

## **FOREIGN MIGRATION ISSUES IN MONGOLIA**

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### **Introduction**

The strength of the Russian factor in Mongolia has diminished in recent years, although concentrated in newer cities such as Erdenet, or Darkhan in the north, closer to the Russian border. They still have Russian populations remaining after military personnel left, many now involved in Mongolian-Russian business partnerships that support the local and national economy. Today these still mostly industrial communities, which revolve around mining and some manufacturing, continue to raise concerns about Mongolia's future, but not in the same way as the Chinese relationship.

Mongolia's national security policies and strategies especially revolve around the ever-present and powerful Chinese neighbor. Although after 1990 Chinese-Mongolian relations have improved significantly, Chinese economic and social influence has been gradually and (for the Mongolians) worrisomely increasing, which is demonstrated in a privatization bill in the national legislature shelve fearing loopholes allowing foreigners (i.e. Chinese) to acquire land through local parties.

China has a huge population of some 1.3 billion to Mongolia's 2.5 million. The neighboring Inner Mongolian Autonomous Region has a population of some 20 million to Mongolia's 2.5 million. At any time some 100 million people are on the move in China seeking a better life within the country, from rural to urban areas, in search of employment or new opportunities abroad. China's population density is 127 times greater, making Mongolia seem like a land of frontier opportunity for some Chinese. Mongolia has difficulty in defending itself from Chinese influence on a variety of fronts from imported goods, foodstuff, to business and investment, intermarriage and illegal immigration or settlement. So both countries are opening their economies to freer trade, but at a price that threatens Mongolian cultural identity and economic independence.<sup>1</sup>

### **The Current Status**

In 1990, Mongolia held the first free elections, and since then has taken important steps toward a pluralistic and democratic society. Political liberalization in Mongolia has brought forth both unprecedented freedoms of religion and travel for its citizens. Additionally, Mongolia's openness has

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made it very attractive to foreigners, leading to a dramatic increase in the number of foreign residents, both legal and illegal.

During the socialist period (before 1990), Mongolian citizens had very limited access to passports allowing them to travel abroad. At the same time, foreign nationals - except those from the former USSR and East European countries - had to contend with visa issuance policies that made their travel to Mongolia almost impossible. A foreign citizen's travel and residence in Mongolia were regulated by two legal acts, namely, "Regulation on Entry to the Mongolian People's Republic and Exit from the MPR" and the "Law on Rights and Obligations of Foreign Citizens in the MPR."<sup>2</sup> During the Sino-Soviet confrontation, Moscow was the only entry/exit point to Mongolia for both foreigners and Mongolians.

After 1990, every citizen of Mongolia was provided with an equal opportunity to obtain a passport and to travel abroad. Businesses - private and public - were provided the same right to engage in international trade and commercial activity. The change in immigration procedures brought about a dramatic increase in inbound and outbound foreign travel. By some estimates, about 30,000 Mongolian citizens traveled abroad in 1990, a dramatic reversal of the pre-1990 trend. This situation prompted authorities to draft two important acts of legislation, which were passed by the Parliament in 1993.

The first act, the "Law on Travel and Immigration of Mongolian Citizens for Private Business," was passed by the Parliament on December 24, 1993. This law gave every citizen of Mongolia the right to travel abroad and, moreover, the right to emigrate (i.e. to reside permanently in a foreign country for private purposes). This law regulates procedures concerning the approval and issuance of national passports and the rights and obligations of citizens traveling abroad. In accordance with this law, the Civil Registration State Center was established in Ulaanbaatar; it is responsible for the issuance of ordinary passports for Mongolian citizens traveling abroad and for the registration of foreigners residing in the country longer than thirty days. The Center keeps the records of Mongolian passport-holders as well as those of foreign residents.

