

# Urbanisation and Tourism Development in the Capital City of Mongolia and its Relevance for India

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## ABSTRACT

Mongolia is one of the fastest growing economies of Asia with an annual growth rate of 17.50 percent in the year 2011. Ulaanbaatar the capital city of Mongolia is the most influential and popular city where population has grown tremendously with a figure of more than 1.3 million in the year 2018. The transition from a socialist to market economy in the year 1990's resulted in large scale movement of people into the capital city. Tourism is promoted in this region due to the new economic reforms, industrial development, mining, trade and services were advancing and as Mongolia's economic relations with neighboring countries such as Russia, China, Korea, Japan, U.S and India are also progressing. "Mongolia- Nomadic by Nature" is the official slogan of the Ministry of Culture, Sport and Tourism of Mongolia. This city has the only international airport in the entire nation. It is the cultural, political and economic centre of Mongolia and attracts a large number of tourist worldwide and also from within the country. This paper analyzes the tourism aspect of the city of Ulaanbaatar and what factors led to the high level of economic development in the city. It will discuss regarding the role of the tourism ministry of Mongolia and about the important transport and communication channels within the city that attracts the local as well as the international tourists and also provide a gist why this industry is relevant for India as a Nation.

**Key Words :** Tourism, Urbanisation, Migration, Ulaanbaatar, Economy

## INTRODUCTION

The practice and preaching of tourism varies every time when one travels some may travel for pleasure while others do travel for their business endeavors. The tourist place which attracts more tourists encompasses greater benefits. The World Tourism Day is held on 27<sup>th</sup> of September every year. Its purpose is to foster awareness among the international community of the importance of tourism and its social, cultural, political and economic value. Mongolia is a country in the Asian sub-continent a very unique and unexplored destination for the tourists a great variety of scenic beauty and untouched landscapes. Mongolia is bordered by China in the south and Russia in

the north and it is well known all over the globe for its nomadic cultural heritage. The capital city Ulaanbaatar is around Chinggis Khan (Genghis Khan) Square. There are large number of tourist in this region as its location is in the centre and connectivity from this city is quite convenient to other cities and aimags<sup>1</sup> of Mongolia as well as abroad. Ulaanbaatar is one of the major cities of Mongolia where the population has increased from 6 lakhs in 1989 to 1.3 million in 2018. The population in this city is further increasing at a fast pace in comparison to other urban centres of Mongolia. What is important to be noted is that "almost half (47 %) of the Mongolian population is currently living in Ulaanbaatar and the share of the urban population has increased to 72.4 per cent of the total

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1. A Mongolian word meaning "tribe" is an administrative subdivision in Mongolia.

population.”<sup>2</sup> One of the major reasons for the overpopulation in Ulaanbaatar is internal migration, especially rural-to-urban which involves various reasons. The location of the city is technically in the centre of the Mongolian territory and the people from the rural as well as some of the popular urban centres prefer more to settle in Ulaanbaatar due to availability of jobs and easy accessibility to nearby areas.

During the Soviet period, *i.e.*, in the post-1921 period, many planned urban centres were developed all over Mongolia along with Ulaanbaatar. They are Darkhan, Erdenet, Choibalsan and others. But the government had firm control on migration in the urban centres in the socialist period from 1921 to 1990 by providing equal opportunities to all places whether urban or rural. But with the transition of Mongolia to a market economy and with the collapse of Soviet Union the overall scenario had changed. The agricultural sector that was the backbone of country faced a major challenge as it started diminishing; also the industrial sector faced a major loss in the global market. The people of Mongolia had undergone a severe economic strain due to which in 1992, a period of reverse migration occurred, that is migration from urban to rural areas. However, since the productivity of the rural sector was not appreciable as it was too low, the rural areas were considered to be unable to provide a standard quality of life to the people. As such reverse migration got weakened and a renewed pattern of migration came into existence that is migration from the backward areas of Mongolia to the capital city though this time in an uncontrolled manner. It was very different from the one that had occurred in the pre-1991 period. Since 2000 most provinces have been showing a population loss in contrast to the very large gains in population in Ulaanbaatar. The Central and the Western region faced major losses in population while a large number of migrants increased in Ulaanbaatar. The percentage of the total population recorded as urban was 54.6%, by 2000 this had increased to 57.2% which by 2007 had reached at 61%.<sup>3</sup> The Dzud<sup>4</sup> disaster which means “white death” of 2009-10 is another reason for

the high scale migration to capital city. Due to severe cold winter, the temperature fell to below -50°C that destroyed the agricultural production which led the rural stock of people to migrate to urban centres. The cities of Mongolia, especially the capital, appear to be a safe and secure place to settle down because these cities provide enormous economic opportunities. Mongolia is a youthful country and migration of young population is also yet another reason for overpopulation of the city like Ulaanbaatar. The youths of Mongolia are no longer interested in farming or animal husbandry as they are more inclined towards private jobs, and hence cities attract them enormously.

