



National Occupational Safety and Health Profile of Mongolia

Ayush Nyam Ministry of Social Welfare and Labour



Informal Economy, Poverty and Employment

Mongolia Series

Number 2

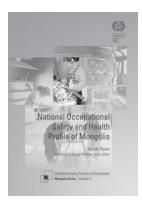
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Ministry of Social Welfare and Labour

International Labour Office



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Ayush Nyam

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Foreword

In both high- and low-growth countries today, we are all operating in a context of a rapid and competitive globalisation. In Mongolia, this has produced challenges in the world of work brought about by an increase in the number of small private businesses, diversity of new forms of employment, flexible work arrangements, and the expansion of economic sectors. Along with these developments come new occupational hazards and risks. The rampant use of old machines and inappropriate premises, lack of protective equipment and inadequate preventative safety measures have added to the occurrence of occupational accidents, injuries and diseases. A national survey on occupational safety and health (OSH) in 1997 revealed that 18.7 percent of the Mongolian workforce was working under inappropriate conditions and that about 5,700 people became disabled and have lost working abilities.

The Government of Mongolia is striving to address this challenge through active involvement with partners—employers and workers, research and training institutions, mass media, and civil society—with support from international organizations and donor countries. It is recognised that Mongolia's Constitution promotes the rights of its citizens "to live in a healthy and safe environment and be provided with favourable working conditions".

The Ministry of Social Welfare and Labour (MOSWL) in Mongolia considers the International Labour Organization (ILO) as one of the country's key partners in addressing the issue of OSH. The Decent Work Agenda, promoted by both ILO and MOSWL, strives to provide workers, both men and women, with a healthy and safe working environment in a continually changing economic landscape. In this way, both social and economic advancement in the country can benefit from efforts to improve OSH.

The ILO Subregional Office for East Asia in Bangkok and the ILO Office for China and Mongolia in Beijing collaborated with the Government of Mongolia to promote OSH in the country. Contributing to this cooperation is this paper, "National Profile of Occupational Safety and Health in Mongolia" which the MOSWL prepared under the ILO's Informal Economy, Poverty, and Employment Project.

This National Profile provides a comprehensive view of all issues related with OSH such as legal framework, OSH management, training, awareness raising, research, statistics, human resources and organization, social partnership,

and involvement of the civil society at both macro and micro levels. The baseline information contained in this national profile serves as input to further development of appropriate government policies and strategic action in this field.

The National Profile was presented and discussed at the National Conference on Developing the Occupational Safety and Health National Programme in Mongolia for 2005-2010 held on 24-25 February 2005 in Ulaanbaatar. The Conference and its output attest to effective collaboration among relevant national stakeholders and international agencies and experts

We would like to thank Ms. Ayush Nyam, Director of Information, Monitoring and Evaluation Department of the MOSWL, who drafted this report and Ms. J. Munkhtsetseg who translated the report into English. We would like to express our gratitude to all organizations and persons who have contributed to the preparation of this paper: Mr. Changyou Zhu, Senior Programe Officer of the ILO Office for China and Mongolia; Mr. Tsuyoshi Kawakami, Senior Specialist on Occupational Safety and Health of the ILO Subregional Office for East Asia; Ms. Sandra Yu, Chief Technical Adviser, and Ms. Z. Shurenchimeg, National Project Coordinator, of the ILO Informal Economy, Poverty and Employment Project; Ms. Ts. Batnasan, Senior Specialist of MOSWL; Mr. Kh. Ganbaatar, Executive Director, and Ms. S. Oyunchimeg, Senior Specialist, of the Mongolian Employers Federation (MONEF); Mr. N. Sodnomdorj, President, and Ms. Ts. Otgontungalag, Chief of OSH and Labour Law Division, of the Confederation of Mongolian Trade Unions (CMTU); Mr. B. Dovdonbaljir, Chief, Office for State Labour and Social Welfare Inspection; and Ms. D. Tsetsegbadam, State Labour Inspector. We would like to thank Inter Press Service Asia-Pacific, in particular, Ms. Johanna Son, Ms. Zixin Lin and Mr. Sanit Petchpromsorn for final editing and art work. Ms. B. Altanchimeg and Ms. Paveena Eakthanakit provided invaluable administrative support.

We hope that government institutions, employers' and workers' organizations, business communities, non-governmental organizations, and all those concerned with OSH issues in Mongolia will find this national profile useful.

Constance Thomas

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Beijing, China

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List of Abbreviations

ADB Asian Development Bank

CMTU Confederation of Mongolian Trade Unions
DFID UK's Department for International Development

ENT ear, nose, and throat

FCD Foreign Cooperation Division

IAOD industrial accidents and occupational diseases
IMED Information, Monitoring and Evaluation Department

JILAF Japanese International Labour Foundation

JISHA Japanese Industrial Safety and Health Association
IPEC ILO/International Programme on the Elimination of Child

Labour

LMPCD Labour Market Policy Coordinating Department

MONEF Mongolian Employers' Federation
MOSWL Ministry of Social Welfare and Labour

NGO non-government organization
OSH occupational safety and health

PDPCD Population Development Policy Coordinating Department
POSITIVE Participation-Oriented Safety Improvement by Trade Union

Initiative

SAMD State Administration and Management Department

SPIA State Professional Inspection Agency

SWPCD Social Welfare Policy Coordinating Department
WIND Work Improvement in Neighbourhood Development

WISE Work Improvement for Small Enterprises
WISH Work Improvement for Safe Homes



1

Introduction

Mongolia is a country in transition from a centrally planned economy to a market economy. To go through this transition period within a short time and ensure high economic growth, it is important to increase productivity and efficiency. A safe and healthy environment would have an impact on workers' capability, productivity, and sustainable employment.

In the former socialist system, large state-owned enterprises played a dominant role in the national economy. Factory premises were well constructed and based on good quality plans, layout, and design, meeting production and working environment standards of that time. Furthermore, agricultural production was organized into two systems: state enterprises and cooperatives. Centralised management made it easier to introduce OSH standards in an organization, monitor their implementation, record, and study the cases of industrial accidents and occupational diseases. However, the transition to a market economy and the resulting collapse of large enterprise monopolies gave rise to the establishment of numerous small private businesses or household producers. This has produced new challenges and new attitudes regarding the creation of favourable working and living conditions and regulation of relevant social relations.

Conducted with technical assistance from ILO's Informal Economy, Poverty, and Employment Project and financial support from UK's Department for International Development (DFID), this study aimed to find out how OSH management and inspection systems have been established in the new economic environment of Mongolia and to identify achievements, constraints, and future trends in this area.

This report is based on policy and programmes being implemented, existing legislation, database and work reports prepared by the Government, the State Professional Inspection Agency (SPIA), the employers' and workers' organizations, and other relevant institutions. While preparing this report, there were some difficulties encountered due to the lack of a comprehensive database and reports on OSH. In particular, it was not possible to find data on OSH activities at the grassroots level.

Nonetheless, this study analysed and synthesised information at the national level concerning the legal environment, inspection, management, and organization of OSH. It is hoped that lessons learned and recommendations in this profile will lead toward introducing the ILO's OSH management systems in Mongolia.



2

Overview on occupational safety and health (OSH) management and inspection systems prior to 1990

The history of industrial development and labour relations in Mongolia differs from developed countries with long years of industrial tradition. Mongolia had not previously experienced a market economy. At the beginning of the 20th century, Mongolia had virtually no industry, except for a few small enterprises such as fulleries and tanneries backed by Chinese or Russian investment. The dominant sector of the national economy was the subsistence nomadic animal husbandry, which existed only as household producers rather than enterprises. Until the national liberation movement in 1911, Mongolia was a remote colonial country where the private sector had not developed to the level of capital accumulation and where capital loans from foreign investment predominated. However, the 1921 People's Revolution brought independence, and produced great progress in the socio-economic life of Mongolia.

Mongolia adopted its first Constitution in 1924, defining the basic principles and development framework of the country's political, economic, social, and cultural life. With the aim of swift economic growth, the country carried out large-scale policies of innovation such as "industrialisation", "virgin soil upturn", "collectivisation movement", and "cultural campaign" of the 1950 to 1960s. As a result, many economic entities and organizations were established in all sectors of the national economy. These establishments created their safety and health practices to conform to government regulations and standards. For instance, the Labour Law adopted during 1974 to 1991 stipulated the following OSH-related provisions in enterprises and institutions:

- ensure the OSH requirements during construction and the use of industrial buildings and equipment
- obtain permission to build new factory premises or to move to another place
- train and instruct personnel and workers in OSH
- allocate necessary resources for OSH
- record industrial accidents, study the causes behind them, and provide help to personnel and workers
- provide protective clothing, milk, supplementary meals, soap, and other cleaning materials
- give special attention to employees working in unfavourable weather conditions



Article 136. Training and instruction for workers and personnel on safety methods

The administration of enterprises, institutions, and organizations shall be responsible for providing safety instructions to workers and personnel during their recruitment, transfer to another position, return to work after a break exceeding one month, introduction of new machinery and technology, or their changes and modifications as well as the introduction of new rules on safety, industrial hygiene, and unfair practices. They have responsibility for continuously ensuring that staff skills on safe working methods are maintained.

Article 137. Examination of knowledge on labour safety rules

As required, the administration of the enterprises, offices, and organizations should examine, according to the approved programme, the knowledge on safety at work, especially safety operations of engineers and other technical workers, and should not allow the persons who have failed, to perform work.

Article 138. Compulsory labour safety instructions to be followed by workers and personnel

Workers and personnel should follow the instructions on safety at workplaces or construction sites. Workers and personnel should observe requirements related to use of equipment or machinery and use protective devices.

Article 139. Supervision over the fulfilment of safety instructions

The administration of the enterprise, office, and organization should regularly supervise how the workers and personnel observe safety instructions.

Source: 1974 Labour Code of the Mongolian People's Republic

- supervise the implementation of safety instructions
- shift personnel and workers to lighter work
- compensate workers

There was also the compulsory implementation of safety mechanisms such as the need for employers to examine a worker's knowledge on safety rules and to ensure that a worker who has failed would not be allowed to work.

During the period of the centrally planned economy, both employer and worker cooperated based on their mutual responsibilities in ensuring OSH.



3

Reforms in OSH management and organization

In Mongolia, many private small enterprises and service units were established when all types of ownership were recognised in 1990. Privatisation of state-owned enterprises and assets has also resulted in large structural changes in the economy. Many workers were dismissed due to restructuring in the industrial sector and most of them shifted to the informal sector to start their small private businesses.

The prevalence of private property made it necessary to change the system of labour management and control into one that is consistent with the market economy. The 1991 Labour Code of the People's Republic of Mongolia introduced new regulations aimed to ensure that occupational safety rules are to be approved by the Government and other rules and labour standards to be approved by the public administrative institutions of the central level or ministries. Previously, these rules and standards were approved only with the participation or consultation of the Central Council of Mongolian Trade Unions and its affiliates. While it may seem that the Government took responsibility for matters that used to be the responsibility of trade unions and increased its role, it had, to a certain extent, taken a step backward. Transferring OSH issues from workers' representative organizations, which had accumulated a lot of experience, had the negative consequence of failing to maintain the capacity developed and ensuring the sustainability of activities in this area. According to the law, employers' responsibilities for OSH basically remained the same, but the procedures for providing compensation to workers affected by industrial accidents or occupational diseases were changed.

Previously, the workers were entitled to a compensation amount equal to the difference between the wage or salary received before the accident or disease and the wage or salary that the worker would receive after transferring to a lighter job; or the pension the worker was entitled to. The new law stipulated that workers affected by industrial accidents or occupational diseases should receive compensation according to the percentage of lost ability to work, an estimate based on the previous wage or salary. Although this provision appears to be fair, it actually reduced social protection for workers and decreased the social responsibility of employers. Moreover, this law did not define the labour administration and inspection systems. However, Mongolian employers considered the new law as progress instead of a backward step.



Article 82. Setting up OSH standards

82.1 The OSH standards shall be approved as stipulated in relevant legislation by the institution responsible for standards upon consensus with the central public administrative institution in charge of labour issues.

82.2 General rules concerning OSH shall be approved by the central public administrative institution in charge of labour issues.

