

Institutional Transformation and Sustainable Tourism Governance in Mongolia. A Comparative Assessment of the Tourism Law of 2000 and Revised Tourism Law of 2023



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Citation: Zagarkhorloo, U. (2026). Institutional Transformation and Sustainable Tourism Governance in Mongolia. A Comparative Assessment of the Tourism Law of 2000 and Revised Tourism Law of 2023. *Journal of Environmental Management and Tourism*, 3(83), 239-253.
[https://doi.org/10.14505/jemt.v17.3\(83\).02](https://doi.org/10.14505/jemt.v17.3(83).02)

Article info: Received 30 May 2026; Received in revised form 16 June 2026; Accepted 2 July 2026; Published 28 August 2026.

Abstract: This study conducts a systematic comparative analysis of Mongolia's Tourism Law of 2000 and Revised Tourism Law of 2023, examining the nature and extent of institutional transformation in the country's tourism governance framework over a critical two-decade period of post-socialist economic transition and sustainable development policy evolution.

A qualitative legal document analysis was conducted on the full texts of both Tourism Laws. An analytical framework comprising six governance dimensions - governance structure (GOV), sustainability integration (SUS), stakeholder participation (STK), competitiveness and development (COM), tourist protection and service quality (QUA), and institutional modernization (INS) - was applied systematically to identify, code, and interpret shifts in institutional design, regulatory provisions, and governance philosophy across the two legislative instruments.

The analysis reveals a substantial transition from a centralized, administratively oriented regulatory model toward a multi-level, sustainability-integrated, and stakeholder-inclusive governance framework. The Revised Tourism Law of 2023 introduces sustainable tourism development as its foundational principle, establishes a co-regulatory role for the national tourism association, recognizes community-based tourism as a distinct policy category, mandates liability and accident insurance, and expands tourist safety and digital governance provisions. Across fourteen governance indicators, the Revised Tourism Law of 2023 demonstrates consistent improvement in governance depth and international alignment.

This study provides the first systematic longitudinal comparison of Mongolia's tourism governance framework using an institutional theory lens. It demonstrates governance paradigm transformation in a transition economy context and offers a transferable analytical methodology applicable to comparable national cases.

The study is based on formal legal documents and does not assess implementation effectiveness or informal governance practices. Future research should examine institutional capacity, enforcement dynamics, and stakeholder perspectives on the revised framework.

Keywords: tourism governance; legal reform; sustainable tourism; Mongolia; institutional transformation; comparative policy analysis; transition economy.

JEL Classification: L83; Q01; Q56; K23; O18.

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Introduction

Tourism governance has become a critical dimension of national development policy, particularly in transition economies seeking to leverage natural and cultural endowments for sustainable economic growth (Hall, 2011; Sharpley, 2020). Legal and institutional frameworks play a central role in shaping tourism development by establishing the rules, responsibilities, and coordination mechanisms through which diverse public and private actors engage with the sector (UNWTO, 2019). Mongolia presents a compelling case: the country possesses exceptional natural landscapes, nomadic cultural heritage, and biodiversity resources that position it as a distinctive destination within the global tourism market.

Mongolia's first Tourism Law was enacted in 2000, providing the foundational legal framework for sector development during rapid economic and political transition. More than two decades later, a substantially revised Tourism Law was adopted in 2023. Together, these legislative instruments offer a unique window into the trajectory of tourism governance transformation in a post-socialist transition economy. Despite growing scholarly interest in Asian and Central Asian tourism policy (Sofield and Li, 2011; Chaisawat, 2006), Mongolia's governance evolution has received limited systematic academic attention, leaving a notable gap in the comparative tourism policy literature (Zagarkhorloo *et al.*, 2021).

This study addresses this gap through systematic comparative legal document analysis guided by the following research questions: (1) How has the governance structure and institutional design of Mongolia's tourism policy framework evolved between the Tourism Law of 2000 and Revised Tourism Law of 2023? (2) To what extent has sustainability been integrated into the tourism governance framework? (3) What changes in stakeholder participation, institutional coordination, and competitiveness orientation are evident in the revised legal framework?

1. Literature Review

Governance has emerged as a central concept in tourism studies over the past two decades, moving beyond earlier framings of tourism administration toward a more complex understanding of institutional arrangements and coordination mechanisms (Beaumont and Dredge, 2010; Bramwell and Lane, 2011). Hall (2011) defines tourism governance as the patterns of rule, authority, and coordination that shape tourism development, encompassing formal legal structures, policy instruments, and informal norms. A key distinction is between government - formal state institutions - and governance, which encompasses the broader set of actors, relationships, and processes through which collective decisions are made (Rhodes, 1996; Dredge and Jenkins 2007).

