

# How to Address Constraints Underlying Gender Disparities in Mongolia's Labor Market

A Policy Note from the East Asia and Pacific Umbrella Facility for Gender Equality



Public Disclosure Authorized

Public Disclosure Authorized

Photo: World Bank

Public Disclosure Authorized

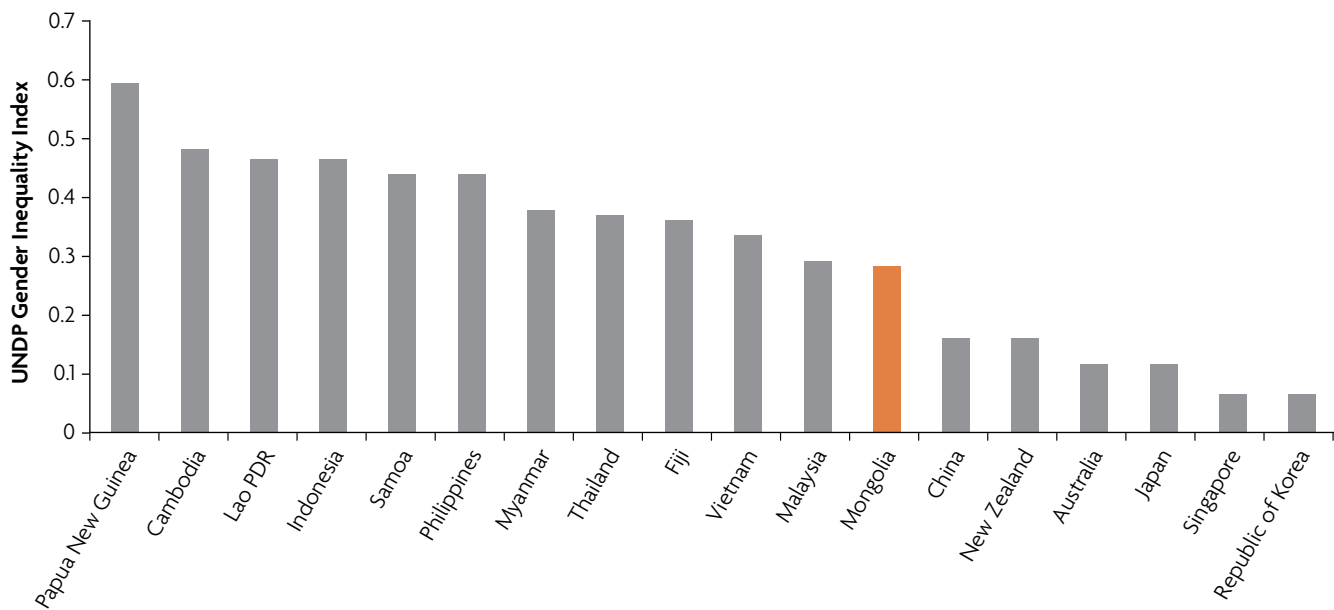
Public Disclosure Authorized

In Mongolia, gender inequality persists with regard to access to economic opportunities, earnings, and productivity. Qualitative research shows that constraints underlying these gender disparities include traditional norms and values in the workplace as well as inadequate quality and quantity of eldercare and childcare facilities. This calls for initiatives to influence gender norms and attitudes among employers and the wider population, with a focus on implementing awareness campaigns, discussions, training, and an expansion in the quality and quantity of available eldercare and childcare services to ensure the continuous participation of more women in the labor market.

As emphasized in *Toward Gender Equality in East Asia and the Pacific: A Companion Report to the World Development Report* (World Bank 2012), gender inequality in access to economic opportunities, earnings, and productivity persists across East Asia and the Pacific. These disparities include wage gaps and the concentration of women and woman-led enterprises in less-remunerative jobs and sectors. This is problematic for at least three reasons. First, utilizing the full potential of women in the labor market would likely result in greater macroeconomic efficiency, all other factors being equal. Second, jobs can serve as direct instruments for the development and empowerment of women. Third, expanding opportunities for women in the labor market has the potential to produce tremendous positive spillovers on women's overall agency, control, and power.

Compared with the majority of countries in the region, gender disparities in Mongolia are relatively muted (figure 1). Even though Mongolian women on average show better income-generating characteristics in general and higher levels of education in particular, significant gender disparities in access to economic opportunities, earnings, and productivity have been documented. More specifically, with the exception of a short period around 2006, women are relatively less likely to make use of their educational attainment by actively participating in the labor market. Between 1996 and 2015, the gender gap in labor-force-participation rates more than doubled, from 4.8 to 12.6 percentage points. In addition, employed women have had consistently lower average earnings than employed men. In 2015, men earned an average of 12.5 percent more per month than women (figure 2). Marked differences also exist in the types of jobs typically pursued by men and women.

Figure 1. Gender Inequality Index of the United Nations Development Programme, by economy, 2015



Source: United Nations Development Programme (2016).

