MONGOLIAN HIGHER EDUCATION REFORM DURING THE TRANSITION TO A
DEMOCRATIC AND MARKET-BASED SOCIETY 1990-2010

by

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This study examines reform in the higher education sector in Mongolia in the first decade of its transition from a socialist, planned economy to a democratic and market-based society as well as its implications for the first decade of the new millennium. Mongolia, though not a Soviet republic, had a Russian-style education system. In order to study the education reform process, this dissertation analyses the historical development of education in Mongolia with special emphasis on external influences in government policy making. The study examines the education reform process, focusing particularly on higher education as reflected in educational laws, government policy documents, donors’ project documents and related studies. This study employs a policy borrowing framework to assess reform processes in Mongolian higher education during the period of transition from a centrally planned economy under Communist rule to a free market democratic society. Main findings are that early initiatives related to decentralization and expanding the private higher education sector were not sustained due to changing political regimes that did not always carry forward reform programs agreed to by their predecessors. Findings are interpreted with respect to their implications for understanding higher education reform using a policy borrowing framework.
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1.0 INTRODUCTION AND OVERVIEW

1.1 PURPOSE OF STUDY

The main purpose of this study is to analyze reform in the higher education sector in Mongolia, in the first decade of transition and into the first decade of the new millennium. Mongolia, although not a Soviet republic, had a Russian-style education system (Weidman, 1997). In order to study the education reform process, this study analyses the historical development of education in Mongolia with special emphasis on external influences in government policy making. The study examines the education reform process, focusing particularly on, higher education based on educational laws, government policy documents, donor’s loan and Technical Assistance (TA) project documents and related studies\(^1\). This study contributes to an understanding of reform processes in higher education during the period of transition from a centrally planned economy under Communist rule to a free market democratic society.

\(^1\) Dr. John C. Weidman, Professor at the University of Pittsburgh, School of Education, Department of Administrative and Policy Studies, provided many of the primary documents on which this study is based. His research and consulting is focused on issues of comparative education reform, with an emphasis on policy and finance in nations undergoing the transition to a market economy. Dr. Weidman was involved in developing the Mongolian Education Sector Master Plan in 1994, 1999 and 2005 as well as the Higher Education Accreditation Agency in 1998 while working as a consultant on projects funded by the Asian Development Bank.
1.2 BACKGROUND

Following the People’s Revolution of 1921, Mongolia chose the socialist path of development until the early 1990s. Mongolia never became a constituent republic of U.S.S.R, however, it received significant economic aid, including support for education (Weidman et al., 2007). Almost a third of 

Mongolia’s gross domestic product (GDP) was provided by the Soviet Union (Bray, Davaa, Spaulding & Weidman, 1994). Mongolia was economically dependent on the USSR which also translated into political dependence on USSR. Soviet influence was ideologically grounded in Marxist-Leninist philosophy.

During the socialist path of development, Mongolia transformed from a backward nomadic society to a modern socialist society with a well-developed economic and social infrastructure. During this period the government put great emphasis on the social development of the population. Education, health services and social support services were provided free of charge by the state and social development indicators were improved markedly. Life expectancy at birth increased from 46.7 years in 1960 to 62.5 years in 1990, the adult literacy rate rose to 95 percent and virtually the entire population had access to health services. Girls received almost as much education (6.8 years) as boys (7.2 years) (ADB, 2002a).

However, the downfall of the Soviet Union in 1991 brought an enormous hardship to the overall development of the country. Previously, over 90 percent of its trade was with the Soviet Union and 25 percent of its GNP was directly attributable to Soviet aid. (Lake, 2000, and Baabar, 2000). Since Mongolia was economically dependent on the Soviet Union, the shortage of financial support affected all areas of development, including education.
In the early 1990s, the country started its transition from the socialist system to a free market, democratic society. The new Constitution was adapted in 1992 and the legal reform process, including education, started.

Creating a new education system and an organizational structure which would meet the requirements of a market economy was one of the major objectives. The new educational laws and related documents facilitated the development of education reform and establishment of legal foundations for the new education system. International donor organizations such as the Asian Development Bank played an important role by providing technical assistance and support to education reform processes in the early 1990s. This document addresses political, economic and social transformations in the post-socialist era and involvement of international organizations in policy reform process in Mongolia. It also compares Mongolian transition process from socialism to free market economy with the former Soviet republics in Central Asia.

1.3 CONTEXT FOR THE RESEARCH

The collapse of the socialist system in the early 1990s resulted in chaotic political, social and economic conditions of the former Soviet block countries including Mongolia. As a consequence of the macro-economic crisis, the educational systems deteriorated in post-socialist countries. The drop-out rate of students increased, particularly in rural areas. There were shortage of essential educational supplies and textbooks. School buildings deteriorated because of low maintenance. Teachers were leaving schools because of lack of salary payments for several months. (ADB, 2004; EC, 2007; Silova, 2007; Suprunova, 2007).
Countries of the former socialist system faced the inevitable challenges to orient or reform their countries to the standards of the developed countries. Mongolia joined the World Bank, Asian Development Bank, and other international organizations which brought external influences on policies for education as well as for other sectors. The newly elected government of Mongolia pursued the major reforms recommended by international donor organizations in order to fix the crisis in the country. In 1992, Mongolia adopted a new Constitution. The Constitution established the legal and political framework for a pluralistic society that respects human rights and freedoms (UNDP, 1997). The new Parliament moved ahead with the passage of legislation for governing the democracy, welcoming foreign aid, and working with donors to fund a variety of projects (Weidman & Bat-Erdene, 2002). In the field of education, transition began with legislative reforms. The majority of post-socialist countries passed new education laws in 1991 at the same time as they were establishing new constitutions. Birzea (1994) identified three types of measures in the new legislation on education: rectification, modernization and restructuring. Rectification refers to measures taken in the course of the first year of transition such as the elimination of communist ideology and indoctrination material; the suppression of totalitarian political control over the educational system; the replacement, at least in official pronouncements, of communist education by liberal education; the renewal of history, social science and civics textbooks; and the intensification of the study of the national language in the newly independent States.

Modernization measures included improvement of the quality of the contents, textbooks, examinations, educational relationships, academic and career guidance, teaching methods and approaches as well as infrastructures. Some of the measures taken in post-communist countries included: updating and pruning curricula; reviewing teaching plans; reducing the number of pupils per class; reducing weekly teaching loads; introducing the study of foreign, particularly Western languages adapting teacher-training programs to new educational policies; abandoning the single textbook and changing the policy regarding textbooks; and accrediting higher education
establishments etc. (Birzea, 1994). Those measures were taken in Mongolian higher education during the education reform process and are further discussed in relevant sections of this paper. In Mongolia for example, traditionally the undergraduate and graduate level instruction mainly consisted of formal classroom teaching or lectures and generally, faculty members were engaged in teaching rather than in research. They usually spent more time each week teaching or preparing for teaching than on any other duties. Since, textbooks and other printed materials were in shortage and library resources were severely limited, most instruction and student learning occurred in classrooms, seminars and laboratories. Therefore, reducing weekly teaching loads was one of the tasks of the higher education reform in Mongolia. It intended to give more time for teachers to engage in research and professional improvement and at the same time to give the students an opportunity for self-study and research in computer labs and libraries. It is pointed out that students spent more than 30 hours per week in instructional settings. Most programs at the higher education institutions averaged about 1000 hours of instruction per year, with the longest bachelor’s degree programs averaging approximately 5000 total hours and taking five years to complete (MOSE, 1993).

According to Birzea (1994), restructuring measures involve changes in the organization and functioning of the education system in accordance with new educational policy. Birzea (1994) summarizes the restructuring measures taken place in post-communist countries and notes that they are aimed at the following: abolishing the State monopoly over the education system; developing private education; decentralizing the management and administration of education; increasing the autonomy and responsibility of schools; reorganizing Ministries of Education and reviewing the relationship between central and local administration; coordinating the legislative framework of educational reform; restructuring the financing of education; and increasing the length of compulsory education. Thorough discussion of above mentioned education reform measures will be continued in the future sections about Mongolian education reform process and higher education reform.
In the Mongolian case, the education sector was also influenced by structural adjustment policies that increasingly placed an emphasis on improving efficiency and effectiveness of education at all levels through rationalization, decentralization and privatization. The government of Mongolia introduced a “cost sharing” policy that gradually shifted the responsibility for social welfare from entirely a government responsibility to greater responsibility for the individual (Weidman and Bat-Erdene, 2002).

The case studies on education reform processes of Central Asian countries and Mongolia reflect that while implementation of education reforms differ from country to country, they also share many characteristics. It is observed that in order to borrow money from international donors, many countries frame their reforms in terms of the ideas about society from the funding organization. However, they don’t necessarily reflect the reforms (Weidman, et al., 2003). This study will examine the specific elements of higher education reform and assess its implications for the current situation in Mongolian higher education.

The major education reform documents will be examined in this study include: the Education Laws in Mongolia, Mongolia Education and Human Resource Sector Review, Mongolia Education and Human Resource Master Plan, the Government Policy on Education, Main Directions of Education Reforms 1997-2005, Education Sector Strategy 2000-2005 and 2010 UNESCO report on current state of Mongolian higher education. Earlier documents have played an important role in facilitating the development of education reform and in establishing legal foundations for the new education system. International donor organizations especially the Asian Development Bank, have played an important role in systematic study of the education sector in the early 1990s. The name of the ADB funded TA loan, grant projects implemented in Mongolia are listed as an annex.
1.4  RESEARCH QUESTIONS

This study will examine the higher education reform process, focusing on the transition period between 1990 and 2010, also including consequences for the first decade of the millennium. It explores the historical context of the education sector and outside policy influences, challenges during the transition period and processes of establishment of the new higher education system with the guidance of international donor organizations. The following research questions will be addressed:

1. What are the main elements of higher education reform in Mongolia during the post-transition period?
2. What was the role of the donors in education reform process in Mongolia?
3. How have reforms changed over the two decades following transition and what are the future implications of the education reform in Mongolia?

1.5  ORGANIZATION OF THE STUDY

The study begins with the historical context of political, social and economic development of Mongolia before the transition period which started in 1990s. In order to discuss the reform process, it is important to understand the historical background of the country. Section two discusses the historical background of Mongolia and its educational development during the pre-socialist and socialist period of the country. Especially, an emphasis is given on the Soviet
influence in Mongolian politics, economy and social development including education during the socialist period from 1921 to 1990s. Section three discusses the main social, political, legal, and economic characteristics of the post-1990 education reform processes in former Soviet republics and Mongolia. These discussions are intended to understand the education reform process in its historical and theoretical context. The next sections discuss the literature review and theoretical framework about policy borrowing and post-1990s education reform processes in post socialist countries and Mongolia. The summary about the theoretical perspectives of policy borrowing process will be discussed on the basis of Phillips and Ochs’ policy borrowing model. Section six includes a description of the research methodology, documentary analysis. The next sections discuss in detail the education reform processes in Mongolia in four phases 1) 1990-1994; 2) 1995-1999; 3) 2000-2005 and 2006-2015. These sections address the education reform process utilizing the series of education laws passed in the post-transition era and other important government documents as well as Asian Development Bank (ADB) project documents. The last section discusses the current state of higher education in Mongolia and implications for future education reforms.
2.0 HISTORICAL BACKGROUND OF MONGOLIA AND ITS EDUCATION BEFORE 1990S

Social, political, and economic factors shape educational systems in historical perspective. For this reason, an educational system must be studied in the framework of societal development and the education system itself (Ochs & Phillips, 2002, p.327). Examination of the historical framework is also important for understanding international influences on development of the country, including for education.

Mongolia is located in central Asia and is the 19th largest country in the world in total landmass, but has a population of around 2.75 million people. It is bordered by powerful neighbors, Russia and China. History shows that these two neighbors, especially Russia, influenced considerably in the historical processes of the country during the early 20th century.

The official language of Mongolia is Khalkha Mongolian and is spoken by 90% of the population. The Mongolian language is very ancient language and is part of the Mongolian group of the Altaic family. In 13th century, in order to manage his vast empire Chinghis Khan brought an Uighur scholar to his court to write down his directives and regulations so that he would able to communicate with the rulers at the far reaches of the empire (Morgan, 1986; Kahn, 2005). Since then Uighur script was used as an official script for writing Mongolian language and it continued to be the only script of the Mongolian language until the 1940s. The old Mongolian script is the oldest
written form of language in the world. The script is written from the top to downwards and from left to right and is composed of 26 letters. This script is sometimes referred to as Ugyur.

2.1 THE MANCHU PERIOD (17TH-19TH CENTURIES)

After the collapse of Chinghis Khan’s empire during the 14th century, the Chinese overthrew the last Mongol ruler of the Yuan Dynasty – Kublai Khan. The unity of Mongol tribes imploded and weakened. In the following centuries, Ming troops ousted the Mongols from Beijing, destroyed the Mongol capital Karakorum and the Golden Horde was defeated by the Russian Prince Dmitriy Donskoy.

At the end of the 17th century, Mongols went under Manchu colonization for 200 years (Rossabi, 2005). During Manchu colonization Buddhism was widespread in Mongolia. My history teacher told us that it was one of the Manchu policies to convert most Mongol men into lamas. This policy aimed to silence and calm the strong powerful Mongolians and to reduce the Mongolian population in the long run through practicing strict celibacy among Buddhist lamas. Historically, the establishment of many Buddhist monasteries in late sixteenth century opened to a greater part of the population the opportunity to become Buddhist monks. The monasteries were the cradles of literature and science, particularly of Buddhist philosophy. Tibetan was the language of instruction in monasteries and it became the “lingua franca” of the clerics, as Latin was in medieval Europe, with hundreds of religious works written in this language (Heissig, 1980). By the beginning of 20th
century, 25-30 percent of school aged boys studied in 700 big and 1000 small monastery schools (Bamamsambuu, 2006 in Postiglione & Tan, 2007). However, the children from rich families were homeschooled. The poor herdsmen couldn’t afford home schooling for their kids.

2.2 POLITICAL INDEPENDENCE AND SOCIALIST PATH OF DEVELOPMENT OF MONGOLIA (1921-1990)

2.2.1 Period 1921-1940

Mongolia got independence from the Manchu Dynasty in 1911 and became totally independent from Chinese dominance only after Mongolian People’s revolution of 1921 with support of the Soviet Red Army (Baabar², et al.,1999). Since then, Mongolia became the second socialist country after the Soviet Union and chose the socialist path of development until the 1990s. Mongolia never became a constituent republic of U.S.S.R, however, it received significant economic aid, including support for education (Weidman et al., 2007). The Soviet influence carried the political and economic purposes during the socialist period between 1921 and 1990. Almost a third of Mongolia’s gross domestic product (GDP) was provided by the Soviet Union.

² In 1991, Baabar became the Leader of the Mongolian Social Democratic Party. He resigned as the Leader of the Mongolian Social Democratic Party in 1994. Baabar was elected to the State Great Hural of Mongolia in 1996. In 1998, he was Minister for Finance. After being defeated at the 2004 parliamentary election, he worked as Foreign Policy Advisor to Prime Minister in 2004-2005. Since 2006, he has been running Nepko Publishing Company. In 2009, he was awarded with the State Awards of Mongolia for History of Mongolia.
Mongolia was economically and politically dependent on the USSR. Soviet influence was ideologically grounded in Marxist-Leninist philosophy.

As a result of the Soviet presence, the isolated land of Mongolia was introduced to modern medicine, art and education (Baabar, 1999). At the same time, the Soviet policy, in line with their economic interest, was to isolate Mongolia from the outside world in order to establish their monopoly in the Mongolian raw material markets. The Soviets made it the exclusive right of the state to export the raw materials, animal skins and fur from Mongolia. Non-Soviet businesses and non-Soviet registered foreigners were forced to move out from the country. In 1929 more than four thousand foreign residents (Chinese, Japanese, Tibetan, German, British, American, Danish, French, Polish, Hungarian and Italian origin) were driven out of Ulaanbaatar alone. In 1930, 25 Mongolian students who were studying in the Economic Institute in Paris and in other institutes in Germany were urgently called back to Mongolia (Baabar, 1999).

Mongolia was affected by Stalin’s campaigns on “collectivization”, “industrialization”, and the “fight against right-wing deviations”. Baabar (1999) wrote that:

..the newly appointed leaders of Mongolia received a “top secret” Comintern letter addressed to the Mongolian People’s Revolutionary Party (MPRP) and the government. The letter demanded that Mongolia imitate the Soviet’s version of collectivization, it criticized Mongol leaders for their failure to alienate the [Buddhist] lamas from the people, it gave instructions on how to “confiscate property of monasteries and feudals and how to fight them”. The detailed instructions said:

1. Unite private farms.

2. Transfer livestock to state ownership.

3. Intensify the struggle against feudalism.
4. Apply the most aggressive methods in the struggle against religion (p.293).

Communist hysteria swept the whole country, disenfranchising the rich people, and those engaged in private farming. The Communist Party used the young people to spread the communist ideology and they became the most obedient executors of communist hysteria. Young people were forced to become members of the Mongolian Revolutionary Youth Union (MRYU) and they had to dress in uniforms. Young girls and women had to cut their hair short. They helped communists to confiscate religious belongings from people and to find out who hid their property and animals (Baabar, 1999). The entire period between 1921 and 1940 was aimed to fight against feudal and religion.

On the instructions of the Soviets, the government of Mongolia passed a decision to confiscate the property of feudal and Buddhist lamas. This campaign of “robbery” was carried out across the country, and everything was confiscated, including animals, houses, gold, silver, jewelry, religious items and so on. Soviets instructed the Mongolians:

“the confiscation of the property of the feudal will result in class struggle. Do not be afraid of this struggle. We must move forward and bring the campaign to its final end…[it needs] to liquidate, arrest and imprison every single feudal connected with the aggravation of the external situation of Mongolia” (Baabar, 1999, p.305).

Mongolian nomads, who were accustomed to living independently with their own animals were forcefully united into collective farms and their animals were transferred to state ownership. In practice, those collective farms were formed on the basis of the animals confiscated from monasteries. The nomads who were forcefully united into collective farms had to breed those animals under contract and were paid by the local administrative boards (Rossabi, 2005).

At the same time, communists started building modern hospital and schools in the collective centers. The nomads had no concept of preventive health and no idea about civilized hospitals. In the beginning of the 1930s, a public health and school system was formed in Mongolia with the help of
Soviets. At this time, Western (i.e., Russian) culture and art was introduced to Mongolia. The development of health care and educational network was hampered by lack of a transportation system and an outdated administrative structure. In the beginning of 1931, the administrative structure which was suited to pastoral livestock breeding and which had been preserved for more than four hundred years since the Qing Dynasty underwent changes. Small provincial sub-units were completely eliminated and provinces organized into thirteen aimags and 324 sums or village towns (Baabar, 1999, p.304). Modern schools, hospitals and cultural centers were organized in provincial centers.

During this time, more than a third of the entire male population of Mongolia were lamas or belonged to the clergy (Baabar, 1999). Buddhist monasteries taught religious books written in Tibetan and were “obstinately opposed to the teaching of the Mongol written language, and to all modern education” (Lattimore, 1962, p137). Therefore, in the mid-1920s, literacy in the Mongolian language was estimated at just 1 percent of the population (Lattimore, 1962, p.110). The Soviets considered religion as the main ideological enemy of communism (Baabar, 1990). During the Stalinist regime after 1927, religious practices and rituals were suppressed. Private and informal religious training was violently repressed among indigenous populations of the Caucasus and Central Asia (Silova, et al., 2007).

During the 1930s, most of the Mongolian monasteries were destroyed, looted and properties were confiscated. Under Stalin’s directives from Moscow, over 700 Buddhist monasteries were destroyed and thousands of monks were executed. As late as 1934, the party counted 843 major Buddhist centers, about 3,000 temples of various sizes. The annual income of the temples was 31 million tögrögs (Mongolian currency), while that of the state was 37.5 million tögrögs (Jerryson, 2007). The income of the monasteries and individual lamas in 1935-1936 was “equivalent in amount, when compared to the annual national budgets of 1932-1936, to percentages ranging from 68 percent to 93 percent of the national income” (Lattimore, 1962, p.138). A Communist Party source claimed
that, in 1935, monks constituted 48 percent of the adult male population (Jerryson, 2007). The
government, strongly influenced by Soviet Communists, increasingly viewed the monasteries as
undermining Marxist principles.

At independence in 1921, Mongolia had only one elementary school not attached to a
monastery (Lattimore, 1962). The first public school was established in capital city in 1923. Creation
of a public school system started in the 1930s; and expanded steadily throughout 1940s and the
1950s. By 1940, there were 331 government elementary schools (Lattimore, 1962). At this time of
transformation to socialist development, Mongolian officials looked to Soviet models for education
policy, developed with reference to Europe, and thus considered “modern” (Baabar, 1999). Soviet
policy in education was saturated with dialectical materialism, Marxism-Leninism, and scientific
positivism. Soviets imposed heavily Russified mass culture throughout the Central Asian region
(Silova, et.al.,2007). Stalin’s decree of 1938 on compulsory instruction in the Russian language in the
schools of the non-Russian republics led to the “de facto” identification of Communist rule and
Russification by most people in these territories (Anweiler in Phillips & Kaser, 1992). Mongolia was
also affected by this policy and the whole system of education was deliberately built around a
Marxist philosophy of education.

2.2.2 Period 1940-1990

In 1941, the traditional Mongol script, based on the Uighur script, was replaced by Cyrillic. It
consists of 35 letters, two of which are added to the Russian Cyrillic to account for unique
Mongolian language sounds. Russian became a compulsory foreign language in the schools.
Along with the language and the structures of educational institutions, ideological and didactical concepts and curriculum content were also imported from the Soviet Union (Lattimore, 1962, Silova, et.al.,2007). Many young people were sent to the Soviet Union to obtain the progressive knowledge in science, engineering, western medicine and culture. There was no history of higher education in Mongolia prior to 1940s. In 1942, the Mongolian State University was established in Ulaanbaatar. It had three departments: pedagogy (for preparation of secondary school teachers), medicine, and veterinary medicine. In order to meet the country’s increasing needs for primary school teaching personnel, the State Pedagogical Institute was founded in 1951.

Since the 1940s Mongolia has been greatly influenced by the Soviet Union. The country became a member of the Soviet trade block and of the Council for Mutual Economic Assistance (CMEA) in the early 1960s. After Mongolia joined CMEA, the educational system received massive material and personnel support. By the 1960s, almost the entire population of Mongolia became literate and the country received international recognition as the first Asian country to “eliminate” illiteracy (Steiner-Khamsi & Stolpe, 2006). This represented big progress in terms of the development of human capacity, considering that only 1 per cent of the population was literate in 1920s. Under the educational exchange and educational cooperation treaties within CMEA countries, many young people got training and university degrees in Soviet Union and in other socialist countries such as Poland, Bulgaria, East Germany, Czechoslovakia and Hungary.

During the 1950s, the country’s main goal was to transform the country from a traditional nomadic society to a modern agricultural-industrial one. Mongolia began to experience a period of economic and political stability and rapid growth in its emerging industrial sector. The country’s sustained positive growth continued with 7% in 1981-1986 and 4.6% in 1987-1989 (World Bank,
GDP figures for Mongolia as well as for other socialist block countries were not calculated in the same way as those for other countries, however it showed record growth throughout the 1980s.

Collectivization, urbanization, and industrialization, all supported by the USSR and Eastern Europe, had translated into economic progress by the 1980s. Due to the government policy to encourage rural-to-urban migration, urban settlements had been expanded as well as the new industrial town centers. The size of the herds remained stable, but industry and trade experienced substantial expansion. Industry gained workers during that time, but education and health employment more than doubled. During this period the government put greater emphasis on the social development of the population. Education employed four percent of the labor force in 1960, but this had jumped to 10 percent by 1985 (Baabar, 1999). An ADB (2006) report noted: “education was the main achievement in the socialist era. All children, including those from remote nomadic families, were allowed to obtain basic education. The gross enrollment rate (GER) in primary and secondary education reached 99% by 1990 accompanied with a high literacy rate that stood at 97% of the population aged over 15”.

Baabar (1999) said, “it cannot be denied that socialism [Soviets] introduced the nomadic backward countries like Mongolia... to the world civilization” (p.300). However, Soviet influence was greatly perpetuated with the Marxist-Leninist ideology and by entering into the socialist system, Mongolia became isolated from the rest of the world. Ines Stolpe (Steiner-Khamsi & Stolpe, 2006) noted that the “historical analysis of the development of schooling in Mongolia suggests that transformational innovations have always been induced by external forces. Developments in the sector of formal education should therefore be traced to constellations in foreign relations, rather than domestic decisions or changes in education policy External pressures not only served as a catalyst, they have also shaped the content of every educational import to date” (p.25). Mongolia, as other CMEA countries, was dependent on the Soviet Union in the economic, political, cultural and military spheres.
It is interesting to note that in spite of success in social and economic development, according to UN, Mongolia was labeled as a developing country in the early 1990s according to the Least Developed Countries (LCD) ranking\(^3\). It is mentioned that “the new label was so contrary to the Mongolian people’s perception of who they were, that in 1993 the government rejected the LCD ranking, feeling that it was a discredit to the nation” (Steiner-Khamsi & Stolpe, 2006, p.73). However, after not very long, due to the pressure to get the loan from the international aid organizations, the Mongolian government was forced to accept this new label. In 1980s, the aid assistance from CMEA member countries formed about 30% of the GDP, whereas, the new aid from international donor organizations was around 25%. Stolpe noted that this was not only a shift in volume of aid but a shift in political and ideological orientation (Steiner-Khamsi & Stolpe, 2006, p.73). Nowadays, according to the UN-OHRLLS’ ranking Mongolia included in the Landlocked Developing Countries ranking\(^4\).

