

Abstract

Mongolia's transition strategy is unique in Asia and has been accompanied by very high levels of poverty. For these reasons, policy choices have been the focus of substantial national and international attention. This paper examines the relationship between these policy choices and the evidence on which they were based. The salient features of Mongolia, its transition and the evolution of its policy stance are presented first. This is followed by an examination of the poverty surveys, undertaken in 1995, 1998 and 2002, and their degree of comparability. The paper then maps poverty outcomes back to policy choices using standard analytical techniques. These include a growth-inequality decomposition, the compilation of pro-poor growth statistics and the derivation of growth incidence curves. The results of these analyses demonstrate severe weaknesses in the evidential record and in the degree of transparency with which this has been presented by those agencies responsible for undertaking the poverty surveys, principally the Mongolian Statistical Office and the World Bank. Nevertheless, we conclude that there has been poverty reduction in Mongolia although this is based on a 'trickledown' effect and the reduction would have been greater had more attention been paid to managing inequality.

Keywords: Mongolia, poverty, inequality, growth, transition

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