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# Decollectivisation of the Mongolian pastoral economy (1991-92): some economic and social consequences

Tomasz Potkanski

Liberalisation in the Mongolian pastoral economy in 1991-92 was primarily manifested by the dissolution of pastoral cooperatives and the privatisation of herds. New forms of cooperation between pastoralists emerged, some induced by the authorities, others of more grass-root character. This paper examines these processes pointing to their economic and social consequences.

## Introduction

Since 1990 Mongolia has been undergoing a process of rapid political and economic transformation initiated by the ruling Communist Party. This is aimed at building a multi-party parliamentary democracy and a market economy. The pastoral sector plays a crucial role in the Mongolian national economy. In the late 1980s it generated over half of GDP and 40 percent of total exports. As a result, the attention of reformers is focused in a very direct way on pastoralism. For this sector of the economy, liberalisation resulted in the dissolution of pastoral collectives (*negdels*) and the privatisation of their herds. New forms of organisation of economic cooperation between herders emerged but there are also individual herders who are reluctant to join any new structure. The paper examines these processes, concentrating on the economic consequences for the organisation of pastoral production, livestock ownership and management as well as on some social aspects. The paper is based on fieldwork conducted in September-October 1992 in Dornogov' *aimag* (province) in the southern desert-steppe zone of Mongolia, and Arkhangai *aimag* in the central forest/mountain steppe zone.<sup>1</sup>

The first part of the paper gives a general historical perspective of the current process of decollectivisation. The second part describes in detail the process of privatisation, its local dynamics and regional variations, and discusses some of its current economic and social consequences.

## Mongolian pastoralism in the 20th century

### *Pre-revolutionary period (-1921)*

In the early 20th century Mongolia regained independence from the Chinese Empire and continued as a feudal-theocratic state. The old feudal social and political structure was preserved and even reinforced, together with the extraordinarily strong position of lamaist church. Society was highly stratified with high-ranking feudal lords and lamas, followed by herders who were their feudal subjects, and herders who were subjects of the state. Wealth stratification counted in animals was considerable and the poorest category of herders worked as a labour force for the richer herders, lamas and nobles. The country was divided into about a hundred *khoshuus* (provinces, a kind of fief governed by local feudal leaders) with

large areas under the control of lamaist monasteries. Allocation of land for grazing within the *khoshuu*, between the local ruler, monasteries and different local communities, was in hands of that ruler. Centuries' old rules of land tenure, which regulated coordination of grazing movements within each local community, were still in force. These rules applied to all except *khoshuu* rulers who had a right to go outside the boundaries and appropriate more convenient pastures. Controlling and policing functions were vested in their hands as well. The subjects of monasteries often violated these rules and wandered across the *khoshuu* boundaries however, since they were protected by their masters.

The communist revolution initiated in 1921 wiped out the nobles and the monasterial class. By 1931 the communist government had abolished all the privileges of the feudal and church hierarchy, confiscated their property and distributed their stock between poor herders. It consequently removed the upper strata, often by force. Religion and religious ceremonies were banned. However nothing changed with respect to the organisation of the pastoral economy. Wealth stratification decreased but remained. In 1939, after redistribution of feudal and monasterial herds, stockless households amounted to 1.2 percent of all households (the proportion was 5.3 in the 1924 census), while medium and smallholders households (up to 100 *bod*<sup>2</sup>) reached 94.5 percent, and the affluent were only 4.3 percent (Szynkiewicz 1981:26). In 1954 the latter category rose to 13 percent. Assuming that the number of 100 *bod* marked the lowest level of economically and ecologically viable production units<sup>3</sup>, the overwhelming majority of households were economically fragile, low productivity smallholders. Feudal and church herds disappeared, but traditional land tenure rules based on local communities continued to operate. Basic territorial units—*khoshuu*—became divided into smaller and more numerous *sums*. In the late 1920s there were attempts at rural collectivisation, resisted by herd-

ers. Later, the creation of small pastoral collectives was always encouraged, but without direct discrimination against other forms of property, except heavy taxation imposed on the richest households. Until the late 1950s there were no significant shifts in policy towards pastoralism, and individual pastoral family households continued as the basic units of production.