### 2.2.3 The author’s educational experience during the late socialist period in Mongolia

I was born and raised in Ulaanbaatar, capital city of Mongolia. My native language is Mongolian. During the 1970s, I went to secondary school in Ulaanbaatar, in the first public school established in the capital city in 1923. The education system was very similar to the education system of former Soviet Union. During the late socialist period, general education in

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\(^3\) The identification of LDCs is currently based on three criteria: per capita gross national income (GNI), human assets and economic vulnerability to external shocks. The latter two are measured by two indices of structural impediments, namely the human assets index and the economic vulnerability index.

\(^4\) The United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and the Small Island Developing States (UN-OHRLLS) was established by the United Nations General Assembly in 2001. http://www.unohrlls.org/en/lldc/31/
Mongolia was as follows: four years of primary school, four years of secondary school and two years of upper secondary school for a total of 10 years. Basic education (4+4) was compulsory and provided by the state free of charge. An average class size was between 32 and 36, and I went with the same classmates from 1st to 10th grade. At the 8th grade we had a state exam and those who did not pass the exam went to the vocational schools or transferred to other schools. Since my parents and sisters went to the college, thinking about going to college was natural for me and I had a good grades at the school.

In Mongolia during the socialist period, education was “traditional”, subject oriented, teacher-centered and ideological. As John Dewey described about traditional education” …the older education imposed the adult standards, knowledge, methods, and the rules of conduct of the mature person upon the young” (Dewey, 1997). Every student regardless their interest and ability had to learn the same subjects without being given any choice. Students intensively and extensively studied math and science subjects such as chemistry and physics. At the school Russian was the only foreign language. The history class was permeated by the communist ideology. The history of Mongolians about Chingis Khan and Buddhism was described negatively. The socialist state was against Buddhism. Buddhist monks were described as the “yellow feudal”, because they were, according to the communist ideology, part of the feudal system that exploited and manipulated the poor people in order to amplify their wealth. In contrast the history textbooks glorified teaching about the Russian Revolution and its leader Vladimir Lenin. We learned from history that Soviets safeguarded our independence from China as well as provided protection against Imperialist Japan during World War II. Therefore, Russians were like a “big brothers” to Mongolians. The school system, its structure, organization and subject matter was itself the copy of the education system of the former Soviet Union.
I received my education in a country where Marxist-Leninist ideology was dominant. In the school where I went in Mongolia, the students were expected to be obedient and listen to the teacher, memorize the facts and re-produce the content of the textbook on the exams. I got my undergraduate diploma degree in Moscow, Institute of Economy and Statistics. I had studied Russian since 4th grade in secondary school, therefore understanding the lectures in Russian was not very difficult. Russian was the only foreign language in the schools and it was compulsory. The difficult part was writing the lecture notes trying to not miss any important parts from the lecture because those notes would help in preparation for exams.

In college, the classes where mostly designed in a teacher lecturing manner. Students were supposed to listen and write the long pages of notes from the lecture. When teachers asked the questions related to the topic, the students were supposed to answer exactly what was in the text or lecture notes. We were just re-producing the text content in exactly the same way. The more you memorize resulted in better grades. The content of syllabus, textbooks, and learning materials were structured as facts to be memorized. In this information age, with access to the internet, the recollection of facts has become less important while the ability to interpret and evaluate information has become more important. Under traditional teaching strategies, teachers as experts convey knowledge to passive learners and it emphasizes on facts and correctly answered questions. But under new teaching strategies it emphasizes alternative ways to frame issues, problems, ideas, principles and the facts are introduced, used, and understood in meaningful context (The World Bank, 2000, p.15).

A study at the University of Pittsburgh gave me an opportunity to learn about multiple perspectives and theories of development. I was introduced to different theories, approaches and concepts of development; particularly in education and public policy. Thinking back about my education in the school and comparing with the education in US, I found a lot of differences in terms of teacher-student relationship in class, teaching and learning methods. Students in US started to
develop their skill to write critical essays and papers from high school. Teachers put a lot of emphasis on the students’ individual, free thoughts and enquiry skills. In my high school and even in college, the skill to write the meaningful paper was not really exercised. The teachers did not motivate us to develop our own thoughts into paper as well as into our discussions. Actually, there was not a lot discussion in the class, it was mostly “teacher asks the question and student answers it from the textbook” discussion. When the teacher is the expert and the students are passive receivers of knowledge, it discourages open debate. This dependence on the teacher undercuts the students’ development of the higher order cognitive and meta-cognitive thinking skills valued in globalizing market economies (World Bank, 2000). Higher education reform in Mongolia emphasizes reducing the lecture hours for students in order to give the students more hours for independent studies.

Looking back to my high school and college years, I would say that Mongolian education gave me good, fundamental knowledge and theory about math and science; however, little opportunity was given to express our own thoughts and critical thinking. As a graduate student, I begin to conceptualize that education is not inevitably top-down and dominator-oriented but is that way by choice.

2.2.4 The author’s work experience during and after the socialist period

After getting my higher education diploma, I was assigned to work for the State Statistical Office (SSO) in Ulaanbaatar, Mongolia. During the command economy, universities and colleges were affiliated to the line ministries. For example, the Economic College of Mongolia was affiliated under the Ministry of Finance. The mission of this school was to train accountants and economists for the command economy. Since I graduated from the Institute of Economics and
Statistics, I was assigned directly to the State Statistical Office in Mongolia. I didn’t have to look for a job after my graduation. During the socialist period, because of manpower planning and the government commitment to provide everybody with work, graduates of university and college usually entered the work force immediately. The enrollment quotas for various specializations in higher education were set by the government and allocated to the provinces on the basis of projected manpower requirements.

My work assignment at SSO was to design the questionnaire forms for data collection on population, education and the labor force; to obtain the data from the provincial departments of statistics; to do analysis on the basis of the data and report it to the head of the department; and to prepare the output tables for statistical yearbook. The statistical data or basic indicators of the development were in accord to the other socialist countries data, so it can be compared with the other Council for Mutual Economic Assistance (CMEA) member countries. In 1992, I attended in the United Nations Population Fund’s (UNFPA) Population and Development training course in India for one year. Our class composed from the colleagues from the developing countries from Asia, Africa and Latin America. It was a great experience in terms of professional development and cultural exchange. I learned about population issues (Malthus theory), and different aspects of the development such as an education, environmental degradation, women and development. It was interesting to know that overall, India’s policy and strategies have been built on a self-reliant indigenous capacity and discourage international donor assistance, especially that of a bilateral nature. During our field trips, we were amazed to learn how the communities organized and mobilized themselves using their own resources and capacities to develop the local area particularly the schools. The training program helped me to understand the importance of focusing on the interrelation between population, sustained economic growth and sustainable development, with emphasis on poverty alleviation, gender equality, and environmental degradation. The most
important experience for me was to explore the development issues of both developing and
developed countries. It was an important momentum, because at that time my country as same as the
other socialist block countries were reforming towards democratic free market society and opening
up to the rest of the world.

Since 1992, I started working as a Project Consultant/ Researcher in the Consultancy Unit of
the MCS International Co., Ltd., in Mongolia. MCS was one of the first consultancy companies
which provided the local input and expertise to the internationally funded grant, loan and technical
assistance projects. During this time, the Government of Mongolia agreed to collaborate with the
international donor organizations to implement the structural adjustment reform process. My job
duty at MCS brought me into contact with development issues in a wide range of sectors including
agriculture, environment, housing and education. I was very glad to have such an opportunity to get
the on-the-job training and experiences during the historic period of Mongolia’s structural change to
a market economy. During my work at the consultancy company, I encountered with the
development and reform issues such as community participation, integrated rural development,
institutional strengthening of the Ministries, capacity building of the local governments,
decentralization and privatization issues. I worked in ADB and World Bank funded development
projects in Mongolia as the domestic consultant and interpreter. During my job assignments, I did
numerous interviews with the Ministry officials, authorities of local government, community
members, head of households, rural farmers and herders and project beneficiaries. Decentralization
was the major element of the reform process. The Ministries were restructuring and allocating the
financial and management responsibilities to the local authorities. I remember interviewing the local
authorities while working in the ADB funded projects. Their concern was that the local government
was in shortage of financial resources and skilled staff. Some provinces were very poor that they
didn’t have enough resources to generate own income, whereas, others were better equipped so they
could benefit from income taxes from local mining companies. ADB funded projects were focusing on the local capacity building and institutional strengthening of the Ministries.

Even though, I had the domestic expertise and knowledge and learnt a lot working with the international consultants, I didn’t have the theoretical background and knowledge, especially western knowledge to understand and analyze those complex reform issues. In the beginning of the reform process, I think most people in Mongolia didn’t have the precise knowledge and education about how to manage and run the free market economy. In 2001, I applied for graduate degree in social and economic development program at the Graduate School of Public and International Affairs. Of particular interest to me were courses on Economics of Development, Policy Analysis, Planning and Designing Development Projects, and Economic Development and Public Policy, Issues in Development Management and Policy, Governance, Local Government and Civil Society. I decided to narrow my interest to the field of international education and did my MEd at the School of Education. During my study in this program, I learned about the theoretical and conceptual issues in comparative and international education. The University of Pittsburgh provided to students library resources and computer labs which allowed for students to have free access to research studies, international journals on education and other books and publications. Based on my education and work experience, I am trying to utilize my gained knowledge to assess the education reform process in Mongolia during the transition period from planned economy to the democratic and free market society.
3.0 LITERATURE REVIEW

3.1 PROBLEMS AND CHALLENGES OF POST-1990 REFORM PROCESSES IN FORMER SOVIET REPUBLICS AND MONGOLIA

This section focuses on the processes accompanying transition from centralized state planned and controlled country to a democratic, market oriented society. The post-totalitarian transition is very complex phenomenon and it leads to substantial transformations in politics, the economy, culture, education, social structures, international relations etc.

It is important to mention that the principal differences between totalitarian society and its political, economic and social opposite, namely the open society, before discussing the transition and reform processes. This contrast will help not only to understand the major differences between two societies and also to understand what major changes took in effect during the short time of period of transition. Birzea\(^5\) (1994) shows the principal differences of mutually incompatible models, one of

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\(^5\) Dr. Birzea had Ph.D. in Psychology at the University of Cluj, Romania in 1975. He is Director of the Institute of Education Sciences since 1990. His other positions include Member of the Steering Committee of the World Bank Education Reform Project in Romania (since 1995); member of the Education Committee of the Council of Europe, Strasbourg (since 1993); acting chair of the International Bureau of Education Council (since January 1998). He was Council of Europe meetings on: School legislation in European countries (Bruxelles, December 1993); Citizenship education (Timisoara, December 1994); Education for Human Rights (Lohusalu, October 1994); Education policies for the countries in transition (Strasbourg, June 1996); IBE International Experts Meeting on Educational Reforms (Tokyo, September 1996). His published books include: Curriculum Reforms in Central Eastern Europe, Paris, UNESCO, 1992; Educational Policies of the Countries in Transition, Strasbourg, Council of Europe Press, 1994; Education Reform in Romania: Conditions and Prospects Bucharest, IES, 1994; Education and Democracy in Transition Countries, Strasbourg, Council of Europe, 1995.
which is to replace the other in a relatively short period of time (Tab.1). According to Birzea, the transitions mean a set of interdependent economic, political and social reforms.

It is noted that the constitutional and political reforms were introduced fairly quickly compared with other reforms of transition (economic reform, social reform, moral reform, educational reform etc.) (Birzea, 1994, McLeash & Phillips, 1998). However, in Mongolia, an education law was passed in 1991, at the beginning of the reform process, even before the new Constitution of 1992. As it has been mentioned before, the education was the main achievement in the socialist era. During this period between 1921 and 1990, Mongolia achieved the high literacy rate as well as the high enrollment rate. Sudden collapse of the socialist planned economy negatively affected the education system. The school enrollment rate had decreased during this period. As McLeish noted “When status quo can no longer be defended and governments are unsuccessful in arresting the ideological collapse, the transition process moves into an interim period, which is characterized by great uncertainty as nations await the outcome of the political transition process” (McLeish & Phillips, 1998, p.16). Mongolians were proud with the high achievements of the education and health services however, a dramatic reduction in the educational services brought the dissatisfaction and dis-belief among the citizens about the Government’s new policy. Therefore, an education policy was one of the major priorities of the Government’s in the beginning of the reform process.
Table 1. The Totalitarian Society Versus the Open Society

<table>
<thead>
<tr>
<th>THE TOTALITARIAN SOCIETY</th>
<th>THE OPEN SOCIETY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective interests, represented by the infallible single party, prevail over individual choices or interests.</td>
<td>The State safeguards the individual’s political, economic and civic freedoms. Private enterprise is the key to economic and social dynamism.</td>
</tr>
<tr>
<td>Legislative, executive and judicial powers are all in the hands of the Party-State.</td>
<td>Legislative, executive and judicial powers are separate.</td>
</tr>
<tr>
<td>The ruling party, as the holder of absolute truth, is the only legitimate political institution.</td>
<td>There is an open, competitive electoral system comprising several different parties.</td>
</tr>
<tr>
<td>According to democratic centralism, bottom-up criticism may not contravene party discipline or disturb the social order.</td>
<td>The government cohabits with the opposition, which has the right and the duty to criticize and amend official decisions.</td>
</tr>
<tr>
<td>The means of production belong to the socialist State, which plans and organizes the whole economy in accordance with collective interests and needs.</td>
<td>Production, trade and consumption are regulated by the law of supply and demand, by the free-market economy. The State guarantees the individual’s right to ownership.</td>
</tr>
<tr>
<td>The rights of organization, association and expression are accepted only within the organizations controlled by the Party and the State. Civil society is annihilated and suppressed.</td>
<td>Individuals enjoy freedom of expression and association in independent groups, institutions and organizations, even if they are opposed to the government. Civil society is actually encouraged by the government.</td>
</tr>
<tr>
<td>There is only one scientific conception “scientific” conception of the world, Marxist-Leninist ideology, which controls the entire “superstructure”: science, art, education, morals, spiritual life.</td>
<td>The individual may choose whichever conception of the world which he considers best suited to his aspirations and interests. This conception may be either secular or religious.</td>
</tr>
</tbody>
</table>

Source: Birzea, 1994

As the Mongolian case the transition from single party system and planned economy to a liberal democracy and market economy can be summarized as in Table 2.
Table 2. Major elements of Mongolia’s political, economic, social and education transitions

<table>
<thead>
<tr>
<th>SOCIALIST, PLANNED SOCIETY</th>
<th>DEMOCRATIC, MARKET BASED SOCIETY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Political Transition</strong></td>
<td></td>
</tr>
<tr>
<td>Strong ideological monitoring</td>
<td>Tolerance of pluralism</td>
</tr>
<tr>
<td>Single-party rule</td>
<td>Multiparty democracy</td>
</tr>
<tr>
<td>Ultimate authority held by party</td>
<td>Constitution-based authority</td>
</tr>
<tr>
<td>Symbolic parliament</td>
<td>Working parliament</td>
</tr>
<tr>
<td>Isolation</td>
<td>Open-door policy</td>
</tr>
<tr>
<td>Centralization</td>
<td>Decentralization</td>
</tr>
<tr>
<td>Limitation of human rights</td>
<td>Human rights</td>
</tr>
<tr>
<td><strong>Economic Transition</strong></td>
<td></td>
</tr>
<tr>
<td>Centrally planned command economy</td>
<td>Market-oriented economy</td>
</tr>
<tr>
<td>Government control on prices of goods and services</td>
<td>Liberalization of pricing</td>
</tr>
<tr>
<td>Turnover taxes and profits taxes on state enterprises and cooperatives</td>
<td>Taxation reform (personal income and private enterprises)</td>
</tr>
<tr>
<td>State ownership of all property</td>
<td>Private ownership of property</td>
</tr>
<tr>
<td><strong>Social transitions</strong></td>
<td></td>
</tr>
<tr>
<td>“Classless’ society, social equity, collective well-being</td>
<td>Class based on personal achievement, individual well-being</td>
</tr>
<tr>
<td>Socialist/Communist ideal</td>
<td>Personal/world view value system</td>
</tr>
<tr>
<td>Communist model of collective responsibility</td>
<td>Personal responsibility</td>
</tr>
<tr>
<td>Government-provided health care and social “Safety net”</td>
<td>Individually paid health insurance program, limited government involvement</td>
</tr>
<tr>
<td><strong>Education transitions</strong></td>
<td></td>
</tr>
<tr>
<td>Rigid standardized curriculum determined by government</td>
<td>Diversified curriculum determined by local community needs</td>
</tr>
<tr>
<td>Strong ideological influence</td>
<td>Oriented toward common values of humanity and science</td>
</tr>
<tr>
<td>Fully funded by the state</td>
<td>Participatory financing, with cost recovery from students/parents</td>
</tr>
<tr>
<td>Centralized administration</td>
<td>Decentralization</td>
</tr>
<tr>
<td>Based on societal and manpower needs</td>
<td>Based on personal demand/market demand</td>
</tr>
<tr>
<td>Compulsory involvement in education</td>
<td>Right to choose, voluntary involvement</td>
</tr>
<tr>
<td>Teacher-centered instruction</td>
<td>Student-centered instruction</td>
</tr>
</tbody>
</table>


The next sections will discuss in detail the political, economic, social and education transitions in Mongolia.
3.2 POLITICAL AND ADMINISTRATIVE REFORM PROCESS

Mongolia’s political transformation has been swift and largely positive; however, there was no foundation for understanding and creating a new civil society and political process. It is important to understand and remember that neither the Mongolian People’s Revolutionary Party, nor the opposition parties which emerged in the 1990s were prepared to understand the changes that were happening in Mongolia—politically or economically. The democratic concepts which are taken for granted in the Western world had no precursors in Mongolia. Decades of education in command and Marxist economics did not prepare new leaders to manage the sudden economic shift (Lake, 2000; UNDP, 1997).

From 1924 until 1990 no contested election were held in Mongolia. A ten person politburo was appointed by MPRP’s Central Committee which itself was “elected” at the National Party Congresses held once every five years. The politburo shared authority along with a Council of Ministers. The MPRP served both as a political and administrative body. Since 1990, the party leadership has redefined the party’s position so that its policy on the reform is not much different than that of the other parties.

In 1992 the country adopted a new Constitution with one Parliament comprised of 76 full-time members. The new Parliament moved ahead with the passage of legislation for governing the democracy, welcoming foreign aid, and working with donors to fund a variety of projects (Weidman & Bat-Erdene, 2002). The Constitution established the legal and political framework for a pluralistic
society that respects human rights and freedoms (UNDP, 1997). The constitution has been the basis for political and legal development in Mongolia.

The Attachment Law of the Constitution, equally valid with the Constitution itself, passed on January 16, 1992. The Attachment Law identified the ways for the country to shift from the Constitution of the People’s Republic of Mongolia to the complete and comprehensive enforcement of the new Constitution of the Republic of Mongolia. In other words, this step abolished the previous legal system and enabled overall legal reform in compliance with the new Constitution. In January 1998 the Parliament approved the program “Legal Reform of Mongolia,” along with an action plan and a list of activities (Chimid, 2000). Since Mongolia did not have the adequate experiences in establishing the democratic legal system, many laws were formulated with the assistance of international consultants of different legal systems. In one sense it was a good exercise and experience to learn about different legal systems but the problem was the appropriateness of those laws in the context of Mongolia.

Since the new Constitution, several presidential and parliamentary elections have been held: in June 1992, the Mongolian People's Revolutionary Party (MPRP) retained power. The MPRP’s candidates for the parliament in 1992 were popular and well known individuals among the public; therefore, it helped greatly in their campaigns. In 1996, the opposition parties gained power through the Democratic Union Coalition, and in 2000, MPRP returned to power ending the political instability that had afflicted the country since 1998 (ADB, 1993, 2002). According McLeish and Phillips (1998), the political elections help in shaping the new educational system but also in alleviating some of the uncertainty common to all nations engaged in the process of democratization.

The new Constitution set the concepts for the public administration reforms which were aimed to strengthen the government management capacity, to decentralize the local governments, to redistribute the roles and responsibilities of central and local governments; and to strengthen the roles of local administration in education, health, culture and social welfare (ADB 1986; ADB, 2002a).
The Law on Provincial Administration and Governance in 1992 established independence of local governing bodies giving local municipal governments control of their own budgets or financial autonomy, and the government were committed to increasing self-financing capabilities for the development of the provincial infrastructure by establishing cost-recovery mechanisms (ADB 2002). However, the local officials are accustomed to following the directives from the central government, and they are lack of human resources and managerial expertise to deliver services effectively with the increased functional responsibilities. International donor organizations such as UNDP help to provide local governments through their projects to increase the local governments’ capacity for administration, planning, financial management, pro-poor service delivery and good local governance processes. UNDP noted that while legal reforms are frequently made, Mongolia lacks an integrated decentralization strategy and, most fundamentally, national consensus on how to operationalize decentralization with concrete arrangements for the intergovernmental sharing of responsibilities for service delivery and financing. It has been criticized that some recent reforms have reversed the decentralization process. In 2001, a reform to the General Taxation Law reduced local budgets significantly and the Consolidated Budget Law mandated that since 2002 the personal income tax be centralized in the state budgets. The Public Sector Management and Finance Law (PSMFA), which came into effect in 2003, has recentralized all expenditure responsibilities for social service delivery, including education and health, from local administrations to the line ministries’ portfolio. Due to these facts, there is an increasing pressure from local governments to relax legislations that limit their autonomy (UNDP, 2007).
3.3 ECONOMIC TRANSITION

During socialism, Mongolia enjoyed a seemingly strong economy. But the foundation of that economy was built on unstable sand. Mongolia was a country with a state budget composed largely of foreign investment as high as 70 percent, with the lowest GDP per capita in the communist world, and with biggest foreign debt in the world if compared to its population. Private property was not allowed even to a limited degree. In fact private ownership was strictly forbidden by law. All properties including land were state-owned.

Between 1960 and 1990 an estimated 30 percent of Mongolia’s Gross National Product (GNP) was foreign economic assistance. Until January 1, 1991, economically Mongolia had been as much of a part of the Soviet Union as any of its constituent republics. Over 90 percent of its trade was with the Soviet Union and 25 percent of its GNP was directly attributable to Soviet aid. Suddenly, with the end of the relationship, Mongolia was an “economic orphan” (Lake, 2000, and Baabar, 2000).

Between 1990 and 1993 Mongolia's GDP declined for four years in a row as the country underwent a rapid transition to a market economy (World Bank, 1995). The cumulative loss in national income amounted to 20 percent, real consumption per capita declined by a third, and real investment by two-thirds (World Bank, 1995). Inflation accelerated to 325 percent in 1992, and exports and imports fell by more than half between 1990 and 1993 (ADB, 2002b). The 1989 GDP per capita figure of $1,645 fell to $329 by 1995 and had risen only to $450 by 1998 when early transition declines began reversing as macro-economic stability took hold and limited economic
growth returned (ADB 2002a) (Table 3). Agricultural output diminished by 50% between 1990 and 1993, while industrial output fell by 33%. Government revenues shrank. And real wages in industry and agriculture fell by 20% and nearly 33% (World Bank, 1995).

Table 3. Economic indicators for Mongolia (1989-2000)

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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP index</td>
<td>100.0</td>
<td>97.5</td>
<td>88.5</td>
<td>80.1</td>
<td>77.7</td>
<td>79.5</td>
<td>84.5</td>
<td>86.5</td>
<td>89.4</td>
<td>92.5</td>
<td>95.3</td>
<td>96.3</td>
</tr>
<tr>
<td>Per capita income (US$, 1993 prices)</td>
<td>1,645</td>
<td>1,245</td>
<td>617</td>
<td>478</td>
<td>328</td>
<td>334</td>
<td>329</td>
<td>445</td>
<td>467</td>
<td>450</td>
<td>374</td>
<td>n/a</td>
</tr>
<tr>
<td>Rate of inflation</td>
<td>0.0</td>
<td>0.0</td>
<td>152.7</td>
<td>325.5</td>
<td>183.0</td>
<td>66.3</td>
<td>53.1</td>
<td>44.6</td>
<td>20.5</td>
<td>6.0</td>
<td>10.0</td>
<td>8.1</td>
</tr>
</tbody>
</table>


First Resident U.S. Ambassador to Mongolia Joseph E. Lake⁶ (2000) commented:

While no one anticipated, or could be expected to manage the magnitude of these changes, Mongolia was especially hampered in its efforts to cope because of the lack of understanding and experience. In Mongolia, which was isolated from the outside world for the better half of the century, nobody knew the basic principles of a market economy. Neither key government decision makers nor opposition leaders understood non-Marxian economics—a severe handicap to managing the country’s rapidly changing environment.