Source: 1999 Mongolian Labour Law

The next Labour Law adopted in 1999 made some changes in OSH, but kept the concepts of liberalisation of labour administration and inspection and transfer of power. For example, the general rules on OSH shall be approved by the central public administration in charge of labour issues and the OSH standards shall be approved by the standardisation authorities but not by the government. Though these changes were close to the concept of decentralisation and liberalisation of centralised regulations, control of a multifaceted issue such as OSH was the sole responsibility of the minister in charge of labour issues. In the meantime, debate continued on the pros and cons of the single lump sum compensation to workers affected by industrial accidents or occupational diseases. While the labour inspection system remained unclear, the law brought forward labour management and organization issues.





The national policy on OSH

4.1 The national policy on OSH

A new Constitution was enacted in 1992. As stipulated in Article 16, Chapter two - Human Rights and Freedoms, citizens of Mongolia shall enjoy the right to suitable conditions of work, health protection and medical care, material and financial assistance in case of old age, disability, childbirth, and childcare. Article 16 is the nucleus of state policy on OSH, social protection, health, and other related services.

Article 16

The citizens of Mongolia shall be guaranteed the following fundamental rights and freedoms:

- 1) The right to free choice of employment, suitable conditions of work, remuneration, rest, and of running a private business. No one can be unlawfully forced to work.
- 2) The right to material and financial assistance in old age, disability, childbirth, and childcare and in other cases provided for by law
- 3) The right to protection of health and medical care. The procedure and conditions of free medical aid shall be determined by law.

Source: 1992 Constitution of Mongolia

The 1995 national development concept stated that "a healthy and safe environment for the population to work and live shall be created, as well as healthy lifestyle ensured, and all possibilities for the physical development of the people shall be guaranteed". The 2001 national policy on social health aimed "to decrease rates of temporary loss of working capacity, occupational disease, and industrial accidents through ensuring the application of OSH standards at the workplace and in the physical environment". The 2004 state policy on population development defined "the objectives to improve the quality of human life through providing the population with possibilities to work and live in a healthy environment, improve their welfare, obtain an education, participate actively in the social life, and develop independently".

In 2001, the government adopted the National Programme for Occupational Safety and Health Improvement. Its main objectives are as follows:



- to upgrade the OSH environment, in conformity with the changes in socio-economic relations, ILO conventions, and recommendations.
- to improve and strengthen OSH management, organizational structure, and inspection system, using professional staff.
- to set up an OSH training system.
- to establish an integrated OSH information system and increase public awareness.
- to improve OSH based on research.
- to increase NGO and public participation in the improvement of OSH conditions.
- to expand the evaluation and measurement of workplace conditions.
- to ensure that OSH legislation is implemented in economic entities.

The MOSWL and the State Labour and Social Welfare Inspection Office introduced several measures to implement this programme. However, the Inspection Office was disbanded at the end of 2002 and merged with the newly established SPIA.

4.2 The government's position on OSH policy

During its regular meeting in 2003, the Government discussed the results of monitoring and evaluation of OSH implementation and emphasised the importance of introducing "an OSH management system consistent with international standards". Work on introducing national OSH management systems began in 2004 with technical assistance from ILO. As part of this ongoing initiative, the ILO Guidelines on OSH Management Systems were translated and published.

Information sheets on the implementation of a national programme on improvement of OSH conditions prepared by the Minister of Social Welfare and Labour were distributed to members of the Government. Minister of Social Welfare Labour, Sh. Batbayar, was assigned to take the measures "on introducing OSH management system".

(excerpts from Minutes of Government meeting)

4.3 Tripartite cooperation on OSH

Regulations for labour relations have been developed within the legal reform process in Mongolia. Amendments made to the Labour Law in 1991 and 1999 that were consistent with the new economic environment and the enactment of a new law on Trade Union Rights were important steps in providing a favourable legal environment for the development of tripartite cooperation in social relations. In addition, Mongolia ratified in 1998 ILO Convention No. 144 - Concerning Tripartite Consultations to Promote the Implementation of International Labour Standards. As stipulated in Article 138 of the Labour Law of Mongolia, the National Tripartite Committee on Labour and Social Consensus—composed of representatives of the Government, employers' and workers' organizations—was established as the highest national level regulatory mechanism for social dialogue.

One of its sub-committees is the National Tripartite Sub-Committee on Occupational Safety and Health established on Sep. 21, 2001. Its objectives are to ensure effective consultation on issues related to the improvement of OSH conditions and prevention from industrial accidents or occupational diseases, and to coordinate any activities at the national level through the Government and representative organizations. The sub-committee consists of four representatives of the Government, three representatives of employers' organizations, and three representatives of workers' organizations. The central public administrative institution responsible for labour issues acts as the sub-committee's secretariat. Below are the functions of the sub-committee:

- ensure that the relevant institutions prepare the information and conclusions on OSH, industrial accidents, and occupational diseases.
- conduct inspections on enforcement of OSH legislation and ensure implementation of corrective measures.
- conduct activities at the relevant institutions authorised to inspect the implementation of the sub-committee's decisions and recommendations.
- conduct studies and prepare proposals to enforce OSH legislation on issues of industrial accidents and occupational diseases.
- study ILO Conventions on OSH and submit the proposals to the relevant organizations.
- gather information and develop proposals on issues related to enforcement of OSH legislation.
- prepare proposals to keep legislation consistent with ILO Conventions and recommend awareness raising activities on OSH.
- develop proposals on amendments and revisions of OSH legislation and submit them to the Government and the State *Ikh Khural*¹ through the National Tripartite Committee on labour and social consensus.

The State *Ikh Khural* is the unicameral parliament of Mongolia.



5

Legal and regulatory framework for OSH

The following laws and statutes deal with OSH issues:

- Labour Law of Mongolia
- Social Insurance Act
- Law on benefits provided by the Social Insurance Fund against Industrial Accidents and Occupational Diseases
- Law on Pensions and Benefits for Military personnel
- Law of Mongolia on State Auditing
- Law on Administrative Supervision
- 2003 General Statute of the SPIA approved by Government Resolution No. 37
- Other laws and regulations

5.1 The application of laws and regulations under the responsibility of Ministry of Social Welfare and Labour (MOSWL)

MOSWL is responsible for the application of the following OSH laws and regulations:

- Labour Law
- Social Insurance Act
- Law on Pensions and Benefits provided from the Social Insurance Fund
- Law on Pensions and Benefits for military personnel

The Labour Law determines the classification of labour conditions, general requirements of the workplace, special requirements of industrial buildings, machinery, equipment, protective clothing and devices, the handling of chemicals, explosives, radioactive and bio-active substances, fire safety, and employers' rights and responsibilities. The Labour Law requires the employer to:

- provide workers with favourable working conditions; and ensure that chemical, physical, and biological factors in the production process will not have a negative impact on OSH at the workplace and in the environment.
- provide workers in adverse conditions with protective clothing and devices, decontamination, meals, and foodstuffs.
- allocate a budget for OSH measures and include this in the annual plan and collective agreement.

In addition, organizations should appoint staff to be in charge of OSH issues and ensure that the OSH Committee has employer and worker representatives. The central public administrative institution responsible for labour issues should approve the rule for organizing OSH activities in organizations and ensure its implementation.

In cases when occupational safety rules are violated in the performance of work or when hazardous situations are evident, an employee should stop work and notify the employer.

In cases of occupational diseases and acute poisoning, the employer has the following duties:

- bring the worker affected by the accident to the hospital at the employer's expense, and urgently take measures to eliminate the causes and consequences of the accident.
- record the industrial accident, establish, and maintain a permanent commission responsible for defining the causes of the industrial accident.
- obtain the State Inspector for Labour's approval of the commission's act on the industrial accident. In cases when the employer fails to fulfil the duties stipulated by law or the worker disagrees with the conclusion on the causes of the accident, the employee has the right to appeal to the professional labour inspection body or the court. The employer is obliged to implement the court decision. As stipulated by the law, costs related to investigating and recording the industrial accident shall be covered by the economic entity and organization where the accident occurred. In line with established rules, the professional labour inspection body or official should investigate the causes of occupational disease and acute poisoning, record, and take appropriate measures.

5.2 Law and regulations on OSH inspection

The Law on State Inspection defines the rights and responsibilities of state inspectors, the professional labour inspection body, and its officials. According to the law, the State Inspector shall exercise the following powers:

- supervise the implementation of the special rules established by the law or by the state authorised organizations, and to ensure the rules are adhered to.
- have free access to the establishments to be inspected.
- involve relevant professionals in the inspection based on agreement with the concerned organizations and ensure that the professional organization has the expertise to conducts laboratory analyses and verification.
- have free access to information, studies, explanatory notes, references, and other relevant documents to be provided by the organizations, entities, and officials for the purpose of inspection work.
- obtain, free of charge, a sample of products for the purpose of analysis. The amount is to be defined by the relevant administrative inspection bodies.



- transfer illegal income obtained by the organization, entities, and individuals to the public budget and take measures to compensate for damages caused to others.
- completely or partially stop any work, production, services, and activities considered to be directly, indirectly, or potentially harmful to human life, health and the environment until the dangers are eliminated. Make a decision to disinfect, decontaminate, purify, or stop the use of the concerned buildings, machinery, and equipment. Ban the sale of concerned products, liquidate them, or use them for purposes that does not conflict with related requirements and inform the public on this matter. In cases when there is failure to implement these decisions, completely stop the concerned production and services, unless otherwise stipulated by law.
- put an end to any breaches and shortcomings identified in the course of inspection, and demand that the concerned organization, entity, and officials implement tasks assigned to them.
- transfer the act of the inspection and related documents to the authorised organizations if a serious accident has occurred, human life and health have been damaged, a large amount of damage has been caused, and the revealed breach involves criminal liability.
- strictly abide by the legislation and not be affected by outside influence; exercise duties honestly and faithfully; respect the legal interest and honour of the state, organizations, entities and officials; inhibit oneself from inspecting any issues concerning spouse, family and relatives; and carry out an inspection completely.
- be fully responsible for the accuracy of inspection, conclusions, presentations, requests, and justification of facts and figures.
- impose administrative penalties according to the law.
- carry out other duties specified by legislation.

The Law on Administrative Supervision and the General Statute of the SPIA regulate certain powers of State Inspectors. The following OSH issues are applied to the State Labour Inspection:

- compliance of working conditions at the workplace and technical safety with standard requirements of the State and fulfilment of decisions on the measurement and study of conditions at workplaces.
- determination of whether structural components of construction materials meet the standard requirements for projects and technical conditions for building, reconstruction, and extension of civil and industrial objects; and if the relevant professional inspection institution has given permission.
- determination of whether the high quality and safety of machinery and equipment is recorded in the technical registration certificate; and if the relevant professional organization has given permission.
- checking whether lifting and transporting devices or mechanisms, pressure vessels and pipe system have been tested, adjusted, and certified by the professional institutions.

- supply, certification, sterilisation, and maintenance of protective clothing and devices.
- handling and storage of chemicals, poisons, radioactive, and biologically active substances.
- provision of employees working in hazardous conditions with decontaminated food stuffs, sanitary, and health requirements in industrial premises.
- preventive measures for occupational and conventional diseases, and coverage of workers with regular preventive medical examinations.
- investigation, recording, and monitoring of industrial accidents and acute poisoning.

5.3 Laws and regulations concerning compensation in cases of industrial accidents, occupational diseases, and acute poisoning

The Labour Law, the Law on Benefits provided by the Social Insurance Fund against Industrial Accidents and Occupational Diseases, and the Law on Pensions and Benefits for Military Servicemen regulate the rules on compensation to workers affected by industrial accidents, occupational diseases and acute poisoning. As stipulated in the Labour Law, irrespective of whether the worker is insured against industrial accidents and occupational diseases, the employer should compensate the worker affected by an industrial accident, acute poisoning, and occupational disease and the survivors of a worker who has died because of the above causes the following amounts:

- If an employee has lost up to 30 percent of his/her ability to work because of an industrial accident, occupational disease, or acute poisoning, he/ she shall be compensated with an amount equal to five months of his/her average monthly salary. An employee who has lost 31 to 50 percent of his/her ability to work shall be paid compensation equal to seven months of his/her average monthly salary. An employee who has lost 51 to 70 percent of his/her ability to work shall be paid nine months of his/ her average monthly salary. An employee who has lost 71 percent or more of his/her ability to work shall be paid compensation equal to 18 months of his/her average monthly salary.
- The survivors of a worker who has died because of an industrial accident, acute poisoning, or occupational disease shall be compensated with the amount of not less than the deceased employee's average salary for 36 months.