#### *Collectivisation (1950s–1990)*

Low productivity of most households and strong ideological arguments pushed the communist government in 1959 to the decision to collectivise private herds and form *negdels* or pastoral cooperatives, territorially equal to the administrative unit of the *sum*. Herders were allowed to keep a private herd of not more than 2 *bod* per person. As a result, roughly 25 percent of all herds remained in private hands and 75 percent became collectivised. Initially pastoralists passively resisted this new property order but have accepted it with time. Their acceptance was a combined result of several factors, mainly the pragmatism of the *negdel* organisation, which met the most essential needs of pastoral families (social and economic services). There were also cultural reasons related to the general idea of obedience to authority as a part of the moral order (or heavenly mandate before the lamaist period), incorporated in Mongol culture for centuries. Collectives, and at the lower level, brigades, were usually built on the basis of local communities of higher (or lower) order, which have preserved their existence till now. The social and economic pragmatism of *negdel* structures was paralleled by strict, though indirect, control over the movements and even lives of *negdel* members, which pointed to the totalitarian character of the system.

The *negdel* authorities successfully intensified pastoral production by introducing narrow specialisation in herding, which reduced the labour burden. Zootechnicians, who were responsible for organising pastoral production on behalf of the *negdel*

authorities, in general tried to combine their theoretical knowledge with traditional herding techniques. With the exception of the early *negdel* period, they rarely were in conflict with the pastoralists. With time, an efficient veterinary service was created which prevented the spread of dangerous diseases. Among the services provided by *negdel* were free education and health care, building of winter shelters, provision of hay to *negdel* and private animals on the spot, as well as free transport of belongings at the time of seasonal change of camp location. Informal customary grazing arrangements were acknowledged and incorporated as a part of the *negdel* grazing system. However some families were reallocated to different areas within the *negdel* owing to the need for herding specialisation. An important consequence of specialisation in herding and growing dependence on *negdel* services (especially transport) was a decline in mobility of pastoral households, leading to an increase in grazing pressure in some areas and a decline in others. On the other hand, in the desert and steppe zone new wells were sunk which opened new areas of pasture as well.

#### *Economic liberalisation and decollectivisation (1991-)*

In the late 1980s political changes in the Eastern bloc resulted in a fundamental shift in the Mongolian political system as well as in economic policy. The aim of the reforms is a market-oriented economy based on private ownership of the means of production. Prices have been gradually freed from state control and state procurement will be withdrawn. In 1991 the *negdels* were dissolved and administratively replaced by 'companies', and the process of privatisation began. *Negdel* and state property has been privatised in two stages, called 'small' and 'big' privatisation. Special 'coupons' were issued to all citizens to facilitate distribution of state assets. Only *negdel* members were eligible to receive animals, while for people living in towns other assets such

as factories, shops and houses were made available. Privatisation of animals was conducted quite mechanically, according to a simple arithmetical formula based on family size plus a coefficient related to the time of employment of adults in the *negdel*. The first phase of privatisation of livestock and other *negdel* property, involving 30 percent of animals and most infrastructure such as winter/spring shelters, was completed throughout the country in 1991-92, and the remaining 70 percent of animals were transferred to the newly established 'companies'.

The latter were simply commercialised versions of *negdels*, and were planned by the government as an intermediate stage on the way to full privatisation. Animals were leased to herders in return for selling an agreed quota of products to the company, but the new-born animals were supposed to become the property of herders. The company was supposed to provide all the services previously offered by the *negdel* although these were no longer free of charge, and to pay salaries and pensions; additionally they offered increased possibilities of individual profits. In a political sense it was a good compromise between the new economic ideas and the interests of the *negdel* bureaucracy and establishment who took over all the administrative posts in the companies.

Companies were planned to last 5 years, but in most areas of Mongolia were dissolved before the first year had passed. This was caused by widespread dissatisfaction with company performance resulting from the clash between high expectations and limited possibilities of meeting them in the crisis-stricken Mongolian economy (with shortages of fuel, spares, fodder as well as inflation). Decisions were taken each time by company assemblies on the demand of dissatisfied members who expected better and cheaper services than were actually received. In this way the remaining 70 percent of animals were distributed among the members in the same proportions as before. This process has not taken place uniformly everywhere. In mid-1993, still a cer-

tain number of communities remained organised as companies (i.e. had postponed the 'second privatisation'), but most had opted for full privatisation; it is reported that by the end of 1992 almost 80 percent of animals were already privately owned (Mearns 1993:12). Some members of dissolved companies decided to remain as individual private herders. However a large number set up a new type of voluntary cooperative (*khoshoo*) aimed at coordinating livestock product marketing, threatened by the collapse of the state system. Animals in voluntary cooperatives remain fully private and are herded individually. Detailed decisions on the conduct of privatisation was left to company members, and very often some members of the dissolved company remain individual herders while others formed small scale *khoshoo*, in which membership was usually based on local community ties. The following section describes these processes in more detail.