Institutional theory provides a complementary analytical lens. From a neo-institutional perspective, legal frameworks are key institutional pillars that structure the rules of the game for tourism actors, establishing incentives, constraints, and legitimate forms of organization (North, 1990; Scott, 2014). Legislative reform represents not merely a technical adjustment but a potential shift in the underlying institutional logics governing the sector.

The mainstreaming of sustainability into tourism governance has been one of the most significant international trends since the Rio Earth Summit of 1992 (Butler, 1999; Sharpley, 2020). Sustainable tourism governance involves integrating environmental, social, cultural, and economic objectives within policy and management frameworks, requiring institutional mechanisms capable of balancing development interests with conservation priorities (Bramwell and Lane 2011; Weaver 2011). In transition economy contexts, such governance has been particularly challenging to implement due to weak institutional capacity and the prioritization of short-term growth (Scott 2011; Spenceley 2008).

Comparative analysis of tourism laws has been employed to assess institutional change, identify policy diffusion patterns, and evaluate national alignment with international standards (Sofield and Li, 2011). Common evolutionary patterns in transition contexts include progressive decentralization, strengthening sustainability provisions, increasing stakeholder inclusion, and growing alignment with international norms (Hall 2011; Chaisawat 2006). Mongolia's two-decade legal evolution provides a valuable case through which to examine whether and how these global trends manifest in a Central Asian transition economy.

Mongolia's tourism sector has grown substantially since the democratic transition of the early 1990s, establishing itself particularly in adventure tourism, nomadic cultural experiences, and ecotourism (Erdenebat and Yang, 2022). However, significant governance challenges persist, including infrastructure deficits, environmental pressures, limited value chain integration, and administrative capacity constraints (Zagarkhorloo *et al.*, 2021). These challenges provided the reform context for the Revised Tourism Law of 2023.

2. Research Methodology

This study employs a qualitative, document-based comparative research design. The primary data sources are the Tourism Law of 2000, and the revised Revised Tourism Law of 2023. Both instruments were subjected to systematic qualitative content analysis and institutional mapping to identify, code, and interpret governance-relevant provisions across six analytical dimensions.

Document analysis was selected because legal texts provide the most authoritative and systematic expression of institutional arrangements in a given policy domain (Scott 2014). As primary legal instruments, the two Tourism Laws provide direct evidence of the institutional design, governance philosophy, and regulatory priorities of Mongolia's tourism policy framework at two distinct historical moments.

The analytical framework was constructed deductively from the tourism governance and institutional theory literature, supplemented by inductive refinement through preliminary reading of the source documents. Six analytical dimensions were identified, each operationalized through specific governance transformation indicators drawn from Hall (2011) and adapted for the transition economy context.

Table 1. Analytical Framework for Comparative Assessment

Code	Dimension	Description
GOV	Governance Structure	Institutional arrangements, authority distribution, coordination mechanisms, decentralization
SUS	Sustainability Integration	Environmental protection, responsible tourism, heritage preservation, ecological management
STK	Stakeholder Participation	Participation of local communities, private sector, NGOs, tourism associations
COM	Competitiveness and Development	Investment support, tourism branding, digitalization, destination development
QUA	Tourist Protection and Service Quality	Tourist rights, standards, safety, quality assurance
INS	Institutional Modernization	Policy transition, strategic governance, administrative reform

Source: Authors' compilation based on Mongolia Tourism Law 2000 and Tourism Law 2023.

The analysis proceeded in four stages. First, the full texts of both laws were read in the original Mongolian and cross-referenced with translated versions to ensure interpretive accuracy. Second, governance-relevant provisions were systematically identified and coded against the six dimensions and associated indicators. Third, coded provisions were comparatively analyzed to document the nature and direction of change. Fourth, findings were interpreted through institutional transformation theory and sustainable tourism governance frameworks. To ensure rigor, coding was conducted by research team members independently before reconciliation through structured discussion.

Quantitative Dimension: Legal Provision Count Analysis

To complement the qualitative institutional analysis, a quantitative dimension was incorporated through systematic counting of governance-relevant legal provisions across both laws. The total number of articles, sub-articles, and operative clauses addressing each analytical dimension were counted independently in both legal instruments. This provision counts analysis enables a transparent, replicable assessment of the relative regulatory depth of the two frameworks and provides an objective basis for scoring within the Governance Transformation Index.

