Poverty in a Linear Modelling Framework under Alternative Market Regimes: A Case Study of Rural India

Abstract: The objective of the study is to estimate the poverty alleviation effects that depend on the change in average income received by various groups resulting from the growth of a sector's output and on the strength of poverty sensitivity. The poverty alleviation effects in rural India are estimated under various market regimes using a Social Accounting Matrix (2 factor X 7 agent X 10 sector). It is found that agriculture sectors dominate the poverty alleviation effects irrespective of policy regimes. Manufacturing sector assumes importance under more liberalised regimes. An analysis at the occupational group level shows that the poverty eradicating impacts of sectoral growth are highest on agricultural self-employed and agricultural labour.

JEL Classification No.: D58 and I32

Key words: Poverty alleviation; Social accounting matrix; Multiplier decomposition; Liberalisation.

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1. Introduction

The policy makers in a developing economy like India are often puzzled by the issue of sectoral composition of growth and its impact on poverty. In the context of the ongoing structural adjustment and stabilisation programme, the issue assumes further significance. A substantial amount of research has gone into analysing the factors that explain poverty. A major area of research has been in this direction by decomposing the changes in poverty due to growth and distribution by using various methodologies.

In India, the sectoral break-ups into rural and urban has been very important to analyse the effects of growth on poverty. Rural poverty is marked by its interconnection with agriculture and land, whereas urban poverty is more heterogeneously determined as to how incomes are generated (Lipton and Ravallian, 1995). Kakwani and Subbarao (1990) have examined past trends of the distribution and growth of income, and assess their relative impact on the rural poor over time and across sectors. Almost in a similar direction, but using a different decomposition methodology, Datt and Ravallian (1992), following an earlier study for Indonesia (Ravallian and Huppi, 1991), have traced the relative importance of growth and re-distribution in alleviating poverty for both rural and urban India. In both the studies, growth component dominates in all the sub-periods. The Ravallian and Datt (1996) study reveals the importance of sectoral composition of economic growth vis-a-vis the population shift effect in reducing poverty for both urban and rural India. In all these studies, growth component dominates the other in influencing poverty.

But the above studies have considered only the direct effects of growth on poverty and failed to track down the linkages among different economic activities through which indirect effects of growth reach the poor. The study by Thorbecke and Berrian (1994), with the help of a Social Accounting Matrix (SAM), on budget allocation as related to poverty alleviation reveals that failure to incorporate interactive effects leads to misallocation of budget among groups. Again, Thorbecke and Jung (1996) have illustrated a SAM multiplier decomposition method for Indonesia in order to capture the linkages through which a production sector's output contributes to poverty reduction.

Recognising the importance of the interlinkages among the various socio-economic institutions in India, an attempt has been made in this paper to estimate the impacts

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of the growth of output of different production activities on the poverty alleviation of different groups in rural India with the help of a linear multiplier model.

In all the earlier works pertaining to poverty alleviation in India, the sectoral growth has been confined either to rural or urban growth in general or, within rural, agriculture growth in particular. However, Ravallian and Datt (1996) have considered growth in three production sectors, viz. primary, secondary and tertiary to analyse poverty. In our case, we have considered 10 sectors.

Before 1991, the Indian economy was a controlled regime. In the mean time, the economy was opened up on many counts. Economic liberalisation is in full swing. It is likely to continue further till the economy becomes market oriented to a greater degree. Hence, it is very important to look into the impacts of sectoral growth on rural poverty during alternative policy regimes.

The objective of our study is to estimate the poverty alleviation effects that depend on the change in average income received by various groups resulting from the growth of a sector's output and on the strength of poverty sensitivity. The counter-factuals are calculated assuming various policy regimes. The disaggregation of sectors are more than what has already been done in the Indian context.

The rest of the paper is divided into four sections. Section-2 explains the role of SAM multiplier in analysing poverty alleviation effects. While Section-3 gives the methodology, the analysis of the results has been undertaken in Section-4. Conclusion is presented in the last section.

