



Integrated Urban Development,  
Construction Sector and VET Promotion Program (UDCP)

gtz



## Money-saving Communities

### A new approach for Community-based ger-area development in Mongolia

The example of ARVIN Saving-Group in Erdenet | July 2007

Study carried out by Eva Maria Gardemann



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## List of Abbreviations

ACHR	Asian Coalition for Housing Rights
ADB	Asian Development Bank
CDF	Community Development Fund
CDS	City Development Strategy
GTZ	German Technical Cooperation Agency
HFH Mongolia	Habitat for Humanity Mongolia
PADCO	Planning and Development Collaborative International
UDRC	Urban Development Resource Center
UNDP	United Nations Development Program
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific

All pictures, maps and figures have been drawn up by E. G.

## 1 Introduction and statement of problem

This report is the outcome of a qualitative and participative study in ARVIN-Saving-Community in Erdenet from June 16<sup>th</sup> till 22<sup>nd</sup> 2007. ARVIN Saving-community is regarded a positive example for community-development and has thus been chosen to discover reasons, problems, challenges and impacts of this self-initiative, "bottom-up" development-principle for ger-settlements in Mongolia.

Ger-areas in Mongolia face versatile problems: dense population, poverty, lacking infrastructure such as water-supply, sewage-systems and waste-removal services. The cities are not in funds to provide proper infrastructure to the ger-settlements so that the living-situation of the inhabitants is rather poor.

Several projects to increase the living-conditions in the ger-settlements have thus been established during the last years.

The approach of community-based ger-area development is that the persons concerned make decisions for themselves. They overcome a mentality of passive acceptance of the "unchangeable" situation or beneficiaries, but instead take over the responsibility to improve their lives and thus become active citizens. Aligned in a group, those people will have a voice in local governments and will be involved in small-scale urban infrastructure or social projects.

## 2 Methodological approach

For this study, a combination of methods has been used: information on urban development of Erdenet has been gathered from literature and during an interview with Mrs Nangerel, consultant for regional development in Erdenet.

To survey community development it makes sense to use qualitative and participative methods. Community-based participatory research implies an equal partnership between the researcher and the members of the community. This basis helps to receive useful outcomes for both sides.

As research method, participant observation has thus been used. It includes all types of qualitative research such as informal interviews, participation in everyday-life of the group, collective discussions and direct observation. Due to the possibility to live in the community, the researchers could observe and take part in the everyday-life of the people.

During the survey, 15 community-members could be interviewed. The other families had left to the countryside or could not be reached, however.<sup>1</sup>

The interviews were arranged as normal conversations. They were held during everyday-activities, mainly during cooking-preparations. The guiding-questions were

<sup>1</sup> That was the case with 3 families that do not live in the neighborhood: the problem of their spatial separation became thus very obvious for the researcher.

asked by the researcher and then translated by an interpreter. Answers have been taken into notes and recapitulated after the interviews.

It was the aim to find out reasons for a successful community-development. The following guiding-questions have thus been asked:

- why did you join the community?
- which positive impacts do you see in your life?
- are there any negative impacts on your life?
- which factors lead to a positive community-development?

### 3 City-development Erdenet

The city of Erdenet was founded in 1975 as a new industrial center in the neighborhood of large copper and molybdenum-deposits in Orkhon-Aimag. The joint Russian and Mongolian Copper Mine Factory (GOK) is the core industry of Mongolian economy and produces 14% of national GDP and 69.3% of Orkhon aimag GDP.<sup>2</sup>



**Picture 1:** Precast Panel flats and ger-settlements at the fringe of the city.

The appearance of the city-center is characterized by socialist urban planning of a later stage: a simple industrial city with little ideological demand. The center hosts city- and aimag administration, a sports-palace and central shopping possibilities. Residential areas with their typical precast panel buildings are directly attached to the center and therefore narrow the urban impression. On the fringe of the city, especially in the north and west, large ger-settlements have developed.

The city has been facing a fast population growth since its establishment: in 1976 there were 7811 inhabitants, in 1990 the

number had increased up to 48.526. Even in the begin of the economic transition-period the number still grew up and in 2005 Erdenet had 84.297 inhabitants.<sup>3</sup> The population statistics predict around 125.000 inhabitants for the year 2020. Since its establishment, the city has thus faced an average annual population growth of 4%. Due to the growing number of out-migration (mainly to Ulaanbaatar), today's population growth is caused by a high fertility rate.<sup>4</sup>

Compared to other Mongolian cities, Erdenet disposes of a relatively well-developed infrastructure, it is connected by paved roads and railway to Darkhan and Ulaanbaatar.

<sup>2</sup> PADCO 2005, p. 3

<sup>3</sup> Statistical Office of Orkhon Aimag 2006, p. 36-37

<sup>4</sup> PADCO 2005, p. 3 and Annex D

Preparations for further road-connections to Khovsgoel and Bulgan aimags have been undertaken recently.<sup>5</sup>

The comparably good infrastructure is also reflected in the living conditions of the inhabitants: approximately 71% live in apartments, 29% live in ger-settlements at the fringe of the city. In other cities, especially in Ulaanbaatar, the spatial distribution is quite different with a much higher number of residents in ger-settlements. Erdenet is thereby the aimag-center with the highest rate of population in apartments with access to full utility services.

But anyway it faces the typical problems of urban development that can be found in other cities: the current state of technical infrastructure for the apartment-buildings (supply lines for sanitation and heating) is very bad and needs to be repaired.

Ger-settlements are not connected to central water supply and sewage systems and the waste removal services are inadequate.

But even though Erdenet generates the revenues of the Copper Mine and is therefore relatively wealthy, “it is just as limited as the other aimag centers in its lack of authority to spend local resources on capital investments to improve infrastructure and services”<sup>6</sup>.

### **3.1 Strategies for Secondary Cities**

Mongolian urban development for decades has concentrated on the capital city Ulaanbaatar. This has led to large inter- and inner-urban disparities: Ulaanbaatar with its 1 million inhabitants is the dominating center of the country, it is followed by Erdenet and Darkhan both with around 80000 inhabitants. In socialist planning, apartment- and ger-areas were separated from each other. This can still easily be seen in every Mongolian city. The big disparity between living in an apartment or in the ger-settlement is the access to full utility services.

In 2004, the Mongolia City Development Strategies for Secondary Cities Project (CDS-2) was funded by Cities Alliance and implemented by Planning and Development Collaborative International (PADCO) under World Bank Contract No. 8001943 to give assistance in future urban planning to selected secondary cities in Mongolia.<sup>7</sup> Five secondary cities have been pointed out: Erdenet, Darkhan, Tsetserleg, Khovd and Choibalsan.

The cities were given assistance in developing new visions and strategic plans for their future development.

