

## DECENT WORK IN MONGOLIA: CURRENT STATUS AND FUTURE OUTLOOK

### TRABALHO DECENTE NA MONGÓLIA: SITUAÇÃO ATUAL E PERSPECTIVAS FUTURAS

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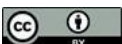
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#### **Abstract**

This article examines the current state of decent work in Mongolia within the framework of the International Labour Organization Decent Work Agenda and evaluates the structural challenges affecting labor market balance and employment quality. The study aims to identify the major constraints facing decent work development in Mongolia and to highlight policy directions that should be prioritized by the government in order to strengthen employment opportunities, improve labor productivity, and ensure safe and equitable working conditions. The research analyzes the present condition of decent work in Mongolia through three principal dimensions: employment opportunities, productive and adequately remunerated employment, and working conditions. The study relies on statistical indicators, labor market data, and policy analysis derived from national statistical databases, government reports, and international labor standards. The findings reveal that public

#### **Resumo**

*Este artigo examina a situação atual do trabalho decente na Mongólia no contexto da Agenda do Trabalho Decente da Organização Internacional do Trabalho (OIT) e avalia os desafios estruturais que afetam o equilíbrio do mercado de trabalho e a qualidade do emprego. O estudo tem como objetivo identificar as principais restrições ao desenvolvimento do trabalho decente na Mongólia e destacar as direções de política pública que devem ser priorizadas pelo governo para fortalecer as oportunidades de emprego, melhorar a produtividade do trabalho e garantir condições de trabalho seguras e equitativas. A pesquisa analisa a condição atual do trabalho decente na Mongólia por meio de três dimensões principais: oportunidades de emprego, emprego produtivo e adequadamente remunerado, e condições de trabalho. O estudo baseia-se em indicadores estatísticos, dados do mercado de trabalho e análises de políticas públicas derivados de bases de dados estatísticos*



understanding and policy coordination related to decent work remain insufficient in Mongolia. Despite certain improvements in macroeconomic performance and unemployment indicators in recent years, labor force participation and employment rates have shown limited progress, while informal employment remains high. Moreover, wage growth has not been accompanied by proportional increases in real income and labor productivity across major sectors of the economy. The article further argues that although market economies generally favor limited state intervention, active government participation remains essential for promoting balanced labor market development, supporting productive employment, and ensuring social protection and occupational safety. Based on the findings, the study proposes policy recommendations in six major areas, including macroeconomic coordination, sectoral employment policies, labor market regulation, labor relations, wage and productivity policies, and social protection reforms.

**Keywords:** Decent Work. Employment Policy. Labor Market. Productivity. Wages. Occupational Safety. Mongolia.

*nacionais, relatórios governamentais e normas internacionais do trabalho. Os resultados revelam que a compreensão pública e a coordenação de políticas relacionadas ao trabalho decente ainda permanecem insuficientes na Mongólia. Apesar de certas melhorias no desempenho macroeconômico e nos indicadores de desemprego nos últimos anos, as taxas de participação da força de trabalho e de emprego apresentaram progresso limitado, enquanto o emprego informal continua elevado. Além disso, o crescimento salarial não foi acompanhado por aumentos proporcionais na renda real e na produtividade do trabalho nos principais setores da economia. O artigo argumenta ainda que, embora as economias de mercado geralmente favoreçam uma intervenção estatal limitada, a participação ativa do governo continua sendo essencial para promover o desenvolvimento equilibrado do mercado de trabalho, apoiar o emprego produtivo e assegurar a proteção social e a segurança ocupacional. Com base nos resultados obtidos, o estudo propõe recomendações de políticas públicas em seis áreas principais, incluindo coordenação macroeconômica, políticas setoriais de emprego, regulação do mercado de trabalho, relações laborais, políticas salariais e de produtividade, e reformas da proteção social.*

**Palavras-chave:** Trabalho Decente. Política de Emprego. Mercado de Trabalho. Produtividade. Salários. Segurança Ocupacional. Mongólia.

## 1 INTRODUCTION

The concept of decent work has become one of the central policy frameworks promoted by the International Labour Organization in response to the growing challenges of globalization, labor market inequality, unemployment, and social insecurity. Since the adoption of the Decent Work Agenda at the 87th Session of the International Labour Conference in 1999 (<https://www.ilo.org/resource/article/responding-globalization-decent-work-agenda>), decent work has been recognized as a universal objective for member states, integrating productive employment, labor rights, social protection, and social dialogue into a unified development framework.

According to the International Labour Organization, decent work refers to productive work performed under conditions of freedom, equity, security, and human dignity (<https://www.unescwa.org/sd-glossary/decent-work>). It implies that workers

should have access to adequate income, safe and healthy working environments, social protection, opportunities for personal development, and equal treatment within the labor market. Furthermore, decent work emphasizes the importance of freedom of association and collective representation as fundamental labor rights.