2. The SAM Multipliers and Poverty

A Social Accounting Matrix (SAM)[1] itself is not a model. Once a closure rule is specified, it becomes a model under certain assumptions, such as existence of excess capacity and fixed prices. The SAM has become an important basis for multiplier analysis which traces the direct and indirect impacts. Therefore, the multiplier analysis requires decomposition of the SAM multipliers[2]. For example, Defourney and Thorbecke (1984), and Ronald-Holst and Sancho (1995) have done the structural path analysis to capture the transmission of influence within a socio-economic structure of the SAM. The SAM multipliers have already been widely used to examine the income distribution and re-distribution (Chander et al., 1980, Civardi and Lenti, 1988, and Ronald-Holst and Sancho, 1992). Recently, this multiplier analysis has been extended to analyse the impacts of sectoral pattern of growth on poverty (Thorbecke and Jung, 1996). As poverty has been a crucial issue for the Indian economy with its varied socioeconomic structure, the methodology of SAM multiplier decomposition is useful in addressing the importance of sectoral pattern of growth in alleviating poverty.

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[1]For a detailed description on SAM and its multipliers see Pyatt and Thorbecke (1976) and Pyatt et al. (1977).

[2]Pyatt et al. (1977) and Pyatt and Round (1979) have done various impact studies for Sri Lankan economy through SAM multiplier decomposition.

Following the tradition of multiplier decomposition methods, a brief description is as follows:

A standard SAM[3] multiplier can be calculated by

$Y_n = (I-A_n)^{-1}X$

$= M_aX$

where Y_n is endogenous accounts, A_n is transaction matrix, X is exogenous accounts and M_a is the SAM accounting multiplier[4]. As the purpose of our analysis is to see the sectoral effects of growth on poverty alleviation of the household groups, we will limit ourselves to that part of the multipliers which link production activities to household groups, i.e. a sub-set M_{a24} of the set M_a. In this paper, to deal with the different policy regimes, various combinations of "government account", "capital account" and "rest of the world (ROW) account" are used as exogenous variables.

In order to capture the transmission mechanism of sectoral growth effects on the income of the households, and in turn, on poverty, the total effects are decomposed into 'distributional effects' and 'interdependency effects'. The 'distributional effects' take into account (a) the income accrued to the household group by the contribution of its factors of production, (b) indirect factor incomes received by the same group through the process of intermediate demand of production system, and (c) the incomes received by the group from the transfers from other groups. The first two processes are equivalent to direct multiplier effects and the last one is to cross multiplier effects. On the other hand, the 'interdependency effects', i.e. the closed-loop effects in the SAM multiplier trace the direct and indirect effects of spending and respending by a particular group and also trace the benefits accrue to any of the groups that come from exogenous injection of output.

The 'distributional effects' can be explained in the following way. One unit of additional demand for a given output will increase the demand for other intermediate inputs, $(I-A_{44})^{-1}$, which represents the inverse of the input-output matrix of the production activities. This increases the demand for factors of production, i.e. labour and capital those involved in the production process, A_{14}. The additional income generated by factors of production will flow into the household group according to their participation in the production process, A_{21}. There may also be direct income transfers between and among different groups, $(I-A_{22})$. Then, the 'distributional effects', which may be called as the direct effects, are represented by $D=(I-A_{22})^{-1}A_{21}A_{14}(I-A_{44})^{-1}$. They originate from production activities and ends in household account. In our case, as there is no direct income transfer between and among different groups, the 'distributional effects' become $D_{24}=A_{21}A_{14}(I-A_{44})^{-1}$.

The 'interdependency effects' may be called as the indirect effects that capture the initial first round of spending and subsequent rounds of respending by the household

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[3]A schematic SAM used here has been given in Table 1.

[4]Here, due to the non-availability of data for the estimation of appropriate elasticities, the average propensities of expenditures are used.

groups. Income received by the household groups due to direct effects raises the consumption demand of commodities, A_{42}. The household spending on the commodities enhances the production activities and hence, the intermediate demand, $(I-A_{44})^{-1}$. This leads to a rise in factor demand, payment to factors of production and increase in household income, $A_{21}A_{14}$. The second round increase in income of the household group may involve the transfer of income between and within the household groups, $(I-A_{22})^{-1}$. This process, $(I-A_{22})^{-1}A_{21}A_{14}(I-A_{44})^{-1}$, is the same as the direct effects. The 'interdependency effects' can now be represented as $R=[I-(I-A_{22})^{-1}A_{21}A_{14}(I-A_{44})^{-1}A_{42}]^{-1}$. These effects start from household account and end in household account itself. As already been mentioned that A_{22} sub-matrix is not considered in our case, the 'interdependency effects' become $R_{22}=[I-A_{21}A_{14}(I-A_{44})^{-1}A_{42}]^{-1}$. These indirect effects reflect the degree of integration within an economy on both the consumption and production side.