The second act of legislation, the "Law on the Legal Status of Foreign Citizens," was also passed by the Parliament on December 24, 1993. The purpose of this law was to define and regulate the rights and obligations of foreign citizens - aliens without Mongolian citizenship - relating to citizenship, entry, exit, transit, and residence. This law was written in five chapters: introduction, the legal status of foreigners, visa issues (entry, exit, and transit through Mongolia), travel and residence in Mongolia, and other issues. Foreigners entering Mongolia were divided into six categories as follows: travelers, transit travelers, temporary residents, long-term residents both for official and private purposes, permanent residents, and immigrants. A traveler has the right to stay in the country up to 30 days, a temporary resident up to 90 days, a permanent resident up to 5 years, and an immigrant over five years.<sup>3</sup>

## **The Issue of “Ceiling” of the Number of Foreigners**

The most debated issue in the Parliament was whether or not to limit the number of permanent residents and immigrants residing in Mongolia. The decision that finally prevailed called for a numerical limit or “ceiling” for the number of foreigners who plan to stay permanently in the country. The law states that the number of permanent foreign residents and immigrants should not exceed one percent of the Mongolian population (Mongolian citizens) at any given time and that those from one individual country should not exceed 0.33 percent of the total number of permanent foreign residents and immigrants already in the country. This case clearly reflects a well-rooted concern for national security.<sup>4</sup>

The law on the legal status of foreign citizens was amended by the Parliament in December 2000. The new amendment required for all foreigners, except those invited by the government, to register within seven days of their arrival to Mongolia. This strict regulation met bitter resistance and harsh criticism from foreign embassies and from foreign citizens residing in Mongolia. Some foreigners even complained that such a requirement was tantamount to a secret police surveillance network. These circumstances forced the Mongolian government to request that the Parliament modify the regulation. The Parliament agreed to exclude travelers (those planning to remain in-country for up to 30 days) from the duty of registration.

The most important amendment made in December 2000 to the 1993 Law was the creation of a new government service responsible for dealing with matters relating to foreign citizens and immigrants. The government's purpose was to set up a unified professional immigration service to handle all issues relating to the residence, citizenship, and immigration of foreign citizens to Mongolia. The new Immigration Service, inaugurated in May 2001 under the jurisdiction of the Ministry of Justice and Home Affairs,<sup>5</sup> subsequently took over the corresponding functions of the Civil Registration State Center.

According to Immigration Service Director Ts. Buyanbadrakh, as of May 31, 2003, there were 3232 foreign permanent residents and immigrants registered in Mongolia. Among them, long-term residents for private purposes were 113 foreigners from 25 countries, permanent residents 775 foreigners from 45 countries, and immigrants 2,344 people originating from 17 countries. The number of the first category--long-term residents for private purposes--has never exceeded 150 for the last three years. The number of permanent residents, mostly consisting of foreigners married to Mongolians, has a tendency to grow year by year. The third category of immigrants deserves special attention. Immigrants include 1,315 Chinese (56.1%), 977 Russians (41.6%), and 52 originating from other countries (2.3%). The number of immigrants has not exceeded 3,000 for the last three years. The number of immigrants admitted per annum is around 30 people. For example, 32 immigrants were admitted in 2001 and 30 in 2002.<sup>6</sup>

The majority of foreign nationals represented in the category of immigrants are of Chinese and Russian nationality. Mongolia's Law on Citizenship does not recognize dual citizenship. Therefore, all 1,315 Chinese permanent residents of Mongolia are Chinese citizens. Most of them live in Ulaanbaatar and are concentrated in the Sukhebaatar and Chingeltei districts. Traditionally, the Chinese have engaged in small-scale shop keeping and vegetable growing. Since the 1990s, however, the right to travel freely has created opportunities for the Chinese in Mongolia to set up joint-venture companies together with partners within China proper, most commonly in the service, retail, and wholesale trading sectors. Also, using their language skills and familiarity with the local market, Chinese permanent residents in Mongolia have begun to work as brokers for Chinese trading companies.