The Tourism Law of 2000 comprises 24 articles organized across six chapters. The Revised Tourism Law of 2023 comprises 32 articles organized across six chapters, representing a 33% increase in legislative scope. More significantly, the Revised Tourism Law of 2023 introduces 11 new substantive concepts defined in Article 4 that have no equivalent in the Tourism Law of 2000 - including tourism resources, zone management plans, tourism infrastructure, community-based tourism, campsites (*otoglokh tseg*), and special interest tourism - reflecting a substantial expansion of the law's conceptual and regulatory architecture.

Governance Transformation Index

To systematically evaluate the evolution of tourism governance, this study developed a Governance Transformation Index (GTI). The GTI was designed to produce a structured, comparable score for each Tourism Law reflecting the depth of institutional governance across six key dimensions. The framework was constructed following a three-stage deductive-inductive procedure. First, a candidate pool of governance dimensions was assembled from a systematic review of the tourism governance typology literature, principally Hall (2011), Bramwell and Lane (2011), Farmaki *et al.* (2022), and the UNWTO (2019) sustainable destination management framework. Second, dimensions were selected based on two criteria: (i) theoretical salience - each dimension had to correspond to a recognized governance function in the academic literature; and (ii) empirical tractability - each dimension had to be directly operationalizable through identifiable legal provisions in the two Tourism Laws under analysis. Third, the six selected dimensions were subjected to equal weighting in the GTI aggregate score. Equal weighting was adopted deliberately: given the absence of established empirical evidence on the relative governance priority of these dimensions in the Mongolian context, differential weighting would have introduced subjective bias inconsistent with the study's comparative descriptive objectives. The framework was adapted from the governance typology of Hall (2011) and the sustainable destination management framework of Bramwell and Lane (2011).

Each dimension was scored on a four-point scale following standardized scoring criteria:

Table 2. GTI Scoring Criteria

Score	Interpretation
0	No legal provision identified
1	Limited recognition — indirect or partial reference without operational mechanism
2	Moderate institutional development — explicit provision with partial operationalization
3	Comprehensive institutional integration — explicit, operationalized, and enforceable provision

Source: Authors' compilation based on Hall (2011) and Scott (2014).

Six governance dimensions were operationalized as the basis for GTI scoring:

The selection of these six dimensions reflects the following theoretical rationale. Sustainability Integration was included as a primary dimension given UNWTO's (2019) positioning of sustainability as the central organizing principle of contemporary tourism governance frameworks. Stakeholder Participation reflects the multi-actor governance turn identified by Beaumont and Dredge (2010) and Levi-Faur (2012) as a defining characteristic of post-hierarchical governance systems. Destination Governance operationalizes the spatial and planning dimensions of tourism management frameworks emphasized by Viken and Granas (2014) and Dredge and Jenkins (2007). Tourist Protection captures the service quality and consumer rights dimensions of tourism governance increasingly recognized in post-2020 governance literature (Farmaki *et al.* 2022). Institutional Coordination reflects the inter-organizational coordination mechanisms central to network governance theory (Rhodes 1996; Levi-Faur 2012).

Table 3. GTI Governance Dimensions

Dimension	Description
Sustainability Integration	Degree to which sustainability principles are embedded as foundational governance objectives
Stakeholder Participation	Recognition and institutionalization of community, private sector, and professional participation
Destination Governance	Existence of destination planning, zoning, carrying capacity, and management mechanisms
Tourist Protection	Legal mechanisms ensuring tourist safety, insurance, data protection, and emergency response
Institutional Coordination	Coordination mechanisms among governmental, non-governmental, and private actors
Digitalization & Information Governance	Use of digital systems, electronic registration, tourism databases, and information management

Source: Authors' compilation.

Finally, Digitalization and Information Governance was included to capture the emerging smart tourism and digital governance dimensions increasingly recognized in post-pandemic tourism governance reform (UNWTO 2022). No differential weighting was applied across dimensions, consistent with the study's objective of producing a transparent, replicable governance assessment instrument.

Scoring was conducted independently by two members of the research team based on full-text analysis of the legal provisions. Inter-coder agreement was assessed and discrepancies resolved through discussion and reference back to the primary text. The resulting GTI scores are presented below:

Table 4. Governance Transformation Index Results

Dimension	Tourism Law of 2000	Revised Tourism Law of 2023	Change	Direction
Sustainability Integration	1	3	+2	Significant improvement
Stakeholder Participation	1	3	+2	Significant improvement
Destination Governance	1	3	+2	Significant improvement
Tourist Protection	1	3	+2	Significant improvement
Institutional Coordination	2	3	+1	Moderate improvement
Digitalization & Information Gov.	1	3	+2	Significant improvement
Total GTI Score	7	18	+11	157% increase

Source: Authors' compilation based on Mongolia Tourism Law 2000 and Tourism Law 2023.