The total multiplier effects used for the poverty alleviation can be represented as
$M_{a24} = R_{22}\, D_{24}$
where the matrices, R_{22} and D_{24} represent the 'interdependency effects' and 'distributional effects' respectively.

3. The Methodology

For the purpose of analysing the poverty alleviation effects induced by the change in sectoral growth, it is essential to find out a suitable measure which can explain the poverty of the given household groups. A specific poverty measure must be selected, preferably one that satisfies the welfare properties of such measures as identified by Sen (1976) and Kakwani (1980) and that reflects policy-makers' preferences for 'poverty aversion' (i.e. the extent to which the welfare of the poorest of the poor is given priority) (see Thorbecke and Berrian, 1992).

The FGT[5] measure will be suitable for group-wise poverty analysis as it satisfies the decomposability assumption besides the properties mentioned by Sen(1976) and Kakwani (1980).

The FGT index is

$$P_\alpha = (1/n)\Sigma[(Z-Y_i)/Z]^\alpha \qquad (1)$$

Where 'Z' is the poverty line, 'Y_i' is the income of the household below the poverty line and 'n' is the number of households in a particular household group (i.e. occupational class). The α takes the value 0, 1 and 2. When $\alpha=0$, P_0 becomes the 'head-count ratio', when $\alpha=1$, P_1 is the 'poverty-gap measure' and $\alpha=2$, P_2 becomes 'distributionally sensitive measure'. The α can be viewed as a measure of poverty aversion. The main aim of our study is to see the sensitivity of the poverty measure to the change in group mean income. The poverty sensitivity is determined by the

[5]This is a class of poverty measure first developed by Foster, Greer and Thorbecke (1984).

elasticity of the poverty measure with respect to mean income for the occupational group. The change in poverty measure[6] is

$$(dP_{\alpha ij}/P_{\alpha ij}) = \eta_{\alpha i}(dY_i/Y_i) \quad (2)$$

Where $\eta_{\alpha i}$ is the elasticity of poverty measure $P_{\alpha ij}$ with respect to mean income of each household group, 'i' resulting from an increase in the output 'j'[7]. Now the increase in the mean income has to be linked with the accounting multiplier m_{aij}. The accounting multiplier assures an unitary marginal expenditure propensity, i.e. average propensity is equal to marginal propensity. Hence, the multiplier can be written as

$$dY_i = m_{ij}dx_j \quad (3)$$

Therefore, equation (2) becomes

$$(dP_{\alpha ij}/P_{\alpha ij}) = \eta_{\alpha i}m_{ij}(dx_j/Y_i) \quad (4)$$

Poverty is never homogeneous across household groups in a developing country. The group-wise poverty alleviation effects can be aggregated to get all economy poverty alleviation effects using FGT's additive decomposability axiom,

$$P_{\alpha j} = \sum_{i=1}^{m} P_{\alpha ij}(n_i/n)$$

where n_i is the population of 'ith' group, 'n' is the total population for the economy, i.e. $\sum_i^m n_i$ and 'm' = 1,· · · ·, 6 rural households.

Now, $(dP_{\alpha j}/P_{\alpha j}) = \sum_{i=1}^{m}((dP_{\alpha ij}/P_{\alpha ij})[\sum_{k=1}^{q_i}(Z-Y_k)/Z)^{\alpha}/(\sum_{l=1}^{q}((Z-Y_l)/Z)^{\alpha}]$ (5)

q_i is the number of poor in the 'ith' group and $q=\sum_i^m q_i$ is for the all economy.

Hence, the second term of equation (5) implies the poverty share of household group 'i' out of total poverty, i.e. $s_{\alpha i}$.

Then, $(dP_{\alpha j}/P_{\alpha j}) = \sum_{i=1}^{m}(dP_{\alpha ij}/P_{\alpha ij})s_{\alpha i}$ (6)

Combining equations (4) and (6) we have

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[6] This assumes that poverty will fall with distributionally neutral growth in mean income.

