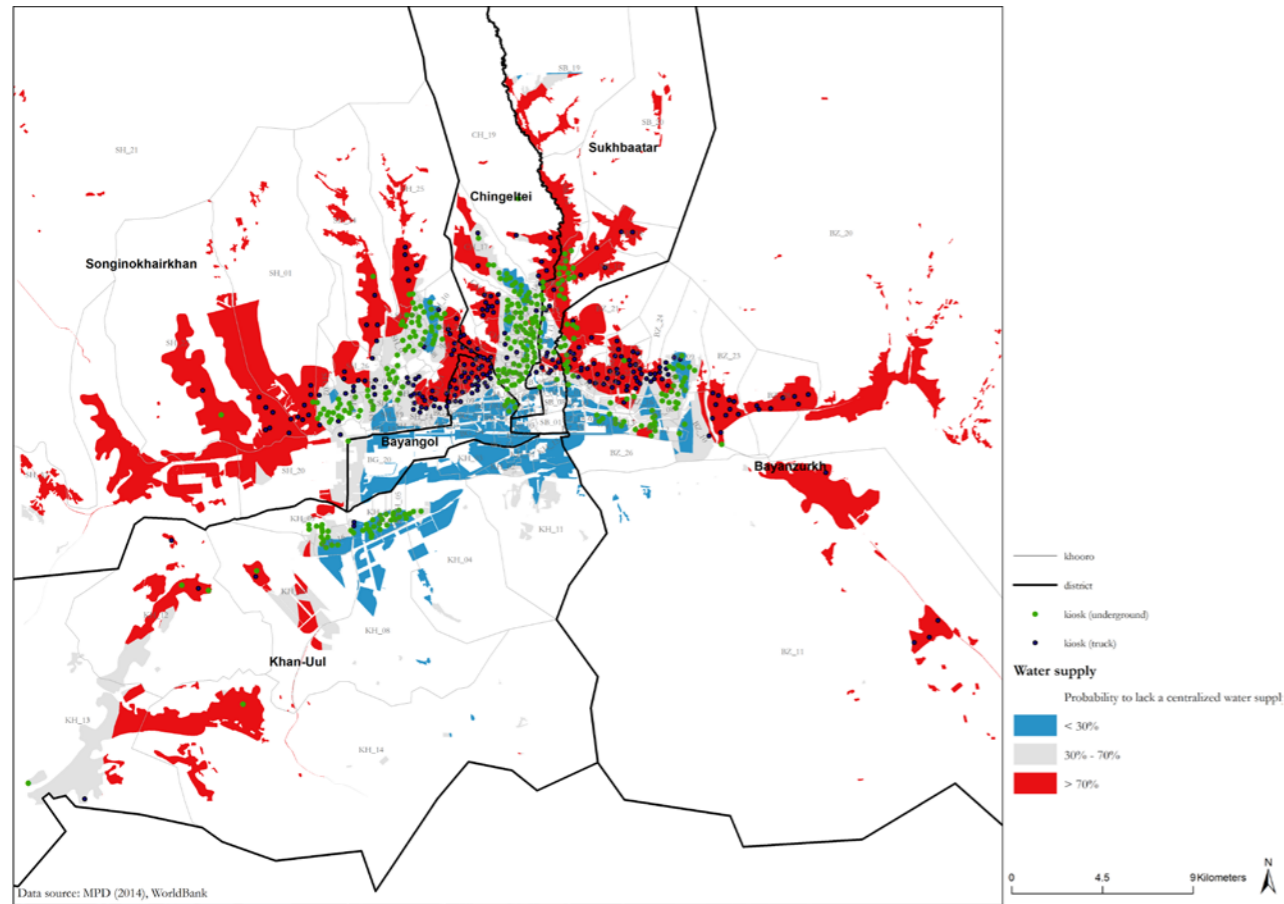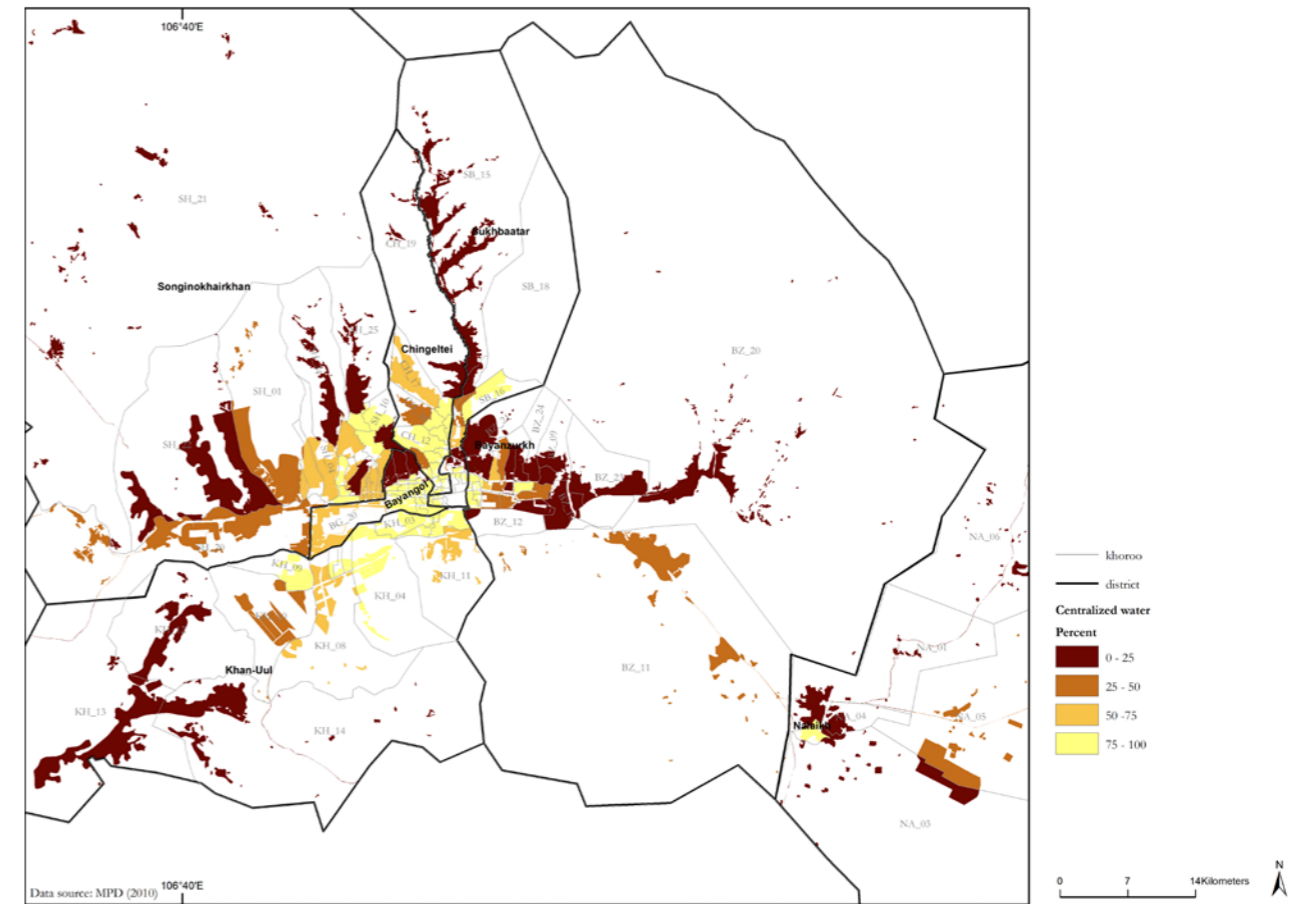## A3. BUILDING DENSITY IN RESIDENTIAL AREAS

