



Citizen Ownership and Economic Futures: An Evaluation of Mongolia's One-Time Free Land Distribution for Families

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ABSTRACT

Mongolia is the 19th largest country in the world, the 7th largest in Asia, and the second largest landlocked country. Mongolia is sparsely populated, with 20.9 percent of the population aged 15-35 [1], and they tend to marry relatively early. In Mongolia, landowners still lack property rights. In 2002, the parliament passed a law on land ownership for Mongolian citizens, which began granting Mongolian citizens one-time, free land ownership for family needs, but by the end of 2024, only 20.9 percent of the population had acquired free land ownership [2], which is an insufficient indicator. Even though Mongolian citizens who have land tenure right and those who want to own free land have applied, the land is not included in the general land management plan of the Aimag and the capital city, the general and partial development plans of the Aimag center and cities, or the annual land management plans of the Sum and district. Therefore, it is impossible to own free land for a family needs. In other words, it is believed that the relevant provisions of the law are slowing down the process of land acquisition. Article 5 of the Law on the Procedure for the Implementation of the Law on Land Acquisition for Citizens of Mongolia, adopted in 2008, states that the measure of granting land for family use to citizens once and for free shall be implemented for 25 years starting from May 1, 2003, and terminated [3]. This study aims to analyze the process of granting land for family use to citizens of Mongolia once and for free. In terms of research methodology, a sample is collected using a redesigned questionnaire, and 1,115 Mongolian citizens participated in the study. Secondary data was also used. According to the study, 784 citizens are unable to acquire land for family use free of charge. 728 respondents reported satisfaction with the one-time, free land ownership measure for family needs, indicating that their family members and relatives expect to own free land in the future. 1017 or 91.2 percent of the respondents answered that they would like to get free land ownership rights in Ulaanbaatar city and the provincial center. This confirms that citizens want to own free land in areas with more developed production and infrastructure. The hypothesis that free land ownership for Mongolian citizens over the age of 18 for family needs will improve the quality of life of households by providing them with private land has been confirmed. The value of land is expected to increase further in the future. When citizens had private land, they would be able to engage in business, mortgage it, and even secure their livelihood. This study has theoretical and practical significance and can be further studied.

Keywords: Free land Ownership and Legal Regulation, sustainable development its goals, Mongolia citizens,

JEL Classification Code: A12, D73, R14

INTRODUCTION

Mongolia is the 19th largest country in the world, the 7th largest in Asia, and the second largest landlocked country. Mongolia is sparsely populated, with 28.9 percent of the population aged 15-35 [4] (according to the 2020 Mongolian Census). The land in urban, rural, and other settlements in the Unified Land Fund of



Mongolia accounts for 1,232.6 thousand hectares, or 0.8 percent [5] (2023 Unified State Report of the Unified Land Fund). In 2002, the Parliament passed the Law on Land Ownership for Mongolian Citizens, which provided Mongolian citizens with a one-time, free land ownership for family needs [6] (Article 5.1.4 of the Law on Land Ownership for Mongolian Citizens). Land ownership to citizens means the transfer of land to citizens in accordance with the size, terms, requirements, procedures, and conditions specified in the Constitution of Mongolia, as specified in this law [7] (Article 3, Clause 3.1.2 of the Law on Land Ownership to Citizens of Mongolia). Specifically, land ownership to Mongolian citizens shall be granted in the settlement areas of cities, villages, and other settlements of the Unified Land Fund. The size of this settlement area is 96.8 thousand hectares as of 2023.

As of the end of 2024, 733,394 citizens had their land ownership rights confirmed for 73 thousand hectares. Specifically, 20.9 percent of the population acquired free land for family needs [8]. (2024 Report of the Unified Land Fund). This is an unsatisfactory indicator compared to the same period of the previous year. Citizens who own land want to own land and acquire land for their new family needs for free once, but they cannot do so because the land is not included in the general land organization plan of the Aimag or the capital city, the general and partial development plan of the Aimag center or city, or the annual land organization plan of the Sum or district. This is directly related to the regulation in Section 5.1.2 of the above-mentioned law, which states that "when allocating land to citizens for purposes other than agriculture, the total size and location of the land to be owned by citizens specified in the decision of the Citizens' Representative Khural of the Sum center or village at the relevant level, and the number of citizens who want to own land, as reflected in the general land organization plan of the Aimag or the capital city, the general and partial development plan of the Aimag center or city, and the annual land organization plan of the Sum or district, shall be taken as the basis" [9]. In other words, this provision is considered to slow down the process of land ownership. Article 5 of the Law on the Procedure for Implementing the Law on Land Ownership for Mongolian Citizens, adopted in 2008, states that the measure of granting citizens one-time, free land ownership for family needs shall be implemented for 25 years starting from May 1, 2003, and terminated.[10] This study aims to analyze the process of granting Mongolian citizens one-time, free land ownership for family needs. This study has theoretical and practical significance and can be studied further.