The GTI increased from 7 points under the Tourism Law of 2000 to 18 points under the Revised Tourism Law of 2023, representing a 157% increase in overall governance maturity. All five dimensions receiving a score of 1 in 2000 improved to a score of 3 in 2023, indicating the comprehensive institutionalization of previously weak or absent governance mechanisms. Institutional Coordination, which scored 2 in 2000 reflecting the advisory tourism council provision, advanced to 3 in 2023 with the establishment of the National Tourism Development Committee as a multi-sector strategic coordination body.

Comparative Legal Provision Analysis

To provide direct textual evidence for the governance transformations identified in the GTI and institutional mapping, key provisions from the two laws were systematically compared. The following table presents selected representative provisions illustrating the most significant governance shifts across eight thematic areas:

Table 5. Key Legal Provisions: Comparative Textual Evidence

Dimension	Tourism Law of 2000 - Key Provision	Revised Tourism Law of 2023 - Key Provision
Sustainability	Art. 8.2: Tourism shall be developed in forms that have no negative impact on the environment and do not contradict public health and traditional customs	Art. 1.1: The purpose of this law is to develop sustainable tourism grounded in nature and the unique historical and cultural heritage
Tourism Resources	Not defined	Art. 4.1.5: Tourism resources means natural formations, animals, plants, historical, paleontological, archaeological, religious, material and intangible cultural heritage
Zone Management	Art. 14.1.1: Government shall determine tourism development zones aligned with socio-economic development policy	Art. 4.1.2: Tourism zone management plan means a short- and medium-term plan aimed at protecting natural resources, reducing adverse impacts, and developing sustainable tourism
Stakeholder Governance	Art. 15.3: Tourism Council composed of representatives from central government bodies and three members from tourism NGOs	Art. 20.2: National Committee led by the Prime Minister; includes nine ministerial representatives and five members nominated by the professional tourism association

Dimension	Tourism Law of 2000 - Key Provision	Revised Tourism Law of 2023 - Key Provision
Community Tourism	Not recognized	Art. 4.1.10: Community-based tourism means provision of tourism products and services to tourists by local residents and cooperatives
Insurance	Not required	Art. 14.1: Tour operators and travel agents shall be mandatorily insured against liability for damages caused to clients through errors in their activities
Tourist Safety	Art. 13.1.1: Guide shall ensure the safety of tourists in advance	Art. 15.2: Tourist safety includes personal safety, property protection, and protection of personal data as defined in Arts. 4.1.11–4.1.12 of the Personal Data Protection Law
Digital Governance	Art. 16.1.12: Tourism information network and database shall be established	Art. 6.8: Tourism organizations shall be connected to the electronic payment system and unified tax and information database, and shall issue electronic payment receipts for every transaction

Source: Direct provisions from Mongolia Tourism Law 2000 and Tourism Law 2023 (authors' translation).

Several provisions merit particular analytical attention. The definitional expansion of tourism resources in Article 4.1.5 of the Revised Tourism Law of 2023 is foundational to the sustainability governance framework, establishing that natural formations, wildlife, paleontological, archaeological, religious, and both material and intangible cultural heritage constitute legally recognized assets of the tourism system requiring governance and protection. This definitional innovation has no equivalent in the Tourism Law of 2000 and establishes the conceptual basis for subsequent resource management and conservation provisions.

The introduction of community-based tourism as a legally defined concept in Article 4.1.10 similarly reflects a governance paradigm shift. The Tourism Law of 2000 contained no recognition of community participation as a tourism governance dimension; the Revised Tourism Law of 2023 not only defines the concept but establishes it as a distinct operational category exempt from certain registration requirements, reflecting a deliberate policy choice to lower barriers for community-level tourism participation.

The mandatory insurance provisions of Article 14 represent a particularly significant regulatory innovation. The requirement for tour operators and travel agents to carry compulsory liability insurance, combined with mandatory accident insurance for participants in high-risk activities, introduces a consumer protection and risk governance framework consistent with international tourism industry standards and absent from the Tourism Law of 2000. This provision reflects both a maturing understanding of tourism risk governance and alignment with UNWTO guidelines on tourist protection.

3. Research Results

The comparative analysis of Mongolia's Tourism Law of 2000 and Revised Tourism Law of 2023 reveals substantial institutional transformation across all six analytical dimensions. The Revised Tourism Law of 2023 demonstrates a consistent shift from a centralized, administratively oriented governance model toward a multi-level, sustainability-integrated, and stakeholder-inclusive governance framework aligned with international sustainable destination management principles.

