

ABSTRACT

Multinational Enterprises generate technological and market access spillovers while some firms benefit, some firms are negatively affected by the spillovers. The purpose of this study was to analyze the differential impact of Foreign Direct Investment spillovers on the public and private sector manufacturing firms in India. Another aim is to estimate the labour productivity of the public and private sector manufacturing firms.

The econometric model used to carry out the study is Pooled regression model. The empirical results from the study suggested that the labour productivity of the public sector manufacturing firms are negatively affected by the spillovers generated by the multinational enterprises(MNE) in India whereas the labour productivity of private sector manufacturing firms are positively influenced by the spillovers.