The service sector is the most developed sector in Mongolia. The service sector consists of six main sub-sectors: (i) wholesale and retail trade, (ii) transportation and storage, (iii) information and communication, (iv) financial and insurance activities, (v) real estate activities and (vi) education. In 2011, the service sector, which accounted for 41.8% of nominal GDP, recorded a growth rate of 26.8%, compared to 16.7% in 2010. Agriculture which is highest GDP producer in some period of time is now producing lowest GDP which is 12.3 per cent. This is because of the Dzud disaster (severe winters) and disinterest of farming among the youths. Transportation and tourism is one of the important sectors that had increased the level of urbanisation in Ulaanbaatar and also tourism industry plays central role in Ulaanbaatar. The sectors including processing factory, hotels and restaurants are main sectors to offer jobs to migrants from rural areas to capital city. As a result the luxury services in Ulaanbaatar has been improving as service sector is playing most vibrant role and providing job in Mongolia in the 21<sup>st</sup> century. Ulaanbaatar is the oldest industrial centre specialized in coal and energy production, food processing, livestock product processing and textiles. The service sector is the most promising sector in this region which generates the highest GDP. Ulaanbaatar can be considered as a favorable tourist destination because of the presence of the tourism and transportation facilities, optimum number of hotels and restaurants, textile

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2. IOM (2015). International Organization for Migration, “Mongolia: Migration Activities”, August, [Online: web] Accessed 27 February 2020, URL: <https://www.iom.int/countries/mongolia>
  3. Paul Guinness and Chris Guinness (2012). “Internal Migration in Mongolia: A Case Study”, *Geofile Online*, no. 658, January, [Online: web] Accessed 27 February 2020, URL: [http://www.thegeographeronline.net/uploads/2/6/6/2/26629356/internal\\_migration\\_in\\_mongolia\\_-\\_a\\_case\\_study.pdf](http://www.thegeographeronline.net/uploads/2/6/6/2/26629356/internal_migration_in_mongolia_-_a_case_study.pdf).
  4. A Mongolian term for severe winters

industry and many other factors. This paper is going to throw light on the growth of Ulaanbaatar as a city, its significant history of becoming the capital city since 17<sup>th</sup> century. It is today much larger than the other cities and attract a large number of tourist and migration and the resultant overpopulation though create problems at times is also one of the reasons for the development of this city as an urban centre. In this paper therefore a detailed study will be done towards studying the reasons behind the growth of tourism in urban centre of Ulaanbaatar and how it is relevant for India as a nation.

### **Objective:**

- (i) To study the reasons behind growth and expansion of the capital city of Mongolia.
- (ii) To study the reasons responsible for the growth of tourism in urban centre of Ulaanbaatar.
- (iii) To study the relevance of development of tourism sector in Ulaanbaatar for India.

### **METHODOLOGY**

The aim of this research paper is to examine the growth of Ulaanbaatar as the capital city of Mongolia and the various tourism aspects of the capital city. The role of the tourism ministry will be discussed and the transport sector of the capital city, also the economic sectors which is driving people to Ulaanbaatar from other places in Mongolia. This research is based on analytical method by which various articles, books and reports on the Urbanisation and Tourism Development in Ulaanbaatar has been analyzed. It is written in order to look at the tourism aspect of Mongolia's capital city and how behind this rapid urbanisation of the city played a vital role. As it is a contemporary issue with a lot of sources, originality and viability of the sources is what taken into account.

This research study has mostly adopted qualitative method of data collection in understanding the topic of "Urbanisation and Tourism Development in the capital city of Mongolia and its Relevance for India". The particular research paper comprises of both primary and secondary method of data collection. The primary sources information includes governmental, non-governmental, international organization documents, statistical data from various quarters. The secondary sources include books, journals, newspaper reports and other related research studies. Information available on the websites has also

been consulted.

### **Urbanisation in Mongolia:**

The Mongolian vast steppes moved through various phases of transition from nomadic to socialism to a market based economy. Earlier it was the empire of the great Mongolian ruler Chinggis Khan, during his reign there was no clear cut demarcation between the rural and urban centres. In the past few decades of Soviet rule also the concept of urbanisation did not remain in the forefront, both rural and urban regions are given equal importance. Urbanisation is a phenomenon of the post modern 1990s society though the first wave of it emerged in 1980s. A turning point came with the collapse of the Soviet Union, when it pulls out all its resources and subsidiaries provided during its reign. It left the economy of Mongolia in serious depression. The Gross Domestic Output while reduced by 2.5 per cent in 1990, by 9.3 per cent in 1991, 9.5 per cent in 1992, 3.0 per cent in 1993, it rose by 2.0 per cent in 1994 (Dondog; Sharma 1997). As a result of which a case of reverse migration had started, people started farming and rearing livestock in rural areas which they later on sold in the markets of the city. But from 1995 onwards the economic condition of urban centers strengthened as foreign assistance was provided by donor countries. The rapid decline in real wages in the public as well as in the private formal sector has led to multi – jobbing and to an explosive growth of informal sector activities, particularly in Ulaanbaatar. The mining and services sector has become two of the most dominant sector in the urban areas. Most of the people are involved in trade, personnel services or repair services (Griffin, 1995). People in large numbers started migrating to urban centres in search of jobs, education and marriage also is a reason to migrate. But a massive scale of rural to urban migration emerged since 2000. This was due to the famous Dzud disaster that destroyed the rural economy to the core. Soon after that the capital city of Mongolia and other urban centres like Darkhan and Erdenet get over flooded with people. Due to excessive migration the benefits of urbanisation cannot reach all sections of the people. Most of the migrants settle in the ger areas that lack basic amenities of life like education facilities, proper healthcare, water supply, heating facilities and solid waste management system. The urban population of Mongolia was 57 per cent in 2000 which reached to 72.8 per cent in 2016 which was growing at an average annual rate of 1.07 per cent. The demand for housing in urban

areas, and particularly in Ulaanbaatar, has out-paced the supply, leading to deterioration in housing quality (UNDP, 2010). The shortage of electricity and heating are other issues that create problem in heating and cooking. The urban population is not at all happy with the water supply system, solid waste management issue; the roads and drainage system are also not planned. This extreme level of urbanisation cannot be taken as a realistic possibility but highlights the very high rate of urban growth over the 2000-2010 decade (UNPF, 2010).