Governance structure underwent the most consequential transformation. The Tourism Law of 2000 established a hierarchical, centrally administered system with authority concentrated at the national ministerial level and limited provision for decentralized or multi-stakeholder governance. The Revised Tourism Law of 2023 introduces substantially more complex arrangements: the National Tourism Development Committee (*Undesnii Khoroo*), chaired by the Prime Minister and comprising nine ministerial representatives and five industry association nominees, establishes a strategic cross-sectoral governance body with no equivalent in the 2000 framework. Local government responsibilities were also substantially expanded, with *aimag* (province) and capital Governors assigned planning, investment facilitation, infrastructure development, and information management functions, reflecting a deliberate decentralization consistent with international destination management principles.

Sustainability integration represents the most significant qualitative shift between the instruments. The Tourism Law of 2000 contained only indirect environmental references; no dedicated sustainability framework, carrying capacity provision, or zone management mechanism was included. The Revised Tourism Law of 2023 incorporates sustainability as a foundational governance principle in its purpose clause and introduces Tourism

Zone Management Plans as mandatory instruments for designated tourism zones - a structured mechanism for balancing development with resource conservation and ecological protection.

Table 6. Comparative Evidence Matrix of Mongolia's Tourism Law of 2000 and Revised Tourism Law of 2023

Dimension	Tourism Law of 2000	Revised Tourism Law of 2023	Transformation Direction	Analytical Interpretation
Governance Structure	Centralized state administrative regulation	Collaborative, multi-level governance with local bodies	Centralized → Collaborative	Transition toward integrated destination coordination
Local Government Role	Administrative support functions only	Planning, licensing, investment facilitation, event promotion	Support role → Decentralized governance	Local governments became institutionalized actors
Stakeholder Participation	Limited industry association advisory role	Co-regulatory public-law tourism association with governance functions	State-centered → multi-stakeholder	Collaborative governance principles embedded in law
Sustainability Integration	Indirect, weak environmental references	Explicit sustainable tourism as foundational principle; zone management plans	Weak → Sustainability mainstreaming	Sustainability integrated into legal framework
Environmental Governance	General conservation references	Carrying capacity, tourism resource definition, ecological protection	Basic → Integrated sustainability governance	Tourism aligned with environmental objectives
Community-Based Tourism	Not recognized	Distinct legal category with exemptions and support	Absent → Formal policy instrument	Tourism as mechanism for local community development
Cultural Heritage	General cultural resource references	Strategic integration with defined tourism resource categories	Passive → Strategic cultural governance	Tourism connected with cultural sustainability
Tourist Protection	Basic contract provisions and licensing	Comprehensive safety, insurance, personal data, emergency response	Operational regulation → Service governance	Enhanced consumer protection framework
Investment Support	Indirect export-equivalent tax treatment	Structured investment facilitation and PPP mechanisms	Limited → Strategic development support	Development-oriented governance introduced
Digitalization	Absent	Digital payment, e-registration, information systems	Traditional → Smart tourism orientation	Adaptation to global modernization trends
Institutional Coordination	Sector-based, fragmented	National Committee chaired by PM; inter-sectoral coordination	Fragmented → Network governance	Tourism governance evolved toward integration
International Alignment	Limited convergence with global norms	Explicit UNWTO-aligned sustainable destination governance	Domestic → Global convergence	Reflects international tourism governance standards
Overall Paradigm	Administrative regulation model	Integrated, sustainability-oriented governance framework	Administrative → Institutional modernization	Revised Tourism Law of 2023 represents governance paradigm transformation

Source: Authors' compilation based on Mongolia Tourism Law 2000 and Tourism Law 2023.

The concept of tourism resources is newly defined to encompass natural formations, wildlife, paleontological, archaeological, religious, and intangible cultural heritage, establishing a comprehensive resource governance framework.

Stakeholder participation architecture was substantially reconfigured. The Revised Tourism Law of 2023 establishes the Tourism Professional Association as a public-law non-profit entity with substantive governance functions including operator registration, guide certification, professional ethics standard-setting, and dispute mediation. This institutional innovation represents a meaningful shift toward co-regulatory governance absent from the 2000 framework. Community-based tourism is recognized as a distinct legal category, creating a more inclusive governance space accommodating diverse actor types beyond formal corporations.

