

(Re)constructing planning in face of uncertainty: Challenges for urban planning in Mongolia

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Abstract: In the 1990's, Mongolia emerged from a socialist regime and began its transition to a market economy. The period of transition has been associated with dramatic increases in the level of poverty, unemployment, hyperinflation, and inequality of wealth distribution in Mongolia. Living standards declined because the guaranteed services of the communist system deteriorated. Unemployment rates peaked in the mid and late 1990s. In these turbulent years, socialist urban planning failed and faced some new and unpredicted uncertainties.

This paper aims to explore the nature of uncertainties in dealing with urban planning and to describe the challenges for urban planning in Mongolia. This paper outlines the (re)constructing urban planning in Mongolia after the transition. The problems related to urban planning have been accumulated during the socialist era and Mongolia faced a transition to market economy which resulted in migration, land privatisation, unplanned expansion of the city, lack of urban planners and lack of experiences in free market urban planning. Since 2000, urban planning re-established itself gradually in Mongolia and there have been some recent positive developments. Semi-structured individual interviews with national and Ulaanbaatar city urban planners conducted in 2011.

Keywords: *transition, uncertainty, land privatisation, urban planning, Ulaanbaatar*

Introduction

Uncertainty is a perceived lack of knowledge by an individual or group, which is relevant to the purpose or action being undertaken (Abbott, 2009). In Mongolia, the social environment including physical, ecological, economic and human aspects has changed after its transition to a

market economy, and the environment has become more complex and has many implications for urban planning. This paper outlines the (re)constructing urban planning in post-socialist Mongolia, explores the nature of uncertainties in its urban planning, and describes the challenges facing urban planning in Mongolia.

The paper is divided into five parts. The first part is the background information of Mongolia and urban challenges of the transition period. The second part reviews briefly the urban planning in the socialist period. The third part describes the problems occurred in Ulaanbaatar, the capital city of Mongolia, ever since the uncertainty in urban planning in market economy. The fourth part discusses how (re)constructing urban planning in the uncertainty. Finally, it concludes. Drawing on 10 interviews with city and national urban planners conducted in 2011 and they are referred to interviewee A, B, etc.

Urban challenges facing Mongolia during transitional period

Mongolia is a land locked country between Russia and China in Central Asia with a population of around 2.7 million people (NSOM, 2011). Traditionally, Mongolia is a nomadic nation and an economy centred on herding livestock, cashmere industry and mining activities.

Mongolia became a socialist country under Soviet assistance in 1921 and declared itself a People's Republic in 1924. Mongolia was integrated both politically and economically with the Soviet Union and into the Council for Mutual Economic Assistance international planning system. Until 1990, the Mongolian Government was modelled on the Soviet system; only the communist party - the Mongolian People's Revolutionary Party (MPRP) - was officially permitted to function. The perestroika in the former Soviet Union influenced Mongolia. The dramatic shift toward reforms started in the early 1990's when the first organized opposition group, the Mongolian Democratic Union, appeared. The result of extended street protests for reforms was the resignation of the MPRP in March 1990. In May, the constitution was amended, deleting the reference to the MPRP's role as the guiding force in the country, legalizing opposition parties and establishing the office of president. The New Constitution was passed in 1992, establishing Mongolia as an independent, sovereign republic and guaranteeing rights and freedom. It structured the legislative branch of the government and created Mongolian Parliament, the State Great Khural. The 1992 constitution provided that the president would be elected by population vote rather than by the legislature as before. In June 1993, incumbent

Punsalmaagiyn Ochirbat won the first popular presidential election by running as the candidate of the democratic opposition.

Mongolian traditional pastoral lifestyle helped to survive in this difficult transition period. After the collapse of the communist party in 1989, the flow of Soviet assistance stopped and Mongolia suffered a huge economic downturn. The transition period from centrally planned to market-based economy has been associated with dramatic increases in the level of poverty, unemployment, and inequality in Mongolia. There were also years of hyperinflation. Living standards declined because the guaranteed services of the communist system deteriorated. Unemployment rates peaked in the mid and late 1990's, hitting the urban areas with industrial employment in particular. Forty per cent of the total population are herders living in the countryside and they had not suffered unemployment before. During communism, the livestock farming system had been based on agricultural collectivization or cooperative unions and herders were entitled to own a limited number of livestock for their own food consumption. In 1991, herders were granted their own herding livestock under the reform and there was a remarkable increase in the number of livestock after livestock privatization. The Law on Housing Privatization was passed by Mongolian parliament in 1996, and then Apartments were privatized to the current tenants in 1997. Enterprise privatization was reinvigorated in 1997. When describing an overall picture of the Mongolian economy, Pomfred (2000) suggests that by 1997 the first phase of post-communist development was complete.