Urbanisation has occurred at a rapid rate since 2000 with Ulaanbaatar's population growing at 4.2 per cent per year while the rural population has declined by -1.9 per cent on average<sup>5</sup>. The economic situation in Mongolia after 2000 became somewhat stable and as a result of which there was a rise in the fertility rate after 2005. This growth rate of population in the urban centres put tremendous pressure on the labour markets. One reason behind overburden of population in urban centres is also because during 1985-1990 the fertility rate is high in Mongolia that had declined soon after Soviet collapse. The people born during this period are now 20 -25 years of age, the early labour force. There was a challenge on the part of Mongolians to provide sufficient jobs to these rising work force. Among youth looking for suitable jobs, 63 per cent have been looking for more than a year, and 40 per cent have been looking for more than three years (UNDP, 2016). The growth of population results in the downfall of the economic growth. An immediate consequence of population growth and economic conditions gave rise to poverty. However more job creation in the urban areas after 1995 worsened the situation in the rural areas. The rural folk are left with no other option but to migrate to the urban centres in search of livelihood. Employment in agricultural sector which is the highest productivity sector of Mongolia declined with an increase in other sectors like mining, trade and services. The service sector consists of six main sub-

sectors: (i) wholesale and retail trade, (ii) transportation and storage, (iii) information and communication, (iv) financial and insurance activities, (v) real estate activities and (vi) education. In 2011, the service sector, which accounted for 41.8% of nominal GDP, recorded a growth rate of 26.8%, compared to 16.7% in 2010. Growth in the service sector in 2011 was attributable to growth in almost all six service sub-sectors, which was primarily driven by the rapidly growing economy<sup>6</sup>. The services and industry are the two main sectors which produces more than 70 per cent of Mongolia's GDP. According to 2011 census the service sector had generated 41.8 per cent of Mongolia's GDP and the industrial sector 30.8<sup>7</sup>. Agriculture which is highest GDP producer in some period of time is now producing lowest GDP which is 12.3 per cent. This is because of the devastating Dzud disaster that many people loss interest in farming, rearing livestock and other such activities in the rural areas. The mining sector is one of Mongolia's largest sectors to contribute in the country's GDP. Most of the major cities of Mongolia like Ulaanbaatar, Erdenet, Darkhan and some of the aimags are famous because they have rich mines. The most accessible minerals which are derived from the mines of Mongolia are copper, gold, uranium, iron-ore, fluorspar and molybdenum. It had been estimated by IMF that 7 per cent shares from the mines would go to Mongolia. If we look at Mongolian economic structural trends for 2011-2013, we see that mining sector's volume in the GDP has increased as a result of launching the Oyutolgoi, Tavan Tolgoi and other large mining projects. Specifically, opening of a copper processing plant on the territory of the Oyutolgoi deposit in 2013 will result in the three-fold increase of copper mining compared to the current level. Also, it is estimated that coal mining from the Tavan Tolgoi mine will increase in 2012- 2013, enabling extraction and export of about 15 million tons of coal annually<sup>8</sup>.

The Government of Mongolia had implemented

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5. \*UNPF, (2010), *Implications of Demographic Trends for Socio – Economic Development and Public Policy in Mongolia*, Ministry of Economic Development and Ministry of Population Development and Social Protection, Mongolia. URL: <http://demographymatters.blogspot.in/2011/05/why-mongolias-set-for-massive.html>
  6. \*National Statistical Office, (2011), *Population and Housing census of Mongolia*, Accessed 23 March 2020, URL: <http://www.en.nso.mn/content/109>
  7. Ibid
  8. Knauff, Bruce M; Taupier, Lkham,( 2012), *Mongolians after Socialism: Politics, Economy, Religion*, Admon Press, Ulaanbaatar, Mongolia.

various policies to reform the conditions of the urban centres like The National Development Strategy (2007-2021) which was introduced for the achievement of Millennium Development Goals (ADB, 2008). It tried to accelerate economic growth by 14 per cent and also promotes the concept of sustainable development and market economy. In 2006 the Government of Mongolia introduced a policy on informal employment that can be considered an attempt to improve the situation of the urban poor and enhance the potential value of urbanisation. The Government Platform Action Plan, 2012-2016; the objectives it laid down are to improve the heating system, implement proper housing facilities, introduction of technology to reuse household wastewater and other such policies are introduced by this plan. The government had also launched a campaign to move ger settlers into apartment buildings with its “100, 000 Housing Project”, officially adopted in 2010.