### Privatisation of pastoral collectives and new forms of cooperation

#### *Pastoral collectives*

Before the *negdel* period pastoral households were in principle independent economic units, and pursued individual herd management strategies (coordinated within *khotails*) depending on their resources. With collectivisation, households became sub-units of a large *negdel* organisation with their autonomy limited to their own private herd and to some extent to decisions about the grazing patterns of the household (private and collective) herd. Each family was allocated a *negdel* herd according to available family manpower. *Negdel* officials, together with the herders themselves, decided on household specialisation. Each family was supposed to produce and deliver to the *negdel*, on a yearly basis, a given quota of young animals and animal products. Production targets were based on mean coeffi-

cients of productivity for each species and the size of allocated herd. Members of the *negdel* (adults) were paid monthly salaries on the basis of anticipated annual income.

Herders who failed to meet production targets had to make up the shortfall from their own private animals, or by buying them from other households and delivering to the *negdel*. Sometimes compensation in money was accepted. According to Erdene *sum* authorities, in the last decade, old debts to the *negdel* were usually cancelled after a few years (a decision taken by the brigade members' meeting), so the system provided protection for losers. Members of the *negdel* over 60 years old (men) and 55 years old (women) received pensions, and the *negdel* insured its members and their families as well as all animals, including private ones. The *negdel* was responsible for delivering each year an adequate amount of hay for *negdel* and private animals (free of charge) to the winter shelter, which was also built by or with the assistance of the *negdel*. The *negdel* assisted herders to move their seasonal camps with tractors and lorries. Veterinary services were well developed, as well as schooling and health services.

The paradigm of a centrally planned economy employed by the Mongolian authorities at the *negdel* level favoured stable, undisturbed and costly production supported by the state through subsidies. It discouraged individual entrepreneurship or the development of more intensive methods, and a significant number of herders accepted this type of economic mentality. By setting limits on the household's individual herd, the system gave incentives to higher household consumption at the expense of herd growth. The gradual and informal lifting of these limits (which were more or less observed) resulted in some growth in wealth differentiation during the late 1980s. This has increased with the first stage of privatisation, along with the start of contrasting individual economic strategies (see Potkanski and Szykiewicz 1993:91-96, 70).

### Pastoral companies and privatisation of *negdel* herds

In early 1991 the Mongolian government introduced a new system of organising *negdel* production, by leasing *negdel* animals to individual families or *suurs* (groups of 2-3 families) against delivery of animal products according to agreed production targets. These arrangements became institutionalised at the end of 1991 when 'companies' replaced the old *negdels*. The main innovation was the lease which allowed herders to retain all new-born animals and other products from the leased herd on the condition that they delivered a quota of meat and other products to the company (the former *negdel*) at state prices, while wages remained as before. The company was selling products in the open market (at auctions) and promised to return the difference at the end of the year in money or in scarce goods. This system, in contrast with the *negdel* one, created new production incentives, since herders although still paid, became owners of their products, although an agreed quota had to be sold to the company at the fixed, low, prices. This arrangement was exceptionally profitable for herders, and all our informants from Erdene *sum* expected that after selling the agreed quota of meat to the company they would be able to retain slightly over half of all new-born animals, plus wages and payment for delivered products. The company was obliged to provide winter fodder, veterinary drugs and transport facilities but company members were charged for these services. In 1991 these charges were still low and not perceived as a serious burden. In general the company was pragmatically invented as an intermediate step towards future full privatisation. The assumption was that the company herd would not grow but that newly born animals would be directly transferred to private herders.

Despite the fact that companies were planned to last several years, they were abandoned only a few months later in favour of full privatisation. There were prob-

ably two reasons for this. After a period of enthusiasm, herders realised that the promised services were not always available, payments for them were high due to inflation, prices for products delivered to the company were low compared to free market ones, and nothing could be bought with the money earned. It is our impression from talks with herders in Gobi and Arkhangai that they blamed the company for the general crisis in the Mongolian economy. Additionally, in the meantime, during 1992 the political changes in Mongolia gained momentum and full privatisation and new types of cooperatives (*khoshoo*), not the revitalised old collectives, became favoured by the central government, and this became known to both herders and local administration. The atmosphere of political liberalisation in the country and direct agitation by individual entrepreneurs and the administration (who expected, both in Erdene and Tariat *sums*, higher profits from a fully private pastoral economy) effectively influenced the decision taken by members of companies. However in both cases these were by a narrow majority of votes. The government sensibly left the decision to the members of each company. In Erdene the 'small' privatisation was undertaken in autumn 1991 and the 'big' one a year later. In Tariat the interval was much shorter and the second privatisation took place in June 1992.