Table 7. Governance Transformation Indicators Across the Tourism Law of 2000 and Revised Tourism Law of 2023

Code	Indicator	Tourism Law of 2000	Revised Tourism Law of 2023	Interpretation	Dir.
GOV-1	Governance centralization	High – central ministry	Moderate – multi-level	Decentralization of tourism authority	Moderate improvement
GOV-2	Local government role	Administrative only	Planning, licensing, coordination	Institutionalization of local governance	Significant improvement
GOV-3	Inter-agency coordination	Limited, fragmented	Structured inter-sectoral body	Network governance development	Significant improvement
GOV-4	Tourism governance body	Advisory council under PM	National Tourism Development Committee	Enhanced strategic coordination	Moderate improvement
GOV-5	Public-private partnership	Not articulated	Explicitly recognized and supported	Institutionalization of PPP	Significant improvement
SUS-1	Environmental provisions	Indirect references	Explicit sustainability principles; zone plans	Mainstreaming environmental governance	Significant improvement
SUS-2	Cultural heritage	General references	Strategic integration; resource definition	Cultural governance strengthened	Moderate improvement
SUS-3	Community-based tourism	Not recognized	Distinct legal category	New policy instrument	Significant improvement
STK-1	Tourism associations	Advisory role	Regulatory and governance functions	Strengthened institutional role	Significant improvement
STK-2	Private sector participation	Limited to licensing	Investment and planning engagement	Enhanced private sector role	Moderate improvement
COM-1	Investment support	Indirect tax treatment	Structured investment facilitation	Strategic investment governance	Moderate improvement
COM-2	Digitalization	Absent	Digital systems, e-governance	New technological dimension	Significant improvement
QUA-1	Tourist protection	Basic contract provisions	Comprehensive safety and data framework	Enhanced consumer protection	Moderate improvement
QUA-2	Mandatory insurance	Not required	Liability and accident insurance compulsory	Risk governance introduced	Significant improvement

Source: Authors' compilation based on Mongolia Tourism Law 2000 and Tourism Law 2023.

Tourist protection provisions were comprehensively expanded. The Revised Tourism Law of 2023 introduces mandatory liability insurance for tour operators and travel agents, and compulsory accident insurance for participants in high-risk activities including mountain climbing, hunting, deep-sea diving, motorsports, and helicopter tours. A comprehensive safety framework addresses physical safety, property protection, personal data security, and emergency response protocols - provisions reflecting internationally aligned risk management absent from the

2000 framework. Digitalization provisions are introduced for the first time, requiring electronic payment systems, digital registration, and an integrated tourism information database.

4. Discussions

The comparative findings provide substantial evidence that Mongolia's Revised Tourism Law of 2023 represents a fundamental shift in the institutional philosophy of tourism governance. Using institutional theory language, the legal transformation reflects a transition from a governance logic of administrative control - characteristic of post-socialist regulatory frameworks - toward a governance logic of strategic coordination, sustainability, and multi-stakeholder partnership. This transition aligns with broader patterns of governance evolution identified in the comparative tourism policy literature (Hall, 2011; Bramwell and Lane, 2011).

The integration of sustainability principles into the Revised Tourism Law of 2023's foundational purpose clause is particularly significant. By positioning sustainable tourism development as the primary governance objective, the Revised Tourism Law of 2023 establishes sustainability not as a constraint on development but as its organizing principle - consistent with UNWTO guidance and international sustainable destination management frameworks. However, the effectiveness of sustainability mainstreaming depends ultimately on implementation capacity and enforcement mechanisms. Experience from comparable transition economy contexts demonstrates that legal provision and governance practice can diverge significantly when institutional capacity is limited (Spenceley, 2008).

The substantial expansion of local government responsibilities reflects a deliberate decentralization strategy consistent with global trends in destination governance. However, effective exercise of these responsibilities presupposes administrative capacity, financial resources, and technical expertise that may not be uniformly available across Mongolia's diverse *aimags* (provinces). Governance effectiveness therefore depends not only on formal responsibility assignment but on capacity-building investments enabling local actors to fulfil their expanded roles.

The Revised Tourism Law of 2023 exhibits clear evidence of convergence with international governance norms. The incorporation of sustainable tourism principles, mandatory insurance, digital system requirements, community-based tourism provisions, and destination-based planning all reflect the diffusion of internationally promoted governance standards into Mongolia's national legal framework - consistent with the broader 'governance turn' in international tourism policy (Hall 2011).

4.1 Political, Economic, and Institutional Drivers of the 2023 Reform

The governance transformations documented in this study did not emerge in a policy vacuum. Three interconnected categories of drivers can be identified as shaping the 2023 reform trajectory: political-institutional, economic-developmental, and international alignment pressures.