A *ger* is the most suitable traditional dwelling of Mongolian Nomads. The Mongolians have been living in *gers* for over 1000 years. A *ger* is a portable, wood framed and dwelling structure. It is covered in sheep felt that helps insulate residents from the wind and the cold winter in continental harsh climate. A *ger* can be erected in an hour and all packed together and loaded onto camels or yaks. A *ger* can be built up in three hours only. It is equipped with a wood or coal fuelled stove, which is used for both cooking and heating. Mongolian herders move several times annually for better pasture for their livestock, and therefore *gers* are ideal dwellings for them even at the present time. *Ger* plays a very prominent role in the life and culture of Mongolians.

Urban planning in socialist period

Soviet-style urban planning was introduced into Mongolia and Soviet planners were the main players in the history of Mongolian urban planning during the second half of the 20th century. Urban planning was established scientifically in mid 1950's. The national goals of Mongolia were established by Soviet planners as requested by the political party in Mongolia, the Mongolian People's Revolutionary Party (MPRP), which was the only party in Mongolia.

The communist government took control of the urban planning. The economy was governed by five-year national economic plans, as in the Soviet Union. These plans were prepared by state supreme legislative bodies and communist party, the MPRP. The plans and control were possible and were always implemented easily because all the land including urban land was state owned. Although five-year plans were not spatial plans, they directly influenced the spatial organization and distribution of state resources at all levels and built all infrastructure investments. In addition, according to five-year plans, the government designated lands for spatial planning and building construction standards.

The socialist system was heavily centralized in Mongolia and there are some key aspects. First, the system was expert-driven and there was no citizen participation. Second, the plans were always implemented because of command economy. Third, economic and physical planning were not fully integrated because economic planners were Mongolians and urban planners were Russians who were unfamiliar with the real situations in Mongolia.

Citizen participation was never part of the planning and citizens had little understanding of planning during the socialist period. Mongolian government policies, legislations, regulatory frameworks, institutional arrangements and functions were oriented towards a top-down approach. Since that time, experiences have shown that top-down approach with vertical integration to urban planning and urban development process did not provide the most desirable outcomes.

The core urban document was the Master plan which usually covered a twenty-year time span in socialist period. The first Master plan of Ulaanbaatar city was designed by "Giprogor" Institute in Moscow in 1954 which covered a twenty-year period from 1954 to 1974 and the location of Ulaanbaatar and its construction layouts were initiated and the current city central area was constructed. The second Master plan was designed in 1961 for the period between 1964 and 1984, which established the present city design. Residential blocks and districts were built in

the inner city area, then *ger* districts were converted to apartment complexes. The third Master plan was produced in 1975 for 25 years and many residential districts were built in the *ger* districts land until 1989. The fourth master plan produced in 1986 until 2010, and the city government implemented it until 1990, and then transition to market economy did not allow implementing it.

These Master plans were mandated and elaborated based on Construction Standard and Rules (SNIP). The development of the master plan of Ulaanbaatar, at a time of centrally planned economy, represented not only the urban construction and physical architectural plan, but also a sufficient proof that it was based on the city investment planning and constituted a document of the legal power to plan and control the urban internal land utilization (Gantulga, 2010). Everything was based on such a system, where the whole land of the country constituted a common property of the entire people, and the land had been distributed under the tenure of factories and economic establishments of socialist forms. The utilization rules and orders were established by the state, and the tenure had been controlled and inspected by the society via state organs (Jamts, 1981).

Uncertainties in post-communist urban planning

In the transition of Mongolia from a centrally planned system of urban planning and urban development, the uncertainties in market economy were not acknowledged. The new social and economic transition led to severe urban challenges, including massive rural to urban migration, uncontrolled expansion of *ger* districts, informal settlement, failing infrastructure, housing and land privatization and socio-spatial segregation in Ulaanbaatar. These problems were caused by weak or non-existent urban planning and it can be said that there was no urban planning at all from the transition year in 1990. During the early 1990's, there was a drop in gross domestic product, a rise in unemployment, an explosion of inflation rates, removal state-provided services, and a decline of living standards, and therefore the government could not pay attention in urban planning.