The general rules of privatisation were set by parliamentary act, but in practice each *aimag* and even *sum* was allowed to adjust the rules to the local situation (and interests of company members). This pragmatism by the central government was one reason why privatisation of animals went so smoothly and was generally well received and evaluated by herders throughout the country. I will describe the conduct of privatisation in both sample *sums* pointing to differences to show the range of local variability in the countrywide process.

The *negdel* herd of 51,000 in Erdene *sum* was privatised according to the general rules (30 percent in 1991 and 70 percent in

1992). All company members were eligible to receive privatised animals, both herders and administrators. *Sum* administrators did not directly benefit but this did not create any tension, contrary to the situation in Tariat. Each person (adult and child) had a right to receive assets of the value of 3000 tg. The initial share was increased for former *negdel* members by several bonuses for long employment amounting to 6000 tg maximum. Animals and other assets were distributed between families, not directly to individuals. Prices of animals were lower than market ones (and did not change during 1992 despite inflation) and depended on age and species. This generosity was possible because the former *negdel* was rich in animals compared to the number of people. The company administration calculated the total 'privatisation capital' of the family, and allocated them animals of all species in the same proportion as in the company herd. In one sense the distribution of animals was random, since herders receive animals of all species and of random ages, not taking into account the preferences of particular herders. The main factors contributing to the size of each family's portion was the number of household members and the length of their employment in the *negdel* and company. After the formal distribution on the paper, a second phase, of practical allocation, took place. This was done by taking animals from among the company animals herded by a given family and by exchanges between households. Winter/spring shelters were also privatised, again at low prices under the rule that the shelter was allocated (formally sold within the coupon's value) to its permanent user. In the *sum* centre all staff houses belonging to the company administration were sold to families living there.

During the second round of privatisation the rules were the same and the remaining 70 percent of animals were distributed. Interesting decisions were made on other assets. As a result of long and open discussion, the company authorities decided to withdraw the transport facilities

(lorries, tractors and garages) from open privatisation and retain them as commercialised state property supervised by the *sum* authorities. The arguments were as follows: privatisation of transport facilities would take this important element of economic infrastructure out of any control and that might lead to a drastic rise in transport costs, or, if locals refused to pay high prices, to their withdrawal from the *sum* to the *aimag* centre where demand for transport services is very high. The latter was very probable since in the end the new owners would probably become rich people from outside the *sum* who would use local people as front men at the time of privatisation. In addition to these reasonable arguments, it seems that the *sum* and former company administrators wanted to keep their influence over such a crucial link in the production system as provision of services, and thus preserve their own place in the system. In this way a compromise was found between the interests of influential groups—herders and *sum* administration—and the process of privatisation was not very controversial.

In Tariat *sum*, which is perhaps representative of the Arkhangai situation, the first privatisation was organised on the similar basis, but the precise rules of animal distribution were slightly different as a result of local peculiarities. In Tariat the number of people eligible to receive animals was three times more than in Erdene while the number of animals to be privatised was only 30 percent higher. The real value of the Tariat *negdel*/company assets was lower than the privatisation coupons in the hands of the inhabitants. In this situation during the first 'small' privatisation, the *negdel* authorities decided to privatise as much as 70 percent of animals and the remainder were transferred to two newly created companies (Gerelt Zam and Yalalt)<sup>1</sup>. All eligible individual members of the former *negdel* were divided into four categories: (i) long-standing *negdel* employees (adults); (ii) medium and short term *negdel* employees; (iii) *negdel* administrators; (iv)

all children of former *negdel* employees regardless of occupation. Individual members of each family belonging to the first category received 2 adult cattle, plus 2 heifers/calves, plus 5 one-year calves, plus 5 sheep/goats. Each subsequent category received less, e.g. children only one cow/ox, plus 3 sheep/goat, plus 3 lambs/kids. Present and former *sum* administrators (state not *negdel*/company employees) were excluded from the distribution and their resentment was very strong. The official explanation was that they had received state salaries or pensions, so there was no need to give them animals. In practice the number of animals was insufficient and somebody had to be excluded. Actual power relationships in this *sum* allowed such an arrangement. According to our data, only 13 persons born and formerly working in the *negdel* came back from different towns and were accepted as eligible for privatised animals. Several others who came for this purpose were denied this right and left Tariat. Besides animals, all winter and spring shelters were also distributed at low prices and a part of the transport pool was also privatised.