The Social Insurance Fund against Industrial Accidents and Occupational Diseases provides the following benefits to the insured:

- Disability pension
- Dependent's pension
- Temporary disability benefit
- Rehabilitation costs



Article 5. Eligibility for disability pension

1. The insured person, who has lost his working capacity for a long duration or permanently due to an industrial accident or occupational diseases, shall be eligible for a disability pension.

Article 6. Rate of disability pension

1. The rate of a disability pension shall be assessed from the insured person's wage or similar earnings (further referred to as "wage") in proportion to the percentage of loss of capacity for work up to 10 percent and an appropriate percentage on each case over 10 percent.

Article 10. Eligibility for dependent's pension

The family dependent members of an insured person who dies because of an industrial accident or occupational disease shall be eligible for a dependent's pension.

Article 11. Rate of dependent's pension

The dependent's pension shall be assessed at the following percentage of the wage of the deceased:

- 1. 100 percent for three or more dependents
- 2. 75 percent for two dependents
- 3. 50 percent for one dependent

Article 13. Eligibility for temporary disability benefit

The insured person, who has lost his capacity for work due to temporary disablement caused by an industrial accident or occupational disease, shall be eligible for a temporary disability benefit.

Article 14. Rate of temporary disability benefit

The rate of a temporary disability benefit provided to the insured person, who has lost his capacity for work due to temporary disability caused by an industrial accident or occupational disease, shall be 100 percent of the wage, regardless of the length of insurable service.

Article 16. Eligibility for rehabilitation payment

The insured person, who has lost 30 percent or more of his capacity for work due to an industrial accident or occupational disease, shall be eligible for a rehabilitation payment provided from the Social Insurance Fund against Industrial Accidents and Occupational Diseases for the purposes of prosthetic appliances, orthopaedics, and mineral water therapy in a sanatorium.

Article 17. Rehabilitation payment

- 1. The expenses of prosthetic appliances made in Mongolia and orthopaedics shall be reimbursed at a rate of 100 percent for the first time, and 50 percent for the second time.
- 2. If there is an inevitable requirement for orthopaedics (prosthetics and orthopaedics) abroad, the expenses shall be reimbursed once according to the conclusion of a professional medical institution.
- 3. The Social Insurance Fund against Industrial Accidents and Occupational Diseases shall reimburse the expenses once a year when the insured person receives treatment in a sanatorium because of an industrial accident or occupational disease.

Source: Law on Benefits provided by the Social Insurance Fund against Industrial Accidents and Occupational Diseases

As military servicemen are not covered by social insurance, their pension and benefits are obtained from the State budget. The following military servicemen shall receive pension and benefits:

- generals, officers, sergeant majors, sergeants, and privates in active service for the armed forces
- generals, officers, sergeant majors, sergeants, and privates in active service for the frontier troops
- generals, officers, sergeant majors, sergeants, and privates in active service for the internal troops
- generals, officers, and sergeant majors of the intelligence agency
- generals, officers, sergeant majors, and privates in the police, fire and prison services
- military persons participating in mobilisation training and rallies
- officers of the Office for Disaster Protection

The amount of pension, benefits, and compensation granted to military servicemen are the same as in cases of industrial accidents and occupational diseases and are as close as possible to the amount of the pension and benefits to be granted from the Social Insurance Fund. However, the compensation has a few more conditions.

5.4 Industrial accidents, occupational diseases, and acute poisoning: definitions, lists and conditions

The Law on Pensions and Benefits provided by the Social Insurance Fund against Industrial Accidents and Occupational Diseases defines the terms of industrial accident, occupational disease, and acute poisoning as follows:

- "Industrial accident" means that the insured was exposed to the adverse effects of industrial or similar factors in the process of performing his/her work.
- "Acute poisoning" means that the insured was affected within a short period of time by the toxic effects of radiation or chemicals in the process of performing his/her work. Acute poisoning is similar to an industrial accident. Pension, benefits, and payments specified in this Law shall be provided to the insured persons suffering from an industrial accident or acute poisoning occurring under the following circumstances:
 - while performing the work at work stations or other places.
 - before beginning work, while preparing to work or after work in the process of arranging the workplace and equipment
 - while commuting to and from the workplace
- "Occupational disease" means a disease caused by adverse effects of industry in the process of performing the work by an insured person. The list of occupational diseases shall be approved by the State Central Administrative Body in charge of health issues. In 1997, the Minister of Health and Social Welfare approved a list of 56 occupational diseases (order No A/250).



5.5 The application of laws and regulations under the responsibility of other ministries

Together with the MOSWL and other ministries, the Ministry of Health is responsible for the implementation of the laws on health and citizens' health insurance. These laws regulate the rules on prevention of industrial accidents and occupational diseases and the provision of medical assistance and services to workers affected by accidents and diseases. The Law on Citizens' Health Insurance stipulates that workers of an entity and organization, employers of an entity, private entrepreneurs, students of universities, institutions, colleges, professional training and production centres, conscripts in regular military service, and herders should be compulsorily covered by health insurance. The costs for out-patient and inpatient treatment should be provided by the Social Insurance Fund.

The health inspectors and the SPIA are in charge of enforcement of the law, seeing to it that entities and organizations are implementing the following OSH-related measures:

- Organizing activities to prevent disease in employees, health rehabilitation, and health education following the recommendations of the medical institutions.
- Undertaking measures to create healthy working and living environments to reduce the loss of ability to work, to prevent any poisoning, infection, injury, trauma and occupational diseases; and to follow strictly the standards, norms and rules approved by the authorities concerning the factors which can have impact on health.
- Any entity and organization running production and services that might have a negative impact on human health should allocate resources in its annual budget and plan for taking measures to prevent such impact. It should spend the budget on activities to ensure production and services hygiene, technological conditions, production quality and security.

5.6 Interim conclusions

Mongolia ratified the Occupational Safety and Health Convention (No.155) of ILO in 1999. In compliance with the Convention, the country is upgrading legislation and regulating OSH issues within the legal reform process. For instance, out of about 120 OSH standards that were reviewed, 35 have been revised or newly adopted.

As part of implementing the National Programme on Improving Occupational Safety and Health conditions that the Government approved in 2001 as Resolution No. 153, certification of workplaces has been conducted, helping improve OSH conditions at workplaces. Of the over 1,970 selected entities and organizations and about 12,160 workplaces inspected, 53 percent were good, 40.1 percent were satisfactory, and 6 percent had unsatisfactory working conditions.

Some progress has been made on developing an OSH tripartite structure at the national level and consultative mechanism at the enterprise level. Overall, there is existing legislation to promote OSH environment in workplaces. However, it is important to upgrade these regulations to meet international standards. It is also important to take into account the specific conditions of the country, especially the need to improve workers' knowledge and awareness of prevention of industrial accidents and occupational diseases, and to clarify the enforcement mechanisms. In addition, more attention must be focused on advancing the labour management and monitoring system and on ratifying ILO Conventions on Labour Inspection (Nos. 129 and 81).





OSH inspection system

6.1 The scope of OSH inspection

A statute of the SPIA stipulates that the SPIA shall organize the professional inspection in entities and organizations of all types of ownership, including business entities and organizations of foreign countries running activities in the territory of the country, unless otherwise stipulated by the International Law of Mongolia." While all spheres of work or occupation in entities and organizations in the formal economy are included from professional and OSH inspection, non-organized sectors in the informal sector, such as household-based animal husbandry, farming, and informal mining, are still outside the reach of professional inspection. There are many high-risk occupations in the informal sector, which constitutes a large part of Mongolia's economy.

The following sectors are covered by OSH inspection:

- Fuel and energy
- Mining
- Construction, roads, transportation and communication
- Light industries
- Trade, service, tourism
- Food, agriculture
- Health, education
- State administration, ministries, agencies

Source: SPIA

6.2 OSH inspectors

Labour inspectors are included in the State Professional Inspection System. At present, SPIA staff consists of 10 persons, with 18 inspectors in Ulaanbaatar City Professional Inspection Department and 2 inspectors in each Aimag² Professional Inspection Department.

² *Aimag* is the Mongolian word for "province."

Table 1: Number of labour inspectors

	belong to					
Types of Inspectors	State Professional Inspection Agency (SPIA)	Capital City	Province	Special Office	Total	
State Labour	7	8	21	4	40	
Inspectors						
State Occupational	3	10	21	1	35	
Hygiene Inspectors						
Total	10	18	42	5	75	

Source: SPIA

State labour inspectors are responsible for certain sectors and activities. They are specialised in both general labour inspection and health inspection issues such as labour relations, wages, industrial accidents, handling of chemicals, acute poisoning, occupational diseases, child labour, female labour, issues on sending/recruiting workers to/from abroad, employment of elders, disabled persons, inspection on ergonomic, chemical, physical, biological, psychological factors of working conditions, and protective clothing and devices (see Annexes 2 and 3).

6.3 Inspection on OSH

Within the last five years, professional inspection in 48,035 entities and organizations has been carried out nationwide with some entities being inspected two or more times. On average, professional inspection has been carried out in 10,000 entities and organizations per year, which is equivalent to one third of all entities. Overall, regular inspection in an entity is carried out once every three years.

As seen from the Report of SPIA, for the last five years, 60 to 70 percent of total inspections are planned inspections; 4 percent are inspections following accidents; and 8.5 percent are inspections made on tracking complaints. However, the lack of information makes it impossible to obtain more complete statistics on OSH-related inspections. The same is also true for statistics on labour relations.

6.4 Actions taken and penalties imposed following inspections

When violations are discovered in the process of inspection, the relevant inspection agency or authorised state inspector may impose a penalty, close an employer's business partially or entirely, or suspend such activities until conditions have improved. At present, however, there is no sufficient information on measures taken by provinces and sectors.

Authorised state inspectors have provided support activities such as counselling and organizing workshops and training. Below are examples:



- Three-day training for human resource personnel and OSH engineers at least once a month
- Sharing of experiences at training organized by organizations

The state inspectors have provided advice to enterprises on the following issues:

- Organization of activities on OSH
- Job description for officers in charge of OSH issues
- Activities on OSH to be implemented by supernumerary council and officers
- Methodology for investigating and recording industrial accidents
- Internal audit of enterprises and organizations
- Methodology of training to be held by entities and organizations

According to a planned schedule, OSH inspectors have organized joint inspections together with inspectors of infrastructure (electricity, construction, pressure vessels, lifting mechanisms, mining, etc.), health (environment, food, epidemiology, etc.), industry, trade, and agriculture.



7/

Other authorities with responsibilities related to OSH

7.1 Ministry of Social Welfare and Labour

The Population Development Policy Coordinating Department (PDPCD), Social Welfare Policy Coordinating Department (SWPCD), Labour Market Policy Coordinating Department (LMPCD), State Administration and Management Department (SAMD), Information, Monitoring and Evaluation Department (IMED), Foreign Cooperation Division (FCD), and Economy and Budget Division operate within the structure of the MOSWL with less than 50 staff.

OSH matters are under the jurisdiction of the LMPCD,³ with one staff responsible for OSH issues. This department has the following OSH functions:

- develop nationwide policy to improve OSH conditions.
- coordinate policy implementation with activities of other ministries and agencies.
- develop proposals and projects to upgrade the relevant legislation, and organize training and awareness raising activities.

The SWPCD of the ministry also administers insurance against industrial accidents and occupational diseases, and other types of social insurance and policies on social welfare.

The IMED is responsible for monitoring policy implementation and effectiveness, evaluation, and preparing a conclusion and recommendations, whereas the FCD is responsible for rendering support to develop foreign cooperation within OSH and other issues (See Annex 5 for the structure of the MOSWL).

7.2 Aimag/District level OSH structures

There are two basic structures in Mongolian public administration organization: the central public administrative institution and the local public administrative institution. The Ministry is the public administrative institution; while the implementing and regulatory agencies function within the portfolio of the cabinet member leading the Ministry. For instance, the SPIA, which is responsible for labour inspection, operates within the portfolio of the Prime Minister; while the Labour, Social Welfare Service Office, and the State Social Insurance General Office operate within the portfolio of the Minister of Social Welfare and Labour. Previously, the Labour and Social Welfare Service Office did not hold any responsibility for OSH issues; but under the new arrangement, one officer has been recently appointed to work on these issues.