In mid-1990, after the political revolution, the government declared that Mongolia would have a private sector. At the beginning of the transition turmoil, newly elected government invited

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members of the new parties into a coalition government. The most influential of these, the National Progress Party, was formed around a group of young economists whose leader, Ganbold, became first deputy prime minister in charge of economics. This group persuaded Prime Minister to commit Mongolia to an ambitious privatization program. At the beginning of 1991, the government controlled virtually all prices, domestic distribution, and foreign trade. The legal infrastructure necessary for protecting the rights of private owners was non-existent. Lack of knowledge of the workings of a market economy has been critical. The small group of Mongolian young economists began to write national policy on privatization combining various ideas largely from the Russian, Hungarian and Eastern European media on privatization, its procedures, and developments. With the appointment of Ganbold as first deputy prime minister, this group proposed far-reaching and innovative privatization scheme. Moreover, there was no organized opposition to privatization, mainly because of lack of knowledge from opposition party. The members of opposition party tried to show its progressiveness, offered only minor technical amendments to the privatization plan. The Privatization Law of 1991 laid out the basic features of the privatization process, giving a great deal of discretion to the various participants. The provision of the Constitution stating that Mongolia shall have a multi-sectoral economy has been ensured and by 2007 about 70 percent of GDP was produced by the private sector (NSO of Mongolia, 2007, p.138).

Compared with most of the former Soviet Central Asian republics, Mongolia advanced rapidly in the process to transform its command economy, with policies of privatization and market liberalization. Mongolia undertook its economic reforms at a rapid pace solely depending on international grants and loans. It is estimated that about 17% of GDP was financed by large donor aid (World Bank, 1994). As a condition to receive funds the country opted to import the structural adjustment policies and reform “package” and rigorously implement it in all sectors, including the education sector (Steiner-Khamsi, 2006; Weidman et al., 1998). Like most of the other transition countries of Eastern and Central Europe and Central Asia it opted for “shock therapy”. According to
Jeffrey Sachs, three types of policies were involved in economic reform program: economic liberalization, macroeconomic stabilization and privatization, transferring ownership of state property to the private sector (Peet, 1999). World Bank (1994b) saw the privatization program as an important achievement which would “increase efficiency in key sectors of the economy”. The government of Mongolia liberalized prices and privatized national herd of livestock and it opened up the economy to the outside world. UNDP (1997) report noted that development policy came to consist in withdrawing government interventions on favor of the rationalization of an economy through disciplining by the market and by self-interested individuals efficiently choosing between alternatives in the allocation of resources. The Constitution recognizes all forms of property and mandates that owners’ rights can be restricted only by due process of law.

3.4 SOCIAL CHALLENGES

In Mongolia, fundamental social transitions have involved changes from collectivist society to one in which individuals are responsible for themselves. This includes a gradual shifting of responsibility for social welfare from the government to the individual, largely through “cost sharing”, in which individuals pay varying amounts for services that were previously provided at no cost by the government (Weidman & Bat-Erdene, 2002).

Prior to the collapse of the socialist system the education, health services and social support services were provided free of charge by the state and social development indicators were improved impressively. Life expectancy at birth increased from 46.7 years in 1960 to 62.5 years in 1990, adult
literacy rate rose to 95 percent, virtually the entire population had access to health services. Girls received as much education (6.8 years) as boys (7.2 years) (ADB, 2002a). Prior to 1991, it was reported that widespread poverty did not exist in Mongolia because of security of employment and a strong social protection system under central planning (ADB, 1996).

In 1990, living standards and social indicators began to deteriorate when the country's 70-year-old socialist system collapsed, accompanied by the termination of assistance of the former Soviet Union and a substantial decrease in demand from its traditional trading partners, the Council for Mutual Economic Assistance. Government expenditure on social services declined to 47 percent in real terms between 1990 and 1995 (ADB, 1996). Public expenditure on health fell from 5.8% of GDP in 1991 to 3.6% in 1998. The quality of health care is deteriorated. Public expenditure on education fell from 11.5% of GDP in 1990 to 7.1% in 1998, the adult literacy rate fell by 1% each year to 87% in 1998, and the number of dropouts increased. High school-dropout rates, particularly among rural males, persist. School enrollment also declined, boys’ enrollment dropped more sharply than girls’ as many boys were drawn into livestock production (ADB, 2004).

International financial institutions such as International Monetary Fund (IMF), World Bank and regional banks, impose “structural adjustment packages” (SAPs) as a loan conditions. SAPs are comprehensive reforms that force governments to liberalize prices, devalue their currency, and reduce public expenditures. The reduction of public subsidy to education sector in Mongolia, particularly in higher education will be discussed in further sections of this study. In practice, SAPs have led to massive unemployment, poverty, and huge external debts. In the Mongolian case, the drastic fall of the economy resulted in an 8.5 percent registered unemployment rate, 30 percent of school age children not attending schools, a doubling of maternal mortality from 0.12 percent in 1990 to 0.24 percent in 1993, the number of female headed households rapidly rising, and the real value of pensions and other social benefits declining (World Bank, 1995).
The country faces numerous challenges in the provision of basic social services due to remoteness of the cities and towns, an underdeveloped and inadequate physical infrastructure, ecological diversity, extreme climate, poor economic management, and migration. In 2000, over a third of people were poor, 52% of the urban and 20% of the rural poor were unemployed (ADB, 2002a).

Average living standards have remained low and social discrepancies have increased. The ratio of income share the highest 20 percent of Mongolian population to the lowest 20 percent rose from 1.6 in 1992 to 5.6 in 1995 (Human Development Report Mongolia, 1997). Between 1995 and 1998, Mongolia’s Gini-coefficient rose from 0.31 to 0.35 (Human Development Report Mongolia, 1997). Severity of income poverty worsened after 1995. Human Development Report of 1997 stated that human poverty is increasingly manifesting itself in a rising incidence of child labor and street children, alcoholism, domestic violence, sexually transmitted infections (STIs), tuberculosis and homelessness.

Women in particular face a significantly higher incidence of income poverty than men. Factors contributing to people's vulnerability include the limited capacity to prevent and manage natural disasters, high rates of unemployment, slow expansion of job opportunities, low and fluctuating earnings combined with unequal access to health and educational opportunities, poor skills, lack of access to safe drinking water and inadequate food and nutrition. Among the most vulnerable are unregistered migrants, female headed households, herders and others requiring special care such as the homeless, street children, single elderly and the disabled.

Growing disparities between rural and urban areas and among residents of urban areas (between residents of ‘gers’ and others) are a disturbing feature of Mongolia’s advancement. These disparities are reflected in many dimensions including poor and unequal quality access to basic social services in underserved sub-urban and rural areas, in access to information, decent urban housing and infrastructure. Rural areas are also severely handicapped in terms of physical infrastructure, access to
information, technology and skilled labor that makes enterprise development difficult. Effective public service delivery to rural areas requires having to cope additionally with long distances, scattered populations and nomadic lifestyles. The United Nations in its Development Assistance Framework paper addresses the relative weaknesses in the overall capacity of government institutions in Mongolia, especially at provincial levels. (UNDAF, 2006).

The European Community in its Mongolia Strategy Paper 2007-2013, noted that Mongolia continues to be a very poor country with approximately EUR 600 per capita income (Human Development Index: 116 out of 177 countries). About 27% of the population lives on less than 1 USD per day a figure that has not improved since the 1990s (Table 4).

Population growth has slowed down (from 2.1 to 1.4%), but Mongolia is still a young country (33% of the population are aged under 15, 59% are under 25) that cannot always provide adequate education and job opportunities for its young people. The transition towards a market economy has led to increasing social inequality (Gini index = 44%) and substantial unemployment (EC, 2007). High unemployment and underemployment are still the underlying reasons for the level of poverty.
Table 4. Selected Social Indicators of Mongolia

<table>
<thead>
<tr>
<th>Indicators %</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of population below $1 per day</td>
<td>27</td>
<td>27</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Prevalence of underweight children (under 5 years of age)</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>NA</td>
</tr>
<tr>
<td>Net enrollment ratio in primary education</td>
<td>90</td>
<td>91</td>
<td>90</td>
<td>84</td>
<td>NA</td>
<td>84</td>
</tr>
<tr>
<td>Primary completion rate</td>
<td>87</td>
<td>87</td>
<td>91</td>
<td>NA</td>
<td>NA</td>
<td>84</td>
</tr>
<tr>
<td>Ratio of girls to boys in primary, secondary and higher education</td>
<td>113</td>
<td>112</td>
<td>112</td>
<td>NA</td>
<td>NA</td>
<td>108</td>
</tr>
<tr>
<td>Under 5 mortality rate</td>
<td>NA</td>
<td>6.5</td>
<td>6.5</td>
<td>NA</td>
<td>NA</td>
<td>5.2</td>
</tr>
<tr>
<td>Proportion of 1 year old children immunized against measles</td>
<td>NA</td>
<td>94</td>
<td>95</td>
<td>98</td>
<td>98</td>
<td>96</td>
</tr>
<tr>
<td>Proportion of births attended by skilled health personnel</td>
<td>94</td>
<td>97</td>
<td>97</td>
<td>94</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>HIV prevalence among 15-24 year old pregnant women</td>
<td>NA</td>
<td>0</td>
<td>0</td>
<td>0.01</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Proportion of population with sustainable access to an improved water source</td>
<td>60</td>
<td>60</td>
<td>60</td>
<td>62</td>
<td>62</td>
<td>62</td>
</tr>
</tbody>
</table>

Source: EC, 2007

3.5 EDUCATIONAL TRANSITION IN FORMER SOVIET REPUBLICS AND MONGOLIA

It is noted that the educational transition processes witnessed in former Soviet republics following the collapse of the totalitarian regimes transpired not because of a simple change in government, but because of the wholesale transformation or transition of the prevailing political
systems (McLeish & Phillips, 1998). Processes of political transition from authoritarianism to democracy have sparked periods of educational transition in post socialist countries.

McLeish described the processes of ‘educational transition’ which have occurred following the political transitions from authoritarian rule to democratic government in the following model (see Fig 1). According to McLeish the model portrays the series of distinct but interrelated phases which defines the process of educational transition in countries moving from authoritarian rule to democratic government.

The closed circle represents that the rules and regulations as well as the degree of certainty with respect to what one might expect to find in such a system are well known and strictly enforced. Central planners expected to build socialism through *vospitanie*, it was the system by which schools passed on the reasons for sacrifice for the wider good—for honesty and fair treatment of fellow citizens (Silova et al., 2007). During the educational transitions the absence of the former “certainty” or common sense of purpose has been the largest challenge.

The citizens of the former Soviet Union had certain rights under the communist state. For example, employment was guaranteed by the constitution and unemployment rates were almost negligible. Public health care and education was provided free from the state. In addition, housing utilities and basic necessities were relatively accessible and were often subsidized by the government. The society promoted egalitarian regime under which ethnic minorities and women enjoyed the equal rights as the rest of the population.

McLeish suggests that “… both internal and external forces combine to challenge the legitimacy of the existing system, and in so doing engender an anti-authoritarian climate in which the

7 Iveta Silova: Columbia University, New York, NY, Ph.D. with distinction 2002, Comparative Education and History/Political Science Columbia University, New York, NY, M.Phil. 2000, International and Comparative Education. Dr. Silova’s research focuses on the study of globalization, democratization, and policy ‘borrowing’ in education. Her research and publications cover a range of issues critical to understanding post-socialist education transformation processes, including gender equity trends in Eastern/Central Europe and Central Asia, minority/multicultural education policies in the former Soviet Union.
prevailing ideology is threatened” (McLeish & Phillips, 1998, p.14). By 1990, the mass rejection of Leninist ideology resulted in millions of members defected from the communist Party and eventual abandonment of military parades that had played such a crucial role in building Soviet myths (Smith, 1998).

According to McLeish “When status quo can no longer be defended and governments are unsuccessful in arresting the ideological collapse, the transition process moves into an interim period, which is characterized by great uncertainty as nations await the outcome of the political transition process” (McLeish & Phillips, 1998, p.16). The insecurity and anxiety caused by the ideological collapse is replicated in the educational transition process. In McLeish model, the next phases are the national and provincial level elections. The political elections help in shaping the new educational system but also in alleviating some of the uncertainty common to all nations engaged in the process of democratization. The Phase IV in the model is the macro-level transition, where new educational structures and practices adopted in educational legislation. The fifth and final phase is devoted to the implementation of new educational policies. McLeish suggests that the completion of macro-level transition is no indication that the transition processes at the micro-level will be sooner completed.
Figure 1. The process of educational transition in countries moving from authoritarian rule to democratic government (Source: McLeish & Phillips, 1998, p.11)
In order to understand the main social, political, legal, and economic characteristics of the post-1990 education reform processes in former Soviet republics, it is important to explore the policies toward these republics during the Soviet regime.

In the 1930s, Soviet implemented aggressive campaigns against Islamic tradition and educational practices toward the indigenous populations of the southern Caucasus and Central Asia. Silova et al., (2007) wrote:

“…the curriculum at all levels was nonetheless saturated with dialectical materialism, Marxism-Leninism, and a scientific positivism, and all of this clearly contributed to a distinctly secular and heavily Russified mass culture throughout the region, especially in urban areas and in Azerbaijan, Kazakhstan, and Kyrgyzstan (p.163).

However, Silova stressed that Soviet state-sponsored secular education also established a widely shared public expectation for the continued provision of mass co-educational schooling at little or no cost on a fundamentally egalitarian basis (p.164). Mitter (1992) wrote that “…the education systems inside the socialist bloc, i.e. in the region under Soviet hegemony, shared a number of common features which were on the one hand based on Marxist-Leninist doctrine, and on the other on educational theories and practices that were claimed to constitute ‘socialist attainment’ or ‘socialist performance’ (Phillips & Kaser, 1992, p.16). Anweiler described the main features of the inherited system of education as the following:

- Centralization of decision-making at the top of the party and state apparatus
- The officially proclaimed, and to some degree realized, principle of unitary and comprehensiveness of the education system from kindergartens to universities
- The absence of private institutions of education and learning
- The close linkage between education system and planning on the one side with overall economic planning and manpower policy on the other (in Phillips & Kaser, 1992, p.36)
Those features of old education system were hindering the reform process of education system in Mongolia in the beginning of the transition period from the socialist planned economy to a democratic and market-based society. The purpose of the education system was to provide manpower according to the centralized planning.

In 1986, Michail Gorbachev introduced the notion of *glasnost* (openness, voiceness, transparency or publicity) and *perestroika*. This notion was embedded in a comprehensive programme of political, economical and social reforms. Silova (2005) noted that:

“…the period since independence in 1991 has been characterized by an acute sense of drift or crisis in educational policy; as various internal and external or multilateral institutions struggled to create “new” and autonomous educational systems out of what had been a tightly integrated and highly standardized in the Soviet period. In fact, many educational leaders and indigenous elites in Azerbaijan and Central Asia embraced, at least rhetorically, international policy trends such as decentralization and privatization, although often for their own purposes”.

Implementation of education reform has been varied from country to country largely depending on political situation of each country. In Uzbekistan for instance, political elites seized power and have not made many political or economic reforms. The president elected in the immediate post-transition period is still in office 20 years later and Uzbekistan still remains a single-party state with strong economic controls (Weidman & Yoder, 2010). Whereas, in Mongolia under the new Constitution, the numerous presidential and parliamentary elections have been held: in June 1992, when the Mongolian People's Revolutionary Party (MPRP) retained power, in 1996 after which the opposition parties gained power through the Democratic Union Coalition, and in 2000, when MPRP returned to power ending the political instability that had afflicted the country since 1998 (ADB, 2002). Based on comparisons of educational reforms in Mongolia and Uzbekistan, Weidman & Yoder (2010) noted that in Uzbekistan educational structures remain highly hierarchical and policy reforms being implemented in a top-down manner. The education policy process lacks transparency, with very limited involvement of stakeholders.
It is noted that the search for a new system of education has taken two main directions: the first is directed towards the past in the particular country, i.e. to its educational history; the other looks towards experience abroad, i.e. it has an international and comparative direction. “Borrowing from abroad” and ‘return to the roots’ are the two main currents in educational thought in a period of transition with a yet uncertain future (Anweiler in Philips & Kaser, 1992, p.37). Silova (2007) stressed that under the nearly 70 years of Soviet regime the goals of education were clearly articulated by the party-state regime and largely supported by much of the public: equality, achievement, and self-sacrifice for the nation. However, after collapse of this regime the countries of former Soviet regime struggling to replace the educational purposes of the past with new values and principles.

After the collapse of the old regimes in former Soviet republics, teaching of Russian as an obligatory subject in schools and universities was dismissed. The same policy was enforced in Mongolian schools and instead of Russian being primary foreign language other languages such as English, German, Japanese, Korean, Chinese and Turkish being introduced in schools. The new language laws issued in all Soviet republics in 1989/90 proclaimed the language of the republics as the official language. Kreindler (1982) noted that the new legislation is clearly a reaction against the Russification policy of the past decades which has been exercised under the slogan of the future ‘merging’ of the nationalities to as new entity, the ‘Soviet nation’ under Communism. “Soviet model” regarded education as a tool of official ideology and education was regarded to provide the workforce demanded by the command economy (Birzea, 1994). Birzea contrast the principal characteristics of communist education and the liberal education adopted by Western societies. He noted that the objective of communist education is collectivist socialization or equal educational opportunities for all: the same objectives, the same school, the same curricula, a single textbook. Whereas, in liberal education individuals are different by nature and [education is need based]. Instead of forced equalization of performances, the education system seeks to promote equality of
opportunity. According to Birzea (1994), education in communist society organized in such a way as to provide a workforce in conformity with socialist planning, particularly for heavy industry, the energy sector and agriculture. Educational objectives are subordinate to the economic and ideological objectives of the Party-State. In contrast, in liberal society, the individual cannot be reduced to the level of a docile mass workforce; he is not a mere producer of material goods but both a producer and consumer of culture. His material existence is subordinate to a system of moral and spiritual values that can be formed and completed by education.

According to Birzea (1994), the transition of communist education into liberal education followed by a series of measures intended to abolish the worst of communist education: political indoctrination and atheistic propaganda; the ideological monopoly of the ruling party; the primacy of polytechnic education; compulsory work by pupils and students; paramilitary training of the young; strict control of institutions and individuals; forced uniformity, etc. (p.38).

The transformation of the previous Soviet system of education into an international model of education designed by international financial institutions and organizations was one of the objectives of the post-socialist reform policies. The features of post-socialist reform package exported to the region were similar, all countries experienced a dramatic reduction in public expenditures on education as percentage of GDP, decentralization of education authorities, and privatization of higher education etc., For example, by 2000, the percentage of GDP spent on education had fallen by approximately one-third in Uzbekistan and by one-half in Azerbaijan, Kazakhstan, and Kyrgyzstan compared with pre-independence levels. In 2000, Tajikistan contributed 2.3 percent of GDP for education expenditure compared with 3.2 percent in Kazakhstan, 3.7 percent in Kyrgyzstan, 6.8 percent on Uzbekistan, and an average of 4-6 percent in Organization for Economic Cooperation and Development (OECD) countries (Silova, 2007).

As a consequence of macroeconomic crisis, the education system was deteriorating in post-socialist countries. Evidence would include a severe decline in the availability of goods and services
within the educational system such as textbooks and other essential educational supplies, serious physical deterioration of school and university facilities, the high drop-out rate of students, and low level of qualifications of the teachers. The teacher’ salaries are often not disbursed for months, that often lead the teachers to leave the school (ADB, 2004; EC, 2007; Silova, 2007; Suprunova, 2007).

The schools have deteriorated because of insufficient maintenance of property and intensive use or overuse of school and university facilities. Tajikistan has suffered most in terms of property damage as a consequence of civil war of the early 1990s. It shows that an increase of student nonattendance also connected with the lack of adequate heating and transportation of schools.

Young people in Central Asian countries have been negatively affected by worsening economic conditions and political repressions. Unemployment and poverty spread across the region and the percentage of the population living below the poverty line was 80 percent in Tajikistan, 60 percent in Azerbaijan, 55 percent in Kyrgyzstan, and 35 percent in Kazakhstan (UNDP, 2001). Young people are often characterized as a “generation at risk” and this generation is clearly disadvantaged compared with their parents’ generation (Silova, 2007). Educational systems have deteriorated since 1991, the educational infrastructures degraded, many school kids drop-out from the school. The opportunity cost of formal education becomes higher than the anticipated benefits and public trust erodes (Berryman, 2000).

In the early 1990s, the social tensions and civil conflict were exacerbating throughout the region and the new interest in Islam spread throughout Azerbaijan and Central Asia. The reform process also contributed to the rise of national movements and revival of Islamic practices and institutions, especially in education. Efforts were made in re-opening or establishment of new mosques. These efforts were often supported and funded by external missionary influences, especially by Turkish, Saudi, Kuwaiti, Iranian and Pakistani foundations. During the period 1991-2002, for example in Kyrgyzstan, fewer than 10 schools were built, whereas more than 1,500
mosques were constructed or rebuilt, often with foreign or private funding (Silova et al., 2007, p.169).

During the 1990s preschool enrollment has declined sharply. In 1999, the overall pre-school enrollment rate in post-Soviet Central Asia was 14 percent, in contrast with 73 percent in post-socialist Central Europe (Silova et al., 2007, p.169). It also suggested that declining enrollment rates and school nonattendance also related to increasing involvement of children in family labor to supplement declining family incomes (ADB 2004).
Phillips & Ochs developed the analytical framework of policy borrowing (Phillips, 2000; Phillips & Ochs, 2002, 2003). This framework can be used to investigate the effects on education policy in the former socialist bloc countries of their interest in western countries following the dramatic political changes of 1989/90. Research by Steiner-Khamsi (2004, 2005) illustrates this application broadly. She also applies the notion of policy borrowing in basic education to Mongolia (Steiner-Khamsi and Stolpe, 2004; 2006).

There are different terms used to describe the policy transfer from one national context to another. The common terms can be found in comparative studies in education are: ‘policy borrowing and lending’, ‘policy import’, ‘policy influence’, ‘transfer’, ‘copy’, ‘adapt’, ‘appropriate’, ‘cross-national policy attraction’, ‘internalization’ etc.,

Studies show that the borrowing and lending can be interpreted from two perspectives: voluntary and imposed, but the line between them is quite thin (Phillips and Ochs, 2002, Steiner-Khamsi, 2004, Booth, 2006). Phillips & Ochs (2002) use ‘borrowing’ to describe the “conscious adoption in one context of policy observed in another”. They refer to internalization and

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8 Dr. Steiner-Khamsi Ph.D., Professor of Education at the Teachers College, Columbia University, Department of International and Transcultural Studies Comparative and International Education. Her scholarly interests: International policy studies in education; School and teacher education reform from an international perspective; Education, development and international cooperation; Transnational policy borrowing/lending and globalization; Theories and methods (case study methodology) in international and comparative education; Analytical work, strategic planning and program evaluations in Mongolia and Central Asia (Tajikistan, Kyrgyz Republic).
indigenization, the process of borrowing and adapting policies tailored specifically to satisfy the needs of a particular national context. Consideration of ‘home’ context is a very important issue in order to effectively transfer or adapt different policy approaches in education from elsewhere. ‘Context’ might include: philosophical, historical, cultural, religious, social, political, economic, demographic, geographical, administrative, and technological features (Phillips and Ochs, 2002). The example of British interest in education in Germany shows that policy borrowing takes a long time and can only be understood by thorough investigation and substantial studies of education aspects of the “target” country (Phillips in Steiner-Khamsi, 2004). Of course, not all foreign aspects of educational practices can be directly copied or adapted in local context. As Noah and Eckstein put it: ‘It was one thing to assert that the study of foreign education was a valuable enterprise; it was quite another to believe that foreign examples could be imported and domesticated’ (1969, p.21) The different social, historical, economic, cultural, religious foundations of a borrower country do not necessarily allow the direct appropriation of foreign practices in local circumstances. In this case it is important to learn from each other and adapt those policies that are appropriate for the local context. Harold Noah noted that:

The authentic use of comparative study resides not in wholesale appropriation and propagation of foreign practices but in careful analysis of the conditions under which certain foreign practices deliver considerable results, followed by consideration of ways to adapt those practices to conditions found at home. (1986, p.161)

The Japanese example of policy borrowing after World War II shows that the transnational policy attraction had been viewed as important to national progress and it was recognized that educational reform would bring international acceptance for newly emerged countries (Phillips & Ochs, 2004). The same view can be applied to Mongolia. As a newly emerged second socialist country Mongolia followed the Soviet style education system. In the one hand, it can be explained that borrowing was voluntary when the country choose to follow the Soviet model, because
Mongolia wanted to overcome the backwardness from feudalism and the “western model was considered as modern and progressive” (Baabar, 1999). On the other hand introduction of Soviet model of education can be seen as imposed policy taking into consideration the political influence and economic dependency of Mongolia from its powerful neighbor. Steiner-Khamsi and Stolpe wrote that “the post socialist reform package” designed by international donor agencies was, for the most part, “voluntarily borrowed for fear of falling behind internationally” (2006).

Phillips and Ochs viewed policy borrowing as a deliberate, voluntary and purposive phenomenon. They made a point that an imposed policy is not a borrowed policy (2004a). According to them the Japanese example of school restructuring into a US 6-3-3 pattern after II World War as well as imposition of French approaches to education in parts of the world previously or presently controlled by France cannot be considered to be ‘borrowed’ policies. In this case, the Mongolian example also is complicated by the fact that Mongolia was heavily influenced by the Soviet ideology, politics, and economic structure, during the socialist period between 1921 and 1990. Consequently, adopting a Soviet style of education on the other hand, could be interpreted as imposed policy rather than borrowing. Phillips and Ochs (2004a) mentioned that policies implemented during a period of occupation, “when the free decision-making of the occupied was inevitably curtailed” are not ‘borrowed’ policies (p775). Based on their historical analysis of borrowing including the effects of colonization and missionary-dominated educational reform, they viewed borrowing from a more voluntary perspective.