During the second privatisation in June 1992 the remaining 30 percent of animals were distributed. In this case the disputed division into four categories was abandoned and each eligible person, regardless of age and length of employment, received the same low number of animals. All transport facilities and houses in the *sum*/brigade centres were also privatised or handed over to newly emerged *khoshoo*. Some of the 'privatisation coupons' for which no assets were found in the *sum* were planned (in 1992) to be invested in privatisation of urban factories in the regional capital.

The wealth structure after both privatisations in both *sums* reflected much more the size of a given family and the status of their members according to privatisation rules than their individual efforts and management abilities as was, to some extent, the case shortly before privatisation. Therefore analysing this structure would not be

fruitful at the present stage, although after 2–3 years, the actual wealth structure may disclose the effectiveness of different management strategies in the new economic environment. For example, at the moment, herd specialisation (allowing for intensification of production) seems not to be desired by the majority of interviewed herders in both *sums*, although in Erdene *sum* we recorded several cases of economically motivated exchanges of animals of different species between herders following privatisation. Informants were unable to say what is the minimum economically viable herd in the current market conditions, since this was outside their experience.

#### *Herders opinions about privatisation*

The overwhelming majority of herders we interviewed regretted the dissolution of *negdels* a year before. The decision to abolish the *negdels* was thought to have been taken in the capital and sent from there, which was true. The main reason for dissatisfaction was problems with marketing animal products and the lack of services formerly provided by the *negdel*. Nevertheless herders usually pointed to both negative and positive consequences. It was commonly said that now people took much better care of their private animals than they did formerly with *negdel* animals. They of course appreciated having full control over the animals but their opinions were full of critical reflection. More active and entrepreneurial individuals were more optimistic and in their perception, privatisation had created new opportunities. More passive herders, who were in the majority, concentrated on lost privileges and services as well as on the lack of supervision and assistance from a large organisation. In the ranking of opinions about desirable forms of organisation, the overwhelming majority of herders gave first place to *negdel*, second to the individual pastoral economy, or alternatively voluntary cooperation within the framework of *khoshoo* cooperatives. The last choice was the company, of which nobody



had a good opinion. Herders clearly realise that the situation will not be reversed; some of them look for a new role in a market oriented pastoral economy, while most helplessly and passively follow the course of events.

### *New forms of organisation of pastoral economy*

A majority of herders interviewed in both *sums* clearly perceived that individual households would face enormous problems in the market environment and they desired to cooperate with others, but the question of how to do it, and with whom, remained in most cases open. It seems that in the present situation in Mongolia, the preferred organisation for rural cooperation is a voluntary herding and marketing cooperative or *khoshoo*. I will analyse here three cases of present or planned *khoshoo* in both *sums* to show the range of problems these new structures currently face.

Most herders in Erdene *sum* declared that they would stay as individual herders at least for some time, considering that former *negdel* and company officials had said they would continue as brokers between herders and the market, although now on a private basis. Since Erdene *sum* is situated along the important railway line and road to China, at least in 1992 local herders did not face significant problems with marketing their products, especially since the company was supposed to continue buying products till the end of 1992. In general the danger was not yet strong enough to push a majority of people to action and only one group of 16 families formally expressed the desire to form a *khoshoo*. At the time of our research they had only applied to *sum* and *aimag* authorities for registration. This was before the dissolution of the company, so their initiative should be treated as a deliberate innovation, not a rescue action by producers who had lost marketing opportunities. The main purposes of the *khoshoo* were as follows: to become independent from *sum* authorities with respect to eco-

nomics decisions, and to improve the effectiveness of pastoral production by eliminating redundant administration and selling products directly to consumers or at auction, by-passing all intermediate stages.

Among the 16 families, 9 lived in this local community and 7 outside but not very far away. It is symptomatic that all the permanent inhabitants of this valley were offered membership but half refused, not believing in the eventual success of the venture. They were disoriented and distrustful. Therefore in this case membership was not exclusively based on local community ties but rather on a strategy of coping with a new situation. Personal wealth was also not a criteria of access to the new *khoshoo*, since all strata were represented, with a majority of mediumly wealthy households. The person elected as president was said to have good contacts in the town markets. Another person, the local man of authority, became responsible for formal contacts with the authorities, planning and accounting. His personal enthusiasm and devotion for the work was moving the idea ahead.