Most of the Russian permanent residents in Mongolia have Russian citizenship. Although having Russian citizenship was beneficial during the socialist period, Russian nationals have been facing increasing difficulties since 1990. For example, Russians were excluded from privatization schemes and social security benefits. Gradually, however, the Mongolian government agreed to cover Russian nationals' social security insurance and to privatize their apartments, as was done vis-à-vis its own citizens. Although Russian nationals in Mongolia established the "Association of Russian Citizens" in order to protect their rights, those who are termed "local Russians" continue to face the problem of high unemployment.

### Issues and Problems

As indicated earlier, the number of foreigners visiting Mongolia has increased dramatically since 1990. Most of them are short-term visitors or tourists, who usually come to enjoy Mongolia's virgin land during the summer. The number of foreigners working with international organizations, such as UNDP, has also increased significantly. Contract workers--mostly from China--employed by foreign-invested companies comprise a large part of the foreign presence in Mongolia today. There are also a considerable number of missionaries, especially from Korea, who are trying to establish Christian churches and are actively recruiting young believers.

As suggested by the Mongolian Statistical Yearbook 2002, the number of foreigners arriving in and departing from Mongolia reached its peak in 2002, and declined in 2003 because of the SARS concern.

**Table 1. Number of Arrivals and Departures by Country**

Year Country /Region	Inbound			Outbound		
	2000	2001	2002	2000	2001	2002
USA	6,451	6,653	6,860	6,511	7,122	7,058
Australia	1,008	1,262	1,761	1,134	1,278	1,752
UK	2,800	3,122	3,537	3,032	3,021	3,306

South Korea	8,039	10,098	14,536	8,239	10,214	14,392
Germany	4,206	5,388	6,856	4,068	5,869	6,395
Denmark	602	617	863	639	627	721
Italy	743	961	987	801	914	958
Kazakhstan	1,677	1,569	1,976	1,510	1,536	1,740
Canada	611	825	1,062	663	782	1,058
Netherlands	1,391	1,352	1,739	1,302	1,595	1,665
Russian Fed.	49,456	66,415	71,368	48,712	62,037	66,985
Sweden	904	1,331	1,388	729	1,167	1,411
China	57,546	67,360	92,657	48,024	62,960	90,771
France	1,841	2,764	2,891	1,918	2,732	3,378
Switzerland	637	666	875	326	869	1,502
Japan	11,392	11,565	13,708	13,987	17,576	13,527
Other	8,901	10,109	12,201	8,168	9,826	13,727
TOTAL	158,205	192,057	235,165	149,763	190,125	230,346

Source: Mongolian Statistical Yearbook 2002, Ulaanbaatar: National Statistical Office of Mongolia, 2003, pp. 225.

The statistics above show that the majority of foreign visitors come from the two neighboring countries, Russia and China. In 2002 alone, 92,657 and 71,368 people visited from China and Russia, respectively. Visitors from South Korea, Japan, the United States, and Germany follow in the list of rankings. A common problem among foreigners in Mongolia, especially among the Chinese and Russians, occurs when they stay in the country past the expiration date on their visas. If a foreigner stays longer than 30 days, he/she must register with the Immigration Service or its offices in the provinces. In 2002 alone, 680 foreign citizens from 53 countries were fined for illegal visa extension or for violation of the registration policy.<sup>7</sup> The most likely explanation for this disregard of the registration policy is that the low fine imposed on offenders has not sufficiently encouraged compliance. Some of the violators have been deported from the country for overstaying or for violating the registration rules. For example, 350 foreigners were deported in 2001 and 580 in 2002.

On account of its proximity, Mongolia offers citizens of Russia and China ample opportunities for low-cost living and profitable trade, and also serves as a transit point to more advanced countries. During the 1990s, the privatization of small scale services and state-owned apartments generated much interest among the citizens of foreign countries, such as Russia and China, which have had traditional connections to Mongolia. Foreign interest-backed groups and individuals made the bulk of the new acquisitions when much of the previously state-owned property and companies were sold at auction. Chinese restaurants, German beer houses, Korean fast food, and Korean dry-cleaners now predominate the streets of Ulaanbaatar.

