



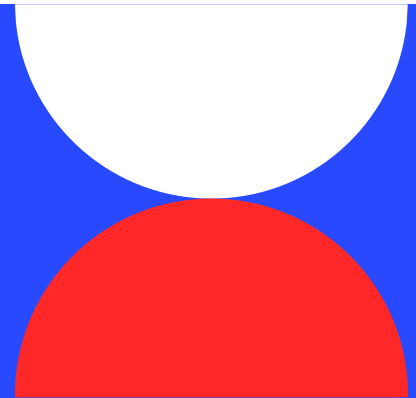
Presentation of Pre-training report

Mongolian Employers' Federation
Specialist of Labor Relations Department - ENKHJIN. B

MONGOLIAN EMPLOYERS' FEDERATION

The Mongolian Employers' Federation (MONEF) is an independent, non-governmental membership organization founded on September 29, 1990, by 35 private company owners who voluntarily affiliated. Initially known as the Employers' Federation of Private Enterprises, it was renamed in 1998. MONEF's mission is to advocate for employers' interests and to support the development of Mongolia's private sector. It is a nationwide organization that includes 21 regional associations, with representatives in 60 districts, along with 41 professional and 12 sectoral associations. Collectively, MONEF represents approximately 8,100 businesses across industries such as manufacturing, construction, transportation, banking, insurance, and services.

MONEF plays a critical role in providing its members with essential information, training, and consultancy, along with fostering international cooperation with other employers' organizations to address labor issues. As the sole organization in Mongolia equipped to tackle a wide range of labor challenges, MONEF serves as a key representative for employers in national decision-making, particularly within the National Tripartite Committee. Membership is open to both local and foreign employers who support MONEF's mission and objectives.



MONGOLIAN EMPLOYERS' FEDERATION

Overview:

Established: September 29, 1990, initially named Employers' Federation of Private Enterprises

- **Membership:** Represents around 8,100 businesses across Mongolia, including:
 - 21 regional employers' associations
 - 60 district (sums) representatives
 - 41 professional associations
 - 12 sectoral associations

Mission and Objectives:

- Advocate for employers' interests and the private sector's development
- Promote sustainable growth for Mongolian businesses
- Provide essential support services to members, including:
 - Information and updates on regulatory changes
 - Training and skill development programs
 - Consultancy on business and labor issues

Key Functions and Roles:

Policy Influence: Represents employers in national-level decision-making, notably on the National Tripartite Committee for labor issues

International Partnerships: Cooperates with global employers' organizations to address labor standards and economic challenges

Member Services:

- Shares critical insights on industry trends and regulations
- Supports businesses with advisory services to enhance competitiveness

Membership Eligibility:

Open to all local and foreign employers in Mongolia who align with MONEF's mission and values

MONGOLIAN EMPLOYERS' FEDERATION

Industrial Relations (IR) Duties:

1. Advocacy for Employers' Rights:

- Represent employers in discussions on labor laws and regulations.
- Participate in the National Tripartite Committee to ensure employers' perspectives are included in policy-making.

2. Labor Dispute Resolution:

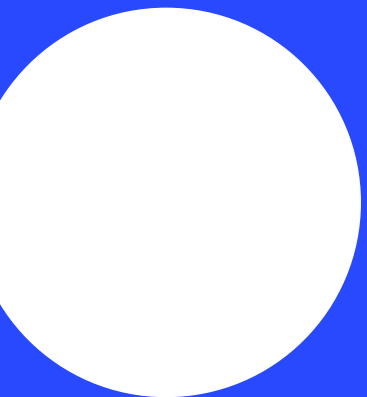
- Assist members with dispute resolution strategies and negotiations to promote harmonious labor relations.
- Provide consultancy on compliance with national and international labor standards.

3. Collaboration with International Organizations:

- Partner with global employers' organizations to address labor and industrial relations issues, bringing international best practices to Mongolia.
- Develop programs to enhance labor standards and improve employer-employee relations across sectors.