The *khoshoo* prepared a simple business plan with estimates of yearly income, expenditure (including taxes), and profits. The value of this document is limited in a situation of rising inflation but proves that members are treating the idea seriously. They plan to produce a wide range of animal products and to sell them in unprocessed form to old and new clients in town. They plan to collect most of the necessary hay themselves nearby, to buy the remaining part from outside and to buy or hire a lorry to have their own permanent transport. One problem is a lack of initial capital. From the organisational point of view, *khoshoo* members will continue to live in separate households and their own local communities, grazing their herds individual and working together only when necessary. They also declare a firm intention to assist each other in case of misfortune, including labour shortage; this seems,

along with marketing, the main aim of this grass-roots *khoshoo*.

The Yalalt *khoshoo* in Tariat *sum* in Arhangai was formed in a slightly different way and is operating on a much bigger scale. It had inherited the organisational structure, cadres and resources (buildings, tractors, etc.) of two brigades of the former *negdel*. Local community sentiments, and a need to limit the spatial scale of economic cooperation in order to raise productivity, were the main reasons for forming the *khoshoo*. Its main statutory aim was to act as broker, by collecting animal products and selling them at distant markets. Both in 1991 and 1992 the *khoshoo* successfully managed to buy all products and sold most of them on the free market or delivered them to the state. It has paid its members in cash and delivered wheat flour and potatoes which members could buy at close to cost price, since the *khoshoo* charges its services at a very low rate, just enough to cover running costs (including administration). Apart from these marketing functions, the Yalalt *khoshoo* plans to continue at least some of the social welfare functions of the former *negdel*. At the time of our visit it was planned to collect money to assist needy families. *Khoshoo* transport is available to members and non-members for the same price. The way the *khoshoo* tractors are managed is worth describing. They were leased to drivers on condition that 40 percent of payments collected by the drivers went to the *khoshoo* and 60 percent remained in their hands. The drivers in turn are responsible for maintenance, and covering all running costs, including fuel.

This very pragmatic approach is evidence that Yalalt *khoshoo* managers understand the rules of the market economy and can operate them in practice. The performance of the *khoshoo* after more than a year are evaluated highly by the members, especially with respect to marketing. The professional and personal qualification of the *khoshoo* leadership, especially its director, were highly rated. As in the case of the *khoshoo* in Erdene *sum*, the personality of

the leader, in this case an outsider, a scientist from Ulaanbaatar, was extremely important at the beginning of the process.

It is interesting to note that a large group of herders (123 families), almost entirely inhabitants of one of the component *bags* and members of one local community, decided in July 1992 at an open meeting of Yalalt *khoshoo* members to leave and become 'fully private and independent'. This was not caused by any significant conflict with the *khoshoo* authorities. It seems that this was a spontaneous decision by a few individuals, followed by other members of this local community. Most people were not able to give a rational explanation but some outside informants from the *sum* centre explained that members of this local community no longer wanted members of another local community to 'dominate' them, as had occurred during recent decades.

A group of 30 families from one of the communities had collectively bought a tractor during the first, 'small' privatisation but failed to come to agree on how to use it and pay for it. Currently the tractor driver is trying to repay shares to all the families involved in order to become the sole owner. Another small project, a milk processing team, was more successful. All fifty members got a higher price for milk delivered to the team compared to that in the existing *khoshoo* and were also partially paid in kind with flour, from the factory in the nearby town, which bought processed fat. We may summarise by saying that although there are some people with initiative in this local community, they do not want to take on the burden of organising one big *khoshoo* and overcoming the passivity of the majority.

Organising a successful marketing cooperative *khoshoo* requires both an awareness by local people that this is the only viable option in the new market environment, as well as people with enough initiative to pull the community in this direction. Existing *khoshoo* are usually based on local community ties, since this makes communication and cooperation easier. The *khoshoo*, like the former *negdel*, serves

mainly economic purposes, but also plays a limited social and economic role. The main difference is that access to the *khoshoo* is voluntary, and that they are more or less grass-roots structures.

## Some aspects of social consequences of decollectivisation

### *Social relationships*

The dissolution of the collectives which acted as the organisers and ultimate decision makers for individual herders, has pushed herding households back towards closer kin-based forms of cooperation and groupings. The customary herding group among Mongol pastoralists is composed of 2–8 families and is called a *khot ail*. In the Gobi steppe-desert zone *khot ails* were traditionally smaller due to lower productivity of the environment; they were bigger in the mountain-forest-steppe zone (such as Khangai). The *khot ail* was not a formalised group and its composition changed from year to year. Economic activities within a *khot ail* were focused on a combined herd composed of the animals of member families, although this was in no sense a common herd. Labour sharing was one of the most important elements of this cooperation. From the social point of view, *khot ail* formed the very lowest local community, a kind of micro society, commonly responsible for socialisation of children, enjoying leisure together and performing familial rites. In the pre-*negdel* period the percentage of kin within the *khot ail* was very high (kindred group) but that was not the rule. In the early *negdel* period, the authorities forbade close relatives to live in one *khot ail* and preferred unrelated families for such a basic production group. Even the preferred official name for this—*suur*—symbolised difference, which was, in fact, negligible. Currently, after privatisation of *negdel* herds and the dissolution of *negdel* production structures, we observed a revival of large *khot ails* especially in the mountain/steppe

zone (e.g. Khangai) where the environment can accommodate large groupings of people and animals.