LITERATURE REVIEW

This research based on natural law theory, concept of Sustainable Development and its goals.

Land Property Right and Sustainability Development Outcome

Land is a significant economic growth and development asset in any country's sector or economy. If you want land you have to apply to the government. It means acquiring land rights according to the law. Land rights related to land ownership and tenure. These rights are important. Land tenure and land property rights include different categories. The system of private property rights in land found in modern Western economies is the product of centuries of economic, social, political, and legal change[11] (North 1981). The impacts of globalization tend to further strip land of its social and spiritual significance and turn it into a commodity to be bought and sold. Non-rural actors, such as urban dwellers, investors, and foreign companies, are also seeking to gain access to land for commercial and speculative purposes [12] (Toulmin & Quan, 2000). Politicians at national and local level see control over land as a major mechanism to negotiate other forms of political allegiance. The Sustainable Development Goals are intended to improve the lives of the poor.

Land Ownership and Economic Outcome

Increasing population density, appreciations in the agricultural terms of trade, and technological change which makes investments in land quality more profitable have enhanced the benefits from creating more precise private property rights in land [13] (Feeny (1988b), Libecap (1986), Roumasset and LaCroix (1988), and Umbeck (1977). Land tenure is important in rural development interventions which emphasize building people's endowments of assets so they can enjoy sustainable livelihoods [14] (LT Studies - Food and Agriculture Organization of the United ..., 2002 - fao.org). land is a key asset for rural livelihoods and economic development across Africa. In much of the continent, land-based activities contribute a major share



of Gross Domestic Product (GDP) and employment, and constitute the main livelihood basis for a large portion of the rural population[15] (Nazneen Kanji et al., 2005).

Free land Ownership and Legal Regulation in some countries

In many African countries, land use and ownership is governed by customary land tenure systems with local communities rarely having formal land tenure rights. Formal ownership of land, especially in rural areas, is often vested in the government; farmers access land through local customary tenure systems which enjoy only weak legal protection[16] (L.A. Wily, 'From State to People's Law: Assessing Learning-By-Doing as a Basis of New Land Law' in J.M. Otto & A. Hoekema (eds), Fair Land Governance: How to Legalise Land Rights for Rural Development (Leiden University Press, 2012).

METHODOLOGY

Data collection

This section utilizes both primary and secondary data related to Mongolia's land relations and administrative practices. Accordingly, the study gathered a total of 1,115 samples, which were analyzed using SPSS version 26.

RESULT

Secondary data shows that citizens owned land. it means 20.9 percent occupies of the population . This study used quantitative data and collected 1115 sample from Mongolian citizens. The study analysis the sample as descriptive and cross-tab on SPSSv26. 331 male and female respondents have own free land. 784 male and female respondents answered that they don't have own free land (Table 1).

Table 1. Crosstab result

		Gender		Total
		Male	Female	
Land ownership	I have my own land	115	216	331
	I don't have my own land	226	558	784
Total		341	774	1115

Table 2. Crosstab result

		Age					Total
		18-27	28-37	38-47	48-57	58 up	
Land ownership	I have my land	70	82	96	62	21	331
	I don't have my land	213	251	173	95	52	784
Total		283	333	269	157	73	1115

Table 3. Crosstab result

		Area							Total	
		Districts of Ulaanbaatar								
Land ownership	I have my land	Sukhbaatar	Bayanzurkh	KhanUul	Songino-Khairkhan	Bayangol	Chingeltei	Nalaikh, Bagakhangai, Baganuur	Province, sum, village, countryside,	
	I don't have my land	29	50	24	31	31	41	30	95	331
Total		125	204	92	122	113	103	59	297	1115



The land ownership decision maker is the governor of Sum, district, province, and capital in Mongolia. The governors are all political officers. 89 of respondents who have own free land answered that they are strongly disagree to make free land ownership decision. 231 of respondents who does not have own free land answered that they are strongly disagree to make free land ownership decision. In that case, 172 of respondents who does not have own free land. Whereas, 83 respondents answered that they are strongly agree to make a free land ownership decision.