[7] Kakwani (1993) provides the computation of elasticities for various poverty measures with respect to mean income. The $\eta_{\alpha i}$ for P_0 is the percentage of poor who cross the poverty line as a result of 1 per cent growth in the mean income.

$\eta_{\alpha i}$ for P_1 and P_2 is $-\alpha[P_{\alpha-1}-P_{\alpha})/P_{\alpha}$, for $\alpha \neq 0$, which will always be negative because P_{α} is monotonically decreasing function of α.

$$(dP_{\alpha j}/P_{\alpha j})=\sum_{i=1}^{m} s_{\alpha i}\eta_{\alpha i}m_{aij}(dx_j/Y_i) \quad (7)$$

m_{aij} is the elments of multiplier matrix linking production activities to household group. $s_\alpha m_{aij}$ can be defined as m'_{aij}, i.e. 'effective multiplier effects'. Let $\sum_{i=1}^{m} m_{aij} = m_{aj}$ be defined as the 'aggregated effective multiplier effects'. It is already mentioned in Section 2 that the multiplier matrix linking production process to household groups can be multiplicatively decomposed into 'distributional effects' and 'interdependency effects'. Elements of 'distributional effects', d_{ij}, are summed up across the household groups to be called as 'aggregated distributional effects', d_j. Then the 'aggreagted interdependency effects' are defined as $r_j=m_{aj}/d_j$. Now, in the equation (7), the 'aggregated effective multiplier effects' may be defined as $m'_{aj}=\sum_{i=1}^{m} m'_{ij}$. For the purpose of decomposition of this m'_{aj}, we define $\sum_{i=1}^{m} s_\alpha d_{aij}=d'_{aj}$ as 'aggregated effective distributional effects'. Then, the 'aggregated effective interdependency effects' are same as $r_j=m'_{aj}/d'_{aj}$. Finally, the 'aggregated poverty sensitive effects' are defined as $q_j=(-(dP_{\alpha j}/P_{\alpha j}))/m'_{aj}$.

Now the 'aggregated poverty alleviation effeects' can be represented as

$$(dP_{\alpha j}/P_{\alpha j}) = d'_{aj}r_jq_j \quad (8)$$

Thus, the 'aggregated poverty alleviation effects' of an increase in the output of sector 'j', becomes the product of two components: (1) the mean income change of the poor across all household groups, and (2) the sensitivity of the selected poverty measure.

4. A Comparative Static Exercise for Rural India

The Indian-SAM[8] used for this paper is based on 1989-90 input-output matrix and the household income distribution for the year 1993-94. There are ten production sectors, two factors of production and seven household groups in the SAM. The production activities are

S1: "Foodgrains",
S2: "Other agriculture",
S3: "Mining and Quarrying",
S4: "Capital Goods",
S5: "Other Industries", i.e. manufacturing industries other than Capital Goods,
S6: "Construction",
S7: "Electricity, Gas and Water supply",
S8: "Education",
S9: "Health",
S10: "Other Services".

Households are classified according to their principal sources of income. There are six rural occupational classes, viz. (1) agricultural self-employed, (2) agricultural labour, (3) non-agricultural labour, (4) non-agricultural self-employed, (5) salaried class, and

[8]For details of the SAM and its multiplier analysis for India, see Pradhan and Sahoo (1996).

(6) other households. There is only one urban household group. The detailed SAM is given in Table 2.

Due to the non-availability of data pertaining to the disaggregated classifications of urban household groups according to occupation, the analysis of poverty alleviation effects is limited to only rural India.

For any exercise on poverty the important pre-requisite is to identify the poor. The identification of poor requires the setting of a poverty line which delineates the poor from the non-poor. The poverty line used in our analysis is for the year 1993-94[9]. For the FGT poverty measure we have tried α=0,1 and 2, i.e. 'head-count ratio', 'poverty-gap index' and 'distributionally sensitive index' respectively. Some basic estimates related to the calculation of poverty alleviation effects for rural India are given in Table 3.