In recent years, decent work has also become closely connected with the implementation of the United Nations Sustainable Development Goals, particularly SDG 8, which aims to promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all. In developing and transition economies, the promotion of decent work has become increasingly important due to rising labor market instability, informal employment, and widening income inequality.

In the case of Mongolia, however, academic studies and policy discussions specifically addressing decent work remain relatively limited. Existing studies have primarily focused on labor market conditions, employment policy, unemployment, and social protection, while the broader framework of decent work has received comparatively less scholarly attention. Although labor market indicators such as unemployment rates have shown partial improvement in recent years, structural challenges related to labor force participation, labor productivity, wage inequality, occupational safety, and informal employment continue to persist.

This article aims to examine the current condition of decent work in Mongolia and to identify the major policy challenges affecting balanced labor market development. The study specifically focuses on three interrelated dimensions: employment opportunities, productive and adequately paid employment, and working conditions. Based on statistical evidence and policy analysis, the article further proposes policy recommendations aimed at strengthening decent work and improving labor market governance in Mongolia.

## **2 LITERATURE REVIEW**

The theoretical foundation of decent work originates from labor economics, social justice theory, and international labor standards developed by the International Labour Organization. Since the late twentieth century, the concept has evolved into a comprehensive framework linking employment, social inclusion, labor rights, and sustainable economic development.

The Decent Work Agenda introduced by the International Labour Organization in 1999 identifies four strategic objectives: (1) promoting rights at work, (2) generating employment and income opportunities, (3) enhancing social protection, and (4) strengthening social dialogue (<https://www.decentworktoolbox.be/knowledge-resources/four-pillars-of-decent-work>). These objectives collectively emphasize that economic growth alone is insufficient unless accompanied by equitable and productive employment opportunities.

Scholars in labor economics have increasingly argued that employment quality is as important as employment quantity. Modern labor market studies emphasize that sustainable economic development depends not only on reducing unemployment but also on ensuring productive employment, fair wages, occupational safety, and social security coverage. In this context, decent work has become a multidimensional indicator of social and economic development.

In Mongolia, studies related to labor economics and employment policy have mainly focused on labor market structure, employment promotion, labor migration, and unemployment reduction. The works of Mongolian labor economist Professor. Mr. Sodnomdorj Nyamjav, Sc.D. have provided important theoretical explanations regarding labor economics, labor productivity, and decent work within the context of Mongolia's transition economy. In particular, his publications on modern labor economics emphasize the importance of balancing labor market development with state policy intervention, productivity growth, and social welfare protection.

Previous studies conducted by national institutions, including the Ministry of Labour and Social Protection, the National Statistics Office, and academic research organizations, have also highlighted structural challenges affecting Mongolia's labor market. These include persistent informal employment, low labor productivity in certain sectors, income inequality, and inadequate occupational safety standards.

Nevertheless, comprehensive research specifically analyzing decent work in Mongolia through an integrated framework remains limited. This article seeks to contribute to the existing literature by examining multiple dimensions of decent work simultaneously and by connecting labor market performance with broader employment policy considerations.

### **3 RESEARCH METHODOLOGY**

This study employs a qualitative policy analysis approach supported by statistical and descriptive analysis of labor market indicators. The research is based on secondary data obtained from the National Statistics Office of Mongolia, labor market reports issued by the Ministry of Labour and Social Protection, and publications of the International Labour Organization.

The analytical framework of the study is structured around three core dimensions of decent work:

1. Employment opportunities;
2. Productive and adequately remunerated employment;
3. Working conditions and occupational safety.

Relevant statistical indicators related to unemployment, labor force participation, wages, labor productivity, occupational injuries, and informal employment were examined in order to assess the current condition of decent work in Mongolia. The study further applies comparative and interpretative analysis to evaluate the relationship between macroeconomic development, labor market performance, and state employment policies.

The research also incorporates policy-oriented analysis by examining the role of government intervention in promoting labor market balance, employment generation, and social protection mechanisms.

### **4 EMPLOYMENT OPPORTUNITIES**

One of the fundamental components of decent work is the existence of accessible and sustainable employment opportunities. In Mongolia, however, several major labor market indicators have shown limited long-term improvement.

Although the unemployment rate declined to 5.3 percent in 2023, labor force participation and employment rates have remained relatively stagnant over the past decade. Labor force participation rate declined from 61.6 percent to 59.5 percent between 2010 and 2023, while the employment rate showed only marginal improvement during the same period. In addition, the economically inactive population reached approximately

930 thousand persons in 2023, of whom 62.1 percent were women (National Statistics Office of Mongolia. Statistical Database. Available at: <https://www.1212.mn>).

The persistence of these challenges reflects broader structural weaknesses within the Mongolian economy. Economic instability between 2012 and 2016 significantly affected sectors with high employment absorption capacity, limiting opportunities for job creation and contributing to unemployment and poverty risks. Although economic growth resumed after 2017, the relationship between GDP growth and employment generation remained weak.