During the *negdel* period many families were reallocated by the *negdel* or brigade authorities according to requirements of specialised production. They were sent to join another *khot ail* (or *suur*) elsewhere. In this way some families lost their traditional roots in an ecologically and socially defined space, or their customary (inherited by family links) set of four seasonal pastures, called *törsön nutag*, which protected their usufruct rights. Specifically, in Tariat *sum*, we observed how in the current uncertain transitional period following the dissolution of the *negdels*, nearly 40 percent of the families in two *bags* had changed their place of permanent nomadising, mostly moving to their own *törsön nutags* (traced through their parents) or *nutags* of close kin. They were 'looking for a cool place of their own to live' in uncertain times. As a result, we observed a new voluntary redistribution of *nutags* between families, which followed privatisation of winter shelters for animals, which automatically defined the allocation of other seasonal pastures. We can understand these moves as an adaptive reaction of the social system to the disappearance of formerly stabilising elements in the local political and economic system. Our informants referred to this in the following way: "we decided to live as our ancestors did, in the place where they had been living. We wanted to live in the place from which nobody can send us away, in a place of our own". I do not know what is the scale of similar moves in other regions. In the Gobi zone, for example, they were not significant but there the reallocations of families in the *negdel* period were not important and currently most families live either in their own customary *törsön nutags* (counted in patri- or matri-line), or in *nutags* of their own choice, where they have been accepted by other members of local community over the years.

At a higher level of social groupings, we observed a significant revival of the role of

local communities in local politics and economy. New *khoshoo* (cooperatives), and new *bags* (the lowest level administrative units) are often based on pre-revolutionary customary local community ties, and even in the last Parliamentary Election we observed that in some places these ties played an important role in mobilising local level political support in constituencies.

### Family herds

No major changes in the rules of ownership of animals within the family herd compared to the customary situation have occurred till now, although the size of the average family herd has changed, mostly due first to collectivisation and now privatisation. The same developmental cycle of the family herd was a characteristic of social life and property relationships both in pre-collective and collective period. The newly married couple are allocated a herd from the herds of their families of origin (through pre-inheritance and dowry). Both wife and husband remember the number of animals they brought into the new family herd (in case of divorce), but the precise animal lines or strict affiliation of the progeny are nowadays rarely counted or remembered. From that initial nucleus, the family herd grows naturally each year, assisted by gifts from relatives and friends. Animals given to children by parents or relatives remain their individual property within the family herd and are known as *omch*. They play both psychological as well as educational roles for children, who have special responsibility for these animals and thus learn herding routines in the form of play. With time, children's responsibilities as herders are broadened to the whole family herd, and they lose the close relationship with their particular animals. In Arkhangai, the progeny of *omch* animals is usually counted and identified, and in principle these animals should be the nucleus of the herd handed over to the child after marriage. This was not, however, found in the Gobi. A child does not have the right to

withdraw *omch* animals from the family herd before marriage, or if he leaves the pastoral way of life and moves to town. The ultimate manager of the herd is the family head and he has the right to dispose of any family animal.

Shortly after the wedding ceremony, the newly married couple receive their share of both families' herds. Each child in a family should receive a comparable number of animals (approximately 20–30 percent of the family herd at the time of the wedding ceremony), but the number in fact may vary according to fluctuations in the family herd over time. The last child in the family, who stays with his/her spouse in the parental yurt, usually receives more than other children, because that herd should also sustain his/her parents.