After 1990, many uncertainties occurred in urban planning. In particular, Ulaanbaatar needed to produce its new Master plan and to implement plan proposals itself in uncertainty which had never experienced previously during the socialist period. For example, uncertainty as a consequence of changing political and administrative structures, uncertainty relating to the

huge migration and unplanned expansion city, uncertainty in dealing with land privatization, land market development and shortage of land, and uncertainty in lack of urban planners and experiences in urban planning.

Political uncertainty. The Communist Party managed the urban planning during the socialist era and there were no barriers and obstacles to implementing Master plans. But since the 1996 parliament election, political influences have strongly affected urban planning and urban development. If the ruling political party was changed in a parliament election, it always made amendments to policies and changes in the organizational structure of the authorities responsible for issuing land and building permissions. This has further affected the coordination (of what?) and increases challenges in clarifying the roles and responsibilities of the multiple stakeholders (interviewee B). The main critical issue is that policy makers who make decisions in urban planning and development are not urban planners since the transition period.

Uncertainty in urban planners' experiences and quantity. There is a lack of urban planners in Mongolia at all time and only a few urban planners graduated from universities in Russia before 1990. Mongolian universities still have not offered any degree program in urban planning. Previous four master plans were produced by Russian scholars during the communist era. After the transition, the fifth Master plan, which will last until 2020, was drawn for the first time by Mongolian scholars and planners in 2002 who had no experiences in producing Master plan.

Uncertainty in land privatization. Land privatization is a new thing in the history of Mongolia because during the communist era land belongs to the state only. Under the land reform, herders were permitted to privatize livestock in the countryside; tenants were granted to privatize their apartments in urban areas, and *ger* district residents were allowed to continue to privatize their land in cities and towns. In 1992, the New Constitution declared that as part of the transition, land should be privatized. The *First Land Law* was adopted in 1994. Then the government was preparing to start land privatization. Later in 2000, the government announced a program to intensify land privatization. In 2002, two main land laws, the *Second Land Law* and the *Law on Allocation of Land to Mongolian Citizens for Ownership*, were passed by the Mongolian parliament. These land-related laws were passed before the fifth Master plan was approved, but urban planners will not be included in the land privatization process in the fifth Master plan 2020 which obstructs the urban development. The uncertainty comes from

conflicting concerns: (a) the free distribution of land in *ger* districts, and (b) the take over of land from *ger* district residents. Land privatization in *ger* districts blocks some urban development. According to the fifth Master plan, the central *ger* districts will be removed and converted to apartment complexes. However, landowners hold their land because Ulaanbaatar municipality cannot negotiate with them on compensation. Besides land compensation, there is a lack of laws and regulations on Land acquisition and urban development on private lands.

Uncertainty of population prognosis. The population data are unreliable and inconsistent because Mongolian Statistical Yearbook, municipality of Ulaanbaatar, Donor organizations reports and different Ministries provide different population data. Even with consistent data, it would not be easy to forecast population accurately, given the growth of urbanization and large rural to urban migration. The reason of update the master plan was always underestimated the population. The government cannot control massive rural to urban migration in the last two decades.

Uncertainty in expansion of *ger* districts. Ger districts in urban area together with apartment complexes are the unique Mongolian urban form. The *ger* is a cheap and practical alternative to skyrocketing apartment price for most Mongolians. Although apartment complexes were dominant in big cities, *gers* were present in large numbers throughout the whole country during the socialist era. After the collapse of the socialist regime, strict control on citizen movements failed and therefore *ger* districts were expanded in an unmanageable manner as a result of the main rural migration to Ulaanbaatar. Herders who lost their animals moved to a vacant place and built their *gers* in peri urban areas in Ulaanbaatar, which is the routine how *ger* districts are expanding. Ger districts, which is the main source of air, water and soil pollution, are home of 180,000 households in Ulaanbaatar (UPD, 2011).

(Re)constructing urban planning in uncertainty

After 2000, urban planning partially re-established itself and the government started to understand its societal functions. Recent positive developments include the establishment of a clearer institutional framework for urban planning, increased public involvement in the planning process by donor organizations, emergence of several new forms of planning including strategic and land use planning.