Note: The United Nations Development Programme Gender Inequality Index captures gender disparities in the areas of reproductive health, empowerment, and labor-market participation. A greater index value denotes greater gender inequality.

A relatively large share of women—particularly in rural areas—are employed in precarious informal work and unpaid family work; their participation in entrepreneurial endeavors is far less than that of men; and the prevalence of men and women in various sectors differs.

The constraints underlying these notable gender disparities in access to economic opportunities, earnings, and productivity have long remained largely unclear, offering little guidance for program design. Moreover, there is scant empirical evidence from Mongolia or elsewhere regarding the types of support people generally expect from labor-market policies, particularly intermediation services, and little evidence on the effectiveness of this support in addressing gender-specific constraints.

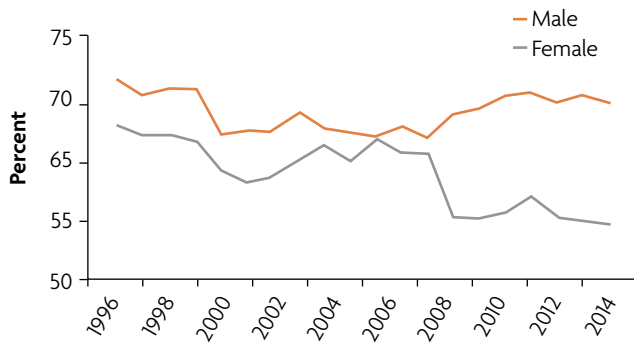
## Methodological Approach

A qualitative tool that can contribute to filling the knowledge gaps was developed for the report on which this note is based: *Perceptions of Precariousness—A Qualitative Study of Constraints Underlying Gender Disparities in Mongolia’s Labor Market* (Schmillen and Weimann-Sandig 2017). Making use of methods of qualitative social science research, mainly focus group discussions, as well as expert and biographic interviews, the tool uncovers answers to questions such as:

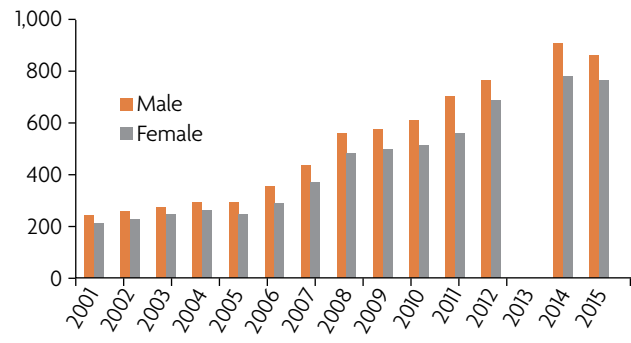
- What gender disparities can be identified or confirmed through qualitative research?
- What are the reasons underlying the gender disparities?
- Are current government policies, including active labor market policies, effective in addressing gender disparities? If not, how can their effectiveness be improved?

**Figure 2. Labor force participation rates by gender, 1996–2015 and real earnings by gender, 2001–15**

a. Labor force participation rate by gender



b. Real earnings by gender  
(in thousands of Mongolian tugriks)



*Quantitative* research tests standardized hypotheses using statistical parameters, with the aim of achieving a representative and random sample. *Qualitative* research has different objectives and relies on very different assumptions. It specifically seeks to reconstruct typical cases by identifying contrasts and common issues in individual experiences and perceptions.

For the focus group discussions conducted for the *Perceptions of Precariousness* report, a professional survey research firm was hired to prepare, implement, and document 22 distinct focus group discussions. Thirteen discussions were conducted in Ulaanbaatar (Mongolia’s capital), seven in *aimag* centers (provincial capitals), and two in *soum* centers (county seats). Experienced qualitative researchers also conducted expert and biographic interviews.

## Findings

The qualitative approach confirms the range of gender disparities in Mongolia’s labor market that had been identified by existing quantitative research, painting a picture of widespread precariousness in employment. Women of all ages and levels of education spoke of pronounced gender-specific

difficulties in accessing jobs and career opportunities. Many women who do have jobs feel trapped in precarious working conditions, according to participants in focus group discussions. They perceive their workplaces to be dependent on norms and values that are traditional, hierarchic, and at times even authoritarian. Open mistrust and even fear of managers and employers is widespread. Many workers complain of the absence of long-term job security, secure wage payments, access to health insurance, and pension systems.

In the public sector, employment opportunities and advancement are widely seen as being influenced by nepotism and party patronage; in the private sector, precarious employment situations are thought to be particularly widespread. Wage arrears are common, as are a lack of labor contracts and obligations of unpaid overtime. These problems are reported to be especially common in construction and in the informal sector generally. Many focus group participants, especially those in the informal or semiformal sector, describe employment relationships in terms of their employers’ hire-and-fire mentality.



Photo: World Bank

Men and women alike are affected by precarious employment, but some issues are very gender-specific. Importantly, there is a widespread perception that working hours are insufficiently flexible, making it difficult for many women, especially mothers, to participate in the labor market. This is also perceived as a sign of employers' disregard for the concerns of female workers.