A4. NEIGHBORHOOD TRUST

A5. MULTIDIMENSIONAL DEPRIVATION

A6. WATER SUPPLY

Data source: MPD (2014), WorldBank

khoroo
district
kiosk (underground)
kiosk (track)

Water supply
Probability to lack a centralized water suppl

< 30%
30% - 70%
> 70%

0   4.5   9 Kilometers

A7. CENTRALIZED WATER ACCESS

Data source: MPD (2010)

khoroo
district

Centralized water
Percent

0 - 25
25 - 50
50 - 75
75 - 100

0   7   14 Kilometers
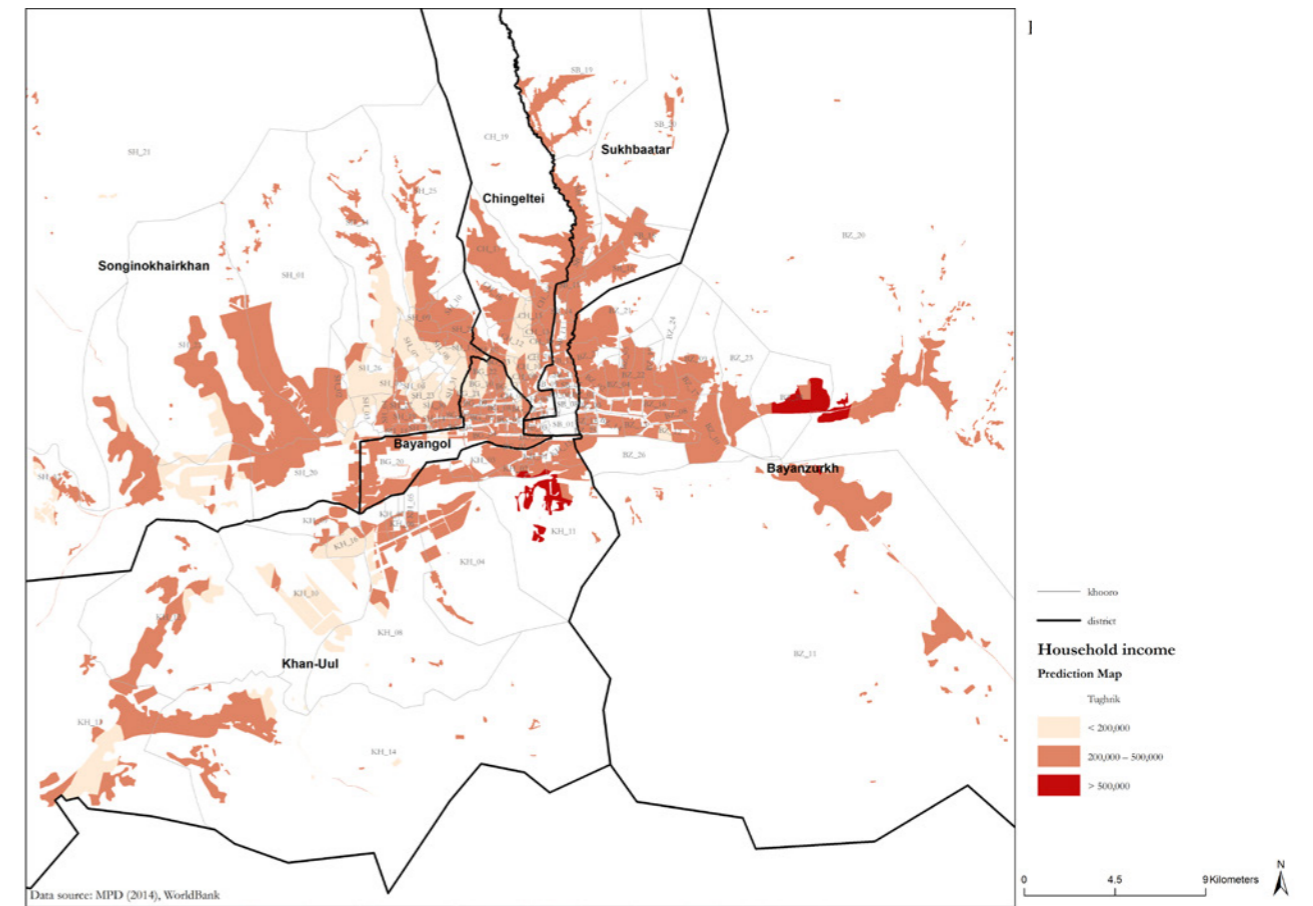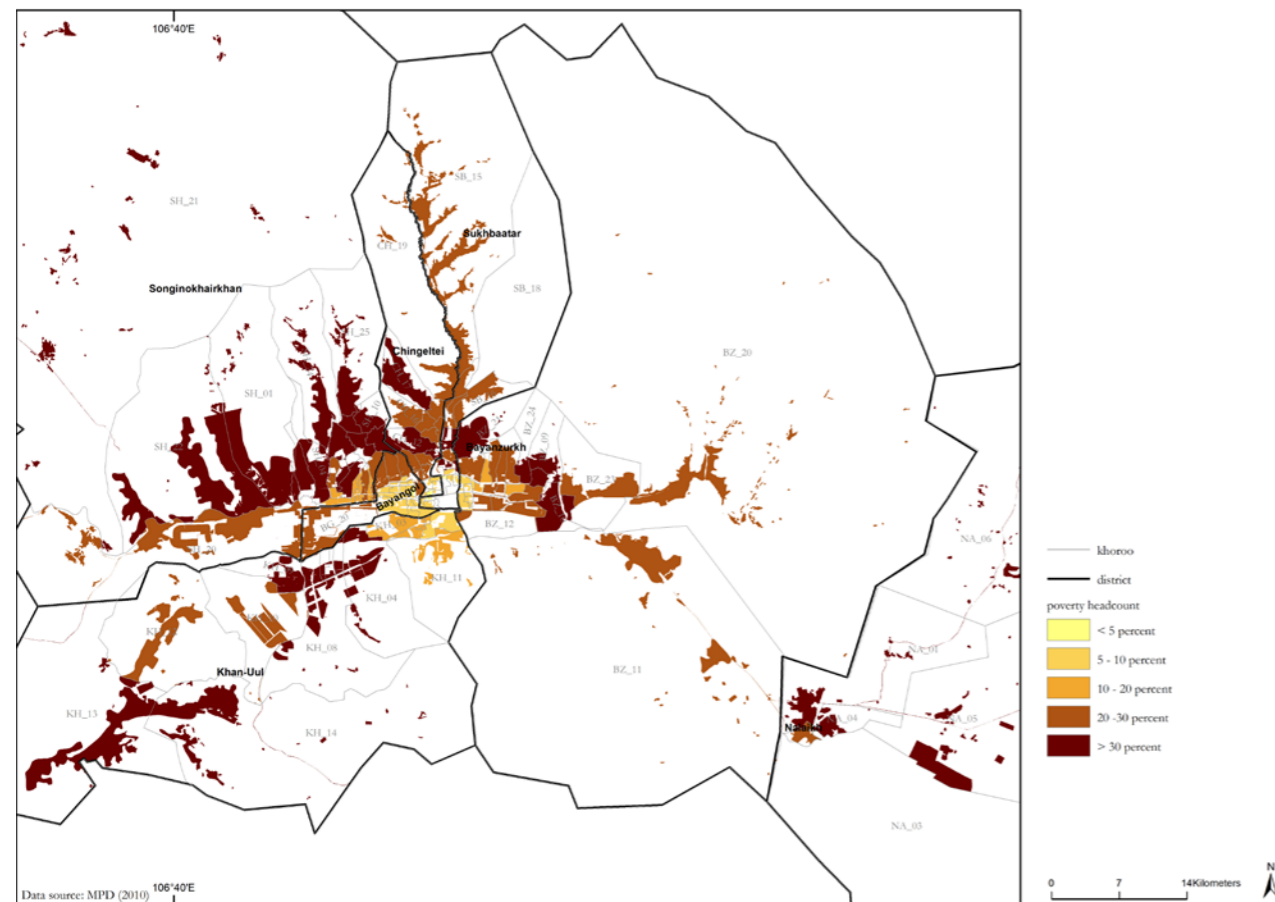
A8. UNUSED SCHOOL CAPACITY
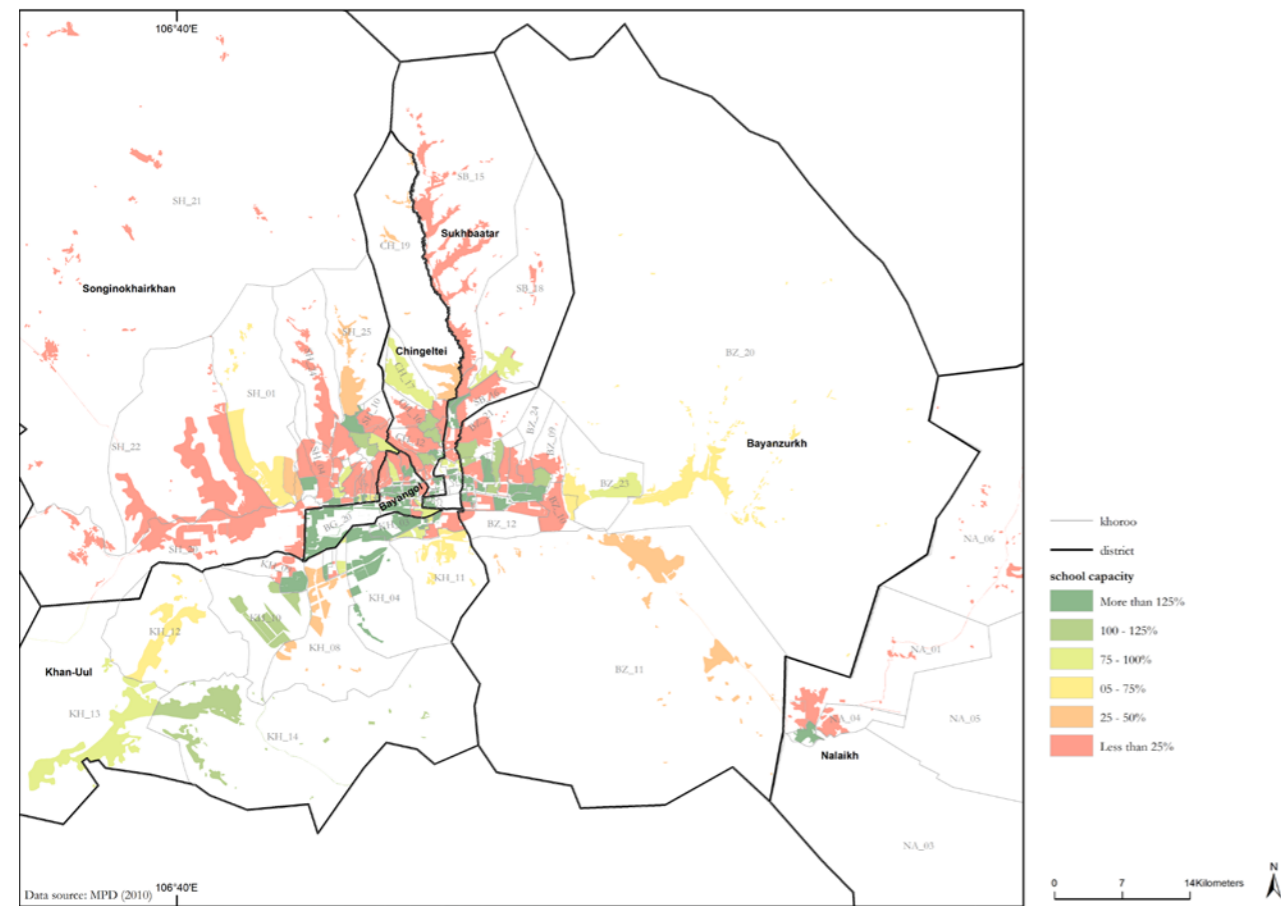
A9. HOUSEHOLD INCOME