As of August 31, 2003, there were 8,090 foreign contract workers from 72 countries registered in the Ministry of Social Welfare and Labor. Among them, Chinese workers accounted for 2,890 (or

35.7%), Russians – 1,744 (21.6%), Ukrainians – 1,741 (21.5%). They were working mostly in the construction sector (2,257 or 27.9%), mining (2,673 or 33.0%), and wholesale and retail trade (1,433 or 17.7%).<sup>8</sup>

The cashmere industry in Mongolia is an interesting example of an expanding trade that increases the uneasiness characterizing Sino-Mongolian relations. Chinese buyers, who are able to pay the highest prices, are increasingly penetrating the domestic cashmere industry. The price of cashmere has come to be dictated by the Chinese buyers, who in turn recruit local brokers to buy raw cashmere at the exchange markets in Ulaanbaatar. The export of raw cashmere (by Chinese buyers in Mongolia) to China for processing and manufacture has eliminated a raw export product, which previously was a major source of domestic industry and employment. The goods comprising Sino-Mongolian trade pass through one permanent and nine seasonal border crossings, and Mongolians point to the rapidly growing prosperity of these ports of entry on the Chinese side as a sign of one-sided profit. Erlian is a typical example of such a phenomenon.

Russians residing in Mongolia on a contract basis work mainly in the major Mongol-Russian joint venture companies that were set up during socialist period. These include the Erdenet copper plant, the Mongol-Russian Mining Company (MonRosTsvetmet) engaged in gold and fluorspar extraction, and the Ulaanbaatar railway company. Currently 250 Russian and Mongolian-Russian joint companies are registered in Mongolia, and they are engaged in such diverse industries as gold mining, transportation, construction, and services. The border and proximate regions of Mongolia and the Russian Federation are beginning to develop direct ties. For example, frank discussions of border cooperation and the signing of a number of agreements marked the recent visits to Mongolia by the governors of Irkutsk, the Republics of Buryatia, Tuva, Kemerovo, and other regions of the Russian Federation.

The proximity of Mongolia also makes it very attractive to the citizens of its neighboring states as a transit point to more advanced countries. The Mongolian newspaper carried the story of a Chinese citizen who was arrested at Buyant-Ukhaa airport for trying to illegally bring 104 Chinese passports into Mongolia. He allegedly claimed that these passports were brought to Mongolia in order to procure Mongolian visas for Chinese workers on contract with a certain Mongolian company. The police suspected that these passports were to be sold to Chinese citizens *already* residing illegally in Mongolia.<sup>9</sup> In other cases, Chinese citizens have illegally bought forged Mongolian passports and subsequently used them in attempts to enter a third country.

Other types of criminal activity, including narcotics trafficking, are of increasing concern to Mongolian law enforcement agencies. In 2000, Mongolian police detained about 50 foreign citizens, including 23 Chinese and 21 Russians. A controversy surrounding medicine production in the province of Bayankhongor was widely reported in the Mongolian mass media. According to some experts a

Chinese businessman had tried to obtain a contract from the governor of that province in order to gather a naturally occurring ingredient of opium. The experts further claimed that the businessman intended to engage in the production of a certain type of narcotic. Finally, a number of Russians have been detained in Mongolia on charges of illegal narcotics distribution.

The practice of Christianity is a new phenomenon in Mongolia, brought about by missionary activity beginning in the 1990s. In Ulaanbaatar alone, about 130 churches of various Christian denominations operate freely. According to a recent poll of teenagers by the UN Fund for Children, 50.3 percent of the respondents believe in some kind of religion. Among these, 34 percent follow Buddhism and 11 percent are Christian. Christian churches and their associated charitable activities appeal mostly to the socially vulnerable sections of the Mongolian population. Some journalists even blame “extreme” Christian sects for driving teenagers to suicide in the name of Christ.<sup>10</sup>

### **Mongolia’s Policy on the Travel of Mongolian Citizens**

As stated above, the number of Mongolian citizens traveling abroad has increased dramatically since 1990; the right to travel abroad was one of the main freedoms instituted by democratic reform in Mongolia. Passports were freely issued to all Mongolian citizens 18 years of age and older. Thirty thousand Mongolians traveled abroad in 1990; by 1997 and 1999 that number had increased 20 and 30 times, respectively. Because of their proximity, China and Russia were naturally the main destinations. China offered the additional attractiveness of being a large market of cheap consumer goods. Other common destinations included East European countries such as Poland, Czechoslovakia, Hungary, and Germany; many Mongolians received higher education in those countries during the socialist period and thus felt a certain affinity.

