Mongolia: Who Bridges the Digital Divide?

Research > Central Asia

To appreciate the impact of information and computing technology (ICT) on Mongolia one must understand the extent of the country's remoteness. Landing at Buant Uhaa airport near Ulaanbaatar, one will have flown hundreds of miles over an empty mountainous landscape and seemingly endless space. The lifelines to the outside world are the mobile phone and the internet connection, other modes of transport being either slow or expensive.

By Margreet van Doodewaard

After Mongolia's peaceful transition from a centrally planned to a market oriented economy in the early 1990's, ICT was the second development to bring Mongolia out of its isolation. Information and computing technology is on the rise in Mongolia because it is the fast track to the outside world, socially as well as economically (206 out of 10,000 went online in 2002 against 126 in 2000).[1] Through ICT, or more precisely through access to the internet, the availability of the Mongolian font and mobile telecommunications, a host of new opportunities for social and economic development has been created.

Rural Mongolia online?

Dalanzadgad is a small provincial capital of five thousand people in the vast, empty Gobi. The town provides services to nomadic herders, and enjoys some seasonal tourism. A survey in Dalanzadgad revealed that its residents use the internet to communicate and to access information on local news, health, markets, and the weather. The ability to write and send emails in one's own language to relatives and friends in Ulaanbaatar has had an incredible impact on Mongolia's rural communities. To be able to consult a doctor in the capital via email saves time and money. To be able to access information on market prices of cashmere gives rural herders a better negotiating position vis-à-vis middlemen. Rural schools accessing the internet through Very Small Aperture Terminals (VSAT) can tap into new resources to improve education, bringing to both students and the community a broader understanding of the world in which they live.[2]

Even though the advantages are significant, local content on the web remains limited and, especially in rural areas, access is still slow and costly. Lack of capacity and skill hinders the sustainability of rural initiatives.

ICT in the economy

Mongolia was quick to catch on to the significance of the digital revolution. The country's ICT industry was inaugurated in 1996 with Ulaanbaatar's first commercial internet service provider (ISP). Driven by the private sector, ICT quickly spread to rural towns; small ICT enterprises mushroomed. Many technologically savvy youngsters began their careers as programmers in restructuring state institutions and then opened their own small businesses. Another group of entrepreneurs started internet cafes. The disintegration of State Owned Enterprises and the ensuing loss of jobs further encouraged this development.

The private sector is the real driver behind ICT in Mongolia. There are numerous companies in software development, internet services, and hardware retail trying to find their niche in the small national market. To survive they have to be creative and compete aggressively. This makes companies willing to take large risks, and to venture into markets normally considered unprofitable, such as thinly populated rural areas. Thus more and more provincial centres today have mobile telecom services and VSAT. With the merging of ICT and telecommunications and the further lowering of telecommunications costs, the mobile phone and its services will soon enter truly remote communities.

Today the ICT industry is a potential engine for growth in an isolated economy. The local market, however, is small and more or less saturated. Many entrepreneurs therefore seek export opportunities and a few companies have managed to find partners in Japan and Korea. Wanting in English and business experience but possessing great technical skill, creativity and versatility, Mongolian ICT companies are seeking every possible opportunity to increase their market share and profits.

ICT and governance

The government recognizes the opportunity ICT represents, and sees itself as the patron of its development. The government's capacity to promote ICT in the country is, however, limited. This is mainly due to the lack of human and financial resources, and, perhaps, the remnants of Mongolia's political history. With a tendency to centralize rather than decentralize, to regulate rather than facilitate, and with a mild distrust of the private sector, the government is reluctant to accept policy advice from stakeholders, particularly those in the private sector. The government, however, recognizes the value of ICT for Mongolia to overcome its isolation; with economic growth in mind, it has not hampered access to ICT or the internet.

In the year 2000, the Mongolian parliament ratified Vision 2010, a policy statement developed together with the private sector, civil society, academia, and the donor community.[3] To implement Vision 2010, a national ICT committee was established, chaired by the prime minister and including representatives from national and international NGOs, academia, and the private sector. In January 2002 the government and the World Bank jointly organized an international donor meeting to mobilize resources for ICT. Recognizing its economic potential, the government established a 'National ICT Park', a technologically intelligent building providing housing and services to small IT companies. As Mongolia's economy is small, even a modest (export) sector will have considerable economic and social impact. Last but not least, the government hopes that a viable IT sector will provide jobs for young graduates.

In spite of Vision 2010, progress is slow. This is in part due to the changing of the guard in 2000: Vision 2010 was developed by the previous government, and many of its civil servants departed with their expertise. Furthermore, stakeholders played a large part in drafting the document, but have been less involved in its implementation. So far Vision 2010 has led to the creation of a policy framework for the IT industry, and changes in education to include ICT awareness training and professional IT courses. National priorities, however, are set within financial and human resource constraints; much of what the government can do is determined by the donor community, which does not see ICT as a priority. Last but not least, the government has a tendency to focus on the T in ICT and gives priority to infrastructure. There is a belief that once the infrastructure is there, the rest will follow. As a result, ICT tends to get lost among the issues that clamour for attention. Nonetheless, ICT and the internet have broadened the horizons of Mongolian society. <

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Mongolian designers at work for their company Interpress.

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Author's note >

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1 ITU Internet Indicators 2000 and 2002; www.itu.int/ITU-D/ict/statistics

2 To implement practical ICT awareness courses, the Asian Development Bank, South Korea, and other donors have provided many rural secondary schools with computer labs, connected to the internet via VSAT (Very Small Aperture Terminal). Some of these schools have opened their classrooms to citizens. By paying a small fee rural Mongolians learnt how to use computers and access the internet. After school hours, the computer lab becomes an internet cafe, offering a place for the young to meet (and play computer games).

3 Vision 2010 aims to advance social development and improve Mongolians' quality of life by fostering the country's intellectual potential. Its platform includes: government involvement in the provision of ICT; the creation of a business environment integrated into the world economy; increased intellectual content and competitiveness for national products; the creation of a favourable environment for Mongolian citizens to communicate freely among themselves and with the world community regardless of location; and the promotion of equal involvement and participation in social relationships.