

In Canada, the Export Development Corporation and the Industrial Cooperation Division of the Canadian International Development Agency (CIDA) both support private sector investment in India. CIDA Inc. (as it is known) provides funding for feasibility and pre-feasibility studies for Canadian companies that have established Indian joint venture partners. Mining projects are eligible for this funding, along with other industries.

The Export Development Corporation (EDC) is Canada's most important financial institution for the promotion of Canadian exports. EDC has provided loans and insurance for Canadian projects in India valued at over C\$700 million since 1960, including support for mining projects.

The EDC upgraded its position on India in 1993. According to "Focus India", it will provide support "on a selective basis, for medium to long term transactions, based on sovereign guarantees or guarantees from first class banks." Priority is given to projects which provide benefits to Canada, are commercially viable, and which do not require concessional financing. EDC will also insure against business risk in India.

Finally, a wide range of multilateral financial institutions maintain active portfolios in India. Among these are the International Finance Corporation (IFC) of the World Bank, the Asian Development Bank, the International Bank for Reconstruction and Development (IBRD), the Commonwealth Development Corporation.

SOCIO-ECONOMIC FACTORS

Working conditions and labour standards at Indian mines are governed by the Mines Act, 1952 as well as other labour legislation of general application. The legislation applies mostly to the larger, 'organized' sector of the economy where enforcement is feasible.

Most large organizations, including in the mining sector, are unionized. Collective bargaining is well established as a mechanism to set wages and working conditions.

Labour supply, of both skilled and unskilled workers, is excellent in India. Compensation in the mining sector is low by Canadian standards. In a recent settlement in the coal sector, basic monthly wages for unskilled labour were set at Rs. 1700 (about C\$85). For the skilled trades, total compensation will average Rs. 5000 per month (about C\$215) and up in labour contracts with the large mining companies. The compensation package typically includes an annual bonus equal to one-month's wages, contributions to pension ("provident") funds, cost of living allowances, and possibly provision of housing or a housing allowance. Severance payments equal to at least 15 days per year of service are also required by law.

Mine Health and Safety is regulated by the Directorate General of Mines Safety (DGMS), an agency of the Ministry of Labour. The relevant legislation is the Mines Act, 1952 (amended most recently in 1983). The DGMS is headquartered in Dhanbad, with regional offices throughout the mining areas in India. The Minister of Labour reported that 259 people died in mine accidents during 1992/93, and 310 during 1993/94. Total employment in mining and quarrying in 1992 (most recent data) is estimated at 1.09 million persons.