#### **Growth and Expansion of Ulaanbaatar City:**

Mongolians trace the origins of their nation to the polity founded by Chinggis Khan in the early 13th century, in which common pastoralists were ruled by an aristocratic elite. The nobility was necessarily oriented towards the political center – the Khan and his court – their social position, both as aristocrats and officials, was dependent upon their genealogical and political relationship with the ruling house of Chinggis Khan<sup>9</sup>. By the end of 16<sup>th</sup> century Buddhism started to spread to Mongolia from Tibet. A large number of monasteries were constructed in the Buddhist era that became the central places and were considered as important ritual, economic and political centres. The church became a dominant political and economic force in Mongolia, with monasteries serving as hubs of trade and centers of political power, in addition to providing education and spiritual guidance (Miller, 1959). Throughout the 18<sup>th</sup> and 19<sup>th</sup> centuries they formed the hubs of small but growing urban complexes.

In the 17th century the whole region came under the control of the powerful Manchu (Qing) empire. However, another, much more immediate political center remained in Mongolia, in the form of the Jebtsundamba

Khutuktu (Javdzandamba Hutagt), the head of the Buddhist church of outer Mongolia, who had been instrumental in the Mongol submission to the Manchus in 1688<sup>10</sup>. The Bogdo Jebtsundamba Khutuktu sought the restoration of Mongolia's political independence and the unification of all Mongols. He issued an appeal to all Inner and Outer Mongols to unite and re-establish their nation state (Knauff, Taupier, 2012). Urga which later became the present capital Ulaanbaatar, began life as the great encampment around the Jebtsundamba Khutuktu (Bruun and Narangoa, 2006). At first it remained mobile, a city of tents that moved every few years, and only around 1778 did it settle in the location where Ulaanbaatar now is. In 1911 the Manchu Qing dynasty collapsed and outer Mongolia declared its independence under the head of the Buddhist establishment, the Jebtsundamba Khutuktu. The Jebtsundamba, or Bogd Khan ('Holy King'), had his ecclesiastical seat at Urga, and this became the new capital. Although the official capital in the Qing period had been Uliastai (ulyasutai), Urga was bigger, and had been treated as if it were the capital in many ways. The town itself was the hub of an ecclesiastical complex; 100 monasteries and temples of various sizes were located in the vicinity of Urga, with a total population of around 20,000 monks<sup>11</sup> (Gilberg and Svantesson, 1996: 21). From 1924 after death of Jebtsundamba Khutuktu the MPRP and its Soviet backers were firmly in control of the country. The name of Urga was changed to Ulaanbaatar, 'red Hero,' to reflect the political loyalties of the new state. In the Soviet period it had spent a large amount of money in the urban and industrial hubs making the relationship between rural centres and cities much stronger. The new revolutionary Mongolian elite rapidly identified the Buddhist establishment as the only important indigenous rival to its power. Its ruthless elimination of the monasteries in the late thirties left the revolutionary government in undisputed control of the country, and its administrative and educational institutions quickly replaced those of the church. But by the end of the decade the MPRP had effectively eliminated and discredited the Buddhist establishment. In Outer Mongolia, where the Mongolian People's Republic was founded in 1924 under

9. Bruun and Narangoa (2006). "Mongols From Country to City", in David Sneath(eds) *The Rural and Urban in Pastoral Mongolia*

10. Ibid

11. Gilberg, R and Stevenson, J. (1996). *The Mongols, Their Land and History, Mongolia in Transition: new pattern, new challenges*, Nordic Institute of Asian Studies, Studies in Asian Topics, No.22, Richmond: Curzon Press.

soviet auspices, a steady process of urbanization changed Ulaanbaatar from a small settlement around the palace of the Bogdo Khan and the nearby Gandan monastery into a growing urban centre with large office buildings and blocks of flats. Despite the urbanization-cum-modernization during the communist period of planned economy, people had limited choice of where they would settle (Bruun and Narangoa, 2006).

In 1935 the population of Urga was 10,400. fifty years later (1985) it had become 50 times bigger (over half a million people), a quarter of the entire population of Mongolia (Gilberg and Svantesson, 1996). During that time the government had firm control over migration. The Party membership expanded dramatically after 1970, outstripping population growth. Along with a modern industrial workforce and an urban bureaucratic class, socialist development created an intelligentsia. Urbanisation increased rapidly with urban per cent of population rising from 21.6 per cent in 1956 to 57 per cent in 1989 (Kotkin, Elleman 1999). In the late 1980s, industry was concentrated in several urban centers. Ulaanbaatar, the oldest industrial center, specialized in coal and energy production, food processing, livestock-product processing, and textiles. Transportation and tourism is one of the important sectors that had increased the level of urbanisation and tourism industry plays central role in Ulaanbaatar. After the collapse of the Soviet Union in 1990s, the economic condition of Mongolia worsened. But soon after 3-5 years of the collapse, the economic condition became somewhat stable with the growth of mining and service sector and also because of help of the foreign donor countries. After several consecutive years of winter zud conditions from 1999 to 2002, however, thousands of pastoral households either lost their entire herds of animals or experienced herds shrinking. Worse still, in large parts of the country common households are now induced by economic pressure to include migration to the city in their repertoire of strategies. As a result of massive migration the greater Ulaanbaatar area is now believed to accommodate as much as half the country's population, a large proportion of which lives under deplorable conditions in new semi-sedentarized

ger-districts without proper access to sanitation, infrastructure or schooling<sup>12</sup>. This migration pattern has led to an unprecedented expansion of the ger areas. The traditional built-up areas of the city center comprise some 130 km<sup>2</sup>, but the total administrative area of UB, including ger areas, is now estimated at about 4,700 km<sup>2</sup>. The population of the ger areas is now estimated to make up about 60 per cent of the total population of UB<sup>13</sup>. The city's population has grown from 600,000 in 1989 to more than 3 million in 2016.

