ABSTRACT OF THE THESIS

PERFORMANCE OF PUBLIC AND PRIVATE MINING FIRMS IN INDIA

IN PRODUCTIVITY, ENVIRONMENTAL AND SOCIAL DIMENSIONS

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This dissertation examines three research questions in the context of increasing private participation in the Indian mining industry. The questions are: i) are private sector mining firms more productive than public sector mining firms? ii) do public sector mining firms comply with environmental regulations better than their private counterparts? and iii) do public sector mining firms perform better in social compliance than the private mining firms?

Using firm level data from 1988-89 to 2005-06, we found that TFP levels of private mining firms are at least one and half times higher than that of public sector firms in three sectors – metallic, non-metallic and coal. In the petroleum sector, private sector firms outperformed the public sector firms in the initial years and latter on the productivity of public sector firms exceeded that of private firms in a few years.

Environmental performance of public and private mining firms has been examined in the context of Indian chromite mining industry. For this purpose, we considered four environmental indicators, namely: overburden management, air pollution, the quality of mine drainage water after treatment, and the quality of ground water separately. A multidimensional environmental defiance index was constructed to collapse the four dimensions into a single indicator for the purpose of comparison across ownership groups. The results show that there is no significant difference between the environmental performance of public and private mining firms. It is also found that both public and private mining firms have failed to comply with the environmental regulations.

Social compliance of public- and private-sector mining firms has been compared using the primary data collected from a survey of households that have surrendered their land for mining projects in Orissa. We found that majority of households were dissatisfied over the compensation paid by both public and private sector mining firms. The study did not find any significant difference between the compensations provided by the public and private sector mining firms.