³ The Labour Market Policy Coordinating Department was previously called Labour Department.



The departments of Professional Inspection, Labour and Social, Welfare Service, and Social Insurance operate at the local level or in *aimags* and districts. However, these departments have a vertical organizational structure and local administration units have little influence over them. In the organizational structure of *aimags* and districts, there are no special units in charge of labour issues. In most *aimags* and districts, there is only one person in the Strategic Planning and Policy Implementation Coordinating Department responsible for all labour related issues.

7.3 Research institutions working on OSH issues

No research institution has worked in the area of labour since 1990 and there is no indication that such institutions will be established in the near future. Currently, there are a few research organizations with the potential to specialise in labour issues, particularly OSH study and research.

Though the Social Health Institute operates under the Ministry of Health, it has never conducted a specialised study on OSH issues because it has no capacity to do so. The National Programme on Improvement of Occupational Safety and Health Conditions aims to expand the study and research work on OSH issues but has been unable to implement the necessary tasks effectively.

Operating under the SPIA, the Centre for Labour Condition Measurement and Research's role is to conduct research on workplace conditions at an employer's request and to define if the workplace meets OSH standards. However, while the centre charges fees for its services, it has limited material and human resources.

7.4 Insurance and compensation system for industrial accidents and occupational diseases

The Labour Law, Law on Social Insurance, and other related laws, stipulate that employees working at a fixed workplace under a permanent labour contract should be compulsorily covered by five types of social insurance. Workers do not contribute from their wages to the Social Insurance Fund against Industrial Accidents and Occupational Diseases. Instead, the employer should pay a monthly contribution to insure their workers against industrial accidents and occupational diseases at a rate of one to three percent from the wage fund or similar income. The amount of contribution is different depending on the provision of OSH requirements. Based on the suggestions of the National Council of the Social Insurance, the Government should approve the list of employers who must pay the contribution at an increased amount.

The National Council on Social Insurance generally manages the insurance against industrial accidents and occupational diseases, while the State Social Insurance General Office provides the insurance services. The State *Ikh Khural* approves the composition of the National Council and its statute. The council consists of equal numbers of representatives from the Government, employers' and workers' organizations. An insured person has the right to receive a disability pension, dependent's pension, temporary disability allowances, and some

rehabilitation costs from the Social Insurance Fund against Industrial Accidents and Occupational Diseases.

Pensions and allowances from the Social Insurance Fund against Industrial Accidents and Occupational Diseases shall be paid upon submission of a certificate of temporary loss of ability to work provided by a medical institution, medical and labour verification commission, or an inspection commission on treatment quality.

As stipulated in Article 97 of the Labour Law, an employer shall pay compensation once or several times to a worker who has lost his/her ability to work, irrespective of whether she/he was insured against industrial accidents, occupational diseases, or acute poisoning. The amount shall be equal to the worker's average salary for five to 18 months. In case of death, compensation equal to not less than the deceased worker's average salary for 36 months shall be paid to his/her survivors .

During the last few years, there has been a tendency to decrease insurance coverage against industrial accidents and occupational diseases because the number and share of employees in the formal sector has not increased. However, expenditures from the Social Insurance Fund against Industrial Accidents and Occupational Diseases have exceeded the revenue due to the following factors: first, the occurrence of industrial accidents and occupational diseases has generally increased. Second, there have been cases of falsification of rate of loss of ability to obtain a bigger amount of compensation, which is granted in a lump sum to workers or their survivors affected by industrial accidents and occupational diseases. The medical and labour verification commission should play a greater role in taking corrective measures and developing a more effective system.

Table 2: Revenue and expenditure of the Social Insurance Fund against Industrial Accidents and Occupational Diseases (in millions of tugrik⁴)

Indicators	2000	2001	2002	2003	2004
Revenue of the Social	2,675.2	3,095.8	3,646.4	4,235.6	4,408.1
Insurance Fund against					
Industrial Accidents and					
Occupational Diseases					
Expenditure of the Social	1,993.3	2,232.3	2,614.7	3,170.1	4,299.7
Insurance Fund against					
Industrial Accidents and					
Occupational Diseases					

Source: Annual Report of Social Insurance Fund, 2000-2004

⁴ The tugrik is the official currency of Mongolia.



7.5 Programme on prevention of industrial accidents and occupational diseases

The law stipulates the provision of pensions, allowances, and compensation by the Social Insurance Fund to affected workers. However, there are no legal provisions for resources on preventive measures. Thus, there is virtually no programme on preventing industrial accidents and occupational diseases in Mongolia.

The Mongolian Employers' Federation (MONEF) has emphasised that it is necessary to develop a system of incentives for employers who have taken effective measures to prevent the risks and to decrease the number of occupational diseases.

The MOSWL has considered this issue. The Social Security Sector Strategy Paper, adopted in 2003, contains concrete goals for developing and implementing the programme for preventing industrial accidents and occupational diseases, and allocating resources to implement this programme from the Fund of Insurance Against Industrial Accidents and Occupational Diseases. There is a plan to amend the Law on Pension and Benefits Against Industrial Accidents and Occupational Diseases provided by the Social Insurance Fund and to develop a programme on prevention of industrial accidents and occupational diseases in 2005. The strategy paper pointed out the need for a pilot project to implement the programme and a later expansion based on the lessons learnt from the pilot implementation.





Mechanism on cooperation between the government, employers' and workers' organizations

In the Mongolian Government, the ministries are divided into key and line ministries. The key ministries are the Ministry of Finance, Ministry of Foreign Affairs, and Ministry of Justice and Home Affairs. Although these ministries are required to coordinate the activities of the line ministries within their central functions, it is not possible to regulate complicated issues such as OSH. Therefore, councils and committees with representatives from the Government and NGOs operate at the government level in order to coordinate the policies and activities on certain issues.

The nationwide cooperation and coordination mechanisms on OSH issues are explained in greater detail in Section 4.3 of this report. However, as the same structure has not been established yet at the *aimag* and district levels, this issue should be considered in the development of a tripartite mechanism on social consensus. There are possibilities for employers' and workers' representative organizations to consider the issues in connection with collective bargaining and agreement, and to cooperate within the activities of committees and councils on OSH established at business entities and organization levels according to the Labour Law.

Article 93. Offices and councils in charge of OSH

- 93.1. An enterprise or organization should appoint a person or set up the council on OSH to consist of the representatives of employers and workers.
- 93.2. Regulations on the organization of OSH measures at enterprise level shall be approved by the State central administrative institution in charge of labour issues.

Source: Labour Law





OSH education and training

9.1 OSH training and courses for government officials

There are currently no special courses and training on OSH designed for public servants, employers, and workers, and no organization solely engaged in delivering such activities. A few private business entities, such as EMJJ Co. Ltd., have recently begun activities in OSH training and in preventive services, albeit with limited coverage. Nevertheless, labour inspectors and officials responsible for OSH issues are involved in thematic workshops, training, and roundtable meetings that are mostly financed by international or assistance projects and programmes.

A 10-day training programme for OSH inspectors jointly developed by the Academy of Management and the SPIA is organized once a year at the Academy of Management. Labour inspectors are also involved in training organized by the ILO/International Programme on the Elimination of Child Labour (IPEC) project.

9.2 The employers' organization

The MONEF has been paying more attention to OSH training during the last few years. With technical and financial support from ILO, they have been implementing ILO training programme on Work Improvement for Small Enterprises (WISE) since 1999. In this programme, the federation has translated, adapted, and printed a trainer's manual in Mongolian. A trainers' training workshop was organized on three occasions and training for employers was held in Ulaanbaatar city and 12 aimags involving 516 owners and managers of small businesses. The participants are presently using this participatory training methodology in their own enterprises, in the process training about 6,190 workers. The ILO has empowered the MONEF to implement the programme independently and has recommended that they revise it to enhance its coverage to spread nationwide. The MONEF is planning to involve 40 business entities, 1,800 employers, and 12,000 workers in this programme (see Annex 3).

9.3 The workers' organization

The Confederation of Mongolian Trade Unions (CMTU), together with the International Labour Organization and the Japanese International Labour Foundation (JILAF), is organizing OSH training and preparing reference books and guidelines. In particular, CMTU and JILAF have jointly been organizing the Participation-Oriented Safety Improvement by Trade Union Initiative (POSITIVE) training⁵ courses since 1998.

The POSITIVE training on OSH has been organized 21 times in the capital city and local areas. There have been five trainers' conferences—with 700 trainers trained or retrained. Training for other teachers has been conducted once during the last five years. In turn, these teachers organize ongoing training courses in their entities, organizations, and sectors. Existing data though incomplete, indicate that the teachers involved in this training through the CMTU have organized the training of over 10,000 workers. Within the Capacity Building for the Trade Unions Project, carried out between 1998 and 2004 in collaboration with the Danish LO-FTF,⁶ training sessions on 19 topics were organized. One of these topics was the OSH training conducted on 19 occasions under the POSITIVE programme. In all, a total of 395 persons (183 female workers) including members and supporters of the Trade Unions, attended the training (See Annex 4).

9.4 Training structure of employers' and workers' organizations

The MONEF has a training section at its central office with staff and specialised trainers in charge of training at its local branches. The Federation is working to extend the WISE training to workers through their employers and improve workplace conditions in a simple and low-cost manner.

This participatory approach might be the best way of delivering OSH training in the present situation characterised by small and dispersed business entities and organizations. Besides, the process of their association still continues.

The Research and Training Centre, with the capacity to accommodate 40 persons in one shift; and the training centres in Orkhon and Khovd provinces, with the capacity to train 25 to 30 persons in one shift, are under the jurisdiction of the CMTU. The multiplier effect strategy is being used: the Trade Unions prepare trainers and methodologists for the local areas, business entities and organizations; these trained trainers, in turn, organize training sessions at the local and enterprise levels. This strategy is important for a country like Mongolia with a large territory, small population, and poorly developed infrastructure. However, both the CMTU and MONEF trainings lack feedback.

9.5 Other training organizations related to OSH

Only a small number of universities and colleges are preparing specialists in the field of OSH or organizing vocational training and courses. Students of the technical universities, colleges, vocational training, and production centres have short courses on OSH relevant to the occupations for which they have been trained. However, the University of Health Science (previously the University of Medical Science) trains social health workers (previously called hygienists), some of whom are specialised in the field of occupational health. On average, 70 persons graduate annually from the University of Health with a bachelor's degree.

- 5 A unique participatory
 OSH programme of
 the Japan International
 Labour Foundation
 (JILAF), POSITIVE
 has been widely applied
 in Bangladesh, China,
 Mongolia, Nepal,
 Pakistan, Philippines,
 Thailand, and Viet Nam.
- 6 The LO-FTF Council is the Danish Trade Union Council for International Development Co-operation. In 1987 it was established under a slightly different name by the two largest Danish confederations—the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF).



9.6 OSH professionals and their training needs

Three categories of OSH personnel work at the central and local public administrative institutions: officials responsible for the implementation and coordination of OSH policy, OSH inspectors, and workers of the business entities and organizations in charge of OSH. Central and local public administrative institutions cannot have full-time staff in charge of OSH issues solely due to limited vacancies. Consequently, these personnel perform several duties. The workers of the enterprises and organizations in charge of OSH issues are also engaged in other activities depending on the scale of their enterprises. Only the OSH inspectors focus solely on OSH duties. As the current training system does not meet their demands, there is a need for special training designed particularly for each of these three categories of personnel. For instance, public servants should have a cognitive understanding of OSH issues as well as learning skills and methodology on planning and implementing concrete activities in this field. On the other hand, staff of enterprises or organizations and labour inspectors should have practical experiences and skills on planning and organizing activities for ensuring workplace safety and health, working with workers and the like.

9.7 Non-government organizations (NGOs) in the area of OSH

Very few NGOs, including MONEF and CMTU, are running activities in the field of OSH. The lone organization actively implementing OSH activities, Mongolian Labour Protection Movement, was established at the beginning of 1990 upon the initiative of workers' groups that were eager to promote OSH amongst business entities and organizations. The Movement organizes a wide range of activities for the public and workers, such as training and awareness raising on OSH issues, preparing training manuals, handouts for workers, and rendering methodological support to establish special training rooms. The Labour Protection Movement, in collaboration with Japan Industrial Safety and Health Association, has been organizing work to train employees of business entities and organizations.