The fifth Master plan was so weak which had no legal power for implementation. Japan International Cooperation Agency (JICA) has conducted a study on the fifth Master plan 2020, which was requested by the Mongolian government. The purpose of the study was to revise the Fifth Master plan of Ulaanbaatar city until 2030 (JICA, 2009). This implies that the government has understood that the master plan could not perform its functions since 2002. It is expected that the Master plan must be strong and well based on the JICA study because JICA study was the main direction for the master plan (interviewee C).

The feature of the fifth Master plan has shown that Mongolia lacks urban planners and experiences in urban planning. During the socialist era, Soviet planners played the main role in Mongolian urban planning and a few urban economists and planners graduated in the former Soviet Union. The urban planners who graduated in the former Soviet Union are playing the main role in Mongolian urban planning (interviewee A). Up to present, the Mongolian universities and high tertiary institutions have never trained any national urban planners. Therefore, National University of Mongolia, the leading university in Mongolia, and Mongolian University of Science and Technology, the biggest university in Mongolia, started to prepare some of their students as urban planners since 2009 and these students were expected to join the labour market in 2013 (Interviewee D and E). Universities teaching urban planning and related disciplines have made important steps toward developing curricula, which are more integrated to the sustainable development.

The main legal and institutional urban planning developments occurred after the 1990's. First, after New Constitution (1992), many new privatization (livestock, housing, real estate, urban land etc.) laws were passed by the Mongolian parliament. The new laws reduced the power of public institutions to control urban development. Second, national economic planning terminated and planning powers were transferred to provincial or local institutions and this resulted in institutional decentralization. Third, giving planning powers to local institutions resulted in Master plan being a rather low priority and thus it was lagged behind. These factors explained why urban planning has been weak after the transitional period. In addition, land administration and urban planning institutions were merged and separated several times in Ulaanbaatar after the transition. However, since 2000 planning institutions have gradually strengthened (interviewee F).

Donor organizations are playing crucial roles in urban planning in order to (re)constructing urban planning. For instance, JICA funded team is implementing the project to manage urban development by improving the policy and legal framework for urban development in Mongolia. JICA is working with Ministry of Roads, Transportation, Construction and Urban Development (MRTCUD) on Urban Redevelopment Law draft since 2010 and Mongolia has never had such a law. Additionally, United Nations Settlement Program (UN HABITAT), Asian Development Bank (ADB), World Bank, US government Millennium Challenge Corporation (MCC) projects contributing *ger* district land readjustment, public participation and urban development of Ulaanbaatar and other areas.

The end of communism had brought major changes to urban planning. Socio-economic context was changed including state-owned urban land, and privatization of housing. Urban development became under multi-parties government, not just public authorities, but also private owners, builders, developers, citizens, non government organizations and other interest groups.

Conclusion

Since the abrupt collapse of socialist regime in 1990, Mongolia experienced a transition in which all fundamental characteristics were changed and the old system was dismantled and restructured in the new free-market capitalism. This paper highlighted the complexity of the new urban problems which were never occurred in the socialist era.

As already noted, the communist system was top-down with vertical integration. The core instrument of urban planning was the Master plan which was mandated by law. Under the centrally controlled urban planning and development system uncertainty was not acknowledged until 1990. In the last two decades, Mongolian urban planning faced many unpredicted uncertainties including the lack of experienced national urban planners in free market, rural to urban migration, *ger* district expansion, unplanned city expansion, privatization and land privatization in *ger* districts. After 1990, urban planning completely failed because the government lacks the capacity of free market urban planning and finance.

Since 2000, urban planning re-established itself gradually in Mongolia. Recent positive developments include new institutional structure and legal environment, new planning approaches introduced in urban planning and donor organizations' contributions in urban planning and development.

One of the limitations of the study was to arrange interviews because there are not many urban planners at national and local levels. Moreover, most interviewees did not allow recording and this made data analysis difficult.

Studies and research reports on urban planning of Mongolia, in particular the issues of uncertainties, are very limited. Mongolian related literature in English is insufficient because English was introduced to Mongolia only after the transition period. This paper explored the nature of uncertainty in urban planning and discovered how (re)constructing urban planning in uncertainties in Mongolia. It is clear that additional research is needed in this research area.

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