Robertson & Waltman (1992) emphasize that “politicians’ decisions to borrow are frequently influenced by short-term appearances and the pressures they are under to solve urgent problems for which there are not recognizable solutions. Case studies on the impact of ‘borrowed’ concepts by external global institutions such as the World Bank revealed that educational policies are often taken and implemented without concern for the local situation (Vavrus in Steiner-Khamsi, 2004). Often, governments of borrowing countries need to make an immediate policy decision to overcome the
problems caused by sudden political and economic changes. They need a new policy reform to change the country. In this case often policy makers look for recognized foreign sources of policy innovations in order to legitimize both themselves and their proposed reforms (Halpin & Troyna, 1995, Spreen, Luschei in Steiner-Khamsi, 2004).

International organizations play an important role in lending of ideas about educational reform in low income countries. The World Bank has become the largest provider of external finance in the education sector and promotes the best practices about how to reform the education sector. However, the World Bank had been criticized about imposing such reform packages as a precondition to borrow, without much differentiation of local context. Case studies of assistance programs and projects in low income countries showed that there are gaps between design and implementation of such programs (Escobar, 1995, Jones in Phillips and Ochs, 2004, Peet, 1999, Steiner-Khamsi, 2004, Steiner-Khamsi & Stolpe, 2004).

In an era of globalization the widespread dissemination of educational ideas creates a climate in which conscious borrowing is more likely to occur. Phillips and Ochs (2004a) noted that “sometimes it will be welcomed, at least initially; sometimes it will be gradual and subtle in its effects; sometimes it will be resisted with varying degrees of rigour” (p.776). Phillips and Ochs (2004a) referred to ‘borrowing’ as a “clearly enunciated intention to adopt a way of doing things observed elsewhere, and not to a less well-defined susceptibility to influence through the general recognition of the importance shown to particular practices elsewhere and a less conscious reflection of those practices in policy ‘at home’” (p.776).

Phillips & Ochs (2003) proposed a model with the following key stages of the policy borrowing processes (see Figure 2): cross-national attraction, decision, implementation, indigenization/internationalization.
These authors analyzed the British interest in educational provision in Germany over the long period of time and hoped that this model of policy borrowing could be applied in a variety of contexts. They stressed the need to examine the context for cross-national attraction from two perspectives: “first, the conditions [or impulses] that have created the need to look to examples ‘elsewhere’; second, the suitability of the ‘home’ conditions for particular kinds of educational transfer from such examples ‘elsewhere’” (2002, p.331).

According to this model, policy borrowing starts with the impulses that instigate cross-national attraction. The major impulses can be: internal dissatisfaction, systemic collapse, sudden economic change, political imperatives, globalizing tendencies and political change such as new directions as a result of change of government (see Fig 1). These impulses can be related to post-socialist countries including Mongolia, where internal systemic collapse and dissatisfaction followed...
by sudden political and economic changes and globalizing tendencies from outside inevitably brought attraction to the education reform processes from elsewhere.

The principal impulses of British interest in education in Germany have been a desire to improve provision at home which has been found to be inadequate what Phillips and Ochs call ‘internal dissatisfaction’ in Figure 1. As they noted, reasons or impulses for cross-national attraction can be political change as well as sudden changes in the economy (as it happened in the former socialist bloc countries in the beginning of the 90s’). (2004, pp.778). According to Phillips and Ochs, “whatever the catalyst for change, it will create conditions that make possible the search for examples of successful approaches elsewhere” (Phillips & Ochs in Steiner-Khamsi, 2004, pp.56).

Phillips and Ochs (2002) examine the process of education policy as a function of the following elements: guiding philosophy or ideology which influences the ambitions and goals of the education system, then its strategies for policy implementation, followed by the development of enabling structures, educational processes and techniques. These elements of foreign system that are theoretically “borrowable” have been placed in a field of contextual factors (Fig 2). Authors remind us that cross-national attraction can happen at any one of six individual stages of educational policy development and ‘borrowing’, at any stage may impact the development of educational policy in the interested country.

Decisions to borrow from others could be theoretical in nature as a guiding principle for change. Also, it could be phony in nature, where the politicians use it as a tool to legitimate their short term existence (Phillips & Ochs, 2003). Schriever (1990) points out that policy makers often borrow the language of reform programs as a self-referential discursive act to build support for their own systems without actually borrowing anything. Another type of decision that Phillips & Ochs described is a “quick fix” solution, which is the most dangerous outcome of the processes of cross-national attraction. According to Robertson & Waltman (1992) most nations borrow when faced by inherently uncertain and controversial problems (p.29).
Introduction of a market economy through the World Bank’s recommended “shock therapy” brought uncertainty and insecurity in countries of former Soviet block. Newly elected democratic government of these countries faced uncertain challenges and they didn’t have such experience to govern the democratic, free market society. In the Mongolian case, the changes in Soviet policy in the 1980s generated by glasnost and perestroika affected the country. Mongolia moved towards a new phase of its history, democracy and market economy. With the collapse of the socialist system the old ties with the Soviets (ideological, political and economic) had departed. The new democratic leadership reoriented itself towards a new international community and asserted that they would cooperate with the World Bank, the Asian Development Bank, the International Monetary Fund, and other international organizations to move toward a market economy and political pluralism (Rossabi, 2005, Steiner-Khamsi & Stolpe, 2004, Weidman & Yeager 1999).

When the newly elected government of Mongolia faced the abrupt political and economic decline in the country during the transition period it pursued the major reforms recommended by international donor organizations in order to fix the crisis in the country. Phillips & Ochs noted that ‘quick fix’ is a dangerous form of decision making in terms of the use of foreign models, and it is one that politicians will turn to at times of immediate political necessity. (2004, pp.780). Implementation or adaptation of these models in local context is another story. In low-income countries, the external pressure to reform in certain ways is very high because of dependency on financial resources (Steiner-Khamsi & Stolpe, 2006).

According to Corney and Rhoten (2002) the contextual conditions of the ‘borrower’ country affects the interpretation and implementation of such ‘borrowed’ policies. Phillips and Ochs agreed that the degree of adaptation will depend on a large number of contextual factors (2003). Harold Noah reminds us that the careful analysis of local conditions is important in order to get desirable results from adaptation of foreign practices (1986).
In a country with decentralized systems or with less direct political control, implementation will be more easy and effective (Phillips & Ochs, 2004, pp.780). Tato writes that in some contexts, more centralized structures may be more effective in bringing about successful reform (1999). Decentralization was one of the pre-conditions of the reform policy in developing countries recommended by the World Bank. In former socialist countries, including, Mongolia the administrative structure was hierarchical and centralized. The sudden shifts in government control and delegation of power to local administrations without allocation of adequate capacity and financial resources have brought as Steiner-Khamsi & Stolpe called a “decentralization fiasco” (2004). They see it as a typical case of education reform in times of transition. It is noted that any reform efforts must take into consideration the unique social, economic, cultural, and political conditions in the particular country of implementation. Recipient countries will need to be able to adapt and modify donor recommendations according to their particular circumstances (Weidman & Yeager, 1998). In the Mongolian case, the beginning of decentralization process was a difficult process, because 70 years of socialist regimes under centralized control made local politicians the passive followers of the command from above. Local institutional capacity was very weak and sudden cuts of government funding destabilized the local administration in the beginning of the decentralization process (ADB, 2004). In Mongolia by Education Law of 1991, the management and responsibilities of educational activities has been delegated to local governments however, the local governments were in shortage of the financial, technical, and management resources and skills to fulfill this new role. At the same time as the Ministry of Education and Science in Mongolia become responsible for planning, policy formation, implementation, facilitation and enforcement of education sector, there was need to invest largely in retraining of Ministry’s staff in basic skill area of policy analysis such as evaluation, economics and finance, planning and implementation, statistics, or forecasting (ADB, 1996).
The market mechanism is another form of decentralization. Advocates of the market mechanism assume that services of good quality and efficient use of resources are best achieved by competition. Educational institutions will compete for customers who are free to choose from the marketed supply of services (Lauglo, 1995). Privatization was one of the conditions of the reform policy recommended by the World Bank in post-socialist countries. The Education Laws allow non-government education institutions at all levels of education. In Mongolia, since the establishment of the first private higher education institutions in 1991, the private sector has been growing at a rapid pace (Weidman & Yeager, 1998). Government and non-government educational establishments have been given equal starting positions to compete in the market place by resolving difficulties encountered creatively.

The final stage of policy borrowing is ‘internalization’ and ‘domestication’ of policy or in other words “the policy becomes part of the education system of the borrower country” (Phillips & Ochs, 2003, p.456.) There are four steps in this model:

- effects on the existing system; to examine the motives and objectives of the policy makers
- the absorption of external features; to examine how and to what extent features from another system have been adopted
- synthesis; to examine the process through which educational policy and practice become part of the overall strategy of the ‘borrower’ country
- Evaluation; to evaluate whether the expectations of borrowing have been realistic or not

It suggested to examine the effects on the existing system, within the following framework: curriculum, assessment, pedagogy and organization (Ball, 1994). The absorption of external features also suggests the close examination of context.
Steiner-Khamsi raised the issue of domestification or question of how these externally induced reforms are locally implemented (2004). Steiner-Khamsi reminds us that domestification is not easy process and in some cases the implementation of borrowed policies encounters undermining resistance (modification and voluntary adaptation).

Spreen points out that in terms of establishing local meanings and understandings, “ownership”, rather than imported ideas, brings legitimacy to a policy initiative (Spreen in Steiner-Khamsi, 2004). Spreen characterizes the “internalization” or appropriation phase as the vanishing phase of the international origins or external references to educational practices. Case studies showed that during the implementation of borrowed policies the relevance and applicability of international aspects of reforms often come under the greater scrutiny (Steiner Khamsi, 2004). It is become truly difficult to distinguish purely “imported ideas” from true appropriation of concepts. As a result of “critics of borrowing” the borrowed policy become truly hybrid version of homegrown version of local education practices (Spreen in Steiner-Khamsi, 2004).

Silova (2002) reminds us about the importance of the dynamic interrelation between international pressures for Westernization and the constraints imposed by Soviet legacies in the former Soviet republics. She notes that the culturalist approach places the local agency in the center of education transformation, thus emphasizing “borrowing” as a self-regulated reflection on educational reform. Within this context, educational borrowing is not necessarily imposed, but can be used by the local agency as a mechanism for meeting its own needs. Consequently, Silova (2002) comments that the local agency is not perceived as a “helpless victim” that is ruthlessly manipulated and controlled by global forces. Rather, the local agency is capable of pursuing its own interests by manipulating global forces. Silova also noted that “whereas comparative education research traditionally has argued that educational borrowing is used to replace “old” educational institutions, norms, and practices with “new” ones during a period of political transformation, some cases
suggests that borrowing in fact may be used to legitimize the maintenance of “old” institutional structures to be used for “new” purposes in a post-socialist context.

The theoretical perspective of policy borrowing process will be used to analyze the higher education reform processes in Mongolia and to address the reform changes over the two decades following the transition. Key stages of the policy borrowing such as cross-national attraction, decision making, implementation and internationalization stages will be used as a background perspective of the higher education reform process in Mongolia.
5.0 RESEARCH DESIGN AND METHODOLOGY

This study is aimed to understand and reflect the policy reform process in education during the transition period from 1990 to 2010 in former Central Asian Soviet republics and Mongolia on the basis of the historical and documentary data. This paper attempts to reflect the processes which are happened during this period in the framework of outside policy influence, policy borrowing and globalization effect. This study employs a policy analytic approach based on public document and reports. Themes and patterns will be identified and analyzed using a policy framework.


This study employs a policy analytic approach based on public document and reports. This study will be based on analysis of historical and government documents, previous research studies as well as the project reports of international donor organizations related to Mongolian education system pre and post- Soviet Era. Themes and patterns will be identified and analyzed using a policy framework. International donor organizations especially the Asian Development Bank, have played
an important role in systematic study of the education sector in the early 1990s. The major
documents used in this study will be ADB Education sector project documents generated during the
transition period in former Soviet republics and Mongolia.

I applied documentary analysis approach using the wide variety of documents such as
education laws and reform documents, government policy papers, project documents, official
statistics to examine the higher education reform process in Mongolia. I will be engaged in political,
historical and socio-economic analysis of the education reform process in Mongolia, therefore, the
documentary analysis will be a useful research tool.

It has been noticed that in recent years, there has been an increase in the number of research
reports and journal articles that mention document analysis as part of the methodology in qualitative
research. Bowen (2009) noted that “document analysis is a systematic procedure for reviewing or
evaluating documents- both printed and electronic (computer-based and internet-transmitted)
material”. Like other analytical methods in qualitative research, document analysis requires that data
be examined and interpreted in order to elicit meaning, gain understanding, and develop empirical
knowledge (Corbin & Strauss, 2008).

Review of prior literature and documents is important as part of the study in order to
incorporate that information in the report. Previous studies are a source of data, requiring that the
researcher rely on the description and interpretation of data rather than having the raw data as a basis
for analysis (Bowen, 2009).

The different sources of evidence (official vs. unofficial) and methods will be useful to study
the same phenomenon. The official statistical data showed that in Mongolia during the socialist
period there were no registered poverty or unemployment and malnutrition. Some people might
question that phenomenon. Therefore, precise explanation of data source and difference in definition
of indicators along with unofficial observation might be helpful tool to study historical documents.
Apart from government official documents, such sources include interviews, participant or non-
participant observation, and physical artifacts (Yin, 1994). Therefore, in order to avoid misunderstandings, this study will attempt to incorporate official documents versus unofficial information such as e-mail interview, individual observation and my own work experiences such as working as a social statistician at State Statistical Office of Mongolia and as a domestic consultant for internationally funded development projects in Mongolia.

By incorporating different sources of data information, the researcher attempts to provide convincing evidence that breeds credibility (Bowen, 2009). According to Patton (1990), triangulation of data helps the researcher guard against the accusation that a study’s findings are simply an artifact of a single method, a single source, or a single investigator’s bias. In this respect the study will attempt to include the observations and writings of both international and domestic point of view. It is interesting to see how the international and domestic observers, researchers, historians, government officials, individuals reflect the historical changes and processes before and during the transition period from socialist to democratic society in Mongolia.

The rationale for document analysis lies in its role in methodological and data triangulation, the immense value of documents in case study research, and its usefulness as a stand-alone method for specialised forms of qualitative research. Bowen (2009) noted that documents may be the only necessary data source for studies designed within interpretative paradigm, as an hermeneutic inquiry; or it may be simply be the only viable source, as in historical and cross-cultural research.

Bowen (2009) considers five specific functions of documentary material. According to Bowen “documents provide background information as well as historical insight. Such information will help to understand the roots of specific issues and can indicate the conditions that implying upon the phenomena currently under investigation”. In order to understand the changes occurred during the Post-Soviet era in Mongolia it is useful to investigate the historical process and socio-economic and political conditions in Mongolia during the Soviet era to specify conditions and contrast.
Second, information contained in documents can suggest some questions that need to be asked and situations that need to be observed as part of the research. In this respect, non-official interview data/questions might be useful tool to integrate into research study.

Third, documents provide supplementary research data. Some researchers used document analysis to supplement data from other sources, such as semi-structured interviews and observation.

Fourth, documents provide a means of tracking change and development. Even subtle changes in a draft can reflect substantive developments in a project (Yin, 1994). This study will include various educational law documents and by tracking each of them can help to identify changes in educational sector in Mongolia.

Fifth, documents can be analysed as a way to verify findings or corroborate evidence from other sources. When there is convergence of information from different sources, readers of the research report usually have greater confidence in the credibility of the findings. This study will collaborate data from different sources such as government official documents, project documents and studies related to education sector in Mongolia.

Documents provide background and context, additional questions to be asked, supplementary data, a means of tracking change and development, and verification of findings from other data sources. Document analysis is less time-consuming; it requires data selection, instead of data collection, therefore more efficient than other research methods. Documents provide broad coverage; they cover a long span of time, many events (Bowen, 2009; Yin, 1994). Many documents were made available due to the internet access and public libraries.

The data contained in documents have already been gathered therefore study will evaluate content of those documents on the basis of specified themes.

Analysis of gathered document will involve skimming (superficial examination), reading (thorough examination), and interpretation. This process combines elements of content analysis and thematic analysis. Content analysis is the process of organising information into categories related to
the central questions of the research. Bowen (2009) recommends the kind of content analysis that “entails a first-pass document review, in which meaningful and relevant passages of text or other data are identified”. Identification of relevant information from irrelevant ones is time consuming, therefore identification of specific themes or questions to guide or narrow down the research process is important step (Corbin & Strauss, 2008). Thematic analysis involves a careful, more focused re-reading and review of the data in order to uncover themes pertinent to a phenomenon.

Keeping in mind that not all documents are necessarily precise, accurate, or complete recordings of events that have occurred, the study will attempt to establish the meaning of the document and its contribution to the issue being studied. The purpose of this study is to evaluate available documents related to higher education reform process in Mongolia in Post-Soviet era in order to put input in an empirical knowledge and understanding about reform process in education sector in period of transition from centrally planned economy to a free market democratic society.

The following table 5, summarized the relationship between the data examined and the research context and questions. The research questions were identified by special coding.

**Coding of the Research Questions/Themes**

**Research Questions:**

1. What are the main elements of higher education reform in Mongolia during the post-transition period? *(Q-1)*

2. What was the role of the donors in education reform process in Mongolia? *(Q-2)*

3. How have reforms changed over the two decades following transition and what are the future implications of the education reform in Mongolia? *(Q-3)*

**Related Themes: Historical and Theoretical Context:**

4. Socio-Economic and Historical Context *(Q-4)*

5. Policy Borrowing *(Q-5)*
6. Educational transition in countries moving from authoritarian rule to democratic government

(Q-6)
### Table 5. Example of Sampling of Documents and data Analysed

<table>
<thead>
<tr>
<th>Document selected</th>
<th>Data analysed</th>
<th>Research questions/themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian Development Bank TA projects and reports</td>
<td>A proposed loans and technical assistance grant to Mongolia for the education sector development program, country study reports, Program completion report on the education sector development program</td>
<td>Q-1; Q-2; Q-5</td>
</tr>
<tr>
<td>Previous research studies about education sector in Mongolia: Spaulding, S., Weidman, J.C., Bat-Erdene.R., Gita Steiner-Khamsi and Ines Stolpe, Silova Iveta, Heyneman, S etc., Previous research studies about education sector in Mongolia: Spaulding, S., Weidman, J.C., Bat-Erdene.R., Gita Steiner-Khamsi and Ines Stolpe, Silova Iveta, Heyneman, S etc., Previous research studies about education sector in Mongolia: Spaulding, S., Weidman, J.C., Bat-Erdene.R., Gita Steiner-Khamsi and Ines Stolpe, Silova Iveta, Heyneman, S etc.,</td>
<td>Studies on education reform and transition in Mongolia and former Soviet republics</td>
<td>Q-1; Q-2; Q-6</td>
</tr>
<tr>
<td>Different authors and studies: Birzea,C., McLeish, A.E., Weidman, J.C</td>
<td>Studies (models) about transition process from totalitarian society to a free democratic society</td>
<td>Q-1; Q-6</td>
</tr>
<tr>
<td>National Statistical Office of Mongolia, Statistical Yearbook of Mongolia, Living Standard Measurement Survey</td>
<td>Statistical data on education, government spending on education, economic and social data, poverty data</td>
<td>Q-1; Q-3</td>
</tr>
<tr>
<td>Ochs, K. and Phillips, D., Steiner-Khamsi and Stolpe</td>
<td>Study selected to build the policy borrowing conceptual framework</td>
<td>Q-5</td>
</tr>
<tr>
<td>Baabar, B., Kaplonski,C., Suhjargalmaa, D., et al., Rossabi, Morris; etc.</td>
<td>Data used to build the historical framework of country’s transition and outside policy influence</td>
<td>Q-4</td>
</tr>
<tr>
<td>UNDP United Nations Development Programme (1997). Human Development Report. Mongolia; World Bank</td>
<td>Human Development Index and related data Reports, studies and data on education</td>
<td>Q-1; Q-4</td>
</tr>
<tr>
<td>UNESCO report 2010</td>
<td>Most recent study on status of Higher Education in Mongolia</td>
<td>Q-1; Q-3; Q-5</td>
</tr>
</tbody>
</table>
Prior to the collapse of the socialist system, due to the state subsidy of the education, the adult literacy rate rose to 95 percent, virtually the entire population had access to health services. Girls received as much education (6.8 years) as boys (7.2 years) (ADB, 2002a).

In 1990, living standards and social indicators began to deteriorate when the country's 70-year-old socialist system collapsed, accompanied by the termination of assistance of the former Soviet Union and a substantial decrease in demand from its traditional trading partners, the Council for Mutual Economic Assistance. Consequently, a dramatic decline in state budgets was experienced in the social sectors. Public expenditure on education fell from 11.5% of GDP in 1990 to 7.1% in 1998 and 5% in 2005, the adult literacy rate fell by 1% each year to 87% in 1998, and the number of dropouts increased (ADB, 2004, World Bank, 2010). High school-dropout rates, particularly among rural males, persisted. School enrollment also declined, boys’ enrollment dropped more sharply than girls’ as many boys were drawn into livestock production.

A combination of cuts in social spending from the Soviet Union to the Soviet Republics and Mongolia in the late 1980s to early 1990s, hyperinflation during the mid-1990s, and reduced economic output due to changes in economic structure greatly reduced the amount of money available for social spending. Following the break-up of the Soviet Union, states could not continue
to finance all social services, and the quality and access to social services was reduced, especially for lower income families with young children and people living in rural areas (Weidman et al. 2003).

After the collapse of the Soviet Union, former socialist countries including Mongolia, faced tremendous political and economic pressure from the international community to compare educational systems and to learn and borrow from them as with conditions imposed by the World Bank and other aid agencies (Steiner-Khamsi, 2006; Weidman et al., 1998). Mongolia joined the World Bank, Asian Development Bank and other international organizations which brought external influences in policies for education as well as for other sectors.

ADB in its 1993 Mongolian Education Sector Review report stated:

The nation is in the process of a difficult and often frustrating transition to a democratic and free market society. The structural adjustments that are a necessary part of this transition can have disproportionate impacts on the education and human resource sector if the sector’s key role in the transition is not carefully articulated. Serious damage to the present education and training systems can cause a decline in the public acceptance of the structural adjustment...Education, with health, is the most visible symbol of government’s reality to the common citizen. A dramatic reduction in these educational services can lead to a dis-affection for the larger reforms of which these reductions may be a necessary part. The government must plan and communicate the education and human resource transition with the same care taken with the macroeconomic reforms.

6.2 THE STATE POLICY TOWARDS EDUCATION

Mongolian government sees an education as an important factor for country’s overall development. It sees that the further growth of economy would positively affect the development of education sector. At the same time government recognizes that the development of the human resource potential of the Mongolian people through the contributions of its education and human
resource sector is an essential element of future economic growth of the country. The Constitution of 1992 determined the role and responsibility of the government in ensuring the right of citizens to education. The Constitution also laid legal foundation to the diversification of educational service delivery endorsing various forms of ownership of education service providers. Thus, the Constitution states that “16.1.7. the right to education. The state shall provide basic general education free of charge; citizens may establish and operate private schools if these meet the requirements of the state.” The Constitution set forth important legal principles further directing the formation of administrative organizations and systems for the new educational establishment. Several provisions affecting reform, particularly those determining the structure of the Ministry of Science and Education, were significant. Chapter 2, Article 16 stated that:

“ All citizens of Mongolia have the right to education. The government shall provide education for all through secondary education free of charge. Citizens have the right to organize private schools as needed at all levels, but they should conform to demand as determined by the government.

Chapter 3, Article 38 stated:

Government officials shall promote the unification of science and technology and propose to parliament plans unifying science and technology. Government shall be responsible for carrying out the decisions of parliament in this regard.

Chapter 3, Article 39 stated:

The Prime Minister shall choose the Minister of Science and Education, other ministers, and other members of government. Parliament shall approve appointments and make the appointments.

During years of transition Government has focused on reducing poverty, unemployment and education has seen as a key instrument for improving living conditions, human resource development and economic capacity. Donor agencies noted that despite of substantial assistance and support from
international organisations the average living standards of the population have remained low and social discrepancies increased (ADB, 2002a; UNDP, 1997).

To address poverty, the government introduced a comprehensive, six-year multi-sector National Poverty Alleviation Programme (NPAP) in 1994. The main goal of the NPAP was to reverse the trends of increasing human deprivation and human capital erosion on a sustainable basis and to reduce poverty levels from 26 percent in 1994 to 10 percent by the year 2000. The NPAP was financed through external sources and a special Poverty Alleviation Fund (PAF). An evaluation of NPAP performance shows that this mechanism has made some difference in arresting the trend of increasing poverty. Some new jobs were created, basic education projects were implemented to renovate schools and install low cost heating systems, and training was provided. Overall the programme was successful. However, the NPAP did not reach the target percentage of poverty reduction due to lack of coordination and policy guidance and severe winter conditions (ADB, 2002a).

In 1994, Mongolian Parliament approved Mongolian National Security Concept. The document stated that the foundation for Mongolian National Security Concept is its strong development of the economy, science-technology and education which would be capable in competing in the global arena. It stated the importance of improving the quality of education, nurturing and developing the national talents and preserving Mongolian tradition and culture.