The study further finds that Mongolia lacks an integrated cross-sectoral employment policy capable of linking macroeconomic development with labor market objectives. Economic growth has not consistently translated into increased employment, suggesting insufficient coordination between sectoral development strategies and employment promotion policies.

Another significant concern is the high level of informal employment, which accounted for 41.1 percent of total employment in 2023, including the agricultural sector (National Statistics Office of Mongolia. Statistical Database. Available at: <https://1212.mn>). Informal employment often lacks social protection, stable income, occupational safety, and legal protections, thereby undermining the core principles of decent work.

These findings indicate that Mongolia continues to face substantial difficulties in achieving inclusive labor market participation and sustainable employment growth.

## **5 PRODUCTIVE EMPLOYMENT, WAGES, AND LABOR PRODUCTIVITY**

Adequate wages and productive employment constitute another essential pillar of decent work. Although average nominal wages in Mongolia have increased in recent years, real income growth has remained relatively limited due to inflation and broader economic pressures. In other words, although the average wage level increased by 169 points during the period 2012–2022, real wages rose by only 31 points, while wages measured in U.S. dollar terms increased by merely 17 points (MMCG. Medium-Term Forecast of Mongolia’s Labour Market Supply and Demand (2024–2035). Ulaanbaatar, 2023.).

As of 2023, the average monthly wage in Mongolia reached 1.88 million MNT. However, significant gender disparities remain, with male workers earning substantially higher wages than female workers on average (National Statistics Office of Mongolia). Furthermore, a considerable proportion of workers continue to receive wages close to or below subsistence levels.

Sectoral disparities in wage distribution are also highly pronounced. Mining and international organizations report the highest average wages, yet these sectors employ only a relatively small share of the labor force. By contrast, sectors with lower wages, including agriculture, trade, and manufacturing, employ nearly half of all workers.

Labor productivity remains another major challenge. Mongolia's GDP per worker was estimated at 22.4 million MNT in 2023 (National Statistics Office of Mongolia), with significant differences across economic sectors. Financial services, mining, and information technology demonstrate relatively high productivity levels, whereas agriculture and construction remain comparatively low-productivity sectors.

The study further observes that the share of GDP distributed through wages and social transfers remains relatively low compared to other countries. This indicates that the benefits of economic growth are not sufficiently distributed among workers and households.

Without improving labor productivity and strengthening wage policies, Mongolia may continue to experience labor migration and difficulties in attracting skilled workers to remain in the domestic labor market.

## **6 WORKING CONDITIONS AND OCCUPATIONAL SAFETY**

Safe and healthy working conditions represent one of the most important indicators of decent work. However, occupational safety and health conditions in Mongolia remain insufficient in several sectors.

Statistical data show that workplace accidents and fatal occupational injuries increased between 2016 and 2023. This trend indicates that existing occupational safety standards and enforcement mechanisms remain inadequate.

The rise in industrial accidents demonstrates the need for stronger labor inspection systems, improved workplace safety standards, and greater employer accountability.

Occupational safety should not merely be treated as a regulatory obligation but as a fundamental component of human-centered economic development.

Improving workplace conditions is particularly important in high-risk sectors such as mining, construction, and manufacturing, where accident rates remain comparatively high.

## **7 POLICY IMPLICATIONS AND RECOMMENDATIONS**

Based on the findings of this study, the following policy recommendations are proposed:

### **7.1 Strengthening macroeconomic coordination**

Government macroeconomic policies should prioritize employment generation, productive job creation, and poverty reduction alongside economic growth objectives.

### **7.2 Developing cross-sectoral employment policies**

Sectoral development strategies should incorporate employment targets and support the creation of productive and decent jobs for Mongolian citizens.

### **7.3 Improving labor market regulation**

The government should establish a long-term labor market forecasting and monitoring system capable of assessing labor demand, labor supply, and graduate employment trends.

### **7.4 Strengthening labor relations and occupational safety**

Tripartite social dialogue among government, employers, and workers should be strengthened in accordance with international labor standards.

### **7.5 Promoting productivity-based wage policies**

Wage systems should encourage productivity growth while ensuring that employed workers can maintain a decent standard of living.

### **7.6 Reforming social protection policies**

Social insurance and welfare policies should become more sustainable, targeted, and capable of protecting vulnerable groups within the labor market.

## **8 CONCLUSION**

This article examined the current condition of decent work in Mongolia through the dimensions of employment opportunities, productive employment and wages, and working conditions. The findings demonstrate that although certain labor market indicators have improved, major structural challenges remain unresolved.

Mongolia continues to face difficulties related to labor force participation, informal employment, low productivity sectors, wage inequality, and occupational safety. These challenges indicate that achieving decent work requires not only economic growth but also comprehensive state policies aimed at strengthening labor market governance, social protection, and inclusive development.

The study concludes that active state participation remains essential for promoting balanced labor market development and ensuring decent work conditions in Mongolia. Future policy reforms should therefore focus on integrating macroeconomic policy, employment promotion, productivity growth, and social protection into a coherent long-term development strategy.

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