From a political-institutional perspective, the 2023 reform reflects the accumulated governance experience of two decades of tourism sector administration under the Tourism Law of 2000. The fragmented institutional architecture of the 2000 framework - characterized by weak inter-agency coordination, limited local government authority, and an advisory-only role for industry associations - generated governance gaps that became increasingly visible as Mongolia's tourism sector expanded. The transition from the fragmented advisory Tourism Council established under Article 15 of the Tourism Law of 2000 to the strategically empowered National Tourism Development Committee chaired by the Prime Minister under the Revised Tourism Law of 2023 reflects a deliberate political decision to elevate tourism governance to the level of cross-sectoral national policy coordination. This institutional upgrade is consistent with broader patterns of governance reform observed in post-socialist transition economies seeking to strengthen executive coordination capacity (Levi-Faur, 2012; Sofield and Li, 2011).

Economically, Mongolia's tourism sector faced mounting pressure to diversify beyond its traditional dependence on extractive industries, particularly in the context of commodity price volatility and growing awareness of the long-term sustainability risks of mineral-dependent growth (Erdenebat and Yang, 2022). Tourism's recognized potential as a relatively low-impact, high-value sector capable of supporting rural livelihoods and distributing development benefits geographically provided the economic rationale for the 2023 law's expanded investment facilitation provisions, public-private partnership mechanisms, and community-based tourism framework. The formal recognition of community-based tourism as a distinct legal category reflects an economic policy choice to direct tourism development benefits toward local communities in ways that the 2000 framework's purely commercial orientation could not accommodate.

Internationally, Mongolia's active engagement with UNWTO programs, the 2030 Sustainable Development Agenda, and regional tourism governance networks created sustained normative pressure toward the adoption of

internationally recognized sustainable destination management standards (UNWTO, 2019; UNWTO, 2022). The explicit framing of sustainable tourism in Article 1.1 of the Revised Tourism Law of 2023 as the primary legal objective, and the introduction of zone management plans aligned with UNWTO best-practice guidelines, reflect this international alignment dynamic. Together, these three driver categories produced the conditions for a governance paradigm transition from the administrative regulation model of the Tourism Law of 2000 to the integrated destination governance framework of the Revised Tourism Law of 2023.

4.2 Empirical Signals: Industry and Community Perspectives

While the present study is grounded in formal legal document analysis, complementary empirical signals from the Mongolian tourism industry and community stakeholders provide contextual evidence on the extent to which legislative changes are being translated into governance practice. These signals, drawn from publicly available industry reports, official statements, and documented stakeholder consultations, suggest that the 2023 reform has generated tangible governance responses beyond the formal legal domain.

The Mongolian Tourism Organization (MTO), the national industry representative body, publicly acknowledged the 2023 law as "a significant step toward establishing a modern governance framework for Mongolian tourism" and specifically highlighted the formalization of the professional association's co-regulatory role as a long-advocated institutional reform (MTO Annual Report 2023). This industry endorsement is consistent with the co-regulatory governance provisions of Article 26 of the Revised Tourism Law of 2023, which assign the Tourism Professional Association substantive functions including operator registration, guide certification, and dispute mediation.

At the community level, the explicit legal recognition of community-based tourism under Article 4.1.10 of the Revised Tourism Law of 2023 has been identified in the UNWTO-supported Mongolia Rural Tourism Development Assessment (2024) as a critical enabling condition for expanding herder community participation in the tourism value chain. The assessment noted that "prior to the 2023 revision, the absence of a formal legal category for community operators created significant administrative barriers for herder families seeking to offer tourism services," a barrier the Revised Tourism Law of 2023 directly addresses through its registration exemptions for community-based operators. These empirical signals, while not constituting systematic implementation evidence, indicate that the governance transformations documented in this study are beginning to generate observable institutional responses consistent with the legislative intent of the 2023 reform.

Theoretical Contributions

Beyond the empirical findings, this study advances the theoretical understanding of tourism governance transformation in three substantive ways. These contributions are situated at the intersection of institutional theory, sustainable tourism governance scholarship, and comparative policy analysis.

Contribution 1. Tourism Law as a Governance Transformation Instrument

This study demonstrates that national tourism legislation functions as more than a regulatory mechanism - it constitutes a primary instrument through which governance paradigm transformation is enacted, documented, and institutionalized. The comparative analysis of the Tourism Law of 2000 and Revised Tourism Law of 2023 reveals that legislative reform can produce measurable shifts across multiple governance dimensions simultaneously, redefining the roles of state actors, private sector participants, and community stakeholders within a single reform cycle. This finding extends Hall's (2011) governance typology by demonstrating empirically how legal instruments operationalize transitions between governance types - from hierarchical administrative control toward network and collaborative governance - in the specific context of a transition economy tourism sector.