### **3.2 Erdenet – City Development Strategy (CDS)**

After a participatory planning process with inputs from city officials, administrators, local business owners, community leaders, city residents, private enterprises, state

<sup>5</sup> PADCO 2005, p. 3

<sup>6</sup> PADCO 2005, p. 3

<sup>7</sup> PADCO 2005, p. 2

organizations and NGOs a future city vision could be presented in 2004.<sup>8</sup> Six key strategies have been pointed out to achieve this vision:

- 1 Develop Erdenet as the center of development of the Khangai Region<sup>9</sup>
- 2 Improve the business environment to diversify the economy and encourage the development of a) information technology; b) production industries; and c) tourism
- 3 Develop an efficient urban planning and land management system
- 4 Develop human and cultural resources
- 5 Manage natural resources and protect the environment
- 6 Improve living conditions in ger area communities

### **3.3 Strategic Initiative 6: Improve living conditions in ger area communities**

In context with the topic of this study, strategic initiative 6 for Erdenet will be of interest. Hence it shall be reported in brief.

"No plan or management has been provided for organized settlement of in-migrants causing the rapid expansion of unplanned, haphazardly settled ger-communities. Ger communities doubled in the last four years and an entirely new ger community named Denj has been established."<sup>10</sup> As mentioned before, the ger-settlements have no access to running water or sanitation and also lack of waste removal services. Ger-area residents have to buy their water at water-kiosks.

The inappropriate waste removal service leads to environmental problems as waste is often thrown away disorderly. The increasing number of inhabitants leads to further density and therefore pollutes the environment and affects the health of the residents. The city has understood that if the development will go on like this, a later supply with utility services in the ger-settlements will be much more difficult and cost-intensive.

Therefore, 6 Priority Projects have been formulated:<sup>11</sup>

- 1 Promotion of smokeless stoves and more efficient fuel for heating/cooking
- 2 Development of plans, designs and drawings for provision of services in ger-areas
- 3 Upgrade and expand ger area water supply and heating
- 4 Establish a sanitation system in ger areas
- 5 Introduce solid waste management system in ger communities
- 6 Launch commercial centers in ger areas

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<sup>8</sup> Erdenet Vision: "A model city with healthy and highly educated residents, a balanced environment, a strong, export-oriented economy based on information technology and manufacturing and the center of regional development." (PADCO 2005, 1)

<sup>9</sup> In 2001, the government established a division of Mongolia into 4 large economical regions. Khangai is one of them.

<sup>10</sup> PADCO 2005, p. 9

<sup>11</sup> PADCO 2005, p. 9

The strategies for the ger-settlements are currently worked out, but so far nothing is in concrete terms yet.

As Mrs Narangerel, consultant for regional development in Erdenet assured, community-initiatives will be considered prior when the strategies will be implemented. Thus ARVIN will be connected to central water-supply and street-lightning when the network will be realized.

Sanitation in ARVIN is currently improving due to 5 newly erected ECOSAN-Toilets which were provided by the Integrated Urban Development, Construction Sector and VET Promotion Program of GTZ.

## 4 Community-based ger-area development

Community initiatives are a way to upgrade the living situation of certain families or neighborhoods by empowering them to participate in local governance. The important approach is that they will not be led from above, but that they will receive assistance to develop out of themselves. Other than the top-down planning model which provides investments or solutions, the community-based approach is a bottom-up system in which the initiative has to be taken over by the people concerned. Thus their role is changed from the passive beneficiary into an active citizen. They have to overcome several kinds of "barriers" to become active:

1. the "passive dependence": people believe it is the government's task to improve their living-conditions and hence they feel powerless to do it on their own.
2. the "trust barrier": due to social, cultural and historical reasons, people in neighborhoods do not trust each other and do not know each other.
3. the "financial barrier": people do not have the economical resources to improve their living-conditions.

Community initiatives in Mongolia are supported by governmental and non-governmental organizations such as UNDP, UNESCAP, ACHR and UDRC.

The NGO Urban Development Resource Center (UDRC) has been established in September 2005 and is currently supervising 83 saving-communities in 13 aimags in Mongolia. 10 saving-groups are located in Ulaanbaatar and 3 groups in Erdenet. All saving-communities are located in ger-settlements. UDRC sees itself as an umbrella-organization to get together all organizations and projects that work about ger-settlement development. Currently, 22 organizations, amongst them World Bank, ADB, World Vision, USAID and ACHR, are cooperating with UDRC.

Mrs Enkhbayar, the chairperson of UDRC, explains the underlying ideas of saving-groups as follows: her idea of community-based ger-area development is to upgrade living-conditions of the people and to teach them the value of the money-saving-process. To improve the lives of the inhabitants of ger-settlements, they have tried out different approaches. The experience made was that the provision of credits or funds did not lead to desired effects but rather worsened the situation: either the provided goods or infrastructure were not used or they were even damaged! It soon became obvious that ger-area development has to follow a bottom-up-principle that encourages the people themselves and affirms them in their wish to change something in their lives.

It is very important to find a tie which connects people who have not known each other before: in the saving-communities, money plays that role. People save money together, they thus share a common interest and have personal benefits, but also as a group. Money is used as the initial instrument to build up a community. But as Enkhbayar says, money is only superficial and used for the first step. UDRC provides information and trainings for communities and community-leaders, encourages people and supports them. “But everything has to grow from the bottom, we do not push too much, but give enough input from UDRC” Enkhbayar explains. After three months of successful and continuous saving-activities in a community, UDRC will start to provide its assistance in further development. This includes “soft” input like guidance to the community or trainings, but also mediation in any kind of disputes. Furthermore, there is “hard” input like financial grants to some community-projects or the provision of awards (such as TV or washing-machine) for community-activities.

Enkhbayar stresses the voluntariness of the communities. “The will should come from the people, we will not convince them to build up a community, but if they want, we will provide them assistance.” Thus, UDRC does not actively promote the idea of saving-groups anymore but has carried this task forward to the 83 nationwide communities. These are organized in local and regional networks, but also on national level. They are closely connected among each other due to newsletters provided by UDRC and regular meetings and discussions.<sup>12</sup>

The most important approach, on community-level as well as between communities, is an open-minded conversation, the exchange of experience and the common aim to achieve something together. This empowers people to influence political decisions on local level.

<sup>12</sup> The “Community-based ger-area development” National Forum was held in Ulaanbaatar from October 15-17<sup>th</sup>, 2006. It was joined by representatives of 54 saving groups, media, civil, political and social representatives as well as representatives from saving-groups from Laos, Thailand and Sri Lanka.

## 5 ARVIN Saving-Community Erdenet

### 5.1 Development of ARVIN Saving-Community

ARVIN (mong.: saving) is the first saving-community in Erdenet. It is located in Shand, a new ger-settlement west of the city-center.