A10. POVERTY HEADCOUNT

15.2   METHODOLOGY

2014 SURVEY MAPS

Kriging, a type of spatial interpolation, is the estimation of unknown values by using wighted averages of known values using their spatial covariance.

Categorical data: Indicator Kriging was used to interpolate categorical survey responses collected in Ulan Batur in 2014. Indicator kriging is based on the probability of exceeding a certain threshold. Each threshold was chosen to best focus on deprivation and poverty. Indicator Kriging, a sub-category of ordinary kriging is based on the assumption that the data follow a Gaussian distribution.

Discrete data: Empirical Bayesian Kriging (EBK) was used to interpolate discrete survey responses collected in Ulan Batur in 2014. The assumption that data follow a Gaussian distribution is not needed for Empirical Bayesian Kriging, instead EBK uses the estimated semivariogram model to run hundreds of simulation and obtain a more realistic model for the data.

As with every statistical method, Kriging is based on a set of assumptions, the main one being that the data are assumed to be spatially correlated. Some of of the datasets display higher spatial correlation than others and other factors may affect the spatial variability.

HOTSPOT MAPS

Spatial autocorrelation: Describes the relationship of objects close to each other in space and their respective values. Objects can be clusterd if they are close to each other and have similar values or objects can be dispersed if they are close to each other with dissimilar values.

Univariate and Bivariate LISA are statistical test to examine the spatial correlation of values.

To calculate spatial clustering of similar data and identify hotspots and coldspots we applied a Univariate Local Moran to the 2014 survey interpolated maps[66] . The results display whether data are spatially correlated –correlated data are statistically significant at the 95th percentile. Local Moran I also informs about the type of spatial correlation:

+   If identical values are grouped together in space they will be described as high-high or low-low.
+   If opposite values are grouped together in space they will be described as high-low or low high.

Statistically significant group of similar values in space are often named hotspot and coldspot.

We also applied a Bivariate Local Moran to two different datasets; household income and multi-deprivation. The results display whether the data are spatially co-correlated and whether co-clustering of high or low values occur. The map interpretation is the same as with the Univariate Local Moran I with one difference, Bivariate Local Moran analyzes the spatial variation of two dataset instead of one.

This leads to a slight difference in how to read the results:

+   High-high or low-low are identical values grouped together of one variable with identical (e.g. high) values grouped in space of another variable.
+   Opposite values, high-low or low-high, are identical values of one variable (low or high) grouped together in space with identical values of another variable grouped together in the same spatial area.

In a Bivariate Local Moran if the results are significant the implications are that both variables values are linked to each other by their location in space.

[66] It is important to note that the maps generate using kriging are by definition based on a spatial pattern defined by their respective exstimated covariance model. The results of LISA test should therefore be interpreted with caution.