Contribution 2. Institutionalization of Sustainability through Legislative Reform

The study provides evidence that sustainability transitions in tourism governance are not merely rhetorical or aspirational but can be structurally embedded through legislative reform. The Revised Tourism Law of 2023 demonstrates that sustainability can be mainstreamed as a foundational governance principle through four distinct legislative mechanisms: (i) explicit purpose-clause framing positioning sustainable tourism as the primary legal objective; (ii) definitional innovation establishing tourism resources as legally protected assets; (iii) mandatory management planning instruments (zone management plans) operationalizing sustainability governance; and (iv) carrying capacity provisions introducing ecological limits into destination governance. This four-mechanism model of sustainability institutionalization through law advances the theoretical literature on sustainable tourism governance (Bramwell and Lane, 2011; Sharpley, 2020) by providing a replicable analytical framework for

assessing sustainability depth in national legal instruments, extending beyond the binary presence/absence evaluations that characterize much existing comparative work.

Contribution 3. Evolution from State-Centered Regulation to Collaborative Destination Governance in Transition Economies

The study contributes a theoretically grounded characterization of the governance trajectory specific to post-socialist transition economies in the tourism sector. While the 'governance turn' in tourism studies (Hall, 2011; Beaumont and Dredge, 2010) has been extensively theorized in advanced economy contexts, its manifestation in transition economies has received comparatively limited systematic attention (Sofield and Li, 2011). This study documents a distinct governance evolution pattern in which the institutional legacies of socialist administrative centralization are progressively displaced through legislative reform toward multi-stakeholder, co-regulatory, and destination-based governance models. The formalization of the Tourism Professional Association as a public-law entity with co-regulatory functions, the recognition of community-based tourism as a legally protected category, and the establishment of the National Tourism Development Committee as a cross-sectoral strategic body collectively constitute an empirically grounded model of governance transition applicable to comparable transition economy cases. This model contributes to the theoretical synthesis of institutional change theory (North, 1990; Scott, 2014) and tourism governance scholarship by specifying the legislative mechanisms through which governance paradigm transitions are enacted in post-socialist contexts.

Together, these three contributions establish the comparative legal analysis of tourism governance frameworks as a methodologically productive and theoretically generative research approach, with the Governance Transformation Index introduced in this study providing a replicable instrument for future cross-national comparative work.

Conclusions and Further Research

This study conducted a systematic comparative analysis of Mongolia's Tourism Law of 2000 and Revised Tourism Law of 2023, examining institutional transformation across six governance dimensions. The findings demonstrate that Mongolia's tourism governance has undergone significant modernization over the twenty-three-year interval. The Tourism Law of 2000 established a foundational regulatory framework appropriate to the early transition economy context but characterized by centralized administration, limited sustainability provisions, and restricted stakeholder participation. The Revised Tourism Law of 2023 represents a substantively more advanced governance architecture incorporating sustainability as a foundational principle, multi-level and multi-stakeholder mechanisms, destination management planning, comprehensive tourist protection, and digital governance instruments.

The study contributes to the comparative tourism policy literature by providing a structured longitudinal institutional analysis in a transition economy context. It demonstrates that Mongolia's tourism governance evolution reflects broader international trends toward sustainable destination management and stakeholder co-governance, while also highlighting country-specific innovations: the formalization of the tourism professional association as a public-law entity with co-regulatory functions, and the recognition of community-based tourism as a distinct policy category.

The study's primary limitation is its reliance on formal legal documents as the principal evidence base, which does not capture implementation dynamics, enforcement effectiveness, or informal governance practices that shape tourism outcomes in practice. As noted in Section 5.3, initial empirical signals from industry and community stakeholders suggest that legislative changes are beginning to generate observable governance responses; however, systematic implementation research remains a priority for future work. Future research should examine the institutional capacity available to support the Revised Tourism Law of 2023's governance provisions, assess enforcement mechanisms through field-based qualitative inquiry, and explore the perspectives of tourism operators, local communities, and government officials on the governance transformation underway. Cross-national comparative studies extending the analytical framework to other Central Asian transition economies would further advance the comparative tourism governance literature.

Declarations

Declaration of Competing Interest: The author declares that she has no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Declaration of Use of Generative AI and AI-assisted Technologies: The author declares that she used AI-assisted technologies to improve the language and readability of this paper, with appropriate disclosure.

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