Mining and Regional Disparity (Summary)

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Mongolia is a resource-rich developing country. From the mid-2000s, the mining sector rapidly expanded and became the largest economic sector. Due to mining-driven rapid economic growth, GDP per capita has more than doubled over the past two decades. Using panel data on the economic activities of aimags and UB, we document the income, growth, fluctuation, and employment disparity between mining and non-mining regions. Moreover, we provide evidence of the mining sector's negative impact on the employment of local economies.