In 1995 the government developed the Government Policy Towards Education in which it stated that education is a priority sector and should play an important role in fulfilling the country’s development goals. It states that “the Mongolian government recognizes that the source for Mongolia’s future progress is the continually developing creative citizen with highly developed educational and intellectual abilities and skills and so it places education as a priority sector of society.” The document further states that ”education is the source for sustainable and accelerated economic and social growth, science and technology progress, intellectual and welfare creation,
national sovereignty and security” (ADB, 2002a). The same year Mongolian Parliament adopted the “National Education Policy Framework”, and the complementing package of laws on education. The package of laws on education consists of “Education Law”, “Primary and Secondary Education Law” and “Higher Education Law”. National education policy frameworks stated that the education is the source of the national development, and warranty of national security, therefore the education sector will be deemed and developed as a priority sector of Mongolian society. The framework also reflected that the education must be a quality service that is accessible to the public, meets international standards, as well as learners’ interest and needs. For that reason, the government shall make some major changes in its relationship with educational institutions. It is stated that “the education must be under government safeguard, support, coordination and under the state and the public supervision” (Bat-Erdene et.,al. 2010).

Since 1993, international donor agencies lead by Asian Development Bank has helped the Government of Mongolia shape its objectives and strategy for the education sector. The Government strategy towards education sector, particularly higher education was to (i) improve efficiency and productivity of the education and training system by improving financial management, increasing cost[sharing, reducing non-institutional staff levels, and increasing student/teacher ratios; (ii) restructure MOSTEC and improve sector management by establishing new functions such as monitoring and evaluation, and improving central and local level coordination; (iii) improving teacher quality and performance; (rationalize and improve the performance of higher education by adopting a flexible model of administration; providing autonomy to institutions (ADB, 1996).

In 1996 Mongolian Parliament approved Mongolian Development Concepts, 1996-2020 which stated that the main objective of this new era of development is to “to provide conditions for a Mongolian citizen to be fully educated and developed”. Document stated that the education will be regarded as a priority sector of the society.
The statements made in this document “continually developing creative force of highly educated citizens with strong intellectual knowledge and skills are considered a source for Mongolia’s development and future progress” and “national intellectual capacity is a foundation for Mongolia’s development” considered as underlying principles in formulating and defining education policies. The statement that “a professional skill preparation system will be developed to meet individual, social and as well as market needs”, and that “the conditions for acquiring modern knowledge through higher education will be created” are important determinants in developing and establishing a legal environment for higher education.

In 1997 the Government of Mongolia approved the Main Directions of Education Reforms for 1997-2005. In this document, the Government has specified the major education reform directions as establishing an optimal institutional structure for education sector, developing an appropriate standards at all levels of education and ensuring its’ implementation, heightening professional and ethical requirements for teachers, moving towards loan financing for the whole higher education sector, as well as supporting by all means more independent self-governing of educational institutions (Bat-Erdene et., al, 2010). Major reform initiatives identified in this document were: developing appropriate standards and contents at all levels of the education system; measuring professional school contents in credit hours; increasing participation of stakeholders in education administration, making this participation feasible and thus strengthening educational institution autonomy; introducing modern methods and techniques for policy development and strategic planning; taking measures to train young professionals in developed countries; establishing credit and loan funds to increase assistance to students and employees in the education sector; and restructuring the Central Educational Authority in order to improve effectiveness in policy development, planning, evaluation, monitoring, public administration and public service (ADB 2002a).
In 1998, the Government of Mongolia released a national strategy document The Mongolian Action Plan for the 21st century or MAP 21. It declared that the country’s strategy is designed for environmentally friendly, economically stable, socially wealthy development of all the participants in any of the development activities based on the principles of sustainable development (MSTEC, 1999). MAP 21 recognizes the importance of the education sector and it states that it is important to establish a formal and non-formal education system in order to make education a universally popular necessity for everybody. It is stated an importance of setting up a new monitoring system for education involving highly qualified educational specialists as well as public representatives. According to MAP 21 one of the objectives of the education sector was to promote the educational activities about environmental issues and efficiency of resource usage and ecology at all levels in schools.

In 1998, Government of Mongolia approved Mongolia 21 Century Sustainable Development Program. According to this strategic planning document, the strategic development objectives for Mongolia are formulated as reaching a sustainable development and wealth for all, a development with sustained economy that respects nature and ecological environment.

The program goals also serve as a guidelines for higher education policies. These are as follows: support and nurture science and education, which meets at highest levels intellectual needs of Mongolian citizen to reach sustainable development objectives; create a sufficient environment to meet the population education needs; provide opportunities for Mongolian citizens to have a free access to the world-wide open information network; create a legal and economic environment that guarantees human rights, freedom and quality life.

In 1999, the Government of Mongolia released its Medium term Economic and Social Development Strategy, 1999-2002. By this time National Statistical Office conducted the Living Standards Measurement Survey two times; first time in 1995 with direct assistance by the World
Bank and second time in 1998 with support of UNDP. Survey results showed that poverty level reached 35.6 per cent at the national level (NSO & UNDP, 1999, p.23).

Taking into the consideration the widespread poverty in the country the Government stated in its Medium Term Economic and Social Development Strategy to accelerate economic growth in order to increase the living standards of the population. Medium Term Strategy placed an importance of human resource development along with the economic restructuring and infrastructure development. It stated that, “The development of a new education system that can successfully meet the needs of the population in education programs and services is one of the Government’s priority tasks”. Government stated that it would intend to accelerate ongoing reforms in education sector and improve the content of training programs and materials. Furthermore, Government committed to improve the education quality by gradually upgrading the educational facilities and equipment as well as to increase the number of managerial staff and teachers sent overseas for an advanced training.

In 2001 the Mongolian Parliament approved the Government policy on privatization 2001-2004. In relation to education and the higher education sector, the document specifies that the Government will support the establishment of branch campuses in Mongolia of internationally recognized, foreign schools and universities, will determine the property status of not-for-profit educational organizations, provide financial support to students enrolled in accredited, not-for-profit, private higher educational institutions, re-assess and conform the university owned land and provide conditions for expansion to develop campuses (Bat-Erdene et al., 2010).

In February 2008, the government launched a long-term National Development Strategy until 2020, which highlights the need to strengthen the country’s higher education. In 2009, the newly elected government emphasized the importance of developing a globally competitive education system for Mongolia's economic growth and outlined the government's priorities in education, top among which is the need to reform higher education. The government’s revised education sector
master plan has set the twin goals of establishing a higher education system that meets international standards and transforms Mongolia into a knowledge economy (ADB, 2010).

6.3 EDUCATION REFORM PHASES

The Government was committed to proceed the wide-ranging reform agenda to address the economic and social problems facing the country since 1990s. The reform agenda included the lowering the government expenditures through a comprehensive public administration reform program and reduction of civil service employment; restructuring and reducing subsidies to State owned enterprises; accelerating the privatization process; decentralization of local governments. Government took important reform measures which included the reduction of the number of Government ministries and streamlining the roles and functions of Government agencies. Government policy since 1992 has supported the concept of greater financial autonomy and decentralization of local governments. The government reform measures towards liberal democracy and market economy influenced greatly the education reform process. The Education Laws of 1991 and 1995 defined the administrative structures and responsibilities. The main features include decentralization of administrative and financial authority to local governments, and increased autonomy to higher education and authorization of private education. Since the Education Law of 1995, Ministry of Science and Education redefined its role from being implementing agency to a policy analysis, monitoring, and regulating authority. Government
policy toward higher education financing was to progressively reduce the subsidies to higher education through increased cost sharing.

The first education law in Mongolia, the Mongolian People’s Republic Education Law, was passed in 1991, prior to the passing of the constitution. This laid the legal foundation for the decentralization of education, the establishment of private educational institutions, and the creation of legal conditions to “demolish” the old educational structure (Batrinchin et al. 2002).

The Education Law of the Mongolian People's Republic, Mongolia Education and Human Resource Sector Review, Mongolia Education and Human Resource Master Plan, the Government Policy on Education and the Laws on Education have played an important role in facilitating the development of education reform and in establishing legal foundations for the new education system. International donor organizations such as the Asian Development Bank have played an important role in a systematic study of the education sector in the early 1990s.

Mongolia’s educational reforms and phases of education reform are based on systematically gathered information on the state of education in Mongolia a few years after beginning the process of transition. Phase One (1991-1994) was implemented as the formulation of the educational reform agenda. This included the creation of a legal basis for educational reform in the form of Mongolian People’s Republic Education Law, subsequently followed by the Sector Review 1993 and the 1994 Master Plan which formed the basis for direction of educational reform in basic and general education in the mid-1990s. Phase Two (1995-1999) was to stabilize the educational reform process and develop and adopt educational programs. The Law on Higher Education was adopted in 1995. The most important national programs for the structure of education in Mongolia included the National Program for Preschool Education, National Program for Non-formal Education, National Program for Technical Education and Vocational Training, and National Program for Mongolian Script. Phase Three (2000-2005) was based on a review of plans for development in education and
human resources in early 1999 and further intensification of the education sector reform process in
the new millennium (Batrinchin et al. 2002). Phase Four (2006-2015) proposed the new agenda for
the further intensification and enforcement of the education sector reform process. The major
document discussed in this study is Education Sector Master Plan 2006-2015.

<table>
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<th>Phases of Education Reform Process</th>
<th>Goal</th>
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Mongolia started its education reform following a top-down approach. Shifting away from
direct administration and involvement in decisionThe process for creating a legislative framework
and circumstances for introducing democratic mechanisms, administrative decentralization, and for
improving independent activities of local administration and education institutions began only in
1995. making related to operational activities of education institutions, MECS has become more of a
policy and strategy-planning agency with the duties of providing leadership, coordination,
monitoring, and evaluation. The levels of hierarchy in education administration have been reduced,
while the powers and responsibilities of education institutions have expanded and their Due to these changes, the role and duties of Ministry of Education, Culture and Sciences (MECS) have evolved. creativity has improved. Education institutions have become more concerned with developing and formulating their own missions, goals, and objectives (ADB, 2004).

6.4 EDUCATION REFORM (1991-1994) - FORMULATION OF EDUCATION SECTOR REFORM AGENDA

As mentioned before the phase One (1991-1994) of education reform was implemented as the formulation of the educational reform agenda. This included the creation of a legal basis for educational reform in the form of Mongolian People’s Republic Education Law, subsequently followed by the Sector Review 1993 the 1994 Master Plan which formed the basis for direction of educational reform in the mid-1990s.

6.4.1 Education Law 1991

The first Education Law of the Mongolian People’s Republic since the start of the transition period, was approved in 1991. The former powers of central administration at all levels of education to direct educational development were reduced. It provided opportunities to lessen the
powers at the central level. The Education Law of 1991 defined administrative structures and responsibilities, decentralization of administrative and financial authority to aimags. Article 13 says “the state authorities shall establish a basic policy on educational issues and the Government implements it” and it says that “Government agencies in charge of education in cities or provinces will be responsible for managing educational matters”. Article 7 gives individual institutions the right to regulate the granting of educational certificates. The Law stipulated increased autonomy in higher education, and provided the legal basis for establishing of educational institutions based on private property. Furthermore, it allowed educational institutions to charge tuition fees and use it as one of the sources of income. The Ministry of Science and Education (MOSE) also granted responsibility for the authorization of new institutions (Article 17) and to register and terminate the educational establishments (Article 18).

The Education Law of 1991, confirmed the right of a students to choose their own schools, and forms and modes of learning (Article 4.1). It also allowed the establishment and operation of educational institutions offering formal and non-formal education programs based on any form of ownership. The Education Law 1991 ruled to establish new professional body for educational inspection. The main objective of this agency which supposed to operate under the Ministry of Education, was to oversee enforcement of educational standards, laws and regulations set by the Parliament, the Government and the state central administrative body in charge of education affairs (the Ministry of Education).

Due to changes in the government structure during the transition process the name and organizational structure of the Ministry of Education has been changed frequently and in the following sections the name for the Ministry will be used differently based on the period it covers. For example, it will mention Ministry of Science and Education (MOSE), Ministry of Education Culture and Science (MECS), Ministry of Science, Technology, Education and Culture (MOSTEC).
6.4.2 Education and Human Resource Sector Review 1993

Asian Development Bank provided the assistance to the Mongolian education and human resource sector through its difficult transition from a command economy to a market-based economy. In 1993, ADB funded the Human Resource Development and Education Reform Project in Mongolia. Part I of this project was preparation of Education and Human Resource Sector Review which was completed July-August 1993. Part II included preparation of Education and Human Resource Master Plan conducted by the Mongolian Ministry of Science and Education (MOSE) with the support of the ADB. These important documents have guided the reform of the education sector at the beginning of the transition. The 1993 Sector Review described the status of the education sector at that time and identified opportunities and constraints as well as major issues to be addressed.

According to the Education Law of 1991, the management and responsibilities of educational activities has been delegated to local governments; however, 1993 Sector Review noted that it has not been determined if local governments have the financial, technical, and management resources and skills to fulfill this new role. MOSE became responsible for planning, policy formation, implementation, facilitation and enforcement of education sector. It was reviewed that there is need to invest largely in retraining of Ministry’s staff in basic skill area of policy analysis such as evaluation, economics and finance, planning and implementation, statistics, or forecasting. 1993 Sector Review remarked that MOSE has demonstrated an ability to reorganize itself promptly to accommodate new demands and new requirements. However, it is noted that the Ministry undertakes
increasing responsibilities as a policy-making agency, its organization and management structure may need to be reviewed.

The outcome of the 1993 Sector Review was a list of the key issues and options organized by the sector review’s three contextual topics of policy and planning, economics and finance, and educational management, and of the three education subsectors defined for the sector review including higher education.

In regard to policy and planning, sector review determined that the Ministry of Science and education is shifting from an implementing agency to a policy analysis, monitoring, and regulating authority. Due to the decentralization process, much of the management and financial responsibility of MOSE has been delegated to the local government and higher education institutions gained an increased autonomy. It is indicated that the policy making and planning decisions should not be based on funding decisions; rather funding decisions should follow the stated policy priorities.

In regard to economics and finance, sector review indicated that considering the economic difficulties in the country additional education and human resources need to be generated by encouraging private education alternatives, initiating student fee systems in higher education and requiring students and families to bear a larger share of operational costs.

In the field of educational management, it is reviewed that decentralization has been introduced without clear distinction of authority and responsibility between the MOSE and local authorities and inadequate consideration has been given to the administrative capacity of these local officials. It determined that managers at all levels needed to be trained in decision making skills under difficult finance constraints.

In regard to higher education, four key areas of concern were identified: teacher qualifications; the quality of facilities, laboratories, and equipment; the lack of library resources (over two thirds of library collections were textbooks); and organizational structures that were fragmented and not well coordinated. Sector review suggested merging of institutions and privatization as the
alternative options to reduce the government expenditures and increase the effectiveness of instructional and research activities.

6.4.3 Master Plan 1994

The development of the 1994 Education and Human Resource Master Plan was essential during the transition to a democratic and market-based society, when government was facing the manpower, financial and institutional challenges. The goal of the 1994 Education and Human Resource Master Plan was both to help guide the actions of the Mongolian Government in the Education and Human Resource Sector and to provide clear priorities for the recruitment and use of external assistance funds. It attempted to identify the government’s major goals on education and human resource sector, to specify priority activities designed to accomplish these goals.

The Mongolia Ministry of Science and Education (MOSE) with the support of the Asian Development Bank, conducted an Education and Human Resource Master Planning exercise between October 19 and December 21, 1993. This exercise was Part II of the Human Resource Development and Education Reform Project (Part I included preparation of the draft version of the EHR sector Review which was completed in July-August 1993). The goal of the present activity has been to produce a comprehensive Master Plan both to help guide the actions of the Mongolian government in the EHR sector and to provide clear priorities for the recruitment and use of external assistance funds. Development of the Master Plan was integrated work of Mongolian professionals in the education and human resource sector, individuals and agencies from throughout government and private sector and donor involvement. The draft Master Plan was circulated, discussed, debated and
revised through Master Planning Workshop, Donor Briefing and National Master Planning Seminar. In this respect the development of the Master Plan was open and participatory. It is important to note that the Master Plan exercise was different from previous centrally-planned five year plans. It was intended to develop a new planning methodology for Mongolia that emphasized flexibility and adaptability over time to the expected changes of transition to a democratic, market-based society. The Master Plan was designed in a way that it would create a structure of priority activities in education sector and based on the priority, the availability of funding from the government or international donor organizations would be discussed in the future.

Reforming higher education in response to a rapidly changing society was one of the major activities of the Master Plan. As Mongolia moved into a free market-oriented economy assumptions made that increasing number of the work force will be required to acquire new technical and managerial skills.

Rationalize the Role and Mission of Higher Education Institutions- One of the main objectives of the Master Plan was to rationalize the role and mission of higher education institutions. The Master Plan proposed to form the Committee on the Rationalization of Higher Education which would be in charge of clarifying institutional roles and mission; developing a set of recommendations calling for the most efficient forms of consolidation of existing units (universities, colleges, institutes, schools, and other institutional divisions), programs, facilities, and support services; establishing guidelines for the merger of various research centers and institutes, and their integration into the universities. It has been suggested to establish a single comprehensive national university for Mongolia based on the consolidation of the various academic components, including the research institutes, and their incorporation into the national institution.

Implement Reforms for Increased Autonomy in Higher Education –The other major objective of the Master Plan was to increase the autonomy in higher education. Traditionally, enrollments in higher education institutions in Mongolia have been determined by admission quotas
set centrally by the National Development Board. These quotas were allocated by provinces, based on manpower projections and the requests of local government authorities. The Master Plan recommended that the Council of Rectors, in collaboration with the National Development Board and the MOSE, should determine enrollment projections and goals for each of the universities and colleges. It is suggested that the government student loan program should be reorganized from an institutional tuition subsidization program to a student-centered loan program allowing the students to carry their loans to the universities of choice - and permitting market forces to operate.

**Enhance Efficiency of Higher Education** – The faculty plays major role in quality and vitality of a college or university. Therefore the universities should concentrate on the upgrading and development of their faculty resources. The Master Plan noted that there is need for younger and more highly qualified teacher-scholars. The senior professorate of the country is highly specialized in its academic disciplines, and still continue to rely upon ideology rather than upon the scientific method in their approach to teaching and research. With limited library resources and laboratory facilities, many faculty have been unable to keep up-to-date in their fields and many of the faculty have had difficulty adapting to the government's educational and economic reforms. The Master Plan suggested to each institution of higher education to establish a special Task Force, composed of faculty members and administrators (and outside consultants, if possible), appointed by the Rector with the responsibility of reviewing all instructional, research, and public service activities of the institution, together with an assessment of budgetary, faculty, and staff requirements, for the purpose of identifying and eliminating inefficiencies and waste. On the basis of the review it should make the recommendations on possible discontinuance of programs, the consolidation of academic departments and programs, and the retrenchment of unnecessary faculty and staff.

The Master Plan recommended to develop and upgrade faculty resources through salary compensation, performance evaluation, and faculty exchanges. Also, it is suggested for institutions to develop procedures for the self-study and peer review of their academic programs, including
evaluations of student performance and the teaching effectiveness of their faculties. All institutions of higher education, both public and private encouraged develop the appropriate descriptive materials about their policy and standards for potential students and make it public.

**Strengthen Management Skills of Entrepreneurs**- It is recognized that as the private sector in Mongolia continues to grow and as privatization is expanded, there will be an increasing need for energetic, self-motivated entrepreneurs to initiate and operate their own businesses. The skills of entrepreneurs and potential entrepreneurs can be improved by exposing them to the intricacies of finance, investment financing, business law, corporate accounting, and familiarizing them with the management techniques of successful and unsuccessful business ventures in both developing and developed countries. There is a clear need for higher education to assign a high priority to the development of a capacity to deliver instruction (in both short courses and degree programs) and consultancy assistance in the field of entrepreneurial development. It is noted that no working relationship exists between the private business sector and the institutions providing postsecondary education in business. The Master Plan suggested to establish the coordinating mechanism in order to facilitate university and college professionals in providing short course training and consultancies to the new and established entrepreneurs while continuing to support degree-level training within their institutions.

Continuing fiscal constraints in the country required reallocation of material resources, consolidation of institutions and programs, and appropriate staff retrenchment in higher education. Detailed discussion about higher education reform activities included in the Master Plan will be continued in the Higher Education Reform section.


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6.5 EDUCATION REFORM (1995-2000) - ENFORCEMENT AND ADAPTATION OF THE EDUCATION REFORM MEASURES

Education reform process during 1995-2000 aimed to stabilize the educational reform process and develop and adopt educational programs. The major education laws such as Education Law 1995, 1998, 2000 and Higher Education Law 1995 and Education Sector Development Project (ESDP) 1996 were discussed in this part.

6.5.1 Education Law 1995

Mongolia, with a few peaceful political transitions through national elections since 1991, has had a more transparent, participatory and decentralized educational reform process. Within the broader reform initiative towards democratisation and as a result of the 1992 Law on Provincial Administration and Governance, the education administration has been shifting towards decentralization. The roles and responsibilities of central and local government with regard to pre-school, primary, secondary and higher education institutions were specified further in the Law on Education (1995). The duties of establishing, licensing and administering primary and secondary schools and kindergartens were transferred to aimag/province and city governors, whilst similar duties for professional and higher education institutions were assigned to the
Ministry of Education Culture and Science. The Education Laws allow non-government education institutions at all levels of education. Thus, new privately owned kindergartens, schools and colleges have been established. Article 16 of Education Law 1995, provided clear provision about setting up educational institution:

1. It is allowed to set up educational establishments regardless of type of property or ownership when conditions such as the school building, equipment, teaching staff are provided. The founder shall gain special permission /herein after called special permission/ to set up new educational institution. The educational budget shall be approved by the State Hural and Huraless of representatives of citizens of aimags and the capital city. More than 20 % of State budget shall be shared to education.

2. Financial resources of educational institution shall consist of State centralized budget, investment, tuition fee collected from their students, sponsorship from foreign organizations, low interest rate loan and income of their profit making activities.

3. As stipulated in this law an educational institution shall run profit making activities for educational purpose only such as improving their financial resources, increasing social guarantee of their teachers and students. The director shall exercise the right to spend the money received from these activities.

4. The budget allocated from the Government and local budget for educational institutions shall not be reduced due to the size of income of their profit making activities.

For the first time, education system was regarded as the unity of formal and non-formal education systems. Thus, legal foundations for non-formal education were established. Education standards were legalized.

Legal reform of education in 1995 brought many new features including clarification of government role and authority over education, self-governance structure of education institutes – Governing Boards and School councils, degree-structured credit hour-based program offering, professional body for external quality assessment-accreditation, three tiers of HEIs, namely universities, institutions and colleges (often interpreted as hierarchical ranks). Additionally, it was legalized that educational training institutions should operate for non-profit purposes (Bat-Erdene et, al., 2010).
The Education Law 1995 stated the establishment of an accreditation agency that would carry out external quality evaluation and assessment. Quality assurance and accreditation issues proposed in the law were not feasible because experts and institutions were not financially capable to carry out these activities independently (ADB, 2002). The amendments to the law in 1998 included provisions on further clarification of accreditation procedures. As a result of this, the National Accreditation Council was established with direct supervision of the Ministry of Education and first group of institutions had been accredited in 1999 (Bat-Erdene et.,al, 2010).

In the amendments of 1998 to these laws, education was defined as a service that ought to meet citizens’ needs to learn and receive quality education. The power of governing boards strengthened, securing the board to be represented by major stakeholders and exercising greater power. Institutions can choose to operate either as non-profit or for-profit. Higher education institutions can operate as universities or colleges according to their mission.

Although the amendment of 2000 did not reflect any new principal modifications and changes, it made some clarifications necessary for implementing the law. However, in 2002, the laws on education were revised again and the regulation of 1995 law (three tiers of HEIs with non-profit only status) were restated. In addition, financial support to students was defined in a form of scholarship for poor and vulnerable students.

Amendments made in 2006 reestablished that the educational institutes may operate for profit purpose. This is clear demonstration of preferences of decision-making body of the ruling powers about the relationships between the state and higher educational institutes.

Bat-Erdene et., al (2010) noted that Education Laws have been amended and revised six times since 1991. Most amendments were made around ownership of the institutions and their classification. It is considered that “such frequent modifications and changes in the legal environment of the higher education and higher education institutions, definitely, diminish continuity and sustainability of education reform, organizational strength and commitment, and the quality of
educational services” (Bat-Erdene et., al, 2010). At the same time, the management of higher education institutions has been unstable because of political elections and turnovers within the ruling political party, which in turn hindered the development prospects of higher education institutions and decreased management capability and experience in institutional decision making. Bat-Erdene et., al, (2010) noted that in many cases, instead of helping the institutional development, the governing boards failed to accomplish much, except from taking control of and scrutinizing school management and limiting the tuition fee increase. This advantage of founders in decision making at the highest level also made private institutes alike a private company owned by a sole person. It has been criticized that the governing board of institutions, which was established to protect the independent status and autonomy of institutions and to secure equal participation of the government, society, students, faculty and staff, in contrast, served as a tool to limit institutional independence (Bat-Erdene et., al, 2010).

6.5.2 ADB involvement in education sector development in Mongolia

ADB has provided assistance to basic and secondary education since 1991. Contribution of ADB has started with the request of the Government to conduct higher education sector study, the exercise was expanded to develop a master plan covering education sector as a whole in 1993-1994 and its logic continuation – series of education sector development programs since 1997 up to now. One of the components of the first education sector development program directed at supporting higher education reform, particularly, reform in improving and strengthening the institutional management, establishment of an accreditation body, introduction of credit system in instruction and building a management capacity to utilize alternative sources of income. This
was an example of a small-size but well targeted on input as an effective intervention covering core areas of reform (Bat-Erdene et.,al 2010).