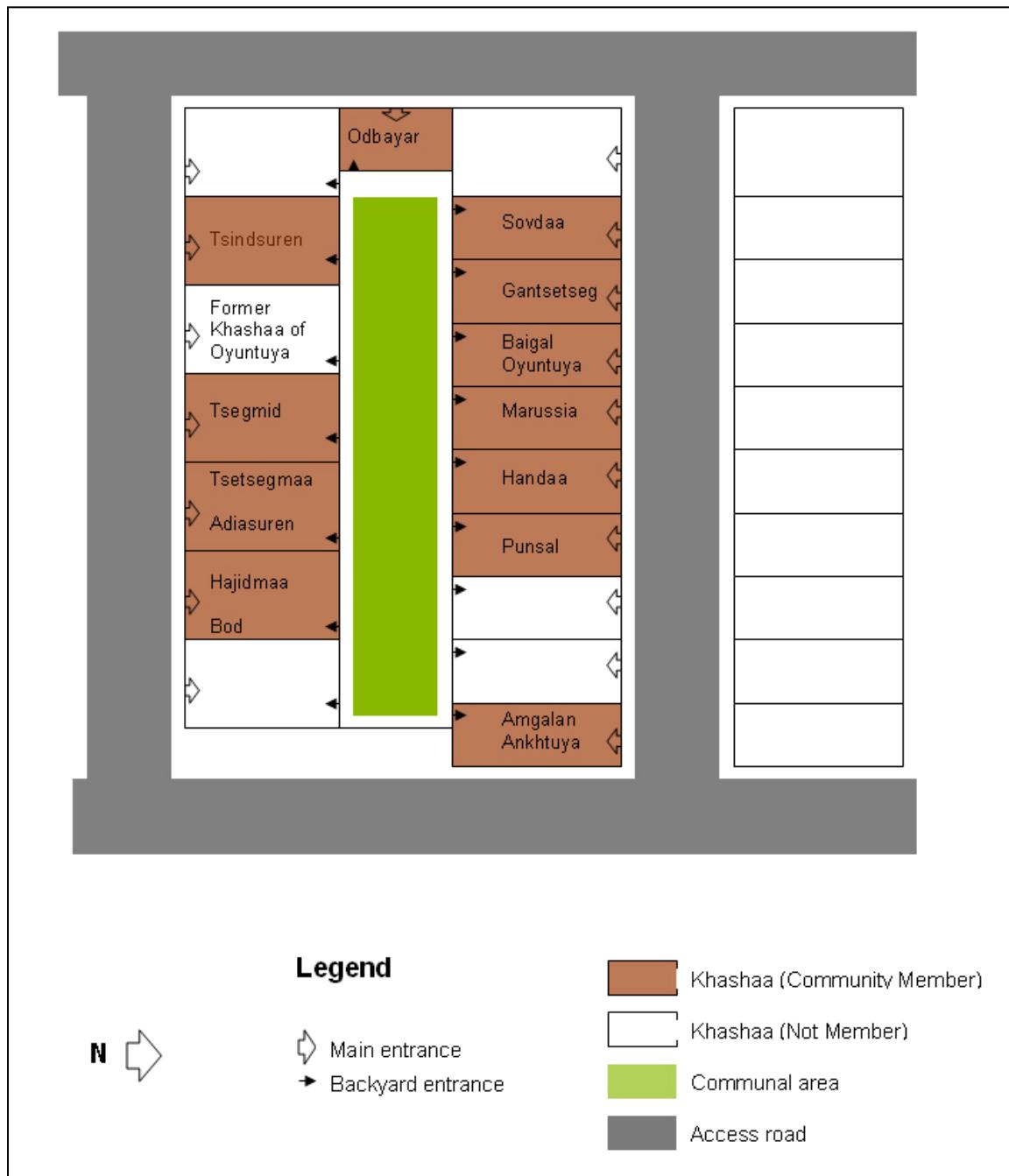


Picture 2: ARVIN Saving Community (from east).

This hilly area has been developed since the end of the 1990ies when families started to move to the spot. Before it had not been explored, but only 3 herder-families were living there. In the meantime, massive in-migration has led to an agglomeration and the development of a typical Mongolian ger-area. This goes along with the well-known problems of the ger-settlements: no access to running water and central sewage for the residents, improper waste disposal and therefore a

polluted and dirty environment. Arvin Saving community consists of 20 member-families who save 100 Tugrik per day. In the beginning, they had 22 members, but three families left the community for unknown reasons and another family joined the community in October 2006.

16 families live in direct neighborhood and share the communal area. Four members live in other places, 3 in khashaas, 1 in an apartment in the city-center.



Map 1: ARVIN Saving-Community (schematic)

ARVIN was found in March 2006 by 22 households in the neighborhood of one road. There were 17 khashaas bordering the road.<sup>13</sup> It was a typical Mongolian neighborhood: neighbors did hardly know each other. Various reasons, historical and social may be in-

<sup>13</sup> Odbayar's khashaa has later been newly-established.

stanced for this. But one very obvious reason shall be depicted shortly: the physical existence and symbolic meaning of the khashaa (mong.: fence). The khashaa protects the plot of land of one family and serves as a barrier for the visitor. The high fence with closed door and in most cases a barking ban dog does not appear inviting to the visitor. Spontaneous visits are therefore uncommon in Mongolian neighborhoods and lead to structures in which people hardly know each other.

In early march 2007, a meeting for all bag-representatives and local shop-owners was held in Erdenet to inform about biological sanitation concepts.

Mrs Adiasuren, the recent leader of community, explained the origin of the idea to found a saving-community: she was upset about her living-conditions in the neighborhood, the roads were full of waste and nobody cared about that. Also she was witness of family problems almost every day: she saw drunken husbands and heard the screams and shouts out of her neighborhood.

When she was in that meeting, she was introduced to Mrs Enkhbayar, the chairperson of UDRC. Adiasuren was directly enthusiastic about the possibilities of community-development.

The same evening, Adiasuren and her neighbor Hajidmaa who had also joint the meeting, went from family to family to promote their idea to the neighbors. All of them showed big interest and the following day, 22 neighbors gathered to join Enkhbayar and receive more information and aid to found a saving-community. Due to a very good introduction and explanation the neighbors directly decided to found such a community and started preparations the following weekend.