10

Overall level of human resources active in OSH

10.1 OSH officers at enterprise level

According to Chapter 1, Article 93 of the Labour Law, a business enterprise or organization shall have an appointed employee and a council consisting of employer's and workers' representatives in charge of OSH issues. Larger businesses, such as mining companies, power plants, and railway transport and services have full-time officers in charge of OSH. However, very few of the small enterprises have full-time OSH staff. Guided by the rules on ensuring OSH in the business entities and organizations, the main duties of these officers consist of the following: planning and implementing activities to provide workers with favourable working conditions; eliminating negative impacts of chemical, physical, and biological factors in the production process at the workplace; improving health conditions and the environment; and ensuring that the employers fulfil their duties to prevent industrial accidents and occupational diseases. No objective statistical data is available on how many officers in charge of OSH issues are working in business enterprises and institutions and how many of them work on a full-time basis.

10.2 Qualifications required for OSH officers at enterprise level

Officers in charge of OSH issues at the enterprise level are mostly people with technical qualifications. As there are no legal guidelines on approving job descriptions, each enterprise follows its own rules. Although these officers have technical qualifications, they are not specialised in OSH issues and lack skills in organizing activities in this field. The following skills are compulsory:

- basic knowledge of OSH management and organization
- skills to plan and organize OSH activities
- skills to determine workers' demand on OSH and to organize awareness raising campaigns
- capacity to use modern training equipment (computers, cameras, the Internet)

With the high turnover in the workforce as Mongolia shifts to an economic system based on private ownership, it is difficult to say how long staff specialised in OSH will continue to work in their enterprises or institutions. Thus, it would be better to set up a system of continuous training for full-time OSH staff of enterprises initially, and then to train part-time OSH officers from other enterprises using the knowledge, experiences, and facilities of those already trained.



11

Available statistics and information concerning occupational safety in Mongolia

11.1 Number of employed in enterprises or other institutions

Agriculture, which accounts for 46.7 percent of total employment, belongs to the non-organized sector in Mongolia. The production and service sectors account for 53.3 percent of total employment, with 126 thousands working in the informal sector. With only 38.8 percent of total employment of the country working in the organized sector, small business entities play a dominant role. This causes difficulties in the implementation of objectives to improve the OSH situation.

Table 3: Number of economic entities

Classification of operating legal bodies, entities and organizations (according to the number of employees)	Number of legal bodies, entities, and organizations that are included in the classification.
1-9	20,693
10-19	1,913
20-43	1,751
up to 50	999
Total	25,356

Table 4. Actively employed by sector

Sector	Actively employed (in thousands)	Percentage
1 Agriculture	402.7	46.7
2 Production	103.5	12.0
3 Service	356.3	41.3
4 Total	862.5	100.0

Source: Main Report of Labour Force Survey 2002-2003, p. 7

National Statistical Office of Mongolia

Table 5. Employees, by economic activity

Industry Catagories	T0	TOTAL		Female
Industry Categories	Number	%	(%)	(%)
Agriculture, hunting, and forestry	402.2	46.6	48.2	45.0
Fishing	0.5	0.1	0.1	0.1
Mining and quarrying	23.3	2.7	3.8	1.5
Manufacturing	46.2	5.4	4.7	6.1
Electricity, gas and water supply	15.6	1.8	2.5	1.1
Construction	17.5	2.0	2.9	1.1
Wholesale and retail trade	98.1	11.4	9.6	13.3
Hotels and restaurants	13.7	1.6	1.0	2.2
Transport, storage and	51.0	5.9	8.4	3.2
communication				
Financial intermediation	6.3	0.7	0.7	0.8
Real estate, renting and business	10.1	1.2	1.4	1.0
activities				
Public administration	52.1	6.0	7.8	4.2
Education	63.3	7.3	4.5	10.4
Health, social work	38.0	4.4	1.9	7.1
Other community, social activities	22.3	2.6	2.4	2.7
Private households with employed	0.9	0.1	0.1	0.1
persons				
Extra-territorial organizations	1.2	0.1	0.1	0.1
All industry tabulation categories	862.5	100.0	100.0	100.0
Number		862.5	448.9	413.6

Source: Main Report of Labour Force Survey 2002-2003, p. 52 National Statistical Office of Mongolia

11.2 Statistics on industrial accidents and occupational diseases

Statistics available from the SPIA show that the number of industrial accidents and occupational diseases has not decreased in recent years, but rather increased. There may be a considerable number of cases of unrecorded injuries and accidents because there is a difference between the number of recipients of disability pensions from the Social Insurance Fund and the number of people who temporarily lost their ability to work as a result of registered accidents. It should be noted, however, that there are several factors that account for the increase in the numbers, such as too many small enterprises, lack of resources, use of old equipment and technology, undeveloped OSH management system and understaffing, and dearth of preventive actions.



Table 6. Fatal industrial accidents, by sectors (last 5 years)

No.	Branches	Number of Fatalities					
NU.	bialiciles	2000	2001	2002	2003*	2004	
1	Energy	2	11	3	_	11	
2	Mining	7	27	16	_	3	
3	Agriculture	2	7	1	_	1	
4	Construction	6	7	9	_	19	
5	Light industry, food	4	7	6	_	2	
6	Road, transport, communication	4	8	3	_	17	
7	Trade, service	1	4	_	_	7	
8	Education	_	2	_	_	2	
9	Health	_	3	_	_	1	
10	Other	3	12	9	_	1	
	Total	29	88	47	50*	64	

Source: Annual Report of Labour Inspection SPIA, 2000-2004 *Statistics for 2003 are not aggregated by sector

Table 7. Industrial accidents, by sector

No.	Branches	Number of Industrial Accidents					
NU.	Dialicités	2000	2001	2002	2003*	2004	
1	Energy	25	35	28	29	39	
2	Mining	54	66	52	56	33	
3	Agriculture	18	5	5	25	21	
4	Construction	36	38	52	59	56	
5	Light industry, food	60	67	62	59	23	
6	Road, transport, communication	64	57	55	67	78	
7	Trade, service	39	19	2	26	28	
8	Education	10	42	19	28	10	
9	Health	8	34	24	19	13	
10	Other	31	65	44	13	4	
	Total	345	428	343	381	305	

Source: Annual Report of Labour Inspection SPIA, 2000-2004

Table 8: Industrial accidents, by provinces

No.	Aimaga/Drayinaga/Canital	Number of Industrial Accide				ents
NU.	Aimags/Provinces/Capital	2000	2001	2002	2003*	2004
1	Arkhangai	-	9	3	_	5
2	Bayan-Ulgii	-	_	_	_	2
3	Bayanhongor	1	-	_	_	6
4	Bulgan	3	7	8	_	4
5	Gobi-Altai	-	1	_	_	_
6	Gobisumber	-	1	_	_	3
7	Darkhan-Uul	16	24	24	_	16
8	Dornogobi	-	6	_	_	2
9	Dornod	8	21	7	_	5
10	Dundgobi	_	5	2	_	2
11	Zavkhan	5	_	1	_	5
12	Orkhon	47	27	28	_	15
13	Uvurkhangai	2	3	5	_	1
14	Umnugobi	-	7	5	_	2
15	Sukhbaatar	-	-	_	_	5
16	Selenge	6	8	17	_	2
17	Tuv	9	5	4	_	2
18	Uvs	ı	2	3	_	2
19	Khovd	-	_	4	_	4
20	Khuvsgul	1	5	2	_	2
21	Khentii	19	19	_	_	6
22	Ulaanbaatar	204	248	203	_	209
23	Board for Railways Affairs	12	14	11	_	5
24	General Staff of Armed Forces	12	19	17	_	_
25	General Board of Court Resolution					
	Enforcement					
	Total	345	428	343	381*	305

Source: Annual Report of Labour Inspection SPIA, 2000-2004

^{*} Statistics for 2003 are not aggregated by aimags



Table 9. Number of persons permanently or temporarily incapacitated due to industrial accidents

Types of incapacity	2000	2001	2002	2003	2004 (first 6 months)
Disabled person	36	36	34	42	41
Temporary loss of	280	357	281	289	218
capacity					
Total	316	393	315	331	259

Source: Annual Report of Labour Inspection SPIA, 2000-2004

Table 10. Occupational diseases

Types of diseases	2000	2001	2002	2003	2004
Pneumoconiosis	924	910	913	916	920
Acute bronchitis caused	3,519	3,717	3,832	4,071	7,234
by dust and toxic					
substances					
Diseases caused by	534	552	578	623	651
chemical substances					
Nerve and nervous	631	748	842	946	1,062
system diseases					
Organs of support and	485	553	603	675	729
varicose veins					
Ear, nose, and throat	217	242	272	299	329
(ENT) diseases					
Diseases caused by	31	33	34	37	42
ionised radiation					
Eyes diseases	12	14	15	15	15
Diseases caused by	18	34	57	75	92
biological factors					
Total	6,371	6,803	7,146	7,657	8,074

Source: Report of the Occupational Diseases Study Centre under the State Social Insurance General Office

11.3 Statistics on pensions, benefits, and compensation from the Social Insurance Fund to persons affected by industrial accidents and occupational diseases

As already mentioned in Section 5.3 of this report, an insured person who has been incapacitated, temporarily or permanently, due to an industrial accident or occupational disease shall be eligible for a pension, allowances, and compensation. The tables below show the number of recipients and expenditures:

Table 11: Number of recipients of pensions from Social Insurance Fund against Industrial Accidents and Occupational Diseases and expenditures (in millions of tugrik)

Indicators	2000	2001	2002	2003	2004
Recipients of pensions	4,531	4,852	5,063	5,334	5,558
from the Social					
Insurance Fund against					
industrial accidents and					
occupational diseases					
Expenditures	1,540.1	1,763.1	2,084.7	2,595.4	3,455.9
Average pension	34	36.3	41.2	48.7	62.2
(in thousands of tugrik)					

Source: Annual Report of the Social Insurance Fund, 2000-2004

Table 12: Number of recipients of survivors' pensions from Social Insurance Fund against Industrial Accidents and Occupational Diseases and expenditures (in millions of tugrik)

Indicators	2000	2001	2002	2003	2004
Recipients of survivors'	1,223	1,162	1,122	1,112	1,309
pensions from the Social					
Insurance Fund against					
industrial accidents and					
occupational diseases					
Expenditures	321.4	304.4	342.2	392.4	613.7
Average pension	26.3	26.2	30.5	35.3	46.9
(in thousands of tugrik)					

Source: Annual Report of the Social Insurance Fund, 2000-2004



Table 13: Number of recipients of allowances for temporary incapacity from the Social Insurance Fund against Industrial Accidents and Occupational Diseases and expenditures (in millions of tugrik)

Indicators	2000	2001	2002	2003	2004
Number of recipients of allowances for temporary incapacity from the Social	377	605	401	415	650
Insurance Fund against industrial accidents and occupational diseases					
Expenditures	26.4	33	43.4	47.5	50.1
Average pension (in thousands of tugrik)	70	54.5	108.2	114.5	77.1

Source: Annual Report of the Social Insurance Fund, 2000-2004

Table 14: Number of recipients of rehabilitation payments from the Social Insurance Fund against Industrial Accidents and Occupational Diseases and expenditures (in millions of tugrik)

Indicators	2000	2001	2002	2003	2004
Number of recipients of rehabilitation payments from the Social Insurance Fund against industrial accidents and occupational diseases	19	18	24	41	45
Expenditures	9.3	14.5	33.3	13.6	45
Average payment (in thousands of tugrik)	489.5	811.1	1,387.5	331.7	1,000

Source: Annual Report of the Social Insurance Fund, 2000-2004

Table 15: Number of recipients of sanatorium treatment payment from the Social Insurance Fund against Industrial Accidents and Occupational Diseases and expenditures (in millions of tugrik)

Indicators	2000	2001	2002	2003	2004
Number of recipients of sanatorium treatment payment from the Social Insurance Fund against industrial accidents and occupational diseases	958	1,199	929	1,039	1,150
Expenditure	29.1	44.6	40.8	49.2	60
Average payment (in thousands of tugrik)	30.4	37.2	43.9	47.4	52.2

Source: Annual Report of the Social Insurance Fund, 2000-2004



12

International cooperation in OSH

12.1 International cooperation

In recent years, Mongolia has expanded its cooperation with several international organizations on OSH issues, such as the International Labour Organization and the Asian Development Bank (ADB). The ILO provides assistance to strengthen the national capacity and improve the methodology through advisory services, international training and workshops, and national training programmes. The ILO collaborates either with the Government, employers' and workers' organizations.