4. Information and Policy Updates:

- Keep members informed on changes in labor regulations, wage standards, and employment practices.
- Provide analysis on the impact of legislative changes on employers.



MONGOLIAN EMPLOYERS' FEDERATION

Human Resource Management (HRM) Duties:

1. Training and Development:

- Offer skill development programs to improve workforce competencies.
- Conduct training on HR best practices, regulatory compliance, and labor rights for member organizations.

2. Consulting Services:

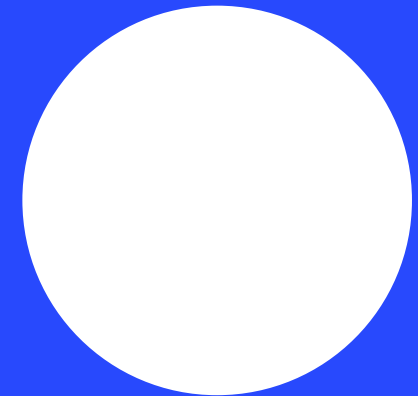
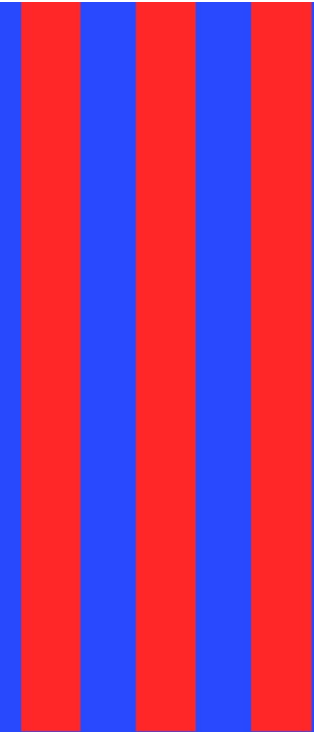
- Provide HR consulting to help businesses manage their human resources effectively.
- Support members in developing HR policies, recruitment practices, and performance management systems.

3. Research and Data Sharing:

- Conduct and share research on HR trends, employee retention, and workforce management.
- Collect and disseminate data on industry-specific employment practices to help members make informed HR decisions.

4. Employee Relations and Engagement:

- Promote fair workplace practices and employee engagement strategies to improve productivity.
- Offer guidance on conflict management and fostering positive employer-employee relationships.