ADB is the second largest source of the external assistance followed by the World Bank. One third of the total aid flows from Japan in the form of grants, loans and technical cooperation programs and it is still remained the largest donor in Mongolia (Steiner-Khamsi & Stolpe, 2006). The Germany is the fourth largest donor followed by USA. Steiner-Khamsi and Stolpe argued that the ADB and World Bank are foremost the banks, therefore, their primary concern is that their loan to be repaid. The most ADB loan has maturity of 32 years followed by 8 years of grace period. The interest rate is 1%. It is argued that the international donors impose the specific conditions for obtaining the loan and those reform packages do not necessarily suit the borrowing countries specific conditions. Reducing the burden of government expenditure and developing the cost-effective education sector is the top priority of the international organizations (Steiner-Khamsi & Stolpe, 2006, Weidman 1998). Steiner-Khamsi and Stolpe look at ADB sector reviews as more analytical and comprehensive. In their view the ADB work too close with the Ministry of Education and give the ministry direct advices “what to do and not to do “. It is criticised that it creates the conflict of interest where Bank prepares the sector review and education sector development strategy and appraises the project cost and then makes the Ministry of Education to sign a 40- year loan that bank itself initiated (p.76). The loan has to be paid after 40 years. Mongolia is considered as a “highly aid dependent” country which ranked fourth from the list of 30 aid dependent countries (Steiner-Khamsi & Stolpe, 2006, p.74).
6.5.2.1 Education Sector Development Program 1996

The following section will discuss the ADB funded Education Sector Development Program (ESDP) which was approved in 1996. The ESDP comprised an integrated package of policy reforms, investment loan, and associated technical assistance intended to make the sector cost efficient, effective and responsive, to help the emerging economy. The policy program included the measures to rationalize education structures and staffing; promote cost recovery schemes; support privatization and private provision of education, and develop a comprehensive policy framework for technical education and vocational training. The intention of the ESDP was to strengthen education management capabilities at central, local and institutional levels; improve co-ordination of management and academic development in higher education, and upgrade quality and relevance in educational content at the upper secondary and higher education levels.

ADB (1996) noted that the introduction of more flexible institutional administration into higher education is hampered by the lack of staff capabilities and experience related to the management of student enrolment, registration, and decentralized budgets. In regard to rationalization of education sector, ADB found out that the education system in Mongolia is overstaffed compared to other countries of the region. The teacher/student ratio at the university level was 1:10, which is comparatively lower than the average for Asian developing countries (1:16 for Philippines; 1:40 for the republic of Korea; 1:16 for Asia) and indicated that there is considerable scope for staff reductions (ADB, 1996, p.8). ADB assisted MOSTEC to complete an in-depth analysis of existing staffing patterns and established criteria for determining the categories and numbers of staff to be covered under the rationalization plan. It is estimated that around 8,000 teaching and non-teaching staff (40 %) would be surplus of work requirements (ADB, 1996).
ADB noted that although the Education Law of 1995 already provides for private sector participation in education, there is need to examine whether any residual issues and constraints inhibit the growth of private institutions. Therefore, the MOSTEC undertook this exercise with a view to modifying the existing legal regulatory framework for private education.

Through ADB funded sector review and policy dialogue, Bank acknowledged that there was a need to develop and implement strategies for greater cooperation and coordination in academic planning, enrolment projections, and resource-sharing between universities and colleges.

A review study was carried out to analyze main reform processes in the education sector over the period in order to assess their consequences for society as well as their role in furthering the overall reform process, and to evaluate factors that affected success and failure. The case study has been carried out under the Asian Development Bank (ADB) Regional Technical Assistance (RETA) project: *Sub-regional Cooperation in Managing Education Reforms*.

The project reviewed government documents which outlined national aims, policy and directions in education and other related sectors; identified major reform efforts; investigated the reform outcome at each level and type of education; and gathered information about expectations for the future. An extensive range of documents such as laws and policy statements related to education, studies of particular education sectors, and documentation from current and completed projects were examined. In addition, relevant statistics collected by both MECS and the National Statistical Office were analysed.

As of December 2009, ADB had approved 4 loans amounting to $42.5 million, 2 Asian Development Fund grant projects totaling $27 million, plus 10 TA grants totaling $4.4 million, and 3 Japan Fund for Poverty Reduction and Japan Fund for Information and Communication Technology grant projects in the amount of $5 million for the education sector. The recent country assistance program evaluation report on ADB’s assistance in Mongolia rated ADB’s assistance in education as *highly successful*. Given Mongolia’s evolving needs, ADB’s strategies in education are shifting
beyond basic education, to vocational and higher education to promote broad-based and inclusive growth. ADB is implementing a project preparatory TA for Strengthening Higher and Vocational Education, with an ensuing project scheduled for 2011 approval (ADB, 2010, p.3).

Education reform in Mongolia was successfully supported by funds obtained from both bilateral (US, Germany, Canada, Japan, Korea) and multi-lateral (EU, World Bank, ADB) sources (Weidman and Yoder, 2010). Master Plan to Develop Education of Mongolia in 2006-2015 stated that the foreign official development assistance to the educational development of Mongolia has been increased steadily, and, according to the last seven years[1999-2006], official assistance to education has reached 115.7 billion MNT, which is 16.5% of the GDP (Government of Mongolia, 2006, p.7).

6.5.3 Higher Education Reform

The strong Russian influence on Mongolian higher education continued until the break-up of the Soviet Union. Legislation for the second major reform of higher education, passed late in 1990, mandated major restructuring and consolidation of institutions and programs. Four institutes that had been parts of the Mongolian State University became independent universities in 1991: the Mongolian Agricultural University, the Mongolian Medical University, the Mongolian Technical University, and the Mongolian Pedagogical University. The Russian Language Institute expanded to include other languages, was renamed the Foreign Language Institute, and became part of the Pedagogical University. The arts faculty at the Pedagogical University became the Institute of Art (Sector Review 1993).

Two degree-granting colleges designed to prepare students for various business, commerce, and finance positions in the developing market economy of Mongolia were also established in
Ulaanbaatar 1991: the College of Commerce and Business, and the Economic College. Two special purpose higher education institutions also received a "university" designation in the 1990 higher education law: the Military Institute became the Military University, and the Art Institute became the University of Art.

Several institutes and colleges for the preparation of teachers that were located in Ulaanbaatar were brought under the umbrella of the Pedagogical University, including: Teachers College, Kindergarten Teachers College, Music Teachers College, and the Institute of Physical Education.

Mongolia decentralized higher education and reduced budget allocations to higher education beginning in 1993. Institutions of higher education have begun charging fees. Mongolia has implemented a credit system in higher education, so students have more flexibility in choosing their own course of study and can change majors while in university. In 2000, 78 percent of the 172 higher education institutions were privately owned, enrolling 33 percent of the student population (ADB, 2004). The quality of some private and public institutions remains low, but the country case study points out, these institutions accommodate a certain portion of the population who otherwise could have been left without future training and definitely without a job.

Mongolia has involved major non-governmental as well as local community stakeholders and has been transparent in its use of sector analysis and master planning in the educational reform process. Education reform was decentralized through the devolution of authority in some areas of education to the local and institutional level.

Another important result of the 1990 education reform was legislation enabling the establishment of private higher education institutions, with the first of these institutions being founded in 1991. All private institutions of higher education must receive operating approval from the Ministry of Science and Education.

Mongolia Education and Human Resource Master Plan (1994-1998) acted as an impelling force for higher education reforms. Within the framework of implementing the Master Plan, in a
short period of time, noticeable outcomes were achieved in the processes such as clarifying an appropriate role of higher education, developing sustainable self and independent evaluation systems, improving efficiency, administration, management, strengthening capacity building as well as in supporting private higher education sector.

Despite the progressive rise of the tuition fees, enrollment in higher education is increased steadily, with most demand for training in foreign languages, business, management, accounting, law, banking, and other skills which needed in changing economic environment and job markets (ADB, 1996). Government financial support toward development of higher education has increased steadily. The share of higher education in total government education budget is almost doubled from 14% in 1997 to 29% 2009 (Bat-Erdene et.,al, 2010). Government put the higher priority towards development of higher education because of market economy’s demand in highly skilled work force and global competitiveness. The Master Plan 2006-2015 stated that:

The current status of training national professional human resources does not fit to needs and demands of the labor market, economic structure and specifics. Implementation of strategies to increase participation and increase coordination by the state to relate operations of professional educational schools to needs to support development of national production and technology, strengthen national economic capacity and complying with demands of the labor market will be the important part of the national strategy to ensure growth not only of education, but of the economy (Government Of Mongolia, 2006, p.9).

6.5.3.1 Higher Education Law 1995

In 1995, the Higher Education Law was approved; therefore, the opportunities to provide the legal provisions specific to higher education were created. The law says that “the higher education degree system (diploma, B.A., M.A.) will be differentiated by credit hours. The educational planning, financing and structure shall be based on credit hours” (Article 4.3). The article 6 of Chapter 2 of the Higher education Law classified the higher education institutions as
university, institute and college according to their purpose. The Law stipulated that the State Administrative Central Agency responsible for the education shall determine the classification of higher educational institutions. The Law also provided the specific provisions about subsidized loans to students.

6.5.3.2 Higher Education Accreditation in Mongolia

In response to the state and public concerns about quality assurance of the higher education, the higher education institutional accreditation was established in Mongolia in 1998. The National Higher Education Accreditation Council (NHEAC) was created to exercise higher education institutional accreditation. Later in March, 2004 it was re-named as the National Council for Education Accreditation (MNCEA) and became responsible for the accreditation of Vocational education and training institutions (VETIs) and study programs at HEIs and VETIs. It is a non-profit public organization that operates solo to conduct accreditation nationwide. In March 2005, there were 73 higher educational institutions accredited. Of those 30 percent were state owned institutions, 12 were accredited twice (ADB, 2006). As of December, 2009 the Council has accredited 88 higher education institutions including state-owned universities, institutions and colleges, vocational education and technical training centers and private higher education institutions, and 29 degree programs offered at 9 institutionally accredited HEIs (Bat-Erdene at el., 2010).

The NHEAC Board agreed to adapt for use in Mongolia the five general criteria used by the North Central Association (NCA) for Colleges and Schools in the USA for higher education institutional accreditation: 1) clear and publicly stated purposes consistent with institutional mission;
2) effective organization of human, financial and physical resources; 3) accomplishment of educational and other purposes; 4) capacity to continue accomplishing purposes and strengthen effectiveness; and 5) integrity in practices and relationships (Weidman et al., 1999).

In August 2000, the Council became a non-government autonomous body. The Council provided accreditation at both the institutional and program levels. The initial focus of the Council has been the development of institutional accreditation. Program accreditation is being developed and the Council is preparing to conduct projects on assessment of several academic programs of selected institutionally accredited higher education institutions in co-operation with professional associations such as the Consortium of Management Development Institutions, Professional Association of Engineering and Technology (Weidman et al., 1999).

The official website of the NCHEA states its objectives as follows: to establish processes for the assurance of quality in higher education institutions; implement evaluation and accreditation activities for the overall improvement of the quality and effectiveness of higher education; provides quality management technical assistance and consulting services for higher education institutions.

International consultants working under Asian Development Bank Loan No. 1508-MON assisted in the development of procedures to be used by the NCHEA Board in making accreditation decisions as well as in an assessment of the implementation of the national higher education accreditation system in Mongolia. It is suggested by the international consultant team to transmit the experiences from the North Central Association for Schools and Colleges (NCA) of the USA on higher education accreditation.

In Mongolian case the institutional accreditation is carried out since 1998. Accreditation process in Mongolia is very young compared with US accreditation. Due to the higher education reform process which was started in Mongolia during early 1990s, a large number of public and private higher education institutions have been established. Those institutions offer a wide range of programs which are designed in response to the market economy demand. Those programs mainly
focus on English and foreign language, marketing, finance, accounting, management, business, administration, international relations, law and computer technology. As mentioned earlier the newly established colleges and universities often lack of financial resources to maintain quality education for students. They are in shortage of professional teachers, laboratory equipment and library. These institutions were frequently found to be functioning in the absence of the most elementary teaching/learning conditions, profit-making being the real purpose of their activity. Currently, there is no agreed national teacher accreditation system in place. Training programs at these universities and colleges do not follow agreed national standards. Due to the lack of national agreed professional standards and teacher accreditation schemes, the knowledge and competence of new teachers vary from school to school. There is urgent need to develop a national accreditation system for pre-service teacher programs. To ensure the quality of pre-service teacher training, university and college teacher education programs will need to be approved by NCHEA.

Accreditation is a voluntary process for all the higher education institutions. Only accredited universities are eligible to receive government financial support, and students enrolled in these institutions are eligible to receive government grants and loans. The recent policy has been addressed by establishing a national higher education accreditation agency and tying accreditation to eligibility for state aid, but the focus has been on institutional accreditation, not academic program accreditation. Since many of the privates have only a few academic programs, it may be necessary to establish the mechanisms for academic program accreditation. The international consultants working on curriculum development for undergraduate business and economic programs have recommended that program accreditation be implemented for these areas (Weidman et al., 1999). It is suggested that at this moment, given the limited human and fiscal resources in Mongolia, it is not practical to establish a new agency for program accreditation. Also, taking into the consideration the experiences of other countries it is not reliable to put the institutional and program accreditation tasks over one agency, namely NCHEA. Therefore, at the beginning stage it is recommended to put the program
accreditation under the existing agencies such as the Consortium of Mongolian Management Development Institutions.

It is noted that there is a need for changing perceptions of quality assurance by academia as a short-term goal to pass attestation or accreditation in order to receive grants and funds from the state (Bat-erdene et al., 2010).

An ADB (2010) report stated that the current university accreditation system is not obligatory and is considered to be weak in terms of the assessments performed. It is stated that an increase of small private universities has often been detrimental to the overall quality of the higher education sector. The current accreditation system in Mongolia has very little effect on the public funding received by an institution. To address quality and efficiency concerns, the government is planning to rationalize private HEIs by strengthening accreditation of private universities and by offering government support to the small private HEIs to convert into technical and vocational education and training institutions (ADB, 2010).

6.6 EDUCATION SECTOR STRATEGY, 2000-2005 - INTENSIFICATION OF THE EDUCATION SECTOR REFORM PROCESS.

The proposed reform initiatives were particularly important as it provided the guidance for the development of the education sector in Mongolia for the new millennium. The Education Sector Strategy 2000-2005 report has been prepared for the Government of Mongolia by the Ministry of Science, Technology, Education and Culture (MOSTEC) to provide guidance for the development of the education sector in Mongolia from 2000 to 2005. It was agreed that ADB would support a project to prepare sector strategies for this report through a small scale technical
assistance study. Altogether, 23 strategies were documented in a report in which priorities of strategies were proposed as well as estimated costs of implementation (MOSTEC, 1999). The work group of the project was comprised at officers and senior advisors from MOSTEC and team of local and international consultants. Under the project, an extensive range of law and policy documents, studies and project documents related to education sector were examined and relevant statistics were collected and analyzed. Work group also facilitated a number of discussion groups which included key administrators, principals, teachers and donor representatives. These discussions aimed to review sub-sector needs and to make proposals about future needs and developments. The draft or proposed strategies were further submitted and discussed during the national workshop on education sector strategies 2000-2005. The participants of the national workshop were Government officials such as Members of the Parliament of Mongolia, officers from other Ministries, key educational administrators and teachers, representatives of donor organizations, the ADB Mission Leader and consulting team members. The organization of the national workshop helped to refine proposed strategies and to set the priorities for activities within each of the main sectors of education.

The Education Sector Strategy 2000-2005 have specified mid-term objectives for higher education sector as ‘intensifying the sector reforms, creating foundations for sustainable development of higher education, improving education quality, effectiviness and efficiency, as well as creating conditions for bringing Mongolian Higher Education to the levels comparable to international higher education norms’ (MOSTEC, 1999). The document further have specified specific goals for higher education as establishing higher education standards to ensure an integrity between the education, research and business (industry) activities, establishing a quality control system by implementing a program accreditation, strengthening institutional (administration) systems, increasing and improving research basis and capacity building for higher education.
The document specified the following three strategies for higher education:

1. Improve and strengthen management, finance, and business activities of higher educational institutions
2. Deepen reforms in higher education, improve quality and efficiency
3. Improve mechanisms for implementing government policies and measures for higher education (MOSTEC, 1999). These strategies played an important role for clarifying further government policies towards higher education.

6.7 MASTER PLAN TO DEVELOP EDUCATION OF MONGOLIA IN 2006-2015 - IDENTIFY LONG TERM STRATEGIC POLICY AND MAIN ISSUES TO DEVELOP EDUCATION SECTOR

The Master Plan identified the long-term strategic policy objectives to be pursued in the period until 2015 in regard to development of education by the Government of Mongolia, and presented the strategies and ways to achieve them along with the funds needed for their implementation. The Master Plan to Develop Education of Mongolia in 2006-2015 presents policy and strategic solutions for the following main issues:

- Making impact on alleviation of poverty and unemployment and reduction of social inequality and disparities… and to expand further opportunities of rural people and social vulnerable groups to obtain education;
- Adjusting educational services in conformity with existing social and cultural values, beliefs and [market] needs, improving structure, system, training programs and content of educational system to reach the standards of developed countries, creating educational services of high quality… thus building competitive human resources capacity (Government of Mongolia, 2006, p.ix)
The Master Plan specified the development targets for education sub-sectors including higher education from 2006 to 2015 (Annex 2). In regard to access to higher education the Master Plan’s target was to increase the enrollment of students majoring in engineering and technology, agricultural professions, natural sciences and teaching. It is targeted that the percentage of students studying in private universities will be reduced by 6.7% and will reach 25.0% in total enrollment (Government of Mongolia, 2006). The Master Plan stated that it will be possible that 86.5% of the total expenditure needed for education in 2006-2010 and 90.7% in 2011-2015 can be covered by the state budget, if the policy in regard to financing education pursued by the Government of Mongolia maintains the same and economic growth of 2000-2004 would not decline and remain the same.

In terms of the quality and relevance of higher education, it is planned to provide the policy to allocate the student loans from State Training Fund for 3 out of 4 students majoring in engineering, technology, natural science, teaching and agriculture, and to 1 out of 4 students majoring in other subjects. It is stated that the investment to higher education will be increased by 8% annually (Government of Mongolia, 2006).

In terms of the management, the Master Plan stated that “the management and coordination of higher education is weak and the current system to issue loans and grants to students does not ensure efficient re-payment” (Government of Mongolia, 2006, p.14). Therefore, it is aimed to retrain the management staff of universities and improve the policy and the legal environment for loan repayment.
7.0 CURRENT STATE OF HIGHER EDUCATION IN MONGOLIA, 2010

The regional bureau of UNESCO funded the study on the current status of higher education in Mongolia which was conducted by a team of Mongolian specialists from October 2009 to January 2010. The objective of the study was: to document the current state of the play of higher education in Mongolia; to identify problems and challenges faced by the higher education sector at the moment; and to develop policy recommendations for improving the sector.

This section heavily relied on the findings of this report and discussed the main issues from this report and other available sources on higher education in Mongolia.

As previously discussed, the higher education reform process brought many changes in higher education status of Mongolia in terms of management, finance, institutional types, quality and student enrollment. There are three types of HEIs in Mongolia, university, institute and college. In 2009-2010 academic year, there were 146 HEIs in Mongolia: 42 state-owned, 99 private institutions and 5 branches of foreign institutions.

The legal framework for establishing private higher education institutions has been provided in the Education Law of 1991 and guaranteed by the Constitution in 1992. The enrollment in private HEIs has increased significantly since 1990. Due to the economic transition of the country from planned economy to the market oriented economy, the country needed highly educated professionals skilled in market management, investment financing, accounting, banking and foreign languages and many other professions for newly emerging market economy. The former state universities have been
engaged in management and institutional restructuring and decentralization and have been not able to meet efficiently the market requirement for highly skilled professionals. Private higher education institutions played an important role in providing work force for democratic and market economy based society.

According to 2008-2009 data, out of 156 HEIs operating in Mongolia, 108 (69 %) are private and almost one third of total students are attending private HEIs. As we can see from data, the number of private institutions has decreased from 108 to 99. Report said that the student numbers of 30% of all private HEIs are less than 200. Compared with the international average norms of 12,000 students per higher educational institutions, the student number attending in HEIs is very low in Mongolia (Bat-Erdene et.,al, 2010). It is concluded that that most Mongolian HEIs do not achieve sensible economies of scale and therefore operate at relatively high cost in an environment of scarce resources and this is one of the reasons of low quality of higher education. For this reason many private institutions closed down their operation within the short time of period. It is also noted that the private institutions are not eager to participate in accreditation because of formality and paper scrutiny. Higher Education Master Plan 2006-2015 report stated that the percentage of students studying in private universities will be reduced by 6.7% and will reach 25.0% in total enrollment (Government of Mongolia, 2006). However, the UNESCO report shows that the percentage of students studying in private universities are 33.04%, 31.82% and 38.74% in 2000, 2005 and 2010 school year respectively (p.48). Why the government is targeting to reduce the private HE enrollment up to 25% and what is the reason behind it? Why does the actual data show that it is increasing gradually? Why is it increasing? Bat-Erdene, who was the senior consultant and the team leader of the working team of UNESCO project said that the majority of the private HEIs provide the courses on social sciences and the demand is decreasing. Therefore, the government is targeting to reduce the number of private HEI which has a low demand and has low quality services. However, the tuition level of the private HEIs is relatively low compared with the state HEIs and therefore this
is still attracting the students. The other reason is that the management of the private HEIs are managing to talk with the Ministry officials to increase the enrollment quota for their schools. Political affiliation and corruption is still in force in Mongolia.

7.1 STUDENT ENROLLMENTS AND INSTITUTIONS

An increase in the number of students enrolling in higher education institutions in Mongolia is very impressive (Figure3). According to the 2010 UNESCO report, the number of students studying in HEIs was 164,773 in 2009-2010 academic year, which is almost 2 times higher than students attending in 2000-2001 and 5 times higher compared with 1990-1991 academic years. An increasing number of enrollment in higher education institutions puts more pressure and requirement on improving the higher education management, quality and financing.

Figure 3. Students in Higher Education Institutions

Source: Bat-Erdene et.,al 2010
The higher education degree is structured hierarchically in four successive levels; diploma (somewhat equal to US associate degree), bachelor’s, master’s and doctorate. According to 2009-2010 academic year statistics, 2.7% of all students were enrolled in diploma, 89.5% in bachelor’s, 6.4% in master’s and 1.3% in doctorate programs respectively. While, the enrollment for diploma degree has stayed almost same from 2000 to 2010, the enrollment in bachelor and master’s degree has increased almost two and three fold during these years (Table 7). Almost all students (93%) of Mongolian HEIs belong to the undergraduate studies. Only 4-5% of all students are enrolling in master’s degree courses and 1% of all students are studying at the doctor’s degree courses of universities, which indicate low quality and capacity of research activities of Mongolian HEIs. Percentage of female students in HEIs of Mongolia is much higher than male students. The average percentages of female students for state-owned, private and affiliates of foreign universities is equal to 59.5%, 65.5% and 61.9% (Bat-Erdene et.,al 2010, p.41, 48,49).

Table 7. Higher Education Enrollment

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<tbody>
<tr>
<td><strong>Total enrollment</strong></td>
<td>84,985</td>
<td>98,453</td>
<td>108,738</td>
<td>123,824</td>
<td>138,019</td>
<td>142,411</td>
<td>161,11</td>
<td>164,773</td>
<td></td>
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<tr>
<td>Of which in:</td>
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<tr>
<td>state-owned</td>
<td>56,906</td>
<td>66,834</td>
<td>74,134</td>
<td>84,041</td>
<td>91,755</td>
<td>93,478</td>
<td>106,611</td>
<td>100,581</td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td>28,079</td>
<td>31,197</td>
<td>34,134</td>
<td>39,405</td>
<td>45,784</td>
<td>48,552</td>
<td>54,114</td>
<td>63,835</td>
<td></td>
</tr>
<tr>
<td>branches of foreign</td>
<td>0</td>
<td>422</td>
<td>470</td>
<td>378</td>
<td>480</td>
<td>381</td>
<td>386</td>
<td>357</td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>4,224</td>
<td>4,052</td>
<td>6,128</td>
<td>5,764</td>
<td>4,771</td>
<td>4,193</td>
<td>4,203</td>
<td>4,423</td>
<td></td>
</tr>
<tr>
<td>Bachelor</td>
<td>77,296</td>
<td>89,152</td>
<td>95,504</td>
<td>111,186</td>
<td>125,642</td>
<td>129,823</td>
<td>145,196</td>
<td>147,586</td>
<td></td>
</tr>
<tr>
<td>Masters</td>
<td>3,465</td>
<td>3,661</td>
<td>4,491</td>
<td>5,084</td>
<td>5,626</td>
<td>6,286</td>
<td>9,505</td>
<td>10,621</td>
<td></td>
</tr>
<tr>
<td>Doctorate</td>
<td>1,588</td>
<td>1,615</td>
<td>1,790</td>
<td>1,980</td>
<td>2,099</td>
<td>2,207</td>
<td>2,143</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of female in total, %</td>
<td>0.63</td>
<td>0.62</td>
<td>0.62</td>
<td>0.61</td>
<td>0.61</td>
<td>0.61</td>
<td>0.61</td>
<td>0.60</td>
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</tr>
</tbody>
</table>

Source: Bat-Erdene et.,al 2010, p.40
The share of financial aid in government higher education expenditure has increased from 20.3% in 1997 to 78.7% in 2009, which shows great change in the financing of higher education by government (Table 9). It is noted that as of 2009, financial aid took almost four fifth of the total government expenditures for higher education, as opposed to one fifth in 1997. Accordingly, direct subsidies to public colleges and universities decreased to a minimum of 21.3%. Financial aid to students practically replaced government direct funding for higher education. However, starting just a few years ago government renewed direct subsidies to state higher education institutions which covers basic utility costs (Bat-Erdene, et al., 2010, p.14).