The following is a summary of OSH-related activities supported by ILO in Mongolia:

- 1. The National OSH Information Database Project (1997 to 1999), with financial assistance from FINIDA/ILO, helped establish an information database that includes 21 organizations. It also printed and disseminated the handbooks, Safety and Health in the Use of Chemicals at Work and Preventive Measures in Hazardous Occupations in Asia, for the 75th anniversary of the ILO. Computers with Internet connection and other equipment were also granted.
- 2. The Capacity Building for OSH Trainings (2000 to 2001), with funding from DANIDA/ILO, conducted a survey to define OSH training needs in four aimags, a city, and six sectors. From the survey results, an action plan and training policies were developed and 62 trainers were trained. A handbook for OSH inspectors and OSH council members of enterprises and organizations was also published.
- 3. International Programme on the Elimination of Child Labour ILO/IPEC (1999 to 2001) organized training of labour inspectors, including inspectors at the aimag and district levels. Activities and direct interventions focused on children involved in informal coal and gold mining, urban informal sector, scavenging, and herding mainly through awareness raising of children, families, and communities, capacity building, education, training rehabilitation, and monitoring of child labour in selected areas. Worth mentioning are two OSH projects: Awareness raising of the local community and removal of children from hazardous work in gold extraction and processing and a comprehensive sector-based project to prevent and eliminate child labour and improve the situation of informal mining of gold. IPEC also supported the MOSWL



- staff to build their capacity on the enforcement of Convention No. 182 on the Worst Forms of Child Labour.
- 4. The ILO Informal Economy, Poverty, and Employment regional project aims to reduce poverty by promoting decent work among men and women in the informal economy. One component of this project is the identification and implementation of concrete measures to improve the social protection of informal economy workers and employers through representative organizations in Mongolia. Under this project, participatory training for home workers and agricultural workers—Work Improvement for Safe Homes (WISH) and Work Improvement in Neighbourhood Development (WIND)—will be implemented. This OSH profile was prepared under this project. Moreover, the project also supported the National Conference on Occupational Safety and Health.
- 5. ILO assisted MONEF in training Mongolian WISE trainers and sustaining WISE training activities by the Mongolian trainers.
- 6. The ADB provided advisory support to Mongolia to develop an insurance system for industrial accidents and occupational diseases (IAOD), and improve the system of pensions and benefits from the Social Insurance Fund against IAOD. ADB support focused on the effective coordination of the economic policy with social protection for people who are partially and totally incapacitated.

12.2 Bilateral cooperation

There is ongoing bilateral cooperation on OSH issues. For example, the MOSWL is cooperating with the Korean Occupational Safety and Health Agency to undertake measures, such as recruiting consultants, training labour and OSH inspectors, organizing study tours, information exchange, and awareness raising based on the Memorandum of Understanding signed in 2003.

Since 2000, the Mongolian Labour Protection Movement has been actively collaborating with the Japanese Industrial Safety and Health Association (JISHA) and has organized three joint OSH seminars and trained 150 people. Participants in the training took the initiative to develop a programme called Zero Accident Campaign and KYT⁷ Training System and trained 864 workers from 32 central and local high-risk enterprises. They organized a campaign and training in their workplaces, gathered volunteers, collected feedback, and implemented the activities. They also organized a two-day train-the-trainer programme and certified 39 methodology teachers. The guidebook for the programme was translated into Mongolian. A group of 18 people visited the International Labour Protection Centre of Japan for 10 days of training. In addition, 39 people from central and local business entities of Mongolia were trained in OSH for nine types of professions at this centre.

The CMTU has been implementing the training programme in collaboration with the Japan International Labour Foundation since 1998 with broader coverage. In addition, the CMTU, together with the Danish Trade Union organization, is carrying out a number of activities (see Section 9.3 for more details).

7 KYT refers to Hazard
Prediction Training. In
Japanese, KYT stands
for *kiken* (hazard), *yochi*(prediction) and training.
KYT aims to educate
workers so that they are
able to identify potential
hazards in the workplace
and in operations, and
eliminate these dangers
before accidents occur.



13

Other important information

13.1 OSH campaigns

During the former socialist system, a nationwide campaign to designate a month for labour safety was organized—a tradition that was disbanded in 1990. Since 1998, however, the CMTU has been celebrating a day—organized by the ILO and the Confederation of International Free Trade Unions—to commemorate victims of industrial accidents. Trade unions associations in the *aimags* organize the relevant activities in their respective territories. At the central level, activities consist of conferences, training, workshops, and awareness raising. In 2004, the MOSWL supported the CMTU initiative to celebrate the ILO-World Day for Safety and Health at Work.

13.2 OSH-related initiatives at the grassroots level

Some industries with higher risks have paid more attention to occupational safety issues. For example, Mongolian railway workers have a tradition of organizing many activities, such as a one-month campaign for safety at work, occupational safety inspection, and training. While the organizations concerned do not have an established OSH management system, it is possible to introduce it. However, due to the unavailability of a national OSH information system, it is impossible to find out whether any new initiatives and methods exist among small and medium-sized enterprises.

13.3 OSH information and research

The Occupational Diseases Study Centre conducts observation and research on the occurrences and causes of occupational diseases. Consultants, working with the team from the ADB-funded Social Security Sector Development Programme Project, prepare a report on OSH conditions. Since this is the only research of this nature conducted in the last five years, it is difficult to conclude whether there is any institution with enough capacity to do the research in this field. In addition, the OSH-related information system has not been established. Thus, there is currently a dearth of reliable information on OSH issues in Mongolia.



14

Recommendations

Despite present limitations, state policy and legislation to improve OSH conditions do exist in Mongolia. To build on this positive environment, the following measures are recommended:

- 1. Improvement of the laws and regulations on OSH, especially regarding the clarification of the responsibility of enterprises and employees. As the majority of business organizations are small enterprises with less than 10 workers, there should be legislation to reflect the specifics of both large and small enterprises. For example, in entities with less than 10 workers, the director should be responsible for OSH issues. Moreover, the law should regulate preventive measures against industrial accidents and occupational diseases, and financial resources. As suggested in the Social Security Sector Strategy Paper, amend the relevant laws and regulations to ensure that the Social Insurance Fund against Industrial Accident and Occupational Diseases finances the cost of preventive measures.
- 2. Setting up of a general management system to coordinate policies and activities on OSH, regulate directions, responsibilities, competence of the Government, local administration, implementing agencies, professional inspection organizations, employers' and workers' organizations, private entities, and NGOs. This requires refining the labour management system.
- 3. Establishment of an effective and flexible labour inspection system, because the provision of professional inspection system is difficult to use in small entities, Give more attention to studying and conducting a new inspection mechanism with a combination of professional and public inspection, and consideration of the possibility of using the experiences of the CMTU, which used to be in charge of OSH issues before 1990, in the new mechanism.
- 4. Improvement of the adequacy and quality of statistics on OSH through joint cooperation between the National Statistics Office, the MOSWL, the State Inspection Agency, local administrations, and the public in the preparation and publication of statistical reports; the ratification of ILO Conventions on the Labour Statistics (No. 160), Labour Inspection in Industry and Commercial Sector (No. 81), Labour Inspection in Agricultural sector (No. 129), and other related conventions.

- 5. Development and expansion of OSH training and research work, establishment of OSH research organizations, and the building of their capacity. There are several options to implement this suggestion. First, the tripartite constituents establish a research office for labour and social welfare issues, relying on the Research and Training Centre of CMTU. Second, select the best one from the current existing research and training institutions and NGOs, and strengthen its capacity. Third, expand the Information, Monitoring, and Evaluation Department of the MOSWL. Fourth, a combination of any of the above options can be done.
- 6. Improvement of the involvement of the private sector and civil society in OSH training and awareness raising, using the training centres and OSH professional staff of the Railways Affairs Board, the General Fuel and Energy Board, the Erdenet copper mining industry, and Monrostsvetmet Co. Ltd., and actively involving MONEF in establishing a training office in each sector.
- 7. The raising of awareness through the media, using broadcast documentaries or thematic programmes on OSH, or setting up an OSH Information and Training Centre that will provide advisory support to enterprises.
- 8. Organization of nationwide campaigns
- 9. Undertaking of activities at the grassroots level, assisting communities to develop an OSH management system, and implement preventive measures.



References

Constitution of Mongolia (1992)

ILO Conventions (Nos. 81, 129, 155)

Labour Code of Mongolia (1999)

Social Insurance Legislation (1995)

Law on Pension and Benefits Provided by the Social Insurance Fund against Industrial Accidents and Occupational Diseases (1995)

Law on Pension and Benefits for Military Serviceman (1994)

Law on State Audit of Mongolia (2003)

Mongolian Development Concept approved by resolution No. 26 in 1996 of the State Great Hural (1996)

State Policy on Social Health approved by resolution No. 81 in 2001 by the State Great Hural (2001)

Social Security Sector Strategy Paper (2003)

National Programme on Developing OSH conditions and Its Implementation Report (2004) Ministry of Social Welfare and Labour

Statute of the State Professional Inspection Agency (2003)

Documents of the National Tripartite Sub Committee of OSH (2003-2004) Ministry of Social Welfare and Labour

Annual Report of Industrial Accidents and Occupational Diseases (2000-2004) State Professional Inspection Agency

Annual Report of the Social Insurance Fund (2000-2004) State Social Insurance General Office

1974 Labour Code (became invalid in 1991)

1991 Labour Code (became invalid in 1999)



Annexes

- Annex 1 Legislation and regulations on OSH
- Annex 2
 List of legislation and legal regulations on OSH
 Covering all types of entities and organizations
- Annex 3
 Training organized by MONEF in the last five years
- Annex 4 The structure of the MOSWL
- Annex 5
 The structure of the SPIA



Annex 1 Legislation and regulations on OSH

1. Labour law of Mongolia

Chapter six Working conditions, labour safety, and sanitation standards

Section 81. Classification of working conditions

- 81.1 The working conditions shall be classified as normal working conditions and abnormal working conditions.
- 81.2 A professional organization shall be asked by an employer to perform an evaluation of the conditions of the workplace.
- 81.3 Regulations on the establishment of a pension with concessions to employees who are working under abnormal working conditions shall be adopted by law.

Section 82. Determination of labour safety and sanitation standards

- 82.1 The organization in charge of standards, in consent with the state central administrative organization in charge of labour issues, shall approve, in accordance with the relevant law, the labour safety and sanitation standards.
- 82.2 Common regulation on labour safety and sanitation shall be approved by the State central administrative organization in charge of labour issues.

Section 83. General requirements for the workplace

- 83.1 The organization of work shall comply with the production technology requirements and meet the safety and sanitation requirements.
- 83.2 Negative chemical, physical, or biological factors that might originate in the course of production at a workplace shall not exceed the permitted labour and sanitation standards approved by the organization specified in Subsection 82.1 of this law.
- 83.3 The workplace of the employee shall be equipped in accordance with the sanitation norm standards.

Section 84. Requirements for production buildings and facilities

84.1 When drafting an architectural project of production buildings and facilities, an evaluation, for its construction, renovation, expansion and hand over for use, shall be obtained from the professional organization in charge of labour safety and sanitation and licensed from such authority.

Section 85. Requirements for joint ownership of production buildings and facilities

- 85.1. If a production buildings and facilities are owned by two or more employers, the owner shall ensure the following requirements:
 - 85.1.1 owner shall jointly establish and follow a regulation;
 - 85.1.2 If in the course of production, the chemical, poisonous, explosive, radioactive, or biologically active substances are being used, the owners of the buildings and facilities shall mutually inform each other and ensure safety.
- 85.2 If the requirements specified in Subsection 85.1 of this law have not been ensured, owning the production building and facilities jointly shall be prohibited.