They built up a consistent fence around their plot. This is a very important step for the self-identification as a unified group, Enkhbayar knows: "The first thing every community does, is to build up a fence". A fence symbolizes internal unity. Furthermore, ARVIN was in the lucky situation they could create a collective plot by closing both sides of the road. Hence they possess a large piece of land that can be used as communal sport-area, playground and meeting-point.<sup>14</sup>

The members of ARVIN have been a very typical and average Mongolian neighborhood before. The educational level is rather lower than high. Only two of the interviewed 15 people have a university-degree (Adiasuren and Batsaikhan). The others either have vocational education or even less: several families have a nomadic background and migrated to Erdenet. In lack of alternative incomes or to send their children to school they moved to the city.

The neighborhood is relatively new-established. A massive in-migration to the plot started in the beginning of the 2000s and led to a diversified and mixed neighborhood.

Family-relations or long lasting friendships between the members have not existed initially. Family-relations can only be found inside some khashas, when people moved to their relatives. But further over the fence of the khashaa, no family-relations exist.

<sup>14</sup> Due to the fact that both sides of the road are bordered by only one row of khashaa at a time, access for fire brigades and rescue service is still guaranteed. Thus the city administration allowed the closing of the road and the community-members simply changed their main-entrances to the neighboring road.

High education, closer existing family-relations or friendships can thus not be confirmed as reasons for the positive development. It can only be stressed that the community was established out of a typical Mongolian neighborhood-structure with almost no contact between neighbors.

Thus all it needs are open-minded people who realize that they can improve their lives by working together as one group.

## 5.2 Structure of ARVIN Saving Community

The organization-structure of ARVIN Saving community does not follow a strict top-down-principle, but more a non-hierarchical, but flat organization. Even though there is a leader and a division into four subgroups, all members have the same right to vote. Votings follow a democratic majority resolution, but if some members really disagree with the decision, it will be broached the issue at the next meeting again.<sup>15</sup>

Recently there are 20 members in the community. 16 families live in the ger-area around the plot, 3 families live in other ger-areas and one family lives in an apartment in the city-center.

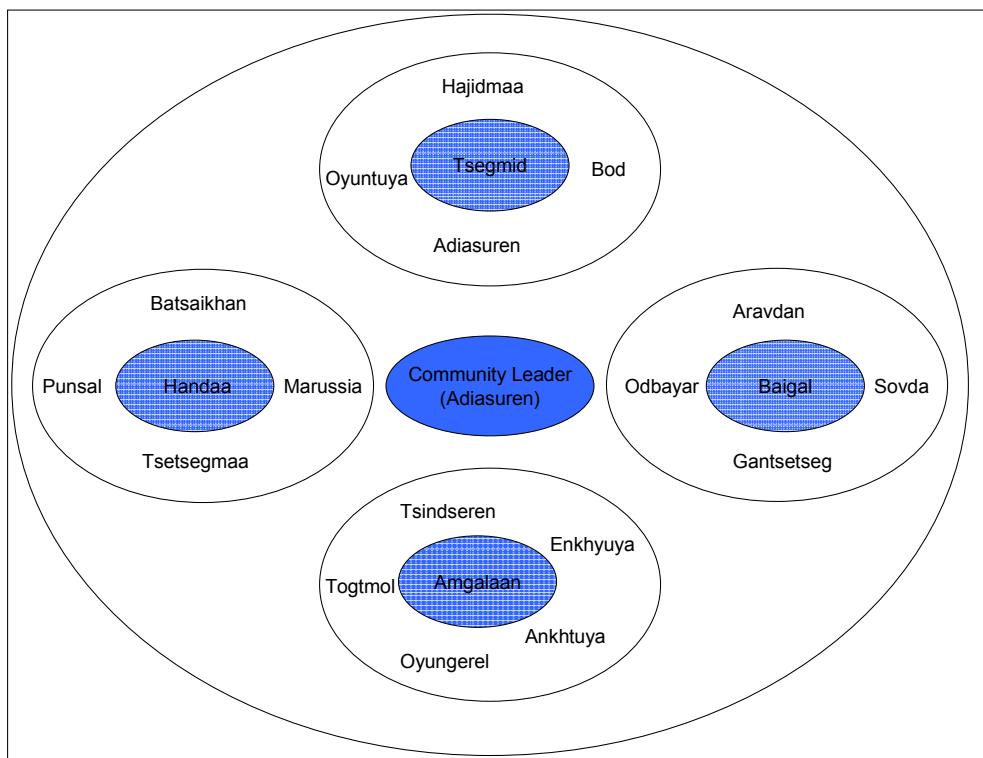


Diagram 1: flat organization-structure of ARVIN.

Adiasuren is the leader of the community. The community is split into four subgroups which are led by Handaa, Tsegmid, Baigal and Amgalaan. The subgroups consist of four or five members each. It is important to decentralize tasks and thereby increase awareness and responsibility

<sup>15</sup> In June 2007 there has been a dispute about a small piece of land: Adiasuren suggested that it could be disposed free of charge to Oyuntuya's family as they recently have no own plot. The voting went out 18:3 voices. But as it is such a big issue, they will discuss this topic further more during the next meetings. It is always the aim to achieve unanimous assents.

among all community-members. This kind of community cannot and must not be governed from above. A flat organization therefore is important. It needs to grow out of itself, by the willingness of its members to achieve something for their lives.

The subgroup-leaders collect 100 Tugrik/day and represent their group in meetings. Also they plan common activities like competitions or celebrations. Examples are the competition "Who can prepare the tastiest meal?" and "Who prepares the most beautiful part of the fence?" It is always important to motivate the members by dangling a nice award for them. UDRC has assisted in this task, for the fence-competition Enkhbayar could provide a washing-machine and a TV for first and second prize.

### 5.3 Basic principles of ARVIN Saving-Community

#### 5.3.1 Money-saving

Every member saves 100 Tugrik per day. This flows into a saving account at Khaan Bank. Out of this saving account, community-members can borrow micro-credits up to 150000 Tugrik for 2% interest per month. The saving account itself serves as a security for housing loans up to 1 Million Tugrik at the Community Development Fund (CDF) from UDRC. This fund is financed by ACHR. The interest for the housing-loan is only 0.8% per annum. This is due to the wish that many families can make use of the housing-credit.