### 7.2 FINANCING OF HIGHER EDUCATION INSTITUTIONS

It is observed that the following changes occurred in the financing of higher education: in between 1992-99 financial aid was as a supplementary to government funding for public higher education, limited to undergraduate education only, whereas, since 2000, financial aid emerged as a dominant government policy for the entire system of higher education, covering both undergraduate and graduate levels of study.

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</thead>
<tbody>
<tr>
<td>Share of HE in government</td>
<td>14.0</td>
<td>17.1</td>
<td>17.3</td>
<td>17.8</td>
<td>14.4</td>
<td>29.6</td>
<td>25.8</td>
<td>29.0</td>
</tr>
<tr>
<td>education budget, %</td>
<td></td>
<td></td>
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<tr>
<td>Government budget for HE,</td>
<td>5.9</td>
<td>13.1</td>
<td>16.0</td>
<td>18.7</td>
<td>18.8</td>
<td>15.5</td>
<td>23.6</td>
<td>31.4</td>
</tr>
<tr>
<td>billion togrog</td>
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</tr>
<tr>
<td>Direct appropriations to HE</td>
<td>4.7</td>
<td>5.6</td>
<td>6.9</td>
<td>7.1</td>
<td>4.8</td>
<td>0.4</td>
<td>6.8</td>
<td>6.7</td>
</tr>
<tr>
<td>billion togrog</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Share of appropriations in</td>
<td>79.7</td>
<td>42.7</td>
<td>43.1</td>
<td>38.0</td>
<td>25.5</td>
<td>2.6</td>
<td>28.8</td>
<td>21.3</td>
</tr>
<tr>
<td>HE, %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding for financial aid,</td>
<td>1.2</td>
<td>7.5</td>
<td>9.1</td>
<td>11.6</td>
<td>14.0</td>
<td>15.1</td>
<td>16.8</td>
<td>24.7</td>
</tr>
<tr>
<td>billion togrog</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of financial aid in</td>
<td>20.3</td>
<td>57.3</td>
<td>56.9</td>
<td>62.0</td>
<td>74.5</td>
<td>97.3</td>
<td>71.2</td>
<td>78.7</td>
</tr>
<tr>
<td>government HE budget, %</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: Bat-Erdene et.,al, 2010

The higher education was provided for free in public higher education up until 1993 and the full-time students used to receive stipends to support their living expenses, while private institutions have charged tuition since their inception. Since 1993 the tuition fee was charged in public institutions and the higher education financing began to be covered mainly by student tuition payments. According to the 2010 UNESCO report on Current Situation of Higher Education in Mongolia, 75% and 84% of the total revenue of public and private higher education institutions come from the tuition payments, respectively (p.113). A few reputable private institutions with high demand programs charge far more than public tuition, tuition charges for most small private colleges are at the level of public tuition (or even less). There are only three private universities with high reputation and high tuition fee and most of private colleges are with doubtful quality, standards, and low tuition. In Mongolia, an effective, but not so well organized public control mechanism, maintains tuition at reasonable levels. A sudden increase in tuition at a university or college eventually causes student unrest, protests and unavoidable exposure in the media, which questions reasons for tuition increase (Bat-Erdene et.,al 2010). Another reason of keeping the tuition at a reasonable price might be the low living standard level and purchasing power of the population. If institutions increase the
tuition at a higher level, it would eventually reduce the enrollment which in turn would negatively affect the tuition revenue of the institutions. The data shows that the total revenue for state higher education institutions was 76 billion or 78% of total, private higher education sector received 23 billion togrog (23%) as revenue (Bat-Erdene et.,al 2010).

It is observed that over the past years, the tuition has been increased every year. However, the number of students paying tuition has been increased from 65% to 71% (table 8). It could be explained with the overall increase of GDP per capita and Government policy on gradual increase of the public servants’ salary. Findings of the study suggest that:

“There is an understanding among Mongolians that if one holds a higher education degree, a better job, salary and life are guaranteed. It seems like all parents, including nomadic parents, wish for their children especially daughters to enroll in higher education institutions and obtain degrees and diplomas no matter the cost or quality (Enkhjargal,2010).

At the same time the number of government assistance recipients decreased from 33% to 25% (table 10).

The State Training Fund (STF) was established in 1994 to support capable but disadvantaged students, including children of herders, orphans, disabled students, and students from families who have three or more children enrolled in HEIs. The fund is allocated annually in the national budget and is based on training area priorities established by MECS. However, 47% of the fund is used as scholarship support for one child of every civil servant, leaving insufficient funds for those identified as disadvantaged. According to a World Bank study, only 2% of the STF loans are paid back, and so the government is, in effect, subsidizing the full cost of these loans, thereby reducing the amount available for other types of support to HEIs (ADB, 2010).

In Mongolian higher education, there are four types of government financial aid to students: institutional grant, public employee’s family tuition grants, State Training Fund grants, and State
Training Fund loans. A semi-governmental agency, State Training Fund (STF), governed by an independent board but operationally attached to MECS, is responsible for the implementation of all state financial aid programs. Loan and grant aids are administered by the colleges and universities, which each year award aid to students within the quotas as per agreement with the STF. They submit relevant documentation and requests for funding to the STF.

Table 10. Student Aid Coverage by Type of Assistance

<table>
<thead>
<tr>
<th>Type of Assistance</th>
<th>2006/07 years</th>
<th>2007/08 years</th>
<th>2008/09 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total enrollment in Higher Education</td>
<td>142,411</td>
<td>150,326</td>
<td>161,111</td>
</tr>
<tr>
<td>Tuition paying students</td>
<td>92,882</td>
<td>104,026</td>
<td>115,077</td>
</tr>
<tr>
<td>Institutional grant recipients</td>
<td>1,444</td>
<td>1,121</td>
<td>988</td>
</tr>
<tr>
<td>Recipients of Public service grants</td>
<td>18,523</td>
<td>17,259</td>
<td>16,875</td>
</tr>
<tr>
<td>Recipients of grants from state training fund</td>
<td>17,416</td>
<td>14,417</td>
<td>13,313</td>
</tr>
<tr>
<td>Recipients of loans from state training fund</td>
<td>11,021</td>
<td>10,380</td>
<td>9,457</td>
</tr>
</tbody>
</table>

Source: Bat-Erdene et.,al, 2010, p.117

Loans in the amount of average public tuition are provided to students on the basis of need. To receive a loan, a student must provide evidence of need and eligibility for the loans. Loan recipients have up to ten years, with a grace period of six years after the graduation, to repay loans. If loan recipients have been employed for eight consecutive years, including five years in a rural country, loans can be forgiven.

State tuition grant recipients in addition to being enrolled in an accredited institution have to meet the following categories to receive a grant:

1. One student from a poor family with a monthly income of less than 60% of the minimum living standard
2. One student of a herdsman’s family with livestock of less than 700 head
3. One of three or more children from a family attending college, full-time, at the same time
4. Orphan or student without parents or guardians
5. Physically disabled student from poor family
6. One student from a single parent family with less than the minimum living standard income (eligible to a fixed amount of 150,000 togrog and the difference between tuition and this grant is a loan)
7. Award winners in an international competition for high school students
8. Student who took one of first three places in a national competition/olympics while in high school
9. Student who demonstrated a GPA of 3.8 or higher for four consecutive semesters
10. Master’s student with GPA of 3.8 or higher or with a demonstrated research achievement
11. Doctoral student with a demonstrated research achievement.

Currently, the largest group of recipients, in terms of both funding and the number of recipients of financial aid, is those receiving tuition grants for one student of a family in which one or both parents have employment in the public sector. The awarding has no basis in need or merit, but the simple fact of coming from a family of a specific category of employees. In this sense, the grant is more like a reward or a benefit from government employment.

A study on the effectiveness of government student aid programs in Mongolia revealed many shortcomings of existing financial aid policy and suggested several recommendations for reforming financial aid policy. These recommendations included a need to redirect most of the funding towards more effective need-based grants, reforming public employees’ tuition grants in a way that it considers family income level, necessity of mobilizing commercial bank resources for student aid program by providing government guarantee and subsidy, development of a viable mechanism to determine income eligibility of students for financial aid, and shift from institutions based administration to centralized administration of financial aid. Centralized administration of financial
aid, for example, will provide more flexibility and choice for students and eliminate current “first come – first serve” system (Bat-Erdene et.,al, 2010).

It is recommended to encourage the private sector, rich individuals, institutions of higher education, donors, foundations, and other organizations to take part in provision of soft loans and grants to students. Currently, non-government sources provide financial aid to a very limited number of students and their total amount and number of recipients are not really comparable with government programs on student assistance.

7.3 FACULTY

The UNESCO report (2010) noted that the Mongolian faculty pool seems to be considered as “contracted consultants” working short-time for the university. The limited professional development opportunities, insecure salary and social welfare benefits, the newly emerging new subjects, and disciplines in teaching, limited resources, unfamiliarity with the culture of academic freedom, the existence of traditional views, and cultures towards faculty recruitment can contribute to this phenomenon. The survey revealed that the majority of Mongolian faculty is engaged in lecture-type teaching. The academic freedom and institutional autonomy developments are at the beginning stage since they are new concepts born with the transformation and reform of higher education after 1990s.

One of the key findings from this survey is that the university faculty community is quite young and less experienced in terms of years of their academic career. On the national average, 78.2 percent of the faculty is at the age below fifty. It is suggested to promote the different types of
research activities, such as research scholarships abroad, fellowships and exchange programs to help faculty for their own scientific interest providing more opportunities.
8.0 SUMMARY AND IMPLICATIONS FOR HIGHER EDUCATION REFORM PROCESSES

8.1 SUMMARY OF THE STUDY WITH RESPECT TO THE THEORETICAL FRAMEWORK

This study examined the Mongolian higher education reform process between 1990 and 2010. It explored the historical context of the education sector and external policy influences, challenges during the transition period, and processes of establishing a new higher education system with the guidance of international donor organizations.

For this study Phillips & Ochs’ (2003) policy borrowing model and models on educational transition in countries moving from authoritarian rule to democratic government (Birzea, 1994; McLeish & Phillips, 1998) were used as a framework for the examination of the Mongolian education reform process. Table 11 shows the stages of education reform in Mongolia linked with the theoretical models (McLeish; Phillip & Ochs). In this table the phases of education reform and theoretical models do not necessarily coincide with each other. During the period of national policy formulation (Phase 1- Education Reform, Phase 2-McLeish & Phillips model and Decision stage-
Phillips & Ochs model), the Government of Mongolia made a purposeful decision to invite and receive constructive support from the international donor agencies, particularly the Asian Development Bank, in building the new education sector.
### Table 11. Education Reform Phases and Theoretical Framework Models

<table>
<thead>
<tr>
<th>Phases of Education Reform, Mongolia</th>
<th>McLeish Model</th>
<th>Phillips &amp; Ochs’ Policy Borrowing Model</th>
<th>Implementation of the Education Reform Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collapse of the socialist system in early 90s, political, economic and social difficulties</td>
<td>Phase 1: Pre-Phase Ideological Collapse; Interim Phase- Uncertainty Prevails</td>
<td>1. Cross-national attraction: internal dissatisfaction, systemic collapse, sudden economic change, political imperatives, globalizing tendencies and political change such as new directions as a result of change of government</td>
<td>Deterioration of Education system</td>
</tr>
</tbody>
</table>
In Table 11, the Education Reform Phase 1 coincides with Phases 2-5 of McLeish & Phillips (2003) Model, including its last stage, so called implementation at the school level stage. It illustrated the speed and efficiency of the education reform process in Mongolia during its first phase. After the enactment of the first Education Law, the reform measures put in place the higher education institutions. Private HEIs were established and tuition fees were introduced in 1991.

According to the Phillips & Ochs’ (2003), there are four stages of the policy borrowing process: cross-national attraction, decision, implementation and indigenization/ internationalization. In this study these four stages of the model were assessed with the respect to the process of Mongolian education reform. According to Phillips & Ochs’ (2003), policy borrowing starts with impulses that instigate cross-national attraction. In Mongolia at the beginning of the transition period in the early 1990s, an internal dissatisfaction, systemic collapse, sudden political and economic change, and pressure to globalize became impulses to initiate looking at education reform processes in successful foreign countries. International donor agencies such as the World Bank, Asian Development Bank, UNDP and others played an important role in assisting the Government of Mongolia in its democratic transition. When the newly elected government of Mongolia faced the abrupt social and economic decline in the country during the transition period, it pursued the major reforms recommended by international donor organizations in order to overcome the crises faced in the country. According to Robertson & Waltman (1992), most nations make a decision to borrow when faced by inherently uncertain and controversial problems. In the Mongolian case, the government of Mongolia made a realistic/practical decision to involve the international donor organizations in education reform process. In 1993, at the beginning stage of the education reform process, the Government of Mongolia made a request to Asian Development Bank to conduct a comprehensive education and human resource sector study as the basis for the development of a comprehensive master plan to move the country forward democratic society. Consequently, ADB became the major international donor organization to assist in the higher education reform process.
The major reform measures were based on a series of laws, beginning with the Education Law of 1991 under which the management and responsibilities for educational activities were delegated to local governments. Under this law the Ministry of Science and Education (MOSE) in Mongolia assumed responsibility for planning, policy formation, implementation, and monitoring of the education sector. The establishment of the private higher education institutions (HEIs) was authorized by the 1991 Education Law. Major financial changes occurred in higher education with the elimination of the student stipends and the introduction of tuition fees in 1993. The State Training Fund was established to assist with financial aid to the students. In order to assure the quality of higher education, an institutional accreditation agency was established in Mongolia in 1998. A credit-based program was introduced in HEIs and the degree structure is shifted from a Soviet model to the B.A., M.A., and Ph.D. borrowed from the US higher education system that was perceived as the most suitable model for a free market economy with democratic governance respecting human rights and free competition.

Birzea (1994) identified three types of measures in the new legislation on education: rectification, modernization and restructuring. Rectification refers to measures taken in the course of the first year of transition mainly aimed at the elimination of the communist ideology and the suppression of totalitarian political control over the educational system. Mongolia as did other former Soviet Republics, in the beginning of the transition adopted new legislations on education which enabled decentralization of education management and structure.

According to Birzea (1994), the modernization measures include: updating and pruning curricula; reviewing teaching plans; reducing the number of pupils per class; reducing weekly teaching loads; introducing the study of foreign, particularly Western European, Japanese, Korean, Chinese and English languages adapting teacher-training programs to new educational policies; and accrediting higher education establishments. Reducing weekly teaching loads was one of the key tasks of higher education reform in Mongolia. Because of shortages in textbooks and other teaching
materials as well as library resources that were severely limited, most instruction and student learning occurred in classrooms and seminars through didactic instruction recorded in students’ notes. The teaching staff was overloaded with the weekly teaching hours and had little or no time for research opportunities and incentives for professional development. One of the objectives of the Education and Human Resources Sector Development Master Plan of 1994 was to enhance efficiency of higher education by upgrading and developing faculty resources.

The sector review of 1993 recommended that, starting from the academic year 1994-1995, English would be taught as a compulsory subject at schools of all levels. Other foreign languages such as German, French, Japanese, Chinese, Korean and Turkish started to be taught in some schools, especially in private ones. The 1994 Master Plan set as a target enrolling 300,000 people in foreign language training, including 250,000 in the 6-10th level classes in secondary school, 30,000 in vocational schools, and 20,000 in universities and other postsecondary institutes. Originally established to prepare teachers and interpreters of Russian language, the Foreign Language Institute made the transition to providing most of its programs for languages other than Russian through Departments of English Language and Literature; French and German Languages and Literature and Oriental Languages and Literature (Mongolian, Chinese, Japanese and Korean).

According to Birzea (1994), restructuring measures involve changes in the organization and functioning of the education system in accordance with new educational policies. Birzea (1994) notes that the restructuring measures in post-communist countries aimed at the following: abolishing the State monopoly over the education system; developing private education; decentralizing the management and administration of education; increasing the autonomy and responsibility of schools; reorganizing Ministries of Education and reviewing the relationship between central and local administration; coordinating the legislative framework of educational reform; restructuring the financing of education; and increasing the length of compulsory education. A main objective of the
1994 Education and Human Resource Master Plan was to rationalize the role and mission of higher education institutions in order to improve efficiency and effectiveness.

The most dramatic changes occurred as the result of a Cabinet directive which ordered the Ministry, effective January, 1993 to transfer all of its operational responsibilities for the day-to-day administration and management of the public school system into the hands of the aimags (provinces) and the cities. Duties and activities which earlier had formed the core of a large, expansive, and highly centralized Ministry of Education suddenly became the responsibility of local government. At the same time, whatever responsibility remained in the Ministry for curriculum development and for in-service training was moved from MOSE to the Pedagogical University. However, with the withdrawal of Mongolia's central planners, the Ministry was in charge of educational policy formation, master planning, and the evaluation of education outcomes.

According to the McLeish and Phillips (1998) model the political elections help in shaping the new educational system but also in alleviating some of the uncertainty common to all nations engaged in the process of democratization. Phase IV in their model is the macro-level transition, where new educational structures and practices adopted in educational legislation. The fifth and final phase is devoted to the implementation of new educational policies, stages of which are incorporated within the discussion of the education reform process in Mongolia throughout this study.

The following section summarizes findings for the research questions based on the examination of relevant documents.
The education reform process in Mongolia can be summarized in the following stages. **Phase One (1991-1994)** was implemented as the formulation of the educational reform agenda. During this time period important legal foundations for education reform were enacted. This included the Mongolian People’s Republic Education Law, subsequently followed by the 1993 Education and Human Resources Sector Review and the 1994 Master Plan, funded by the Asian Development Bank, that formed the basis for direction of educational reform in basic and general education in the mid-1990s. This was in line with the Government reform agenda which included the lowering government expenditures through a comprehensive public administration reform program and reduction of civil service employment; restructuring and reducing subsidies to State-owned enterprises; accelerating the privatization process; and decentralization of local governments. The Education Law of 1991 stipulated increased autonomy in higher education, and provided the legal basis for establishing of educational institutions based on private property. Further, it allowed educational institutions to charge tuition fees and use it as one of the sources of income. According to the 1991 Education Law, the management and responsibilities of educational activities was delegated to local governments.

The 1993 Education and Human Resources Sector Review stated that the Ministry of Science and Education should shift from an implementing agency to a policy analysis, monitoring, and regulating authority. Due to the decentralization process, much of the management and financial responsibility of MOSE was delegated to the local government and higher education institutions gained increased autonomy. However, the major concern was the lack of local government’ financial,
technical, and management resources and skills, as well as the lack of the Ministry’s staff management and policy analysis skill to fulfill these new roles.

The 1994 Master Plan recommended enhancing the efficiency of higher education through reallocation of material resources, consolidation of institutions and programs, and appropriate staff retrenchment. Attention was also given to improvement of faculty and library resources.

Phase Two (1995-2000) of education reform process was aimed at developing and adopting new educational programs. The major educational laws and policy documents were enacted during this time to further enhance implementation of the education reform process. The Education Laws of 1991 and 1995 allow non-government education institutions at all levels of education. Legal reform of education in 1995 brought many new features including clarification of the government role and authority over education, including moving toward a self-governance structure of education institutions through – Governing Boards and School councils; degree-structured credit hour-based program offerings; a professional body for external quality assessment-accreditation; and a three-tier system of HEIs, namely universities, institutes and colleges.

As a result of the higher education reform process, management became more decentralized and higher educational institutions became more autonomous, each with their own governing boards. As stated in the 1998 amendments to the Higher Education Law, the governing boards were to make important decisions such as appointing rectors, approving the budget, setting student fees, and strategic planning. Admission and graduation activities were to be carried out by higher educational institutions, themselves. However, a UNESCO report (Bat-Erdene, et al., 2010) stated that the majority of seats on the Governing Board were dependent on political appointments and the Governing Boards became unstable following the elections and turnovers of the ruling political party. Such instability in the top management level hindered the development prospects of higher education institutes and decreased management capability and experience in institutional decision making. In many cases, instead of helping institutional development, the governing boards failed to accomplish
much, except for taking control of and scrutinizing school management and limiting the tuition fee increase (Bat-Erdene, et al., 2010).

The amendments to the Education law in 1998 also included provisions on further clarification of accreditation procedures. As a result of this, the National Accreditation Council was established with direct supervision of the Ministry of Education and the first group of institutions were accredited in 1999.

**Phase Three (2000-2005)** was aimed at intensifying the education sector reform process. During this time the Education Sector Strategy 2000-2005 report was prepared for the Government of Mongolia by the Ministry of Science, Technology, Education and Culture (MOSTEC) to provide guidance for the development of the education sector in Mongolia. The Education Sector Strategy 2000-2005 specified mid-term objectives for the higher education sector as “intensifying the sector reforms, creating foundations for sustainable development of higher education, improving education quality, effectiveness and efficiency, as well as creating conditions for bringing Mongolian Higher Education to the levels comparable to international higher education norms”.

In its Medium term Economic and Social Development Strategy, 1999-2002, Government stated that it would intend to accelerate ongoing reforms in education sector and improve the content of training programs and materials. Furthermore, Government committed to improve the education quality by gradually upgrading the educational facilities and equipment as well as to increase the number of managerial staff and teachers sent overseas for an advanced training.

According to the Education Law, which guarantees funding sources, not less than 20% of the state budget should be allocated to the entire education sector. However, the UNESCO report noted that, in fact, the total funding for the education sector was used to cover only current expenditure of pre-school, primary and secondary education. According to the law, the fixed expenditures for the higher education were to be borne by the state budget. However, this clause of the law was not
implemented in practice between 2003 and 2008, and direct institutional subsidies to public colleges and universities decreased to a minimum of 21.3% (Bat-Erdene et al., 2010).

However, the share of student financial aid in government higher education expenditure has increased from 20.3% in 1997 to 78.7% in 2009 indicating a great change in financing of higher education by government. As of 2009, financial aid to students took almost four-fifths of the total government expenditures for higher education, as opposed to one fifth in 1997. Nowadays, 75% and 84% of the total revenue of public and private higher education institutions come from the tuition payments. The number of students enrolled in HEIs is increasing: 164,773 in the 2009-2010 academic year, which is almost 2 times higher than the number of students attending in 2000-2001 and 5 times higher compared with the 1990-1991 academic years.

**Phase Four (2006-2015)** was defined on the basis of the most recent Government Master Plan to develop the education sector. This Master Plan identified the long-term strategic policy objectives to be pursued in the period until 2015 with regard to development of education by the Government of Mongolia, and presented the strategies and ways to achieve them, along with the projected funding needed for their implementation.

In terms of the quality of the higher education the Master plan targeted to upgrade content of training programs of accredited institutions to reach level of international standards and focused on re-training of teachers through ICT application, expansion of the financial resources and training abroad programs.

One of major objectives stated in the master Plan was to improve coordination of enrollment in higher education. The Ministry of Education has taken some regulatory measures such as cutting the overall enrollment quotas as well as allocating state loans and study grants to those students who pursue degree in high-need fields determined by the government. In response to market demand and workforce forecasts, Government specifically planned to increase the number of students majoring in engineering, technology, natural science, agriculture and related teaching areas. This is related to the
current boom in the mining industry in Mongolia, a country with some of the world's richest mineral deposits (e.g., gold, copper, coal, uranium, iron ore and oil). Mongolia seeks partners in foreign investment and technical expertise to help realize that potential. By 2013, the mining is expected to herald a transformation of the economy. In 2008, the GDP was $5.3bn. In the next decade, that could triple (BBC news, 2010). Government of Mongolia considers reforming higher education as one of the key instruments to accelerate and support the economic growth.

The government’s revised education sector master plan has set the twin goals of establishing a higher education system that meets international standards and transforms Mongolia into a knowledge economy (ADB, 2010). In terms of the quality of higher education, the 2005-2016 Master Plan targeted upgrading the content of training programs of accredited institutions to reach international standards and focused on re-training of teachers through ICT application, expansion of financial resources, and training abroad programs.

8.3 RESEARCH CONTENT AND QUESTIONS

In order to summarize the current study, a simple table showing the documents and data analysed in relation to the research content and questions was constructed (see Table5). For this study, the document analysis method has been chosen. According to Bowen (2009)

“documents provide background information as well as historical insight. Such information will help to understand the roots of specific issues and can indicate the conditions that implying upon the phenomena currently under investigation”.

Documents provide broad coverage; they cover a long span of time, many events (Bowen, 2009; Yin, 1994). The data contained in this study were generated primarily by government and
international development agencies. As such, they reflect more or less “official” positions with respect to education reform and are not particularly critical of the processes involved. However, in the Mongolian context, government data are generally not sifted and manipulated to support particular approaches but reported without modification. Specific documents related to the research questions and study content were evaluated and selected based on their appropriateness for addressing specific issues.

This study takes note of the historical context of Mongolia and its political and economic influence from former Soviet Union. Ines Stolpe (Steiner-Khamsi & Stolpe, 2006) noted that:

“the historical analysis of the development of schooling in Mongolia suggests that transformational innovations have always been induced by external forces. Developments in the sector of formal education should therefore be traced to constellations in foreign relations, rather than domestic decisions or changes in education policy. External pressures not only served as a catalyst, they have also shaped the content of every educational import to date”.