#### **Tourism aspect of the city of Ulaanbaatar:**

Mongolia is considered to be the fastest growing economies of Asia with a GDP growth rate of 7.8 per cent in 2014. In 2017 the GDP growth rate for Mongolia is 5.9 per cent. Each year, Mongolia receives 400,000 tourists, creating 50,000 jobs and drawing income of some 260 million USD, which makes up 3.2 per cent of the Gross Domestic Product.<sup>14</sup> "Mongolia is ranked 7<sup>th</sup> in the list of top ten countries in 2017 by Lonely Planet, the largest travel guide publisher in the world". Terror threat in some of the most famous tourist destinations in Asia and Europe is keeping tourist away. But Mongolia is one of the 17<sup>th</sup> unique destination where terror threat is not that much. President of USA Bill Clinton once stated that "He wanted to ride a horse across the Mongolian steppes, imagine what it like to be in Chinggis Khaan's horde".

Since the collapse of the Soviet Union and democratization of Mongolia, tourism sector has blossomed with around 55,000 travellers in 1997 rising to 476,000 in 2012 with an expectation of 700,000 in 2024. In summers mostly a large number of tourist visited to this land of utmost beauty with perfect surrounding full of scenic beauty and natural landscapes while in winter the situation is reverse. The frostbite inducing winter is sturdy barrier for tourism industry of Mongolia. This land of breathtaking landscapes, vast land area and charming grasslands attracts a large number of tourists in summer while in winter from November to April it tends to repel foreign visitors. Ulaanbaatar is a Buddhist center before became a permanent site in the 18<sup>th</sup> century. The Soviet came in control of the land in 20<sup>th</sup> century and the region

12. Bruun and Narangoa (2006), "Mongols From Country to City", in David Sneath(eds) *The Rural and Urban in Pastoral Mongolia*.

13. Kamata, Takuya; Reichert, James; Tsevegmid, Tumentsogt; Kim, Yoonhee; Sedgewick, Brett, 2010, *Managing Urban Expansion in Mongolia*, The World Bank : Washington, D.C.

14. E, Oyundari. (2015), "Cabinet in favour of a New Bill on Tourism", *The UB Post*, Ulaanbaatar, 23 December 2015.

came to a complete religious purge. The Soviet era buildings and museums and the surviving monasteries provide a vibrant conjunction of traditional lifestyle and modern lifestyle of 21<sup>st</sup> century typify the city. While interviewing two tourist operators in Ulaanbaatar they said that it is a very fascinating, vast, a country with diversity to explore but with certain problems in the tourism industry. This can be solved up to a considerable level if tourism sector should be strengthened. Magnai owns his own business GBMG in 2013. He runs tour packages with maximum of four people. He said that in last summer he had 60 to 70 tourists but in winter only 5 tourists (Kitkat, 2016). He works as an accountant which is an alternative job for him which he prefers in the worst winter seasons. Munkh which is again a tour operator is of the view during the winter there isn't enough of a market for conducting tours. Westerners prefer to visit a land which should be warm and sunny and there winters are far warmer in many countries. But in case of Mongolia it drops to -40 degree Celsius. Though various winter festivals, like the 1,000 Camel Festival and Khuvsgul Ice Festivals in March, and the Golden Eagle Festival in the Altai mountains in October are organized, they have not yet fulfilled their potential.<sup>15</sup> They are very poorly scheduled and tourist can't be at the two festivals together at one time. If they could be organized in such a manner that tourist can move easily from one festival to other, winter tourism revenue would soar.

Many roads were built in the year 2013 and 2014 that link major cities like Ulaanbaatar and Darkhan yet many soums are still out of reach over the winter. In winter the Valley of Vultures and the ice field at Yolyn remain inaccessible which could attract a large number of tourists. The owners of hotels are not ready to operate all year round specially in winters which are not ideal for country that want to expand the tourism sector. Mongolia's winter has further repercussions too. "When it comes to June, you can't find a single room to sleep in," said Munkh, "they only keep it at peak level for four weeks" (Kitkat, 2016). It was reported in 2013 that the only 3,000 four and five star-level hotel rooms were planned to be available by 2015, and only 5,300 by 2020

(Kitkat 2016). The government has declared a target of receiving one million tourists by 2020.<sup>16</sup> Although there are other places to reside but this number of hotel rooms will not be able to accommodate the visitors. In such case hotels need to be constructed sooner than later. The National Museum of Mongolia founded in 1924 is currently recognized as one of the leading museums in Mongolia. The significant responsibility for preserving Mongolian cultural heritage therefore lies with the museum. It is also responsible for developing museological guidelines for museums in the nation. It can be seen that one negative aspect of tourism is some tourism companies ripped of their customers in order to climb the market ladder faster than their counterparts. Even the National Museum of Mongolia which is located in Ulaanbaatar charged an amount of 8000 MNT<sup>17</sup> to a foreign national while 4000 MNT is charged for a familiar Mongolian face. While attractions like these demand a constant sum of money but some tourist may lost their faith in the industry because of discrimination. It can make the future of tourism in Mongolia unsustainable. However there are a large number of barriers which is intruding tourist in Mongolia but it needs to be overcome by proper guidance, initiative of the government, the local Mongolian people, introduction of winters adventures and festivals and with the construction of more hotels Mongolia can emerge into a most famous attraction for tourism throughout every season.