Section 86. Requirements for machinery and equipment

- 86.1 Machinery and equipment shall be used in accordance with the rules and regulation on safe use performance, and technical passports shall be fully maintained.
- 86.2 Permission for the installation of machinery and equipment, and approval of the machinery and equipment for use after capital repair shall be obtained from the professional monitoring organization, which will perform the verification.
- 86.3 In machinery for lifting and transportation, pressurised containers, or pipes and channels, tests, adjustments, and approval shall be made in accordance with the relevant regulations.
- 86.4 Electrical equipment shall be installed in accordance with the project drawings, and shall comply with the requirements of the rule on use of electricity and safety.

Section 87. Requirements for special work garments, protective equipment

- 87.1 The employer shall provide the employee with special work garments and protective equipment, which shall comply with the safety and sanitation requirements, conforming to the work features for that employee.
- 87.2 The employer shall clean, disinfect, and repair the special work garments and protective equipment.

Section 88. Requirements in dealing with chemical, poisonous, explosive, radioactive, and biologically active substances

88.1 An employer shall, in accordance with relevant regulations, inform the labour monitoring and other relevant professional organization on use of chemical, poisonous, explosive, radioactive, and biologically active substances in their production and shall follow the regulations adopted by authorised organizations.

Section 89. Fire safety requirements

- 89.1 An employer shall adopt and follow internal fire safety rules.
- 89.2 Business entities and organization with fire alarm systems and equipped with special fire extinguishers shall keep such equipment in constant working form and train the employees to use such equipment.



89.3 During production, an employer shall take all measures necessary to prevent fire.

Section 90. Requirements for work under unfavourable weather conditions

90.1 In accordance with labour standards, the employer shall establish, equip and make comfortable a special place for the purpose of rest and warming up during the break time, for employees who perform work outdoors in extremely hot, cold, windy, snowing, or rainy or other similar unfavourable conditions.

Section 91. Provision of favourable working conditions

- 91.1 An employer shall provide an employee a workplace with favourable work conditions and stipulate the conditions under which the chemical, physical, or biological factors created in the course of the production process will not have a negative impact on the labour, sanitation, and natural environment.
- 91.2. An employer shall provide to an employee working under normal working conditions with protective equipment, special working garments, and poison-neutralising substances and food products.
- 91.3 An employer shall include in annual plans and collective contracts the funds, to be spent which will be required for labour safety and sanitation measures.

Section 92. Health examinations

- 92.1 An employer shall send an employee to prophylactic and regular health examinations necessarily required for and related to the performance of work, production and service in accordance to the regulations adopted by the authorised organization.
- 92.2 Expenses required for the implementation of health examinations as provided in Subsection 92.1 of this Section shall be borne by the employer.

Section 93. Offices and councils in charge of labour safety and sanitation issues

- 93.1 A business entity or organization shall have an office (employee) or a council consisting of representatives of the employer and employees in charge of labour safety and sanitation matters.
- 93.2 The regulation to be followed on organization of labour safety and sanitation arrangements shall be adopted by the state administrative central organization in charge of labour issues.

Section 94. Suspension of work in case of conditions with a negative influence on life and body

- 94.1 An employee, who in the course of performance of his/her work has breached production safety regulations or is faced with any situation, which has an extremely negative influence on life, body, or health, shall stop work and shall inform the employer.
- 94.2 An employer shall be obligated to correct such breaches and conditions immediately.

Section 95. Registration of industrial accidents, occupational diseases, and acute poisons

- 95.1. The employer shall immediately and at his own expense deliver the employee who has been affected by the accident to the hospital, and take measures to correct the accident's causes and its results.
- 95.2. The employer shall, in accordance with the regulations adopted by the government, investigate and register every industrial accident and appoint a Steering Committee (supernumerary) which will determine the industrial accident.
- 95.3. The assessment of the committee on an industrial accident shall be approved by the state labour inspectors.
- 95.4. If an employer did not fulfil his/her duties provided in subsections 95.2 and 95.3 of this law, or if employee does not agree with the conclusion on the conditions that caused the industrial accident, the employee has a right to submit his/her complaints to the relevant state labour inspection authority and to the court. (This provision was amended on May 22, 2003.)
- 95.5 An employer shall be obligated to implement the decision made upon the consideration of such complaint in accordance with Subsection 95.4 of this law.
- 95.6 The business entity or organization where the accident happened shall bear the expenses connected with the investigation and registration of the industrial accident.
- 95.7. Labour supervisory authority or officer, in accordance in the regulations, shall investigate and register occupational diseases and acute poisons, considering as equivalent to industrial accidents, and take the measures provided by this Section and other appropriate measures.
- 95.8. An employer shall inform, in accordance with the regulations, about the industrial accident, occupational disease, and acute poison.
- 95.9. Concealing occupational diseases, acute poisons, and industrial accidents shall be prohibited.
- 95.10. Rule on the investigation and registration of the industrial accident, occupational disease or acute poison shall be approved by the Government.

Section 96. Occupational diseases

- 96.1 The state central administrative organization in charge of health issues shall adopt a list of occupational diseases.
- 96.2 The existence of an occupational disease shall be determined by the relevant professional organization.

Section 97. Compensation for damages caused by industrial accident, acute poison or occupational diseases

97.1 The employer shall, without considering whether the employee was covered by insurance for the industrial accident or occupational diseases, compensate the employee who was injured by industrial accident, acute poison or occupational disease, or the employee's family who has died as a result of industrial accident, acute poison or occupational disease, in the following manner:



- 97.1.1. for an employee who has lost up to 30 percent of his ability to perform labour because of an industrial accident, occupational disease or acute poison, he shall be provided with a compensation equal to the five months of his average monthly salary; an employee who has lost 31 to 50 percent of his ability to perform labour shall be provided with a compensation equal to seven months of his average monthly salary; an employee who has lost 51 to 70 percent of his ability to perform labour shall be provided with a compensation equal to nine months of his average monthly salary; an employee who has lost 71 percent or more of his all ability to perform labour shall be provided with a compensation equal to his average monthly salary for 18 months for one time or more; (This provision was amended on May 22, 2003.)
- 97.1.2. for the family of an employee who died because of industrial accident or acute poison or professional disease, compensation equal to not less than the employee's average salary for 36 months for one time or more.
- 97.2 Subsection of compensations as provided in Subsection 97.1 of this law shall not affect the pensions and allowances to be received by a person injured, in accordance to the social insurance law and other legislation.
- 97.3 The issue of indexing the amount of compensations to be made, in connection with the changes in the minimum standard of living, shall be set and implemented in the collective contract.
- 97.4. If an organization fully or partly funded by state or local government has become financially incapable or bankrupt, the issue of compensation to an employee may be settled separately by the Cabinet or local government.

(This provision was amended on May 22, 2003.)

Section 98. Hospital and labour determination commission

- 98.1 Issues of the determination of fact of an employee being crippled, of the reasons of a loss of labour capability, and determination of extent of the loss labour capability shall be decided by the hospital and labour determination commission.
- 98.2. The charter of the hospital and labour determination commission shall be adopted by the Government.

Section 99. Suspension of activities of business entities and institutions that failed to meet labour safety and sanitation standards

- 99.1 If it is proven that the activities of a business entity, organization, its branches and units negatively affect an employee's health and life, the labour supervisory authority or an authorised officer (state inspector) shall take measures to make the employer correct the contravention.
- 99.2 If the correction of the contravention, specified in Subsection 99.1 of this law, is not made, the labour supervisory authority or an authorised officer (state inspector) may partially or in full temporarily suspend the organization's activity until it fulfils the labour safety and sanitation requirements, or close it.

2. Law on social insurance

Chapter one General provisions

Article 3. Social insurance and its types

- 1. Social insurance is a socioeconomic measure including the payment of insurance premiums by citizens (hereinafter referred to as insured), state and business entities and organizations in accordance with the prescribed procedure, the formation of social insurance funds and payment of pensions, benefits and payments, as provided by law to an insured directly in the case of retirement, loss of the ability to work, sickness, or unemployment, and to his or her dependents in the case of death.
 - 2. There shall be the following types of social insurance:
 - 1) pension insurance;
 - 2) benefit insurance;
 - 3) health insurance;
 - 4) industrial accident and occupational disease insurance;
 - 5) unemployment insurance

Article 4. Social insurance forms and scope of cover

- 1. Social insurance shall be either compulsory or voluntary.
- 2. Persons employed on a contract basis by business entities, organizations, or individuals (hereinafter referred to as employers), and government servants are subject to compulsory insurance, unless other wise provided by law. Herdsmen employed by business entities, organizations or individuals on a contract basis shall be considered as contracted employees.
- 3. Citizens engaged in any production or services not included in provision two of this Article shall decide themselves whether to register with social insurance in accordance with the conditions and procedures provided in this law, and which types of insurance to choose.
- 4. Foreigners and stateless persons residing in Mongolia and employed by any Mongolian organization, and citizens of Mongolia employed by foreign organizations or business entities carrying out their activities in the territory of Mongolia, shall register with the social insurance legislation, unless otherwise provided in an international agreement to which Mongolia is a party.
- 5. Compulsory social insurance terms and procedures for self employees, herders and private businesses might be described by relevant legislation.

Chapter two Social insurance funds

Article 9. Types of social insurance funds

Each type of social insurance shall have the following independent monetary funds:



- 1) pension insurance fund;
- 2) benefit insurance fund;
- 3) health insurance fund;
- 4) industrial accident and occupational disease insurance fund;
- 5) unemployment insurance fund

Article 10. Social insurance fund sources of income

- 1. Income for the social insurance fund shall come from the following sources:
 - 1) social insurance premiums paid by the insured;
 - 2) social insurance premiums paid by employers;
 - 3) bank interest on deposits of the uncommitted balance;
 - 4) penalties imposed for delay in paying social insurance premiums;
 - 5) contributions from the state central budget;
 - 6) other sources
- 2. The income of the social insurance fund shall be exempted from various types of taxes and charges.

Article 11. Social insurance fund spending

- 1. The social insurance fund shall be spent in accordance with the conditions and procedures provided by law for the following purposes:
 - 1) paying pensions and benefits;
 - 2) financing the cost of social insurance activity;
 - 3) financing other payments and costs provided by law
- 2. It is prohibited to transfer money from one type of social insurance fund to another or to spend them or use or deposit them improperly, unless otherwise provided by law.

Article 12. Approval of the social insurance fund expenditure and revenue budget

- 1. Each social insurance fund expenditure and revenue budget shall be elaborated annually by the social insurance central authority taking into consideration the proposal of local social insurance authorities, and shall be approved by the Social Insurance National Council.
- 2. The contribution from the state centralised budget to special types of social insurance funds for paying pensions and benefits in accordance with obligations assumed prior to the adoption of this law shall be determined annually in the Budget.
- 3. The contribution referred to in paragraph two of this article shall be distributed by the Ministry of Finance to the relevant funds according to the monthly schedule within the first ten days of each month.

3. Law on pension and benefits provided by the Social Insurance Fund against Industrial Accidents and Occupational Diseases

Chapter two Disability pension

Article 5. Eligibility for disability pension

- 1. The insured person who is incapacitated for temporarily or permanently due to an industrial accident or occupational disease shall be eligible for a disability pension.
- 2. The percentage and duration of disability of an insured person shall be determined by the Medical Labour Accreditation Commission.

Article 6. Rate of disability pension

- 1. The rate of a disability pension shall be assessed from the insured person's wage or similar earnings (further referred to as "wage") in proportion to the percentage of loss of capacity for work up to 10 percent and an appropriate percentage on each case over 10 percent.
- 2. The disability pension of an insured person who has lost his capacity for work by 30 percent or more shall be not less than 75 percent of the monthly national minimum wage determined by the Government.

Article 7. Duration of disability pension

Disability pensions under this Law shall be payable for the periods of time specified in Article 10 of the Law on Pension and Benefits provided by the Social Insurance Fund.

Article 8. Payment of disability pension

- 1. Disability pensions are paid monthly by the Social Insurance Organization through a bank providing services.
- 2. An insured person who has lost his capacity for work by up to 30 percent permanently or temporarily can be paid his pensions as a lump sum grant on request in proportion to six months, or for the length of period certified by the Medical Labour Accreditation Commission. In this case, his monthly pension shall cease because of the lump sum payment.