Focus group discussions revealed that perceived reasons underlying gender disparities in the labor market include (i) norms, such as the prevailing views on the roles of men and women with respect to marriage, household and family-care duties, and suitable career choices and jobs; (ii) deficiencies in the political environment; and (iii) the near-total absence of government support services and programs. Three contributing causes are considered salient:

- A prevailing societal expectation of women is that they devote the majority of their adult lives to supporting their husbands and raising their children.
- Some women manage to combine fulfilling societal expectations with maintaining successful careers, but many others perceive the quality and quantity of eldercare and childcare facilities as inadequate to make this possible.
- Differential legal treatment of men and women appears to cement the acceptance of traditional gender roles despite the emphasis placed on gender equality in today's market-based Mongolia as well as the preceding socialist period.

Incomplete information is another major constraint. Uncertainty about the skills demanded in the labor market is widespread; and students, graduates of higher education, and other job seekers (especially those who are young and female) do not know how to find a job without personal connections.

The legal environment may be a factor underlying gender disparities in the labor market—as well as a potential solution. Like many other countries, Mongolia implements labor-intermediation services and other active labor-market policies, such

as training programs, wage subsidies, and support for entrepreneurship. However, most of the focus group participants with relevant experience made clear their sense that services and policies are often ineffective tools for addressing gender disparities, partly because they lack a focus on gender-specific constraints such as the need to provide child care for the beneficiaries of employment training; and because they are insufficiently transparent, client-focused, and demand-driven.

## Implications for Policy and Practice

The findings of the *Perceptions of Precariousness* report on which this note is based improve our understanding of the constraints that underlie gender disparities in Mongolia's labor market. The study shows how in Mongolia—and potentially more broadly in the region—intermediation services and other policies can be improved to better address those constraints. It also suggests that the qualitative tool developed and launched in Mongolia might potentially be used in other countries.

A summary follows of direct policy recommendations for addressing the constraints underlying gender disparities in Mongolia's labor market:

- Reform Mongolia's legal environment and the implementation and enforcement of antidiscrimination policies. Enforce nondiscrimination in hiring and other aspects of the law on gender equality. To aid in enforcement, step up monitoring of gender-specific indicators.
- Strengthen the client orientation of labor-market intermediation services and labor-market monitoring and analysis. Foster active labor-market policies in general, and improve their responsiveness to gender-specific constraints. Active measures to close gender gaps in economic opportunity should specifically include the creation of an enabling environment for gender equality in

employment and the dismantling of gender silos in the labor market.

- Expand support for microentrepreneurship to realize the full potential of women as microentrepreneurs, including through the provision of finance and training for women-owned and -operated microbusinesses.
- Expand the quality and quantity of eldercare and, in particular, childcare services to enable more women to participate continuously in the labor market. Widen access to early-childhood education by targeting the most underserved rural areas.
- Influence gender norms and attitudes among employers, human-resource managers, and the wider population through awareness campaigns, discussions, and training on modern strategies of human-resource development and gender-sensitive and age-related work planning.

Although the policy recommendations for Mongolia cannot be directly translated into advice for other countries, they nevertheless offer an exemplary set of measures with potential applicability well beyond Mongolia. Moreover, the qualitative tool developed and launched for the investigation of constraints underlying gender disparities in Mongolia's labor market can be deployed to inform gender-specific policy design in other countries of the region, thereby contributing to a reduction in the regional variance in access to economic opportunities, productive employment, and earnings of women and men.

## References

- Schmillen, Achim, and Nina Weimann-Sandig. 2017. *Perceptions of Precariousness—A Qualitative Study of Constraints Underlying Gender Disparities in Mongolia's Labor Market*. World Bank: Washington, DC.
- United Nations Development Programme. 2016. *Human Development Report 2016—Human Development for Everyone*. United Nations Development Programme: New York.
- World Bank. 2012. *Toward Gender Equality in East Asia and the Pacific: A Companion Report to the World Development Report*. World Bank: Washington, DC. <http://documents.worldbank.org/curated/en/270511468246373406/pdf/734380PUB0Box30ward0gender0equality.pdf>.

Photo: Ingo Wiederhofer | World Bank



### Acknowledgments

The report on which this note is based was prepared by the World Bank's Social Protection and Jobs Global Practice. It was written by Achim Schmillen and Nina Weimann-Sandig with guidance from James Anderson and Jehan Arulpragasam and input from Wendy Cunningham and Tungalag Chuluun. The report was peer-reviewed by Helle Buchhave, Social Urban Rural and Resilience Global Practice and Matteo Morgandi, Social Protection and Jobs Global Practice. This note was published under the EAP Gender Capacity Project led by the EAP Social Development Team of the Bank, with the objective to promoting learning of clients, partners and task teams on strategic regional priorities. Funding was provided through the East Asia Pacific Umbrella Facility for Gender Equality (EAP UFGE), a multi-donor trust fund. For more information, please contact Ludy Anducta, GSURR, at [landucta@worldbank.org](mailto:landucta@worldbank.org).