#### **Factors responsible for high turn out of Tourists:**

Mongolia's unexplored natural and scenic beauty, large grasslands and hilly terrain attracts a large number of tourists in this region. Ulaanbaatar is the capital city of Mongolia and one of the most renowned city in Mongolia. It is known to be the land of Nomadism and Buddhism. Soviet era buildings and museums, places of historical importance provides the city a conjunction of tradition as well typifies the modern city. Ulaanbaatar is called as 'hot' (meaning city) and all other areas as 'huduu' (meaning country) and Mongolian people think that 'huduu' is backward and hence undesirable to settle down. This makes areas other than Ulaanbaatar unattractive and not prestigious to younger people.<sup>18</sup> The

15. C, Kitkat. (2016), "Exploring the challenges facing Mongolia's tourism industry", *The UB Post*, Ulaanbaatar, 30 March 2016.

16. Ibid

17. MNT is the currency code for the tugrug, which also goes by tögrög or tugrik. It is the official currency of Mongolia.

18. Dagvadorj Galbadrakh (2015), Mongolia, *Quora*, [Online Web] Accessed 6 March 2020, URL: <https://www.quora.com/Why-does-almost-half-of-the-Mongolian-population-live-in-Ulaanbaatar>

GDP growth rate of 2017 in Mongolia is 5.9 per cent. The capital city of Mongolia consist of nearly 50 per cent of total population which generates more than 60 per cent of the country's GDP and 50 per cent of its total investment (UNDP, 2014).

Although Ulaanbaatar is a centre of great historical and cultural heritage it has undergone a phase of religious and political transformation. The end of 16<sup>th</sup> century led to spread of Buddhism from Tibet. The monasteries build during that period were considered places of highly spiritual, religious and economic importance. Throughout the 18<sup>th</sup> and 19<sup>th</sup> century they formed the hub of small but growing urban complexes. The Bogdo Jebtsundamba Khutughtu is the head of Buddhist church of Outer Mongolia. Urga which later became the present capital Ulaanbaatar in the 20<sup>th</sup> century began life as the great encampment around the Jebtsundamba Khutuktu (Bruun and Narangoa 2006). Urga is earlier a mobile city of tents it settled permanently in the year 1778. Ulaanbaatar consists of about 100 monasteries and temples of various sizes were located in the vicinity of Urga, with a total population of around 20,000 monks. However after 1924 with the death of the Jebtsundamba Khutughtu the city came in complete control of the Soviet Union and its name has been changed to 'Ulaanbaatar'. The New Revolutionary Party ruthlessly eliminated the monasteries of Ulaanbaatar. The Mongolian People's Republican Party was founded in 1924 under soviet auspices, a steady process of urbanization changed Ulaanbaatar from a small settlement around the palace of the Bogdo Khan and the nearby Gandan monastery into a growing urban centre with large office buildings and blocks of flats. So the city has in its heart a unique history of transformation and religious turmoil kind of condition. However attractions such as Gandan Monastery and Winter Palace of the Bogd Khan in Ulaanbaatar play vital role in attracting the tourists. The winter palace of the Bogd Khan is the residence of the eight Jebtsundamba Khutughtu. It was built up between 1893 and 1903. The architecture of the winter palace consists of six temples which is made in Chinese style with Buddhist artwork and sculptures in it. Another attraction is the Gandan monastery. It has a 26.5 metre high statue of Avalokitesvara and has a number of 150 monks. Both of these sites are neither destroyed by the Soviet Union nor Communist Mongols. The other site of relevance is the Sukhbaatar Square which is the central square of Mongolia's capital Ulaanbaatar. Government Palace is situated on the north side of the square. On the

square's west side there is the Ulaanbaatar bank, Ulaanbaatar City Administration Building, the Mongolian Stock Exchange the Golomt Bank, the Central Post Office and the Mongolian Telecommunication Office. The Central Cultural Palace, The State Ballet and the Opera House is in the eastern side of the Square. In the south is the old Lenin building build in around 1929. The Sukhbaatar square played a vital role in the Democratic Revolution as massive demonstration and hunger strikes took place in this region. The square is still very famous as various ceremonies, exhibitions and cultural events are organized here. Heads of state of foreign countries generally pay respects in front of the statue of Sühkbaatar.

The festivals play a major role in boosting tourism in the capital city of Mongolia. One of such renowned festival is the Naadam festival which is held every year in the capital city of Ulaanbaatar from July 11<sup>th</sup> to July 13<sup>th</sup>. A large number of tourist from all over the world visit Ulaanbaatar to watch this festival. It is most popular and widely watched festival in Mongolia. Sports such as horse riding, wrestling and archery are held every year. In 2010 this festival is inscribed in the Representative list of the Intangible Cultural Heritage of Humanity of UNESCO. Other popular festivals which are held at Mongolia are Ice festival held at Khovsgol lake, Gobi Camel festival held at the Gobi desert, Naryz festival in the Bayan Ulgii province and the Eagle festival which is previously practiced by the Kazakhs at the Gobi and Altai mountains. Most of the tourist visit Ulaanbaatar first and after that they proceed to the Gobi desert for the Gobi camel festival, Golden Eagle festival and the Khongor sand dunes.

