Oyu Tolgoi and Erdenet: Public Perceptions of Two Mongolian Mines

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ABSTRACT

This study compares public perceptions of the two largest mining corporations in Mongolia, the Mongolian-Russian Erdenet Mining Corporation (EMC), established in 1978, and Oyu Tolgoi, jointly launched by Mongolia and its Western partners in 2009. EMC, a state-owned enterprise with 51% Mongolian ownership, has a long record of investment not only in mining operations, but also in local public works projects. OT, which is 34% Mongolian and 64% owned by private western investors, has had a more troubled relationship with the Mongolian public. Using a Likert opinion survey, this study demonstrates that Mongolians have a more favorable impression of EMC, both in general and in specific areas that include environmental management, infrastructure development, and worker lifestyle. Conclusions are drawn about the role of management practices, regulation, public ownership, and the concept of the "Company Town."

Keywords: Mongolia, mining, company town, foreign direct investment, resource nationalism

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