The 'head count ratio' for the six rural household groups reveals that there is a wide variation of poverty across the groups. Both the 'agricultural labour' and non-agricultural labour' household groups are having the largest share of poor within the group, i.e. 65 and 58 percentage respectively, whereas 'salaried class' and 'agricultural self-employed' are having the lowest poverty share, i.e. 12 and 33 percentage respectively. It is observed that elasticity of poverty with the 'head-count ratio' measure with respect to mean income has been very high in case of 'salaried class' (-3.47), followed by the 'agricultural self-employed' (-1.67) and 'non-agricultural self-employed' (-1.21). But when more weight is given to the poorer section, i.e. α=2, 'non-agricultural labour' (-2.18) shows higher elasticity, followed by 'non-agricultural self-employed' (-2.00) and 'salaried class' (-2.00). The least response is demonstrated by the 'other households' and 'agricultural labour'.

A cursory look at the poverty share shows that it is maximum for 'agricultural labour' and 'agricultural self-employed'.

The poverty estimates are done by increasing the sectoral output by Rupees 50,000 million, which is 1.8% of GDP for 1993-94 at factor cost. We have tried to look into the 'poverty alleviation effects' in different policy regimes by fixing five alternative closures:

Scenario-1: *Closed and Controlled Regime*. i.e Capital. Government and ROW accounts are exogenous.

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[9]Government of India (1993) estimated (nutritional) poverty line of rural India for the year 1973-74 based on the pattern of consumption expenditures of households. This line is updated using Consumer Price Index for Agricultural Labour. The estimated per household poverty line for 1993-94 is estimated to be Rupees 13807 per annum. As we have used the National Council of Applied Economic Research (1996) survey data collected only on household income, it is assumed that the income is equal to expenditures for the household groups falling on poverty line.

Scenario-2: *More Internal Liberalisation*, i.e. Government and ROW accounts are exogenous and Capital account is endogenous. In this regime, sectoral investments are determined by the market forces, where there is no restriction on internal borrowings and lendings.

Scenario-3: *More External Liberalisation*, i.e. Capital and Government accounts are exogenous and ROW account is endogenous. In this regime, only external trade is free from control. There is no regulation on external capital flow, but there is a controlled domestic capital market.

Scenario-4: *Fully Liberalised Regime*, i.e. only Government account is exogenous and all other accounts are endogenous. In this regime, trade as well as internal and external capital transactions are not regulated. This is the extreme case of liberalisation.

Ranks have been assigned against the respective sectors for different effects and poverty measures in ascending order, `0' being the lowest and `9' being the highest (Tables 4 to 7). The ranking of sectors based on their total poverty alleviation effects remains almost constant across poverty measures, but their intensity increases with higher degree of poverty measure.

It is noticed that for all the scenarios, 'multiplier effects' play a crucial role in influencing the poverty alleviation effects. Within the multiplier effects, rankings change mainly in accordance with that of 'effective distributional change'. This general observation points to the fact that intersectoral production and transfer linkages are mostly responsible for the poverty alleviation. The 'effective distributional effects' do not change during alternative policy regimes, because of the basic assumption that production structure does not change during policy changes. However, the 'interdependency effects', i.e. the indirect linkages change as the regime changes. It is observed that as the economy gradually moves from a controlled to a fully liberalised one, these 'interdependency effects' on poverty alleviation become larger.

"Foodgrains" and "Other Agriculture" always hold the highest portions of poverty alleviation effects in all the scenarios. Role of agricultural growth, in alleviating poverty has also been emphasised in some of the earlier studies (Ahluwalia, 1976 and 1985, and Mellor and Desai, 1985). "Education[10]" and "Other Services" sectors are the next two higher poverty alleviating sectors in that order.

"Mining and Quarrying" and "Capital Goods" sectors are found to have the lowest poverty alleviating effects across all the scenarios. These sectors have very low 'distributional effects' implying the less participation of rural households in the

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[10]Growth in "Education" sector leading to poverty amelioration, in our case, does not explain that education leads to increase in labour efficiency and hence, the income of the poor household group. The SAM multiplier approach is based on typical Keynesian demand side approach, where supply side is not taken care of.

production process. Though the demand for commodities of the above sectors originating from the household groups generates higher 'interdependency effects' (within top three ranks), it is outweighed by the lower income growth generated by the 'effective distributional effects' . This explanation is true for the "Other Industries", i.e. manufacturing industries other thatn "Capital goods" as well, for the first two scenarios. But, 'poverty alleviating effects' of these "Other Industries" gradually increase when trade account is liberalised (Scenario-3) and more in the regime of full convertibility of capital account, where capital and rest of the world accounts are endogenised (Scenario-4).