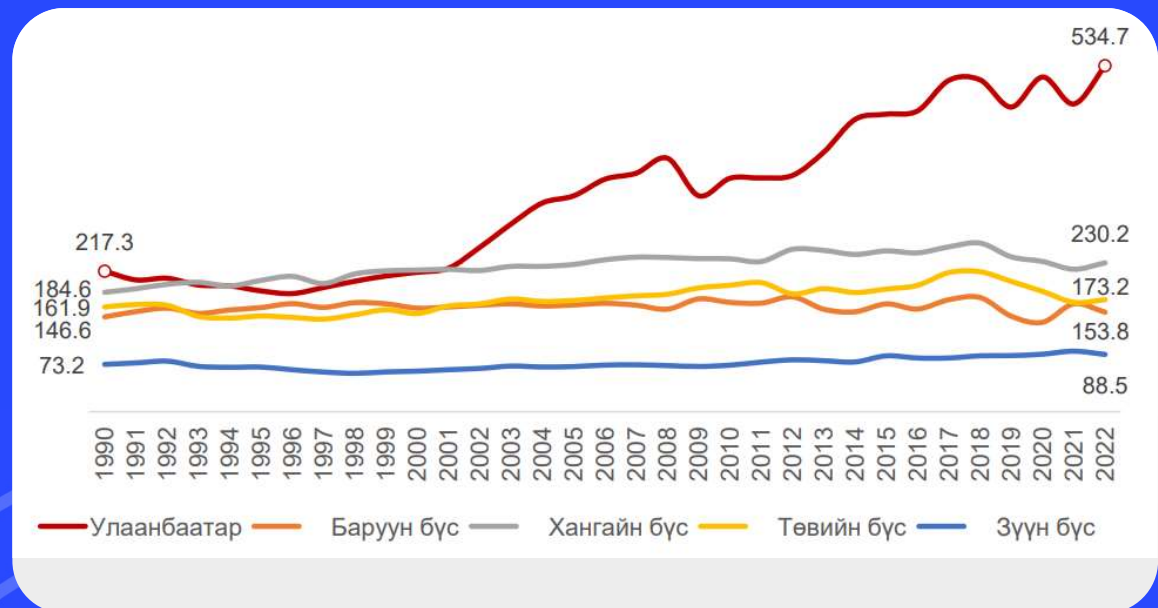
Labor conditions in Mongolia

By the end of 2023, the number of employees in Mongolia reached 1,180,000, of which 534.700 are in Ulaanbaatar. Since 1990, the number of employees in rural areas has not increased significantly. For example, in 1990, there were 73.2 thousand employees in the eastern region, while in 2023, there were 88.5 thousand. Meanwhile, the number of employees in Ulaanbaatar has increased 2.5 times in the last 30 years.

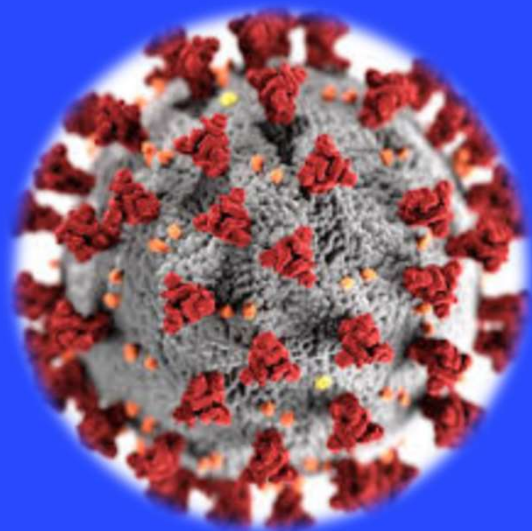
Ulaanbaatar accounts for 0.3% of Mongolia's territory, but 47.6% of the total population lives there, resulting in an overconcentration of the population. This has created many negative consequences for the socio-economy, urban planning, human health, and the environment, one of which is the problem of traffic congestion in the city.

The main reasons for migrating to Ulaanbaatar are related to people's needs such as getting a job and increasing their income, obtaining higher education, improving health services and living conditions. Therefore, it is necessary to increase interest in working in rural areas by supporting local development, improving infrastructure, ensuring balanced regional development, and creating favorable living conditions in rural areas.

- The current labor shortage is rooted in demographic factors. Between 1991 and 2005, Mongolia experienced a period of very low birth rates, with an average of 45,000-50,000 children born annually. This is significantly lower than the average of 65,000 births per year over the last 30 years, representing a decrease of 15,000-20,000 births each year.
- Over this 16-year period, the total number of births was lower by approximately 240,000-320,000. Those born between 1990 and 2005 are now 18-33 years old, making up the core of today's labor force. In other words, the generation born during this period of low birth rates is now entering the labor market, leading to a shortage of workers.



The impact of Covid-19 on Mongolia's labor market and economy.



Unemployment:

Impact on Mongolian businesses: In response to the pandemic and related restrictions, businesses in Mongolia took various measures:

46% reduced working hours for employees.

35% implemented remote work arrangements.

19% made no changes to their operations.

Wages:

Wage adjustments: The pandemic also affected wages:

63% of businesses kept wages unchanged.

37% of businesses reduced wages.

Job losses: The study also found that:

33% of the businesses surveyed had to cut approximately 6,000 jobs, either temporarily or permanently.

