

**SERICULTURE AND SILK INDUSTRY – PATTERNS OF  
DEVELOPMENT AND THE PATH AHEAD**

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## ABSTRACT

India is the second largest producer of silk in the World, next to China. Total annual consumption of silk in the country exceeds the production levels and hence more than 30% of our consumption is imported from China. This results in trade imbalance. This shows us that there is scope for production of additional quantity of silk in the country to meet the domestic demand. As sericulture is a rural activity, increased production will result in increasing rural employment.

So in this paper I have looked at what characterizes the Indian silk industry. I have analysed the Indian silk industry's growth potential by taking economic history of the world silk industry and drawing parallels between the trends of China and Japan. I have identified strictures like government interventions, policy measures, market structure, technology, labour potential and raw material quality of these countries and analysed their impact on the Industry's performance.

We have identified that the lack of concern for quality and prolonged government intervention has proved detrimental to the sector. Higher investments on R&D and technological up-gradation, combined with mechanisms to motivate competition in the market, would be the key elements that the government should focus on.