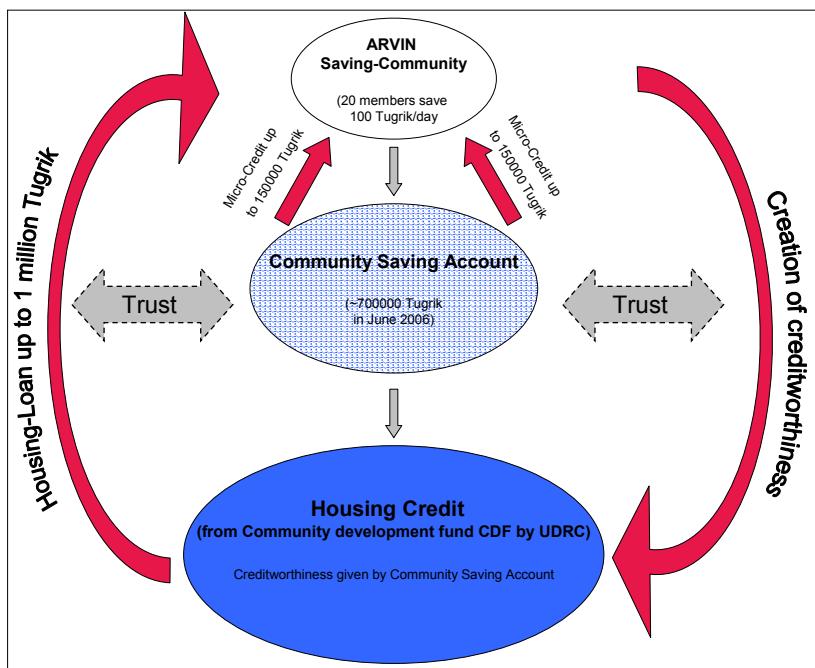


Figure 1: Money-Saving System of ARVIN Saving-Community

### 5.3.2 Common activities



**Picture 3: ball-games with children and adults at the communal plot.**

houses that serve as meeting places in the summer. Almost every evening, volleyball-tournaments take place on the sport-fields. Together the neighbors remove waste out of the communal area. They arrange competitions such as "Who built up the most beautiful part of the fence?" or "Which group can prepare the tastiest meal?". For those competitions the community receives support by Enkhbayar and UDRC who provides them with attractive prizes: For the best fence, Oyuntuya won a washing-machine as first prize and Sovda won a television as second prize!

### 5.3.3 Social Activities

Due to the fact that they now know each other, the community members have developed a feeling of responsibility for their neighbors. Every interviewed stressed that they now help each other if help is required. This help varies from looking after the neighbor's children, a task that is very often done by the elder children over collecting money for an ill member that cannot afford medical treatment to visitor's services at hospital and aid for the erection of a new house.

The oldest member, Punsal, is greatly facilitated that now the children bring her water and look after the single old woman.

Everyone provides what they can do best: may it be money, tools, sewing skills manpower or simply time.

Common activities are very important to create a corporate feeling among the community members. In the beginning, they hardly knew each other, so one of the first tasks was to become acquainted with the neighbors. Building up the fence during the first days therefore was on the one hand the physical and symbolic unification of the community, on the other hand it was the first collective activity of the group when neighbors got into deeper contact with each other.

Meanwhile, a lot of other activities have taken place: the neighbors prepared a communal area with two playgrounds, sports equipment and small wooden



**Picture 4: ornated fence at Bod's khashaa.**

### 5.3.4 Social control

Referring to the introductory words of this chapter, social control will barely be found in Mongolian khashaa-settlements. But as a result of the community-building, the neighbors of ARVIN-Community know each other quite well and this creates social awareness and control. The people take care about the oldest community-members. A man who wastes the family's money for alcohol and cannot pay back the loan will have to answer for that to his neighbors. Alcohol-abuse is harshly condemned by the community as well as violence in the families. It has been a topic in many meetings.

The social control additionally creates a high sense of responsibility concerning the punctual redemption of the loan. The money in the saving account is result of common saving activities and in possess of the whole group. It is the guarantee for micro-credits with little interests and for the additional housing-credit financed by ADB. Thus no community-member can have an interest in derogating its profits. Furthermore, almost all community-members have made use of the credit: to receive a credit, the borrower has to prepare a small business-plan and then the community will decide about the creditworthiness of the applicant. This guarantees higher efforts among the borrower to reach his aim. Thereby social control leads on the one hand to punctual redemption, on the other hand to more efforts to reach the business-aim and thus to more business-success.

All interviewed persons stated that the aspect of social control, besides the financial issue, plays a very important role in the community-development and has positive impact on their lives. They expressed their big pleasure to be part of a well-working neighborhood.

## 5.4 Recent situation and future development aims

During the survey, 15 members could be interviewed.<sup>16</sup> The other families had left to the countryside or could not be reached.

All interview-partners showed great confidence with their lives since being a member of a community. They have realized very positive impacts on their lives and they count much more positive impacts than negative things. Actually, it was impossible to find anything they disliked during the interviews.

To save 100 Tugrik per day does not have any impact on her daily life, Sovda said. "I do not realize 100 Tugrik, it is the price for one chewing gum. But it has changed my life: I can make use of a credit that has only a very low interest and I don't have to spend all my wins to pay the loan back. That has really improved my life."

Out of their individual life-situation, the interview-partners emphasized different aspects of being a community-member as important for them: younger families stressed the financial aspect that helped them to build up small businesses to earn their living or to make use of the housing-loan. Also for the two families with strong financial miseries the micro-credits are the main advancement. For the two oldest members Bod and Punsal,

<sup>16</sup> Interviewed families are: Bod, Hajidmaa, Adiasuren, Tsetsegmaa, Tsegrim, Tsindsuren, Sovdaa, Gantsetseg, Oyuntuya, Baigal, Marussia, Handaa, Punsal, Amgalaan, Batsaikhan

the social aspect was of bigger importance: they have intense contact to their neighbors and they receive help and attention in their everyday-life.

Altogether, the awareness of being part of a group was mentioned in every interview and thus seems to be the most important achievement for the community-members.

The main aim of the community is to improve the living-conditions of its members. Meanwhile many families live in gers, but by 2008 all families shall move to wooden houses. A high construction-activity could be seen thus: 5 families in the neighborhood<sup>17</sup> and Batsaikhan at another plot currently are erecting houses. Except from Tsindseren, they all make use of the low-priced housing-credit. Other efforts that shall be made this year are the planting of berry bushes and the construction of paved sidewalks inside the khashaas. As he is an experienced gardener, Batsaikhan will assist the planting and all neighbors will help each other when building the sidewalks. These activities will again be collective and take place in autumn. In the future they want to add the community-income with additional earnings from selling fruits and vegetables as well as self-made carpenter-products or handicrafts. Furthermore they plan to teach each other those skills and to raise the educational level of adults and children. Credits shall also be given for education, adults shall join vocational trainings and children shall be provided with school-materials.

The wishes for the future development were very different among the community-members: some decent wishes like a closer water-kiosk were mentioned as well as the rather unrealistic erection of detached houses or apartment buildings. All interviewed members wished to have a connection to central water-supply and solutions for sanitation-problems as well as street-lightning.<sup>18</sup> Very important is furthermore the erection of a community-house: currently they use Adiasuren's home for meetings, but as they possess over enough land, they want to erect a common house for meetings and recreation during the winter-time.