The availability of transport facilities is another significant reason for the visit of people to Ulaanbaatar. The Trans-Siberian railway which is in the capital city of Mongolia brings a large number of tourist from Russia and China in Ulaanbaatar. It also connects certain areas of Mongolia like Sukhbaatar, Choir, Darkhan and Erenhot. The railway line is around 2,215 km long. Two international airports are also located in this city – The Chinggis Khaan International Airport and the New Ulaanbaatar airport which is 52 km south of Ulaanbaatar which is soon going to serve the tourist. The presence of the two international airports attracts a large number of tourists in the region. The city is also well connected to most of the major towns in Mongolia. It has a wide range of bus lines around the city and has around 4000 taxis. Naran Tuul market is a famous market place in



Ulaanbaatar where everything can be found from boots, vests, housewares to furnitures and many more commodities. Therefore it can be stated that the city of Ulaanbaatar is a very versatile tourist spot in Mongolia. It had a historical significance, also political importance, the social life is also vibrant here as tourists from Russia and China and also from other towns of Mongolia travel to this city due to easy availability of transportation. Moreover the availability of two international airports also attracts a large number of tourists from foreign nations to this city.

#### **Government initiatives to promote Tourism:**

The government of Mongolia issued a resolution offering visa facilities to tourism groups organized by travel agencies contracted by the government and ministries.<sup>19</sup> The Ministry of Environment and Tourism, World Cities Scientific Development Alliance, World Tourism Organization together organizes the International Silk Road Conference on Nomadic Tourism and Sustainable cities in Ulaanbaatar in October 2016 to discuss about the realm of possibility of nomadic and sustainable tourism in the capital city and other cities of Mongolia. The government of Mongolia is planning to introduce a 72 hour visa free transit policy and to bring about fare reduction for all the passengers who take direct flight from Ulaanbaatar through MIAT (Mongolian Airlines) from 1<sup>st</sup> October to 1<sup>st</sup> May 2017<sup>20</sup>. The government is also planning to open a state owned tourist development centre which will make tourism policy implementation and conduct surveys and studies to improve the quality of tourism, implement development of tourism, the projects and the programmes. The state already put forward many projects, plans and programmes regarding tourism but most of them cannot be executed due to financial difficulty. Environment and Tourism minister D. Oyunkhorol stated that there are 600 tourist industry and 800 camps all over Mongolia so improving the quality of services which help the tourism industry to multiply the number of tourists in future (Bayarbat, 2017). Oyunkhorol also stressed that state had provided tourists with travel agencies and camps

which meet international standards.

It is also greatly appreciated that the Minister of Culture, Sport and Tourism is planning new initiatives under the slogan “Go nomadic, experience Mongolia.” This is of course to direct the tourism industry towards the understanding of our nomadic culture, bird watching and discovering more about dinosaurs and Mongolia’s prehistoric significance<sup>21</sup>. The Mongolian government has declared Khentii Province in the east as a heritage tourism destination, Khuvsgul Province in the northwest as a tourist attraction that focuses on nature and the capital city of Ulan Bator as a cultural tourism destination, the prime minister said<sup>22</sup>. According to Environment and Tourism Ministry Mongolia has attracted a total of 529,370 foreign tourists in 2018 which is 11.01 percent more than the previous year (Yinglun, 2019). Minister of Foreign Affairs Ts. Munkh-Orgil said that promoting Mongolia abroad through various tourist campaigns is necessary to promote tourism in the country while the state funding is not enough for the promotion (Bayarbat, 2017). He said that smart marketing policy will be done to promote Mongolia in other countries and to promote foreign tourists. This survey is going to take into account practices of international marketing companies. The survey results will be presented to the government. The key areas for Mongolia’s tourism policy are encouraging competition among the tourist companies, improving the quality of standards of the tourist camps, construction of more tourist infrastructure, providing education of tourism to the herders and tackling issues of crimes against tourists such as pick pocketing and mugging.

#### **Relevance for India:**

Tourism in Mongolia will help to revive its threat of Buddhism which it shares with India. It is believed that Buddhism came to Mongolia or China through Tibet from India as it is in Bodhgaya in the state of Bihar that Buddha attained enlightenment. In 552 BC, a Lama Narendrayash from the State of Udayana (Northern India) with some others visited Nirun state in Mongolia. India is considered as the land of ‘Buddha’ by the Mongolians. A number of students and Lamas from Mongolia and all over world

19. T, Bayarbat. (2017), “Mongolia’s Tourism Potential”, *The UB Post*, Ulaanbaatar, 11 January 2017.

20. Ibid

21. B, Amar.(2013), “Blue Strategy”, *The Ulaanbaatar Post*, 10 March 2013.

22. Shi, Yunglun (2019), “Mongolia Seeks to Diversify Tourism Sector to Promote Growth”, *Asia and Pacific*, 22 April 2019.