### Existing safety-nets in pastoral society

In traditional Mongolian culture and social practice, specialised mutual assistance institutions (redistributive mechanisms) have never existed at the level of the local community or descent group. This has perhaps been caused by the limited scale of immediate risk to pastoral households. Contrary to the well established notion of the severity of the Mongolian climate, the immediate dangers to household existence are quite small, at least nowadays. Livestock mortality is lower than in past decades, and low in general within the standards of other extensive pastoral economies around the world. Serious calamities happen, but according to our data, not more often than once or twice over the adult life of an average herder. Even then, losses of animals did not exceed 10–15 percent of total animals, according to available statistics and interviews. This is enough for the herders to respect nature and to prepare carefully for each winter, but at the same time it is clear from fieldwork that people feel relatively secure and most animal losses which have occurred in living memory are attributed to the owners' lack of herding ability rather

than to unavoidable natural calamities. My thesis in this respect is that lack of unavoidable dangers to survival, and the continuous existence of institutional, though narrow, channels of assistance through the *khoshuu*, monasteries, and until recently the *negdel* administration, has resulted in a lack of clear, specialised redistribution, or mutual assistance, mechanisms within the social system. In other pastoral societies of the world, where state or religious institutions did not exist or did not provide assistance, such redistributive mechanisms usually emerged. In modern Mongolia, even the kinship system did not contribute much to risk avoidance or to relief.

This does not mean that people in need are left alone by their kin, but that the necessary assistance is not institutionalised within the social system, at least since descent groups disappeared from the social structure in the 19th century. Even if kin assistance existed, it played only a complementary role to official channels. In pre-revolutionary times this role was played by *khoshuu* and monasteries, indirectly but effectively. In the *negdel* period this role became fully institutionalised and involved emergency assistance in the case of calamities, medical assistance, material assistance (replacing a burnt yurt, dead animals, compensation from the state insurance system, etc.). Neighbours and kin were expected to offer assistance first on the spot, but were followed and soon replaced by the *negdel*. Of course, assistance from kin and neighbours has been the main form of support in less serious cases or when state institutions were helpless. This includes bringing up orphans, providing poor relatives with basic necessities, assisting households which lack labour for short peak periods, looking after the sick, taking care of old people. These tasks are among the reasons *khot ails* are organised, and provide an important justification for them to continue. This channel is however too narrow to work effectively in a larger arena, and is customarily extended only to the local community of the lowest order.

The next argument in this discussion concerns the concept of poverty. In the *negdel* period wealth differentiation existed but was not significant. Broader assistance networks are possible where there are clear conceptual categories of wealth differentiation, allowing people to distinguish who is poor enough, and thus eligible for assistance by the local community or the kin group. Such conceptual categories were absent during the *negdel* period and it will take some time to re-establish them. A combination of *negdel*, kin and neighbour assistance was sufficient until recently, but the recent dissolution of the *negdels* has already destabilised the system, while at the same time the number of poor households will undoubtedly grow. The newly emerging modern grass-roots cooperatives, *khoshoo*, based on local community ties, plan to fill the gap, but they may face financial and organisational difficulties, at least in the near future.

Despite the lack of specialised and institutionalised patterns of mutual assistance there are several latent ones which, though used mainly by the rich, also somehow enable poorer people to survive. In this group we may point to the quasi-redistribution mechanisms of *nairs* (ceremonial feast combined with exchange of gifts) and *idesh* (exchange of gifts of meat and consumer good between relatives in towns and countryside), as well as adoption. The kinship assistance network is also extended by fictitious-kinship relationships in the form of 'brotherhood'.<sup>5</sup> None of these institutions exists directly to alleviate poverty. Nevertheless, being present in the traditional background and in the popular conceptual system, they can channel at least part of any future mutual assistance, though their likely efficiency is limited.

## Notes

- 1 Fieldwork in 1992 was carried out together with Dr. Slavoj Szynekiewicz. As a result a joint report (Potkanski & Szynekiewicz 1993) has been prepared. This paper is a partial extract from the latter. Readers interested in the social consequences of transformation in Mongolian pastoralism should refer to his paper in this volume, or to the report mentioned above.
- 2 *bod* (s.), *bodo* (pl.) is a traditional Mongolian livestock unit, with the following values: 1 horse = 1 *bod*; 1 camel = 1.5 *bodo*; 1 cow, yak or *khainag* = 1 *bod*; 1 sheep = 0.14 *bod*, 1 goat = 0.1 *bod*.
- 3 c.f. Botvinnik (1929:21), Jagvaral (1974:62), Amuga (1926:4).
- 4 The breakdown into two companies, rather than one as in most cases, was yet another peculiarity of *Tariat*, arising from its creation in the 1950s from two local communities, so in both new companies old pre-collective community ties and affiliations were recreated, which was seen clearly during the 1992 Parliamentary Election. This issue however goes beyond the scope of this paper. See also: Potkanski & Szynekiewicz (1993:37) and Szynekiewicz in this volume.
- 5 For details see Potkanski & Szynekiewicz, (1993:67-87).

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