ARVIN is on a good way: due to their efforts and their very positive example, the community will be regarded first when concrete steps on erecting communal facilities will be undertaken by the city of Erdenet. So the members are looking forward to get street lights and be connected to central water-supply and sewage-systems as one of the first in Erdenet's ger-settlements.<sup>19</sup>

## 5.5 Impressions of daily life in the community

Due to the fact that the researchers were invited to live with the families, they could gain a very deep insight into the everyday-life of the community-members. The close contact between the community-members, especially the women, became obvious very soon. As the husbands go to work or follow other businesses, they leave home in the early morning and return late. None of the interviewed wives had a job, thus they were all

<sup>17</sup> Bod, Tsegmid, Tsindsuren, Gantsetseg and Handaa are recently erecting new houses.

<sup>18</sup> Street-lightning turned out to be highly-desired: people feel very insecure when they walk the roads in the darkness and avoid to leave their khashaas in fear of robbery.

<sup>19</sup> Detailed plans are currently elaborated by the city-administration.

housewives. They keep the house, they cook and take care of the children. Meanwhile they will be visited by their neighbors or go for a conversation themselves.

It has become self-evident to just step in for five minutes, to have a little chat about the latest news and to spend some time together. Then any kind of topics will be discussed, might it be the education of the children, the new micro-credit and the progress of the business, the erection of the house, plans for future community-activities or any kind of private talks. When the meal is ready, any visitor will be invited to have something to eat, too.

The men mainly help with their manpower: when neighbors build up their new houses, they will receive help from the men of the neighborhood. When Punsal's house was to be finished, her neighbors built up the house for her. Batchuluun, Handaa's husband, provides his truck if neighbors need to transport something and in the wintertime he brings a large amount of fuel-wood for the community. Then Oyuntuya's husband Batchuluun will help his neighbors to cut the wood with his chainsaw, too.

The children of the community-members have close contact, too. They have made friends, they play together and they help other community-members, e. g. they bring water or chipped wood to older members or they buy some food for them, if they are asked to.

In the evenings, the children and youths of the neighborhood use to play some ball games together in the common area and they are often joined by the adults.

It is obvious that there is a close contact between all community-members and that besides the interest in saving money also a good-working social network has developed.

## 5.6 Problems and challenges

Naturally, problems and challenges appear in every human community. Likewise, ARVIN has to handle with different kinds of disputes, too. Especially the formation of groups and gossiping about group-members are problems that lead to further conflicts in the group. That is why these problems have to be fought against right from the beginning. Bringing problems on the agenda and talking things out is the most important instrument to handle with these challenges.

In the beginning, the money-collection did not always work out steadily, some members had not yet understood the worth of money-saving and did not save the money reliably. But meanwhile it has arranged properly and works out very well.

When the community-members vote about future plans or investments, decisions will be made on bare majority. But it is always the aim to find a solution that is suitable for all. For instance, currently there is the discussion about the free plot for Oyuntuya's family. Currently they live in Baigal's khashaa because they have sold their plot. There is a possibility to create a small plot at the north-eastern fringe of the community and to give it to them for free. Even though only 3 members voted against that (and a bare majority had been reached thus), the community adjourned the decision until the next meeting.

In case of severe disputes, it is possible to request an outsider, e. g. Enkhbayar from UDRC, to arbitrate in the dispute.

It shall once again be stressed that it is the freewill of all community-members to cooperate and to persist in a group. Upcoming conflicts are normal and then it is the task to overcome problems by solving them as a group by talking things out.

## 6 Members of ARVIN Saving-Community

In the community, women play the important role. They are the active parts and represent the families. They join the meetings, they lead subgroups, they collect the money, they take responsibility for special tasks and they plan common activities. However, it must be stressed that the role of the husbands is also of importance: they should aid their wives in their activities. Without the husbands' support, the wives cannot do their work properly.<sup>20</sup>

The dominant role of the women is the reason for the common use of their names as family names. Accordant to that practice in the community, the women's names will be used as family names in this study.

In the following, six community-members shall be exemplary introduced shortly.

### 6.1 Adiasuren

Adiasuren is the leader of the ARVIN Saving Community.

Her husband earns the household-income, she is a doctor but does not work currently. They have two adult children. One daughter, Tsetsegmaa, lives with her own family in the same khashaa. Before the founding of the saving-community, Adiasuren has never been socially engaged. But when she got into touch with the ideas of community-based ger-area development, she rapidly overtook the role of the integrating and motivating leader. She has joined several trainings on ger-area development in Mongolia as well as abroad. In 2006, she visited a saving-community in Thailand.

Her motivation, she says, is that she sees only this chance to improve her and her community-members' living-conditions. She sees the advances in all families and that makes her proud. She says they have been a very typical Mongolian average neighborhood and now they have improved a lot. They are lucky to be in funds: first that means no one has to borrow money for high interests and second this enables them to receive the UDRC housing-credit.



Picture 5: Adiasuren, leader of the community.

<sup>20</sup> The two families who have left the community did that for a combination of reasons, but one was the disapproval of the husbands with their wives' activities, Adiasuren explained during the interview.

They make efforts themselves, but their efforts are rewarded by others as well. First of all, they get support from UDRC. But furthermore, when the new strategies for ger-settlement in Erdenet will be implemented, ARVIN will be rewarded for its achievements when it will be regarded first to be connected to central water-supply and street-lighting.

Adiasuren explained her engagement for the community as follows:

She is very proud of what the community has achieved in only one and a half years: first of all, they have already collected a high amount of money and can give micro-credits to their members. Furthermore, the saved money serves as a guarantee for UDRC to give the community-members housing-loans. But Adiasuren emphasizes the impact the community has on the social and personal life: the neighbors hardly knew each other before. Adiasuren says that in Mongolian neighborhoods social control and sense of responsibility are missing. That enables broken homes with dysfunctional families, alcohol-abuse and violence against family-members. She was a witness of those problems in her neighborhood and she put them on the agenda of the first meeting. Since then, she says, the consumption of alcohol has decreased and family disputes have declined, too. A combination of reasons might explain that: due to the money-saving, families can apply for micro-credits which they normally would not have received (except for very high interest at the pawnshop). This raises their monetary situation. But as they have to account for their investment in front of the community, they cannot waste their money for alcohol or anything else.

This leads to less disputes among families as the monetary problems decrease. Social control has developed because the neighbors nowadays know each other. They don't want their neighbors to be witnesses of loud shouting or strokes against family members. Social control therefore is a very important factor of community-development, Adiasuren underlines.