Initially, both China and Russia allowed Mongolian citizens to travel within their borders without a visa. During the early part of the 1990s, many Mongolian private citizens benefited economically from these policies, especially in the so-called suitcase trade. Trade also flourished in the Mongol-Chinese and Mongol-Russian border regions. The exchange of consumer goods in these regions and the number of visitors increased rapidly during this time. In addition, Mongolia could have potentially become an important transit corridor between China and Russia.

However, Russia became concerned with the massive influx of Asians, especially the Chinese. In the Irkutsk border region, for example, the “army of migrants” was viewed negatively by Russia because, in their view, these migrants were creating an unwanted permanent resident community. This community was increasing in size at an alarming rate through marriage, study, guest working, register of businesses, and purchase of property. In response, Russia ended its no-visa policy towards the Chinese and Mongolians in 1994 and 1995, respectively. In order to protect its domestic industry, Russia also

tightened its taxation policy towards “itinerant traders,” i.e. peddlers and retailers. In these ways the Russian authorities tried to curb the wave of illegal settlers.

Mongolia shares a 3,485 km border with the Russian Federation and a 4,677 km border with the People’s Republic of China. The agreement in place between the governments of Mongolia and Russia officially designates 29 ports of entry, including four as international ports for passengers and goods, nine as bilateral ports for passengers and goods, nine as bilateral ports on a seasonal basis, and another seven as transit ports. At present, a total of 19 ports are functioning, including 16 on a permanent basis, and another three on a seasonal basis. Among them, Sukhebaatar-Naushki plays a prominent role as an international port because it is open to citizens of third countries. Three other international ports operate only bilaterally, due to a lack of adequate facilities.

Between Mongolia and China, there is currently one international port of entry operating on a permanent basis and nine bilateral ports of entry operating on a seasonal basis. Most prominent among these is Zamiin-Uud – Erlian, the international port. Nine others, including the Bulgan port in the province of Khobdo, the Gashuunsukhait port in the province of South Gobi, and the Shiveekhuren port, also in South Gobi, are very crowded during the short season in which they operate. Passengers and vehicles are issued temporary permits for seasonal entry, and are then allowed to cross the border at the ports. The following statistics show the number of Mongolian citizens who traveled through the various ports of entry to Russia and China in 2002.

**Table 2. Outbound Mongolian Passengers by Port and Purpose, 2002**

Purpose	TOTAL	Official	Private	Tourism	Permanent residence	Other
Immigration ports						
Buyant-Ukhaa (airport)	45,217	8,118	25,323	1898	480	9,398
Sukhbaatar (to Russia)	22,067	360	19,847	240	278	1,342
Altanbulag	50,676	923	48,854	144	474	281
Tsagaan Nuur	13,286	1,615	11,671	-	-	-
Ulgii	432	5	359	28	-	40
Khankh	3,568	10	3,558	-	-	-
Arts suuri	6,420	73	6,331	1	1	16
Ulikhan	2,210	241	1,959	-	4	6
Ereentsav	1,945	130	1,810	-	-	5
Borshoo	12,714	241	12,433	5	13	49
Zamiin Uud (to China)	296,140	10,199	275,311	5,324	89	5,217
Gashuun-Sukhait	22,025	-	22,025	-	-	-
Bichigt	3,451	77	3,374	-	-	-
Bulgan	20,819	75	20,744	-	-	-
Dayan	794	4	790	-	-	-
Baitag	6,045	15	6,030	-	-	-
Burgastai	1,025	-	1,025	-	-	-
Shivee-Khuren	12,101	-	12,101	-	-	-

Khavirga	14,051	8	14,043	-	-	-
TOTAL	536,306	22,156	488,819	7,693	1,338	16,354

Source: Mongolian Statistical Yearbook 2002. Ulaanbaatar: National Statistical Office of Mongolia, 2003, p. 226.