visit Nalanda University to study Buddhism. Both the lands are ancient and had a history rich in ancient culture and heritage. Both India and Mongolia especially during 5th to 7th century AD were in close direct contacts. It seems that Buddhism in Mongolia accelerated the process of further spread of Indian culture in Mongolia. Recently in the near past year 2018 at the 6<sup>th</sup> India-Mongolia meeting held at Ulaanbaatar External affairs minister Sushma Swaraj has offered to provide a statue of Lord Buddha to the Gandan Monastery of Mongolia as a deep token of friendship where many a monks felicitated her (Sengupta, 2018). It will strengthen the bond of friendship between the two countries. “Buddhism has been a great connector of civilisation since millennia,” Sushma Swaraj said while addressing the birth centenary celebrations of Kushok Bakula Rinpoche, a highly revered Buddhist leader and monk from Ladakh and a former Ambassador of India to Mongolia”. She has also invited Buddhist scholars and students to visit India to learn Buddhist philosophy and visit the Buddhist pilgrimage sites. It can be observed that Buddhism has a strong civilisational connection between India and Mongolia. The Buddhist philosophy of peace and tolerance is very much necessary in the rising era of war and violence and combat terrorism (Sengupta, 2018). If both the countries encourage tourism on spiritual or religious grounds it is going to be a great turning point in revitalizing their own culture and heritage.

“India, the first country outside the former Soviet bloc of nations to open diplomatic relations with Mongolia in 1955, was described by Mongolian Prime Minister Chimed Saikhanbileg on Sunday as the nation’s spiritual neighbor” (Roche 2015). PM Modi responded that “India is privileged to be considered as Mongolia’s spiritual neighbour”<sup>23</sup>. On 17<sup>th</sup> May 2015 Prime Minister Narendra Modi visited the State Hural in Ulaanbaatar and addressed the democratic bond between the two nations. He said that “Mongolia is also a part of India’s Act East Policy”. Here India and Mongolia signed an agreement which include a lot of spheres including economic relations, development partnership, security and people to people partnership which include Air Services Agreement to promote tourism and people to people contact, Joint agreement for Indo-Mongolia Strategic partnership agreement, cooperation in the field of culture for the year 2015 to 2018 and 11 other agreements. In

the air services sector the number of flights to India should be increased and direct flights should be provided between the two capitals cities- New Delhi and Ulaanbaatar is agreed upon. Mongolia have to increase the amount it spends on the productivity sector to boost its economy in order to generate solid base of partnership with any country. In case to do so the sector needs to 1. Increase the capacity utilization, 2. Increase business travelers, 3. Increase the service level of the workers<sup>24</sup>. Also the government need spend more money on building tourism infrastructure – historical monuments and museums. If the number of business travelers, service level of workers from India to Mongolia as well as the reverse happen than surely both the countries is going to be in profit from such kind of partnership.

### Conclusion:

Tourism can be considered as an imponderable industry as the number of tourist fluctuates depending upon weather conditions, in case of disasters or other certain situations in the same region. The number of tourist can suddenly increase in a country as well as decrease in accordance with the prevailing condition in the country. Mongolia also is facing challenge due to such ambiguous nature of tourism industry or tourist mindset while in summer the number of tourist soar high but in winter it tremendously falls down due to severe drop of temperature in the country. Through the help of tourism industry income is also created and jobs are also generated that helps in enriching the Gross Domestic Income so in wintry season country faces heavy losses. As already discussed Mongolia is one of the fastest growing economies in Asia with a GDP growth rate of 7.8 per cent in 2014. The presence of the mining industries, transport and communication sector, financial and insurance activities, information and communication sector, educational institutions and availability of employment opportunities in the capital city is the reason behind expansion of the capital city. As such the capital city became one of the most favorable destinations for both personnel and business travels. Moreover tourism in urban centre of Ulaanbaatar escalated because of the presence of places of historical significance like the Gandan monastery, palace of the Bogdo Khan, The Sukhbaatar Square and other such attractions. The

23. Elizabeth, Roche (2015), “India announces \$1 billion credit line to Mongolia, *Mint*, 17 May 2015.

24. TheUlaanbaatar Post URL: <https://www.pressreader.com/mongolia/the-ub-post/20170623/28160812543561>

Naadam festival held yearly from July 11 to July 13 also attracts large number of tourist to the capital city. Another reason behind emergence of Ulaanbaatar as the most populous city of Mongolia and tourist hub is that this city only had two international airports of Mongolia while other places of Mongolia have none.

The development of tourism infrastructure and increase in number of business endeavors led to the rise in number of tourist in the capital city of Mongolia. Mongolia is considered as a spiritual neighbor of India and a boost in tourism sector will help to revitalize its age old threat of Buddhism with India. It is believed that Buddhism spread to Mongolian steppes from India through Tibet. Both the countries have join hands on cultural and spiritual grounds. They should also encourage development of tourism through spiritual or cultural ground or by making people to people contact. The Buddhist scholars, Lamas and other students those who want to study in Indian institutions must travel to India to learn. The Indian government also should provide them with scholarship. Indian students and Lamas from India should also be sent to Mongolia to learn Buddhist philosophy especially to the capital city where there were several Buddhist religious institutions and monasteries. If the number of business travelers, service level of workers as well as the students from India to Mongolia as well as the reverse happen than surely both the countries is going to be in profit from such kind of partnership.

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