But naturally she has also seen herself confronted with the problems of leadership: she has been target of gossips behind her back, group-building and accusation of using money for her own interests. That was the point when she wanted to resign. But the way to solve those problems is bringing them on the agenda. Adiasuren says that open-minded conversation and cooperation is the most important base for the community. Thus she brought these topics on the table and finally all community-members expressed their trust in her. She says it is important to have a flat organization-structure in which responsibility is distributed to all members. That is why they have established the sub-groups. She does not want to be a "dictator", everything will be decided by the group. But she sees that a strong leadership is very important for a community, especially in the beginning, before achievements are obvious to see. She receives a lot support by the subgroup-leaders, she says. Otherwise she also could not do her job.

In the future she would like the community to serve as a kind of bank where people can get credits for low interests.

Adiasuren wants the community to exist further in the recent constellation. Out of her experience the spatial unity is very important and she would not advise to affiliate members who do not live in the neighborhood. For those members the money-saving aspect is superficial, but "community-development is more than money-saving, mainly it is building up social networks where before nothing like this existed", she believes.

## 6.2 Oyuntuya

Oyuntuya lives with her husband and four children in a house in Baigal's khashaa. They came to Erdenet in 1984. Batchuluun, the husband, worked as security-man, she was a shop-assistant. The family moved to the plot in 2000.

During the interview, Oyuntuya referred her family as an example for the positive impact of the community: they have been very poor before and also had a lot of family disputes. They were regular customers at the pawnshop and always had difficulties to pay the money back. Being a part of the community has changed her family's life, she says. Due to the better loan-conditions, they could start their own micro-business. With the first micro-credit they bought a chain-saw to cut wood. They have recently sold their khashaa and taken up another loan of 400000 Tugrik to buy a small van for their business. Oyuntuya and Baigal have become close friends and Baigal allows Oyuntuya's family to live free of charge in her old house.

Oyuntuya is very thankful to be a part of the community, as that has such positive impact on her life. Her family can afford the daily 100 Tugrik and is allowed to receive a loan. For her, she says, it is very important to pay the money back in the right time, as it belongs to the community and the community consists of her friends.

Oyuntuya says that they cannot support with any additional money, but only with the power of their hands. And in fact, as all interviewed community-members said, Oyuntuya's family is always the first to join common activities and provide assistance if any kind of help is needed. That aggrandizes them and makes them –despite their financial problems- a broadly accepted member.

If they were not part of the community, Oyuntuya's family would have had to move to another place. But due to the community that does not want to lose an absolutely popular member-family and with the help of Baigal's family they can live in the neighborhood.

## 6.3 Punsal

Punsal is the oldest member of the community: she is 82 years old and lives in the khashaa on her own. She has two sons, one of them lives in Ulaanbaatar, the other one lives in Erdenet and works at GOK. Her granddaughter comes to visit her every day.

Punsal primarily was employed in a Negdel for animal husbandry, but came to Erdenet in 1976 and worked as a cleaner. She has thus been one of the first inhabitants of the newly-established city and can tell many stories about the development of the city.

Her husband worked as a warehouseman. He died 15 years ago. Then Punsal moved to live with her son, but when he found his own family,



**Picture 6:** Punsal, the oldest member enjoys her new social network and the conveniences of her new house.

she preferred to live in a khashaa. Thus she came to Shand ten years ago. Punsal receives a small pension and could not afford to continue building up her small house. Until recently she lived in a ger. Today she is very happy and proud of her own house that could be built up with financial aid of her community, a donor by UDRC and the manpower of her neighbors.

She says that her life has become much easier and happier since she is a part of the community. When she was asked to join the group, she did not doubt a second. For her, in her age, it is important to know that there are people who care about her. She receives help, children bring her water or buy bread for her and she gets chipped wood. On Tsagaan Tsar she received a small present. It is important for her to know that in case she should fall ill, she can count on the help of her neighbors who have called the doctor once and could bring her to hospital. If she needs help, she can just call and in case she should not be seen for one day the neighbors will look after her. That gives her a sense of well being and feeling secure. As Punsal says, that is the biggest advantage of the community for her. And second is the house.

#### 6.4 Baigal



**Picture 7: Subgroup-leader Baigal with her little daughter.**

The subgroup-leader Baigal is 36 years old and lives with her husband and two children in a house.

In 1993 they came from Zavkhan to Erdenet, first lived in her father's khashaa and moved to this khashaa in 2000. They have lived in a ger until they could finish their first house. Now they have moved to their second, larger house and could provide their old house to Oyuntuya's family. Baigal does not want her good friend Oyuntuya to leave the community and thus affords them to live in her khashaa. Oyuntuya's helpfulness is a benefit for Baigal as well. Baigal's husband has recently started his own wood-business. She is a nursery-teacher, but due to her severe liver-disease she had to quit her job. During the last year she had to be treated in hospital for many weeks. In that time, she says, she has realized her great luck to be a part of the community. Her friends have supported her family in many ways: they collected money for her medicine, they looked after her two children and they visited her in hospital.

Baigal has made use of the micro-credit several times. When her husband's salary was sometimes late, she borrowed 10 or 20000 Tugrik for a short time.

She says, in the beginning the collection of the money was sometimes difficult, but meanwhile it is self-evident and no more a problem. Because of her experiences as a nursery-teacher she has many ideas for community-activities such as the competition "Who prepares the tastiest meal?". Proudly she tells about how her group prepared everything secretly in the night before and finally won the first prize. She likes to or

ganize things and has overtaken an active role in the community. In October 2006 she joined the National Forum on community-based ger-area development in Ulaanbaatar. In her opinion, the community works out so well because of the strong social network that has established and because of the good leadership of Adiasuren. She supports Adiasuren's work and is a very active member of the community.

## 6.5 Bod



**Picture 8: Bod with her family.**

Bod is the second-oldest member of the community. She originates from the region and comes from a herder-family. When the city of Erdenet was established in 1976, she practiced animal-husbandry in a Negdel. When they got into retirement, Bod and her husband moved to their son's khashaa. She has 10 children. Her husband died in spring 2007. Now Bod lives in a ger with her youngest daughter, the daughter's partner and one grandchild. But as they share the khashaa with the son's family, 2 more grandchildren live there. The youngest daughter is expecting the second child by the end of this year, so it was time to

erect a house. Recently they have started construction with the help of a 500000 Tugrik-credit by CDF.

Bod has had friendly contact with Adiasuren before and she was directly convinced of the idea of establishing such a community. She said the main reason for her was to find friends in her neighborhood and to create a good and safe environment for her grandchildren. Before she was always worrying about them, today she does not have to look after them as they have a secure place to play. As a worrying grandmother, this is the most positive outcome for her, she says.

But also she very much appreciates the saving-system: with only little input, she says, she sees such a great outcome: they finally can build up a house.