Beginning in the latter half of the 1990s, South Korea also became a popular destination for Mongolian citizens. At present, estimates show that 13,000-15,000 Mongolians are in Korea, where they are engaged mostly in low-wage factory labor. Most of these migrants have traveled to Korea on a 30-day tourist visa, and they then stay illegally in order to make money. An increasing number of Mongolians are reportedly being sent back from Korean ports of entry because of their lack of financial support. The Mongolian Government has repeatedly asked the Korean Government to protect the interests of these Mongolians, most of whom are illegally employed and thus face the hardships of little or no pay and being ineligible for medical care and insurance programs.

### **Conclusion**

After the democratic reforms of 1990, Mongolia has become one of the most open countries in Asia on account of its liberal immigration policies towards foreigners. Mongolia's initial euphoria regarding foreigners, reflected in its policies, has given rise to interesting stories of adventure seekers and self-claimed millionaires who travel to Mongolia from countries as far away as Australia and the Netherlands. Mongolia's low cost of living and comparatively high degree of basic freedoms make it attractive to foreigners, especially those from neighboring Russia and China, as a place to settle permanently. Economic slowdown and uncertainty in East Asia in 1997-98 has led to the discovery of Mongolia as a safe place to invest small fortunes, bringing citizens from countries such as South Korea. Recently, land reform and the privatization of large-scale state enterprises are generating much interest from foreigners.

Mongolia has already established a good foundation for the human security agenda, initiating the follow-up to papers and recommendations from the May 2000 International Conference On Human Security that it hosted.<sup>11</sup> The final report of the May 2000 Conference offered suggestions on economic policy and job creation, education, scientific technology and information, ecological protection, and sustainability. The assessment of a human security agenda in Mongolia's case could incorporate a better understanding of vulnerabilities due to a range of potential political, ecological, economic, demographic, and military "threats". These may include challenges from neighboring China as a growing regional and international power in terms of "uncertainties", which might include illegal migration, transnational crime, and foreign investment. Other problems include real and growing environmental and socio-economic threats from climate change, privatization, and economic transition that may lead to more natural disasters, food insecurity, and human suffering.

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## Notes

<sup>1</sup> This observation is drawn from a broader overview of human security perspectives of Mongolia by Wayne Nelles, "Reconciling Human and National Security in Mongolia: A Canadian Perspective," Regional Security Issues and Mongolia (Ulaanbaatar: Institute for Strategic Studies), No 10, 2001, pp. 67-68.

<sup>2</sup> Collection of National Laws on Immigration (in Mongolian), Ulaanbaatar: Civil Registration Center, 2000.

<sup>3</sup> Ibid.

<sup>4</sup> The State Great Hural (Mongolia's Parliament) went further and established numerical limits on numbers of foreign immigrants for 2000-2004. It stipulates that each year up to 100 foreign immigrants, including 30 Chinese and 30 Russians, be allowed into the country.

<sup>5</sup> Zuunii Medee [Century News], June 26, 2001.

<sup>6</sup> Author interview with Mr. Ts. Buyanbadrakh, September 16, 2003.

<sup>7</sup> Author interview with Mr. Buyanbadrakh, September 16, 2003.

<sup>8</sup> Reference material, Department of Employment, Ministry of Social Welfare and Labor, September 8, 2003.

<sup>9</sup> Zuunii Medee, [Century News], May 25, 2001.

<sup>10</sup> Zuunii Medee, [Century News], September 26, 2001.

<sup>11</sup> See International Conference on Human Security in a Globalized World, May 8-10, 2000, Ulaanbaatar, Mongolia. Papers posted at: [www.un-mongolia.mn/undp](http://www.un-mongolia.mn/undp).