Article 9. Disability restoration and pension repayment

- 1. Insured persons who failed to get their disability pensions shall be repaid for the period not exceeding six months upon recovery from disability as determined by the Medical Labour Accreditation Commission on justifiable reasons.
- 2. Pensions for the given period of time shall be fully repaid to the insured person when where his capacity for work is determined as non-rehabilitated.



Chapter three Dependent's pension

Article 10. Eligibility for dependent's pension

- 1. The family dependent members of an insured person, who dies as the result of an industrial accident or occupational disease, shall be eligible for a dependent's pension
- 2. The family dependents who are eligible for a pension shall be determined in compliance with Article 12 of the Law on Pensions and Benefits provided by the Social Insurance Fund.

Article 11. Rate of dependent's pension

The rate of the dependent's pension shall be assessed at the following percentage of the wage of the deceased:

- 1) 100 percent for three or more dependents
- 2) 75 percent for two dependents
- 3) 50 percent for one dependent

Article 12. Duration of dependent's pension

The dependent's pension under this Law shall be payable for the periods of time specified in Article 15 of the Law on Pension and Benefits provided by the Social Insurance Fund.

Chapter four Temporary disability benefit

Article 13. Eligibility for temporary disability benefit

The insured person who has temporarily lost his capacity for work due to an industrial accident or occupational disease shall be eligible for a temporary disability benefit.

Article 14. Rate of temporary disability benefit

- 1. The rate of a temporary disability benefit provided to the insured person who has lost his capacity for work due an industrial accident or occupational disease shall be 100 percent of the wage, regardless of the length of insurable service.
- 2. Temporary disability benefit shall be granted for each day of incapacity for work.

Article 15. Duration of temporary disability benefit

- 1. The temporary disability benefit shall be payable from the day of loss of capacity for work until the incapacity is rehabilitated, or eligibility for a disability pension is obtained.
- 2. The maximum duration of a temporary disability benefit shall not exceed 180 days for 12 consecutive months.
- 3. The duration of a temporary disablement shall be determined by the Medical Care Quality Control Commission of a specialised medical institution, or in the absence of such a commission, by the chief physician, manager, or physician.

Chapter five Rehabilitation payment

Article 16. Eligibility for rehabilitation payment

The insured person who has lost 30 percent or more of his capacity for work due to an industrial accident or occupational disease shall be eligible for a rehabilitation payment provided from the Social Insurance Fund against Industrial Accident and Occupational Diseases for the purposes of prosthetic appliances and orthopaedics, and mineral water therapy in a sanatorium.

Article 17. Grant of rehabilitation payment

- 1. The expenses of prosthetic appliances made in Mongolia and orthopaedics shall be reimbursed 100 percent for the first time, and 50 percent for the second time.
- 2. The expenses shall be met once if there is an inevitable requirement for orthopaedics (prosthetics and orthopaedics) from abroad according to the conclusion of a professional medical institution.

The expenses can be met once a year by the Social Insurance Fund against Industrial Accidents and Occupational Diseases if the insured person receives treatment in a sanatorium due to an industrial accident or occupational disease.



Annex 2 List of legislation and legal regulations on OSH

Covering all types of entities and organizations

	List of legislation and legal regulations	Contents of the provisions on OSH
Α	Laws	
1	Constitution of Mongolia	Declares the fundamental rights of Mongolian citizens to live in a healthy and safe environment.
2	Labour Code of Mongolia	Regulates all OSH-related issues in all entities and organizations.
3	Law on Administrative Responsibilities	Regulates the administrative measures against violations of the laws and regulations on OSH.
4	Law on State Audit	Stipulates the system and principles of the function of professional and OSH inspection, duties, and responsibilities of state inspectors.
5	Law on Protection From Acute Chemical Poisoning	Adjusts procedures related to producing, exporting, importing, storing, selling, carrying, using, and eliminating chemical toxicity to ensure safety for human life.
6	Law on Sending Manpower Abroad and Receiving Manpower and Specialists from Abroad	Regulates all issues related to sending Mongolian workers abroad and receiving manpower and specialists from abroad, especially labour conditions.
7	Criminal Code	Provides that if an authorised official fails in his/her duty to observe OSH rules and as a result, someone is seriously injured, a fine amounting to five to 25 times the minimum wage will be imposed on him/her or he/she will be arrested and imprisoned for one to three months. If someone dies due to failure to follow OSH rules, the official will be banned from performing his/her work for up to three years or imprisoned for up to five years.

	List of legislation and legal regulations	Contents of the provisions on OSH	
8	Civil Code	Makes it compulsory for a person who has harmed someone to pay all expenditures to the victim such as missed salary and comparable income, payment of medicine, rehabilitation, supplementary food, etc. If the victim has no income when injured, he/she has a right to demand a compensation amount equal to not less than the minimum wage. If the victim dies, his/her dependents are entitled to receive payment for burial expenditures and other related expenses.	
9	Law on Foreign Investment	Provides that entities with foreign investment and international staff managing activities in Mongolia should prioritise employing Mongolian citizens. Manpower and specialists can be recruited from abroad in specialised and professional positions. The Labour Code, Law on Social Insurance, and other relevant laws regulate labour and social welfare related issues for Mongolian workers in entities and organizations with foreign investment. State labour inspectors are responsible for ensuring the implementation of these laws.	
10	Law on Fire Safety	Regulates the duties and responsibilities of citizens and organizations to ensure a fire safety plan. Fire safety is an important component of OSH.	
11	Law on Foreign Citizens' Rights	Allows foreign residents and immigrants, who are staying in Mongolia for a long time or permanently, to work with a licence from the public administration or its authorised organization, or to work in government and NGOs, international organizations, and agencies operating in Mongolia.	
12	Law on Children's Rights	Recognises that working children have a difficult life, this law instructs employers to help working children to acquire education and a profession, and to restore and care for their health.	
13	Law on Social Welfare	Extends employment promotion and social welfare services to the public through the same model, so that it is included in the control framework of the state labour inspectors.	



	List of legislation and legal regulations	Contents of the provisions on OSH
14	Law on Public Service	Regulates the special labour relations of public officials.
15	Law on Hygiene	Legalises issues such as defining basic requirements for personal hygiene and the provision of healthy and safe conditions for living and working, including the duties and responsibilities of entities and organizations; stipulates that production, service, training environment, equipment and buildings should not have negative effects on health and the capacity of workers and trainers and must meet hygiene and safety standards.
16	Law on Health	Regulates principles for declaring state policies and fundamental principles for health, and the provision of health services to citizens; and specifies the duties and responsibilities of citizens, authorities, entities, and organizations regarding health.
Rules and Regulations F Approved by Government		Regulate the above laws and regulations in accordance with the competence of the Government.
	National Programme on Improving OSH Conditions	Revises OSH legislation, management, monitoring and information system; prevents industrial accidents and occupational diseases; identifies and eliminates the factors from the industrial environment that adversely affect OSH of workers; and strengthens OSH duties and responsibilities of employers and workers
	Standard 41	Standardises requirements for workplace conditions.
	Order by Minister to Implement the Laws 28	Directs the implementation of the above laws and regulations in accordance with the competence of the parliament member in charge of relevant issues.



Annex 3 Training organized by MONEF in the last five years

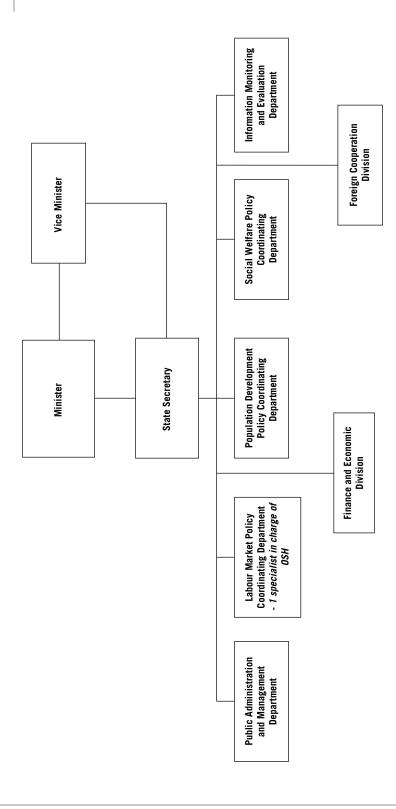
No.	Subject of training	Date	Participants
1	Trainer's training by WISE	September 1999	15
2	Training for employers by WISE	February 1999	23
3	Training for authorities of food industries and small and medium enterprises	March 1999	15
4	Training for employers of Dornod Province by WISE	May 1999	15
5	Training for employers of Darkhan-Uul Province by WISE	June 1999	15
6	Trainer's training by WISE	June 2000	12
7	Training for employers of Ulaanbaatar City by WISE	June 2000	23
8	Training for employers of Arkhangai Province by WISE	October 2000	25
9	Training for employers of Dornogobi Province by WISE	November 2000	25
10	Develop OSH management system in Mongolia (Ulaanbaatar)	December 2000	25
11	Training for employers of Selenge Province by WISE	April 2001	36
12	Training for employers of Khovd Province by WISE	May 2001	40
13	Training for employers of Gobi-Altai Province by WISE	2002	35
14	Training for employers of Ulaanbaatar City by WISE	2002	35
15	Training for employers of Umnugobi Province by WISE	September 2003	30



No.	Subject of training	Date	Participants
16	Training on "Labour Relations and	January 2003	36
	Employer" for the authorities of the		
	sector's professional federations and		
	members of steering committee. (in		
	Ulaanbaatar)		
17	Training for employers of Bayan-Ulgii	September 2004	30
	Province by WISE		
18	Trainer's training by WISE (in Ulaanbaatar	September 2004	28
	City)		
19	Training for employers of Ulaanbaatar City	September 2004	28
	by WISE		
20	Training to improve working conditions	November 2004	25
	based on participatory method (in		
	Ulaanbaatar City)		

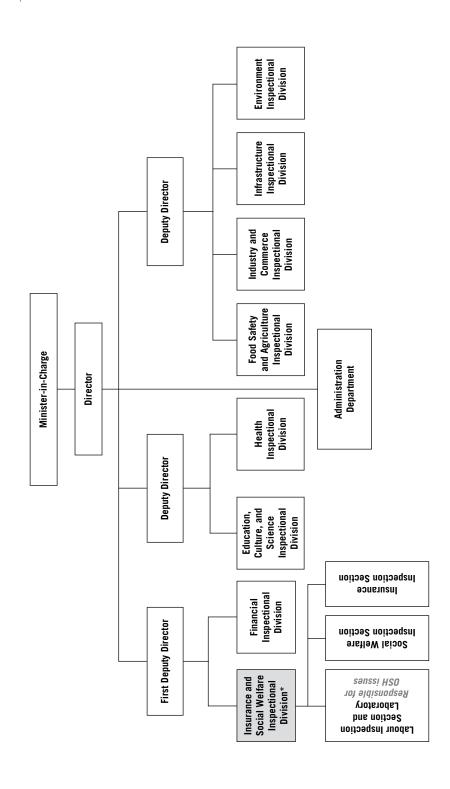


Annex 4 The structure of the MOSWL





Annex 5 The structure of the SPIA



National Occupational Safety and Health Profile of Mongolia

Ayush Nyam

Ministry of Social Welfare and Labour

Mongolia's shift to a market economy was accompanied by the emergence of numerous economic sectors and new forms of work. Occupational safety and health (OSH) takes renewed concern as jobs are created in new work settings, in unsuitable premises and using old machinery.

This national profile provides a comprehensive view of OSH-related issues in Mongolia, including legal and regulatory framework, institutional responsibilities, cooperation mechanisms, education and training, human resources, statistics, and upgrading programmes. As a signatory to the Occupational Safety and Health Convention (No. 155) of ILO, Mongolia also assesses legislation that regulates OSH issues in a constructive and proactive manner. Work found in the unorganized sector, including home-based work, small farms and construction sites, among others, are further addressed.

This study offers recommendations that reinforce the growing concern towards improving OSH conditions in Mongolia.

This is part of a series of papers being published by the Informal Economy, Poverty and Employment Project, implemented by the ILO Subregional Office, Bangkok. This project is funded by the UK's Department for International Development (DFID).

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