She enjoys being a part of a neighborhood and having much more contact to her neighbors now. "Before, everyone was on their own, nowadays we are a kind of family." Also she is proud to tell about the advances in the other families' lives: "There is one family that has been in a very bad situation, financially and socially, and I have been witness about their progress. Nowadays they are doing much better than before!"

## 6.6 Batsaikhan

Batsaikhan is a very innovative character. He lives with his wife, three children and his parents in a khashaa in the neighborhood of ARVIN. His khashaa appears very uncommon in comparison to other kashaas: his and his father's interest in gardening dominate the first impression. Almost all free space is used as green area. He grows vegetables and berries, but also tomatoes in two greenhouses. Furthermore the eaves gutter made of plastic bottles, the water-collection tank and the central heating in his house underline his inventiveness.

Batsaikhan's family joined the community in autumn 2006. He had heard about ARVIN through a report on TV in June 2006 and directly met with Adiasuren the next day. After some weeks of observing the community, his family finally became member in autumn.

He says it is a pity that he cannot make much use of the common area and that he cannot take part in all community-activities. But nevertheless he contributes to the community as the other members: he saves the daily amount of 100 Tugrik and he helps when help is needed. His eaves gutter-system is already spreading in the community: Tsetsegmaa is currently working on a water-collecting system for her khashaa. The biggest project will be the planting of the berry bushes in autumn which will be guided by him.

Recently the housing-credit is the biggest advantage for him: he finally has started to build his own house on another plot with a 1 million –credit. He says he is very determined in finishing his house soon and that is related to the control of the group – otherwise he might be a little slower.

At present he will continue being a member of ARVIN, but in the future he would like to establish his own saving-community in his neighborhood. He says Adiasuren is his good teacher for his future plans.



**Picture 9:** Batsaikhan will assist the community-members in gardening-activities.

## 7 Other communities and awareness in the neighborhood

In Erdenet, 3 saving groups exist. One of them has just recently been found in the Habitat-Settlement.<sup>21</sup> After they had met with Adiasuren due to the visit of GTZ on 9<sup>th</sup> of June, a group of 13 neighbors decided to found a saving-community as well. The first steps have already been undertaken: the plot for the fence has been marked, money

<sup>21</sup> "Habitat for Humanity Mongolia" (HFH Mongolia) is a private American organization that helps people to finance and erect standardized houses.

has been collected and the preparations for a latrine for the community-members have been undertaken.<sup>22</sup>

The Habitat-settlement differs quite a lot from other Mongolian neighborhoods: there are no fences so far! It is one of the aims of HFH Mongolia to build up a feeling of togetherness among the neighbors right from the beginning: families form groups to save for their new houses and receive microfinance from HFH Mongolia. Then the group will be enabled to build their houses. But furthermore they will be requested to help their neighbors with erecting the houses. Thus the neighbors will be in contact directly from the beginning onwards.

This fact was given as main reason for establishing a saving-community by the new community-leader, Mrs Damdinsuren. She says that actually they have already been a community before, a well-working neighborhood so far. Now they want to implement the money-saving system to further improve their living-conditions: with the money they can finance micro-businesses like a small shop in the neighborhood or handiworks like table clothes, chairs and tables. For them also the intensified contact between young and old neighbors is important. Young people can learn from the elder and on the other hand the young ones can support the older ones.

They want to improve their living-environment: the first step is that they are currently erecting a latrine for the whole community nearby, because the only latrine for the whole neighborhood is quite far away. Furthermore, they want to have a "beautiful environment" as Damdinsuren says: they plan to plant fruit trees and berry bushes, they want to grow vegetables and use a part of them to sell them on the local market for the community-income. Furthermore, they currently are building basements in their homes to store the fruits and vegetables over the winter.

The socio-economic situation in Habitat-Community is quite similar to ARVIN-Community. "We are just very average people who are aware of their potential to improve their lives as a group," Damdinsuren says. So far they have undertaken the first step: they have understood that together they can achieve much more than on their own. They have registered as a community at UDRC and they will receive any kind of aid to step into a positive future.

As Enkhbayar from UDRC stated, the promotion of saving-communities lies in the hands of the communities and their local networks. UDRC will not undertake any steps to promote saving-communities. A random questioning in the direct neighborhood of ARVIN showed interesting results. Out of 13 people asked, only two persons knew about the community. One had seen a report about ARVIN on the local TV and one lived in the direct neighborhood. This refers to the above mentioned situation in Mongolian neighborhoods again: even if people live so densely and spatially close to each other, there is almost no contact above the fences! Everyone lives for their own and has no idea about what is going on behind their khashaa.

Adiasuren tries to promote the idea of community-development and the newly-established Habitat-community is the best example for her success.

<sup>22</sup> Currently there was only one latrine for 48 households which was located quite far away from the houses.

## 8 Community-based ger-area development – Conclusion and future prospects

All members of ARVIN expressed their complete satisfaction with being a part of the community. They mentioned only positive influence on their lives, everyone experiences an upgrading in their living- and personal situations. Severe family-problems have been solved due to the membership in ARVIN. Also Enkhbayar expressed her deep trust in the positive and steady development of this community. She says: "Without any doubt I believe that this community will exist in the future and be a lighthouse-project for community-based ger-area development in Mongolia."

What are the reasons for this very positive development, the steadiness and success of ARVIN Saving-Community?

As seen before, the socio-economical situation of the community-members was average for Mongolian neighborhoods and also family-relations only existed inside khashaas. Thus all it needs are active people who overcome "passive dependence", "trust barriers" and "financial barriers" and share the common aim to improve their lives and know that they cannot reach it out of their own, but only in a group.

Out of the experience of ARVIN Saving Community, 4 major factors for a successful community-based ger-area development shall be stated:

- Intensive training, ongoing enhancements and assistance (including material incentives)
- Open-minded people who are aware of their situation and willing to reach an aim together and who feel up to lead discussions openly and to work together leading to the goal.
- A strong leadership: not in the sense of a "dictator", but an integrating person with social responsibility
- Spatial adjacency: this offers many possibilities to meet each other and to intensify contact to the neighbors. Furthermore the consistent appearance intensifies a feeling of unity.

Then community-based ger-area development has a big impact on peoples' lives. They overcome their passive attitude towards their lives and instead become active, reach aims and in the end can appreciate their success and be proud of it. They will also be the first to enjoy the realization of Erdenet City Development Strategies, e. g. the installation of street lights and the connection to central water-supply-networks.

This kind of development "from the bottom" has thus much better impacts than simply giving beneficiaries which will leave the people in their passive role. The example of ARVIN Saving Community has shown how with only very little input a maximum output can be reached. Money is used as a tie, but its collection has much deeper matters. To repeat a sentence that was analogously said by every community-member: "It has only positive impacts on my life. I belong to a group now and that makes me strong. In a group I can achieve something."

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