"Education", which is used to be a very high poverty alleviating sector in first three scenarios, loses its rank by two steps in Scenario-4. The "Construction" sector which is supposed to be one of the labour intensive sectors maintains its average poverty alleviation effects in first three scenarios, which is higher than that for the whole manufacturing sector, "Mining and Quarrying", and "Electricity, Gas and Water supply". However, its rank slides by two steps down during the fully liberalised regime.

4.a. Poverty alleviation effects and the occupaional groups

As suggested in the methodology, basic computations of alleviation effects of growth on rural poverty are done at the level of occupational groups. Then they are added to arrive at the total population level. Some relevant tables related to the poverty alleviation effects on the household groups are reported.

There is only one table on 'effective distributional effects' for household groups (Table 8), because of the non-changing nature of the production structure irrespective of policy regimes. However, 'multiplier effects' change under alternative regimes with different closure specification (Tables 9 to 12). Poverty alleviation impacts of sectoral growth on the household groups for different market regimes are reported in Tables 13 to 16. But 'interdependency effects' for household groups are not available, as they are defined only at the aggregated level by dividing aggregated 'multiplier effects' with the aggregated 'distributional effects' for all the household groups.

The differential effects of sectoral composition of growth on the poverty of total rural population under alternative market regimes have already been discussed in the previous part of this section. In this subsection, the poverty eradiacating effects of sectoral growth on various households groups are explored. However strange it may seem, the following interesting pattern is observed if we look at estimates at "household groups" level. The pattern at household group level is same as the over all pattern as far as the poverty alleviating rankings of sectors are concerned. This holds true for all household groups considered separately and under all the scenarios. Further, even the rankings vary from household group to group, the ordering remain same across sectors and regimes.

However, the pattern changes acrosss household groups for different poverty measures. In case of 'head-count ratio' measure, the 'agricultural self-employed' responds the most to the poverty alleviation effects of growth and is followed by the 'agricutural labour'. The reason for poverty getting erradicated more for 'agricultural self-employed' is that this household group is more linked-up with the production

system of the economy. This is supported by the fact that 'effective distributional effects' are high for the 'agricultural self-employed' irrespective of poverty measures.

But with the higher order poverty measures, poverty gets alleviated more for the 'agricultural labour' than for any other household group and then comes the 'agricultural self-employed'. This could be because maximum number of poor 'agricultural self-employed' households might be on the threshold of poverty line. Their weights get diminished with higher order of poverty measures. It is seen that the 'agricultural labour' is almost equally well linked-up with the rest of the economy through the production process. This makes the 'agricultural labour' to be more sensitive to the higher order poverty alleviation effects of the sectoral growth than the 'agricultural self-employed'.

5. Conclusion

In this paper, the SAM multipliers are decomposed to understand the transmission mechanism of the sectoral composition of growth on poverty. In the Indian context, fairly disaggregated production sectors are being used. More importantly, this has been explained under four alternative market regimes.

The effects of sectoral growth on the poor depend on the degree of participation of the poor socioeconomic groups in the production process (direct effects) and the extent of integration of their consumption demand to the production side (indirect effects), given the poverty sensitivity effects of the household groups. It is seen that growth in agriculture and in "Other Services" are found to be more effective than that in other sectors in improving the lot of the rural poor in India, irrespective of policy regimes. The growth effects of agriculture and service sectors on poverty have been mainly due to the participation of poor household groups in the production system. Though in the process of liberalisation the 'interdependency effects' from these sectors increase, their relative positions remain as low as earlier.

It is observed that the effects of sectoral growth on the rural poor do not change much when the economy passes through the mild liberalisation process from the erstwhile restricted regime. It is only in the case of full liberalisation, i.e. internal as well as the external, the process of industrialisation, except in the case of "Capital Goods", could become conspicuous in alleviating rural poverty. Here, the 'interdependency effects' are more pronounced than the 'effective distributional effects' in reducing poverty. This is just the opposite to that in agriculture and services sectors, where despite the lower interlinkages, the 'poverty alleviation effects' are more because of higher participation by the poor in the production activities.

Despite the higher 'poverty sensitivity effects' of many sectors, 'poverty alleviation effects' have been low mainly because of lower 'distributional effects'. The 'distributional effects' depend on the participation of poor household groups in the production process and the prevailing technology in the different production sectors. Hence, it is crucial to bring the poor socio-economic groups into the mainstream of the production activities so that growth in a particular sector can lead to larger impact on poverty.