The education system in Mongolia before the transition was similar to the Soviet education system. The specific features of the education system in totalitarian regimes are: centralization of decision-making at the top of the party and state apparatus; the absence of private institutions of education and learning; the close linkage between education system and planning on the one side with overall economic planning and manpower policy on the other (in Phillips & Kaser, 1992). The study of education development in the historical context is very important for understanding the conditions or roots and the specific challenges and changes which are encountered through the education reform process.

Collapse of the socialist system in 1991 brought new challenges for the Government of Mongolia, including finding new resources for financial support and educational materials. The government of Mongolia started the reform process in all areas of the development, including the education sector, with the support of international donor agencies. Mongolia joined ADB in 1991.
The Asian Development Bank played an especially important role in the education reform process in Mongolia, starting with the Education and Human Resources Sector Review in 1993 and continuing with a series of education sector development programs up to now. Donor intervention was not without consequences.

The post-socialist reform packages supported by donor agencies included: dramatic reduction in public expenditures on education as percentage of GDP; decentralization of education authorities; and privatization of higher education. In order to borrow the money from the donor agencies, countries in transition, including Mongolia have been obligated to implement the specific reform packages borrowed from developed countries, a process linked to the policy borrowing framework. Steiner-Khamsi and Stolpe (2006) wrote that “the post socialist reform ackage” designed by international donor agencies was, for the most part, “voluntarily borrowed for fear of falling behind internationally”. Phillips and Ochs made a point that an imposed policy is not a borrowed policy (2004a). In the Mongolian case, at the beginning of the transition (pre-phase or ideological collapse and interim phase or uncertainty in McLeish & Phillips model) to the market oriented society, the country’s difficult condition created the need to look to examples ‘elsewhere’ (Phillips & Ochs, 2003).

It was criticized that in the beginning of the transition when insecurity and anxiety prevailed, Government officials/ politicians did not necessarily understand the complexity of the reform agenda. Hon. Joseph E. Lake, First Resident U.S. Ambassador to Mongolia said that “It seemed that there was a strong feeling that the government was simply looking to the West to replace the massive Soviet assistance program of the past, rather than effectively analyzing its difficulties and trying to overcome them” (Chimid, 2000). For the Government of Mongolia, at the beginning stage of transition, the decision to borrow the money and reform ideas from the donor countries was made as a means “to fix the problem quickly” (Phillips& Ochs,2003).
What future Research is needed to understand the processes more fully? - In terms of the future research to understand the reform process in transition countries towards democratic and market-based society, it is needed to investigate the final stage of policy borrowing or, in other words, to examine: the effects on the existing system; the motives and objectives of the policy makers; how and to what extent features from another system have been adopted; the process through which educational policy and practice become part of the overall strategy of the ‘borrower’ country; to evaluate whether the expectations of borrowing have been realistic or not.
9.0 DISCUSSION AND IMPLICATIONS

Based on the examination of the education reform process during the transition to a democratic and market–based society the following implications can be drawn with regard to major issues of higher education. In a relatively short time of transition from 1990 to 2010, Mongolia has implemented major education reform measures in terms of decentralization, privatization and restructuring. Considering very limited history of higher education in the country, the Mongolian Government and HEIs managed tremendous achievements toward transferring the Soviet model education system to a new democratically oriented education system. In the beginning of the transition, Government paid the highest priority to the development of the education system and the reform process of the higher education was implemented in parallel with the other macro-economic and political reform processes in the country. The first Education Law of Mongolia was enacted in the early start of the transition in 1991. The old system of education was decentralized and, private sector growth promoted, HEIs became more independent and autonomous. The government of Mongolia introduced a “cost sharing” policy that gradually shifted the responsibility for social welfare from the government to the individual (Weidman & Bat-Erdene, 2002). The western model of teaching and instruction, including credit-based programs were introduced. The legal basis of the new educational system was established between 1991 and 2000 and the further enforcement and adaptation of this reform changes have taken place in the new millennium. The higher education system is still facing many issues in
terms of governance, financing, quality assurance, academic programs and faculty improvement. Based on the examination of the education reform process during the transition to a democratic and market-based society the following implications can be drawn with regard to major issues of higher education in terms of governance, financing, quality assurance, academic programs and faculty improvement.

There are still concerns about the lack of publicly available information on the quality of education offered by each institution and about the employment prospects of the graduates from different disciplines. The general public is quite critical about higher education because many people complain about the quality of instruction, employability of graduates, low efficiency and coverage of research activities. There is need for a more open information provision system to help prospective students making meaningful choices.

Student enrollment in HEIs is increasing which shows the strong demand for higher education. The major concern is the supply of quality education. By 2009, the number of HEIs increased to 146, of which around 100 were private (some universities total student population is under 100 students), to the detriment of the overall quality of higher education (ADB, 2010). Consideration should be given to reducing the number of higher educational institutions to make better use of management and to reduce program redundancies, especially, the increasing number of private HEIs concentrated on social science and humanity. These are excessively narrow and frequently are not appropriate for the current employment market. Therefore, an increased emphasis should be placed on such specializations as management, commerce, economics, accounting, engineering, technology and agriculture to respond to new market requirements. The Ministry of Education took some regulatory measures such as cutting the overall enrollment quotas as well as, allocating state loans and study grants to those students who pursue degree in the fields determined by the government in order to help match graduates with the available job market. The Master Plan
2006-2015 (Appendix C) targeted to increase the enrollment of students majoring in engineering and technology, agricultural professions, natural sciences and teaching (Government of Mongolia, 2006).

Although the Education Law authorized the Ministry of Education to set enrollment quotas for each HEI taking in consideration demands of labor market and institutional capacity, there is a growing criticism concerning the match between graduate supply and labor market need. Since the centralized manpower planning was abolished, accurate projections of the labor market demand 4-5 years ahead became unattainable due to the lack of a system to collect and systematize requests from employers, and incapability of companies to predict their human resource needs for medium and longer term (Bat-Erdene et., al, 2010).

Higher education institutions in Mongolia are mainly teaching institutions; faculty are engaged in heavy teaching loads that leave little or no room for scientific and investigative pursuit. The faculty lack professional resources as well as updated teaching and research materials in Mongolia. There is no book distribution system for updated resource materials for university faculties. Faculty members of Mongolian HEIs are relatively young and in-experienced; 42.3% of them had less than 5 years of experience as a faculty member. Around 80% of teachers in private HEIs are under 50 years old and 43% under 30 years old (Bat-Erdene et., al 2010). A professional code of conduct is at the infancy stage, requiring attention to upgrading the qualifications and skills of faculty members. A systematic professional development program specific to the needs of the faculty needs to be built. The Master Plan 2006-2015 specified that the expenditures for re-training of higher educational teachers domestically will be increased by 8% annually and 100 teachers will be re-trained abroad annually, but that has not yet been realized (Government of Mongolia, 2006).

The findings of the UNESCO 2010 survey on the Current Status of the Higher Education in Mongolia showed that not every institution has a clear mission statement in order to deploy and mobilize their resources and activities towards clear goals, which in turn affect the quality of higher
education. According to this report, the most imperative issue to be solved immediately was improvement of faculty quality (Bat-Erdene et al. (2010).

Bat-Erdene et al. (2010) stated that “giving more power and autonomy to institutional leaders does not mean that this autonomy has been applied to all academic affairs…Hierarchical administrative structure, which is not suitable for academic colleagues, has been dominating. This dependence of administrative authorities has a negative impact on enhancing accountability and creativeness. In other words, it leads to unhealthy relationships within HEIs, where faculty are forced to please their higher authorities, instead of having vigorous academic deliberations and exercising academic integrity” (p.133).

Advanced techniques and technologies need to be introduced for training at universities as well as the development of the library resources that enhance the learning opportunities and professional improvement of students and teachers, respectively.

The standards for masters and doctoral level higher education are not developed. There is a need to increase the value of a Mongolian higher education degree to be compatible with the international standards.

Higher educational institutions are heavily dependent on student tuition fees. There is a need to generate other sources of revenue guaranteeing institutional autonomy and stability, as well as, lessening students’ debt burden.

In 1994, the government began requiring public HEIs to charge tuition fees at levels that would cover the entire cost of academic staff salaries, thus generating a large reduction in the government’s higher education budget. However, the government regulates tuition fees, and by keeping them low, prevents HEIs from accumulating savings. Moreover, the government was not fulfilling its legal obligation to provide public HEIs with sufficient recurrent funding to cover utility and operation and maintenance costs. Nor has it provided any policy support with regard to the "shortfall" in tuition fees. As a result, there has been a proliferation of private providers who have
largely focused on low investment, high return programs, and this has led to a decline in the standard of higher education (ADB, 2010).

The idea about to establish a single comprehensive national university for Mongolia based on the consolidation of the various academic components, including research institutes currently under the National Academy of Science, and their incorporation into the universities was initially proposed under the Master Plan of 1994 and it is still in process. Several attempts were made to merge some institutions. However, due to incompatibility of researchers and faculty and absence of a mechanism for combining research and academic activities, these institutes ceased to exist (Bat-Erdene et al., 2010). At the beginning of 2010, the government proposed to integrate state owned higher education institutions and to allocate land for one consolidated campus for the current universities which are quite fragmented (Bat-Erdene et al., 2010)

The government has begun reforming the institutional and organizational structure of HEIs by merging state-owned universities, colleges, and institutions to increase efficiency and economies of scale. Merging of institutions and privatization are alternatives worthy of consideration both as a means of reducing government expenditures and as a way to increase the effectiveness of instructional and research activities. As a result, effective 1 July 2010 the number of state-owned (public) universities, colleges, and institutes has been reduced from 42 to 16. The government is developing plans to build a completely new university campus outside Ulaanbaatar, designed and staffed to meet an acceptable international standard. The government has requested ADB to provide support in developing and implementing these important reforms (ADB, 2010).

The government’s provision of grants and loans to students in accredited HEIs needs to be strengthened. The State Training Fund (STF) was established in 1994 to support capable but disadvantaged students, including children of herders, orphans, disabled students, and students from families who have three or more children enrolled in HEIs. The fund is allocated annually in the national budget and is based on training area priorities established by MECS. However, 47% of the
fund is used as scholarship support for one child of every civil servant, leaving insufficient funds for those identified as disadvantaged. According to a World Bank study, only 2% of the STF loans are paid back, and so the government is, in effect, subsidizing the full cost of these loans, thereby reducing the amount available for other types of support to HEIs (ADB, 2010). The government needs support to reform the STF to ensure its efficiency, transparency, and accountability.

Institutional Governing Boards were introduced to empower all stakeholders, including founders, faculty, students, alumni, employers and other supporters in the administration of higher education institution. This was a step towards loosening the government authority over education governance and administration. However, due to the recent changes in legislation the Minister of Education negotiated performance contracts directly with the rectors, thus making the role of the Governing Boards less important.

In its long-term National Development Strategy until 2020, the Government of Mongolia expressed the need to strengthen the higher education. The Government emphasized the importance of developing a globally competitive education system for Mongolia's economic growth and has set the twin goals of establishing a higher education system that meets international standards and transforms Mongolia into a knowledge economy.
## STRATEGIES OF MASTER PLANS TO DEVELOP HIGHER EDUCATION IN MONGOLIA

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<tr>
<td><strong>Objectives</strong></td>
<td>Reforming higher education to serve national development needs more effectively; diversifying institutional programs and educational strategies</td>
<td>Intensify higher education reforms; create conditions for sustainable development of the higher education sector to bring its quality and efficiency up to international standards</td>
<td>Identify long term strategic policy and main issues to be pursued by the Government to develop education in the period until 2015</td>
</tr>
<tr>
<td><strong>Strategy 1</strong></td>
<td>Rationalizing the role and mission of Institutions of Higher Education</td>
<td>Improving Higher Education Management and Finance and fully transform higher education into a self-financing, self-governing system.</td>
<td>Access. Improve coordination of enrollment in higher education</td>
</tr>
<tr>
<td><strong>Outcome/Anticipated benefits/Targets/Action steps</strong></td>
<td>Committee on the Rationalization of Higher education should be formed; Clarification and fuller definitions of institutional roles and missions should be obtained.</td>
<td>Higher Education management becoming more decentralized and autonomous; Admission and graduation activities are carried out by higher educational institutions, themselves; Guidelines for defining student credit hours, credit-based fees, and developing annual</td>
<td>Pursue policy to increase enrollment of students’ majoring in engineering, technology, natural science, teachers and agricultural professions, so that their enrolment will be increased from 29.1% to 45% in total enrollment; Enrollment of students majoring in social and humanitarian science, law and health science will be</td>
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<tr>
<td>Strategy 2</td>
<td>Increasing autonomy in Higher Education</td>
<td>Improving quality and effectiveness in Higher Education by fully transiting into a credit hour system, and move to an internationally recognized standard of quality.</td>
<td>Quality. Create favorable conditions to ensure quality guarantee of higher educational training</td>
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</tr>
<tr>
<td>Outcome/Anticipated benefits/Targets/Action steps</td>
<td>The Council of Rectors in collaboration with the National Development Board and the MOSE, should determine enrollment projections and goals for each of the universities and colleges; The government student loan program should be reorganized from an institutional tuition subsidization program to a student-centered loan program allowing the students to carry their loans to the universities of choice- and permitting market forces to operate; The Higher Education Rationalization Committee, in consultation with agencies of the private sector should take steps to facilitate the establishment of one or more independent institutions of higher education and to assist in defining their roles and missions.</td>
<td>Credit hour system has been developed and is being implemented into the higher education sector; The higher education accreditation process has started and are expanding; Monitoring and evaluation of higher education reform processes and its outcomes have been just started; A legal document for defining the higher education content by credit hour was developed and is being implemented; A higher education curriculum development project has been implemented and minimum standards for economics and</td>
<td>Policy to provide student loans from State Training Fund for 3 out of 4 students majoring in engineering, technology, natural science, teaching and agriculture, and to 1 out of 4 students majoring in other subjects will be pursued; Expenses for re-training of teachers of higher education domestically will be increased by 8% annually. 100 teachers will be re-trained abroad annually. Investment to higher education will be increased by 8% annually; Implement re-training programs of teachers; Further develop training content and standards of the higher Education; Link the accreditation of training program with the international Standards; Improve teaching human resource capacities at the higher educational institutions;</td>
</tr>
<tr>
<td>Strategy 3</td>
<td>Enhancing the efficiency of Higher education</td>
<td>Establishing a more effective policy process</td>
<td>Management. Improve management and financial system of higher education</td>
</tr>
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<tr>
<td>Outcome/Anticipated benefits/Targets/Action steps</td>
<td>Each institution of higher education should establish a special Task Force, composed of faculty members and administrators, appointed by the Rector, and charged with the responsibility of reviewing all instructional, research, and public service activities of the institution, along with an assessment of budgetary, faculty, and staff requirements, for the purpose of identifying and eliminating inefficiencies and waste; Develop a system of performance evaluation and compensation; Colleges and universities should seek to improve and strengthen their academic programs; Improve library resources available to students and faculty</td>
<td>This strategy would lead to the establishment and streamlining of government higher education priority setting and will support a structure with an appropriate financing system</td>
<td>New policy and management will be developed and pursued to match higher education to national economic structure and labor market demand; Expand open opportunities for students to study in developed countries, improve policy of loan repayment; Implement policy to optimize proportion of recruitment/entrants of universities; Develop and implement policy and strategy to involve state universities in privatization of social sector; Improve legal environment of state loan system; Implement loan model based on future income of students</td>
</tr>
</tbody>
</table>
### ISSUE: HIGHER EDUCATION MUST RESPOND TO A RAPIDLY CHANGING SOCIETY

<table>
<thead>
<tr>
<th>PROJECT</th>
<th>ACTION STEPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationalize the Role and Mission of Higher Education Institutions</td>
<td>Form Committee on the Rationalization of Higher Education. Clarify institutional roles and missions. Review, use agreed-upon classification of institutions. Assess present and future student populations. MOSE and Office of Prime Minister provide data collection/analysis assistance. Committee should: Recommend consolidation of educational units, programs, etc. Establish guidelines for research centers/institutes and integration into universities. Consider a single national university. Establish standards guaranteeing quality faculty, programs, faculties, array of graduate/undergraduate programs.</td>
</tr>
<tr>
<td>Implement Reforms for Increased Autonomy in Higher Education</td>
<td>Council of Rectors (with National Development Board and MOSE) determine university enrollment projections and goals. Change to student-centered loans for universities of choice. Higher Education Rationalization Committee establish independent higher education institutions. Make entrepreneurship training a priority.</td>
</tr>
</tbody>
</table>
| Enhance Efficiency of Higher Education | Create task force at each institution to recommend more efficient, cost effective organizational, programmatic, personnel, etc. systems.  
Develop, upgrade faculty resources (compensation, evaluation, exchanges, etc.)  
Strengthen academic programs. Publicize descriptions of faculty policies, requirements, etc.  
Develop procedures and minimum requirements for licensing education institutional and degree programs, procedures for accreditation. Establish accrediting association within the next five years. Institutions develop procedures for self-study and peer review.  
Improve library resources. |
|---|---|
| Strengthen Management Skills of Entrepreneurs | Create an organization to offer short courses in business. Chamber of Commerce arrange program to promote free enterprise.  
Expand MBA for proposed College of Business and Public Administration to include specialization in entrepreneurship, reduce lecture approach. |
## APPENDIX C

### MID-TERM ACTION PLAN FOR HIGHER EDUCATION 2006-2010

<table>
<thead>
<tr>
<th>Programs</th>
<th>Program contents</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Objective 1. Improve coordination of enrollment in higher education</strong></td>
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<td></td>
</tr>
<tr>
<td>1.1. Support students majoring in engineering, technology, national science, teaching and agriculture</td>
<td>1.1.1. Increase foreign and domestic investment, loans and assistance in improving training environment of schools training professionals in engineering, technology, natural science, teaching and agriculture</td>
<td>• Percentage of students majoring in engineering and technology will reach 18.8%, in natural science -3.5%, in teaching – 9.9% and in agriculture – 4.5%.&lt;br&gt;• 75% of students majoring in engineering, technology, national science, teaching and agriculture will be involved in loan program of State Training Fund</td>
</tr>
<tr>
<td></td>
<td>1.1.2. Increase number of students majoring in engineering and technology among students studying abroad within the framework of inter-governmental agreements and grants on annual basis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1.3. Increase number of students majoring in engineering, technology, natural science, teaching and agriculture through pursuing policy of providing soft loans and grants from State Training Fund</td>
<td></td>
</tr>
<tr>
<td>1.2. Expand framework of services of universities</td>
<td>1.2.1. Support initiatives to establish Open University</td>
<td>• Branches of prestigious foreign universities and colleges will be established and number of students in them will increase</td>
</tr>
<tr>
<td></td>
<td>1.2.2. Establish branches of prestigious universities and colleges</td>
<td></td>
</tr>
</tbody>
</table>
| 1.2.3. Expand vocational external and distance learning | • E-school will be established  
• Universities operating in a form of open university will be established |
| 1.2.4. Expand opportunities of graduates with higher education to study continuously | |

**Quality**

**Objective** 2. Create favorable conditions to ensure quality guarantee of higher educational training

| 2.1. Strengthen professional capacity of human resources of higher education | 2.1.1. Implement re-training programs of teachers |
| | 2.1.2. Train academic human resources and young academicians in foreign developed countries |
| | 2.1.3. Expand financial resources for teacher’s re-training |
| | 2.1.4. Apply ICT in re-training teachers and make investment |
|  | • Expenditures for re-training of higher educational teachers domestically will be increased by 8% annually |
|  | • 100 teachers will be re-trained abroad annually |
|  | • National integrated network of distance learning will be established and will be used for re-training of teachers |

<p>| 2.2. Develop standards and accreditation of operations of higher educational institutions | 2.2.1. Develop and implement standards for training and research environment in higher educational institutions |
| | 2.2.2. Upgrade and pursue requirements and criteria set forth for accredited activities and training programs |
| | 2.2.3. Upgrade content of training programs of accredited institutions to reach level of international standards |
| | 2.2.4. Create system of standardization and accreditation of work and services of employees of higher educational institutions |
| | 2.2.5. Develop and pursue ethic regulations to be followed in training and research works in higher educational institutions |
|  | • Rating of higher educational institutions will be established and will be publicized |
|  | • Accreditation of training programs will be complied with international standards |
|  | • Standards for work of employees of higher educational institutions will be created |
|  | • Attestation of higher educational training will be conducted gradually |
|  | • Percentage of students studying in private universities will reduce by 3.8% in comparison with 2005 and will reach 27.9% |</p>
<table>
<thead>
<tr>
<th>2.2.6. Recognize educational documentation in agreement with foreign countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3. Provide support to renewal of training, research and production base of universities</td>
</tr>
<tr>
<td>2.3.1. Create favorable policy environment to increase investment for supporting techniques and technologies of universities</td>
</tr>
<tr>
<td>2.3.2. Provide financial support to state universities to strengthen technical support base for academic research and production</td>
</tr>
<tr>
<td>2.3.3. Provide support to increase of foreign investment towards strengthening academic research and production base of universities</td>
</tr>
<tr>
<td>2.3.4. Create favorable environment for bilateral and multilateral relations to conduct joint academic and production researches in cooperation with foreign universities and research institutions</td>
</tr>
<tr>
<td>• Investment expenditure for higher education will increase by 8% annually.</td>
</tr>
<tr>
<td>• Advanced techniques and technologies will be introduced to training at universities</td>
</tr>
<tr>
<td>• Correlation of training, research and production at universities will be improved</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Objective 3. Improve management and financial system of higher education</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1. Optimize management and coordination of higher education</td>
</tr>
<tr>
<td>3.1.1. Create system to improve management skills and re-training management staff of universities</td>
</tr>
<tr>
<td>3.1.2. Expand open opportunities for students to study in developed countries, improve policy of loan repayment</td>
</tr>
<tr>
<td>3.1.3. Implement policy to optimize proportion recruitment/entrants of universities</td>
</tr>
<tr>
<td>3.1.4. Develop and implement policy and strategy to involve</td>
</tr>
<tr>
<td>• Number of students studying in developed countries will increase, and repayment of loans will improve</td>
</tr>
<tr>
<td>• Percentage of graduates with complete secondary education enrolled in universities will reduce by 11% and will reach 70%</td>
</tr>
<tr>
<td>• Percentage of new recruits to universities with complete secondary education will reduce by 5.2% and will reach 70%, and percentage of</td>
</tr>
<tr>
<td>State universities in privatization of social sector</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>• Management capacity of universities will improve</td>
</tr>
</tbody>
</table>

3.2. Improve policy and management of social welfare of students studying in universities by the state

3.2.1. Improve legal environment of state loan system

3.2.2. Implement loan model based on future income of students

3.2.3. Develop and implement guidelines for providing support from the state to students—orphans and disabled, studying in universities

3.2.4. Support initiatives of universities to provide comprehensive range of services to establish students’ campuses with students dormitories

3.2.5. Implement policy to expand framework of services to be provided to students on discount basis

• Assistance and support to students will become efficient
• Loan repayment will become Guaranteed
• Policy on social welfare of students will be created
• Students will have possibility to get loan not only for training but also for livelihood

<table>
<thead>
<tr>
<th>Years in education</th>
<th>Age</th>
<th>Levels of formal education</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>27-</td>
<td>Doctorate (PhD) (60+ credits, 3-4 years) (VI)</td>
</tr>
<tr>
<td>20</td>
<td>26-</td>
<td>Master’s (30+ credits, 1-2 years) (VI)</td>
</tr>
<tr>
<td>19</td>
<td>25-</td>
<td>Master’s (30+ credits, 1-2 years) (VI)</td>
</tr>
<tr>
<td>18</td>
<td>24-</td>
<td>Bachelor’s (120+ credits, 4-6 years) (V)</td>
</tr>
<tr>
<td>17</td>
<td>23-</td>
<td>Bachelor’s (30+ credits, 1-2 years) (VI)</td>
</tr>
<tr>
<td>16</td>
<td>22-</td>
<td>Diploma (associate degree) (90 credits, 3 years) (V)</td>
</tr>
<tr>
<td>15</td>
<td>21-</td>
<td>University</td>
</tr>
<tr>
<td>14</td>
<td>20-</td>
<td>Institutions, Colleges</td>
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<tr>
<td>13</td>
<td>19-</td>
<td>Occupational certificate</td>
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<td>12</td>
<td>18-</td>
<td>Vocational School</td>
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<tr>
<td>11</td>
<td>17-</td>
<td>High School (III)</td>
</tr>
<tr>
<td>10</td>
<td>16-</td>
<td>Basic Secondary Education Certificate (4 years)*</td>
</tr>
<tr>
<td>9</td>
<td>15-</td>
<td>Middle School* (II)</td>
</tr>
<tr>
<td>8</td>
<td>14-</td>
<td>(5 years)*</td>
</tr>
<tr>
<td>7</td>
<td>13-</td>
<td>Primary School (I)</td>
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<td>6</td>
<td>12-</td>
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<td>11-</td>
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</tbody>
</table>

**Figure 4. Mongolian Education System**

**Note:** roman numerals in parenthesis denote ISCED level of respective education.
Source: Bat-Erdene et.,al, 2010
* primary, middle and high schools are under transition to 12-year general secondary schooling, but this chart reflects transitional 11-year schooling structure.
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