

# Abstract of the Thesis

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Abstract of Thesis Submitted by the Research Scholars who carried out Studies at the GIPE, to the University of Poona for the Degree of Ph.D.

Title : *The Degree of Competitiveness of the Indian Corporate Sector : An Evaluation*

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The word competition is too useful in Economics to be monopolized by a single meaning. As a consequence, it has acquired a variety of related but distinct meanings. To the Neoclassical economist, competition (or perfect competition to be more precise) is the polar opposites of monopoly. The modern Austrians and Radical Subjectivists or Post-Keynesian economists complain that such a definition overlooks the process of competitive activity and neglects the importance of time to the competitive process. Given the various definitions of competition, would it be a feasible endeavour to measure the degree or extent of competitiveness of the Indian corporate sector (or the corporate sector of any country)? Recent developments in the field of Industrial Economics/Organisation have shown that not only is such an endeavour feasible but is exceedingly fruitful. The feasibility and fruitfulness of such an exercise has been demonstrated using data pertaining to some of the advanced countries namely, U.S.A., U.K., France, West Germany, Canada and Japan. We have endeavoured in this thesis, to do a similar exercise using data relating to the Indian corporate sector.

The thesis contains seven core chapters excluding the introductory and concluding chapters. We shall summarize the major conclusions arrived at in each chapter in what follows.

The development of a feasible methodology to measure the extent (or degree) of competitiveness of the corporate sector of an economy is a more recent phenomenon. Nevertheless, the seeds of success were shown in the early fifties by economists who developed that Structure-Conduct-Performance (S-C-P) framework. In the first chapter we present an extensive review of the literature on the S-C-P framework. The economists who developed the S-C-P framework argue that the performance of firms (i.e., the efficiency with which they use scarce resources) is strongly influenced by the structure of markets in which they operate.

Perfect competition and monopoly are taken to be the two extreme/limiting cases. It was recognised that in reality, firms operate in markets that lie at varying points between these two extremes. In order to be able to locate how close or remote are industries from these two extreme cases, a relationship between