COVID-19 pandemic had a significant impact on the Mongolian labor market, leading to increased unemployment, reduced working hours, and wage cuts for many workers.

Rising prices are severely reducing the purchasing power of citizens, thereby increasing their interest in shifting from the formal to the informal sector. As of 2022, 215,000 citizens are working in the non-agricultural informal sector, which is an increase of 20.9% (37,300 people) compared to 2021 and 10.3% (20,100 people) compared to 2019.

Since 2010, non-agricultural informal employment has increased by 40% nationwide, reaching 215,400 people. In Ulaanbaatar, it has increased by 80%, reaching 124,300 people. 77% of these individuals work in wholesale and retail trade, manufacturing, construction, transportation, and warehousing.

The global COVID-19 pandemic has brought about many changes in the labor sector, one of which is remote working. This trend has also entered in Mongolia, where the labor law was revised in 2021 and approved by the Great Khural (Parliament members of Mongolia). A new provision on remote working was introduced, and it is now widely adopted by businesses.

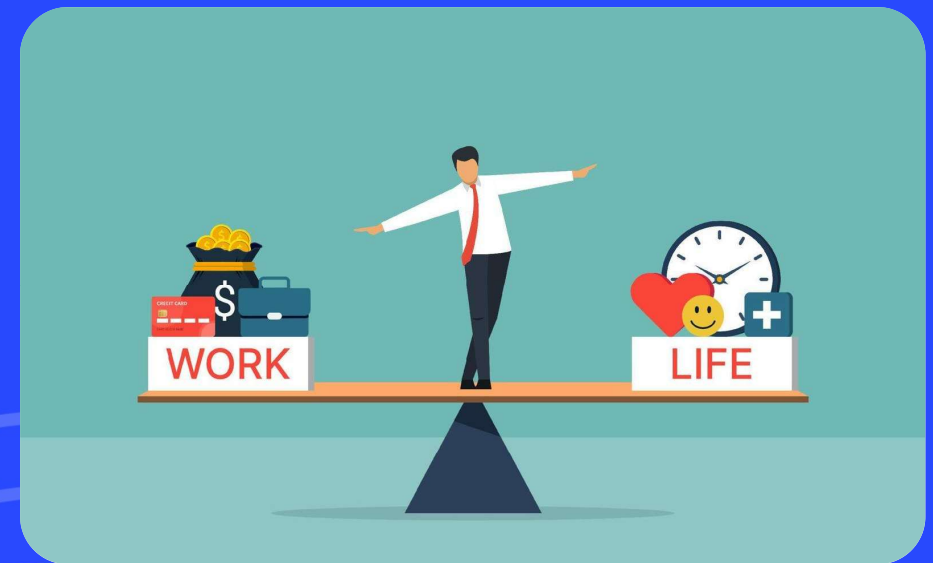
Labor conditions in Mongolia

Most of Mongolia's population lives and works in the capital city, Ulaanbaatar. As a result, traffic is heavy, which significantly impacts people's work-life balance.

In the aftermath of the COVID-19 pandemic, we are gradually adapting to remote work culture. Consequently, employees' work-life balance is being positively affected.

In 2023, MONEF and AOTS jointly organized a training session on 'Work-Life Balance' for representatives from more than 40 employers. In addition, other organizations, such as the International Labor Organization, with which we are cooperating, expressed their intention to cooperate with us in developing a plan to improve the ideas and attitudes of employers and employees regarding work-life balance.

Since 1990, the number of employees in rural areas has not increased significantly, while in Ulaanbaatar it has increased by 2.5 times. The main reasons for migrating to Ulaanbaatar are related to people's needs such as getting a job and increasing their income, obtaining higher education, improving health services and living conditions. Therefore, it is necessary to increase interest in working in rural areas by supporting local development, improving infrastructure, ensuring balanced regional development, and creating favorable living conditions in rural areas.



Thank you

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