Table 4. Do you agree that the governors decide on land ownership of sum, district, province, and capital?

							Total
		strongly disagree	Disagree	I dont know	Agree	strongly agree	
Land ownership	I have my land	89	26	103	30	83	331
	I don't have my land	231	66	245	70	172	784
	Total	320	92	348	100	255	1115

Table 5. Income

								Total
		No incom e	500.0 million MNT	501.0 to 1 million MNT	1 to 2.million MNT	2 to 3 million MNT	3 million up	
Land ownership	I have own land	16	12	39	133	97	34	331
	I don't have own land	58	35	105	311	197	78	784
	Total	74	47	144	444	294	112	1115

696 respondents answered that they interest to own free land in UB, 185 respondents answered that they interest to own a free land in Center of another province excluding Erdenetm Darkhan and Umnugobi aimag (Table 6).

Table 6. land * where do you want to get free land /member of family/

								Total
		UB	Erdenet city	Darkhan city	Umnugobi province	Center of another province	Countryside	
Land ownership	I have own land	208	8	21	2	56	36	331
	I don't have own land	488	30	69	6	129	62	784
	Total	696	38	90	8	185	98	1115

121 respondents answered that strongly dissatisfied with the distribution of free land for family needs. Therefore, 134 respondents are dissatisfied. 728 respondents answered that they are dissatisfied and strongly satisfied (Table 7).

Table 7. Are you satisfied with the distribution of free land for family needs

							Total
		Strongly dissatisfied	Dissatisfied		Satisfied	Strongly satisfied	
Do you have land ownership	Have a own land	32	41	41	73	144	331



right?	don't have a own land	89	93	91	166	345	784
Total		121	134	132	239	489	1115

CONCLUSION

According to Mongolian statistics, only 20.9 percent of the total population owns (official ownership right) free land for family needs. Of the 1,115 citizens who permanently reside in Ulaanbaatar city, aimags, soums, and rural areas, 784 do not own land (ownership right). Mongolian citizens can apply for free land ownership for family needs once and for all in accordance with the law, but the process of land ownership is very slow due to legal regulations, such as the general land organization plan of the aimag and the capital city, the general and partial development plans of the aimag center and cities, the annual land organization plan of the soum and district, and the decision of the Citizens' Representative Khural of the soum center and village at that level, which is based on the total size and location of the land to be owned by citizens, and the number of citizens who want to own land. 696 of the survey participants want to own land in UB city. However, they cannot own land for free because the land they want to own is not included in the relevant plan. The poverty rate of Mongolian citizens is 27.1 percent as of 2022, which may be due to the lack of land ownership rights, no loan rights, and a lack of collateral. Without real estate, it is impossible to have assets as collateral for loans and to run a business. 728 citizens who participated in the survey responded that they were satisfied with the one-time, free land ownership measure for family needs, which indicates that family members have expectations of free land ownership in the future.

The average age of marriage in Mongolia is 28.2 for men and 26.7 for women [17]. (National Statistics Committee, 2024). In Mongolia, the average age of marriage is 27, which is relatively early. Therefore, it is necessary to urgently organize measures to support citizens aged 18-35 to acquire rights to free land for their family needs and to provide them with land ownership within the period specified by law. 71% of Mongolia's 996,000 households are homeless, and the government is trying to solve the housing problem through mortgage loans and ger redevelopment, but people without property are unable to own a home. 1,017 or 91.2 percent of the survey participants said they would like to own free land in Ulaanbaatar city and aimag centers. This confirms that people want to own free land in areas with more developed industry and infrastructure. While some countries provide free housing and land to targeted groups, Mongolia has a small population and vast territory, so it is entirely possible for citizens aged 18-35 to acquire rights to free land for their family needs once and for all, ensuring their future livelihood. However, a transparent land valuation and registration system needs to be thoroughly developed.

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