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Table 1: Schematic Structure of SAM

	Factors ofPro-dction	House-holds A/C	Govt. A/C	Activi-ties	Capit-al A/C	Other A/C	Total
Factors of Production	0	0	0	T14	0	T16	Y1
Households Account	T21	0	T23	0	0	T26	Y2
Government Account	0	T32	0	T34	T35	0	Y3
Production Activities	0	T42	T43	T44	T45	T46	Y4
Capital Account	0	T52	T53	0	0	T56	Y5
Other Account	0	0	T63	T64	0	0	Y6
Total	Y1	Y2	Y3	Y4	Y5	Y6	

Table 2: Social Accounting Matrix for India (in Million rupees)

	FACTORS		RURAL HOUSEHOLDS						Urban House-holds	Govern-ment	Indirect Taxes
	Labour	Capital	Ag.Self Employed	Agricu-ltural Labour	Non Agri-cultural Labour	Non Ag. Self-Employed	Salaried class	Other House-holds			
Factors of Production											
Labour											
Capital											
Households Account											
Agriculture Self employed(Rural)	1301820	87350								8440	
Agricultural Labour(rural)	285320	370								1510	
Non Agricultural Labour(Rural)	11930	30								80	
Non Agricultral Self Employed(Rural	233710	24840								1480	
Salaried Classes	238770	10680								1540	
Other Hoseholds	28140	45830								67680	
Urban households	683945	1027605								216420	
Government Account	0	106270							118880	1660	481590
Indirect Taxes			37717	15732	985	10580	4951	8874	41714	18990	
Production Activities											
Foodgrains			189275	101475	8834	50684	18310	32865	114007	766	
Other Agriculture			169075	55552	4836	42919	21684	37253	213915	657	
Mining & Quarry			646	352	31	186	82	137	611	74	
Other Industries			259883	112115	7018	72814	37089	63618	227733	44649	
Capital Goods			7863	1695	106	1881	703	1877	16565	7634	
Construction			0	0	0	0	0	0	0	47632	
electricity, Gas & Water			5336	2912	254	1536	674	1130	5052	13245	
Education			14403	2150	1822	8873	5102	1033	24716	85152	
Health			15091	4168	4042	5321	6047	1249	18322	38886	
Other Services			209868	82224	1710	62507	20014	66728	344727	284346	
Captial Account			489573	0	0	2929	136534	0	754588	-115330	
Rest of the World										940	
Total	2783635	1302975	1398730	378375	29638	260230	251190	214764	1880830	726451	481590

Table 2 (Cont.): Social Accounting Matrix for India (in Million Rupees)

	PRODUCTION ACTIVITIES												
	Food Grain	Other Agriculre	Mining Quarry	Other Industries	Capital Goods	Const-ruction	Elect-ricity	Educ-ation	Health	Other Services	Captial Account	Rest of World	TOTAL
Factors of Production													
Labour	433679	623419	53188	298442	98211	219245	37223	83296	25720	911212			2783635
Capital	101581	111831	49902	309348	64759	16615	50007	34414	9780	554738			1302975
Households Account													
Agriculture Self employed(Rural)												1120	1398730
Agricultural Labour(rural)											90975	200	378375
Non Agricultural Labour(Rural)											17588	10	29638
Non Agricultral Self Employed(Rural)												200	260230
Salaried Classes												200	251190
Other Hoseholds											64144	8970	214764
Urban households												-47140	1880830
Government Account												18050	726450
Indirect Taxes	-56499	-10293	80797	40275	134451	67298	6482	6566	8946	-13121	74932	2213	481590
Production Activities													
Foodgrains	72088	31746	0	61477	0	0	17	1150	600	16826	13039	4375	717534
Other Agriculture	51319	204764	2	186314	886	18213	292	671	402	27909	41898	34796	1113357
Mining & Quarry	450	300	1192	145889	897	30035	27711	0	0	6371	8576	10131	233671
Other Industries	47809	62281	9351	633692	111964	142375	8535	11437	37261	116537	164755	211690	2382606
Capital Goods	5084	4512	8593	13250	76630	21372	7686	145	123	46392	409930	20227	652268
Construction	19047	15059	2327	10462	4362	72	4151	1644	588	43896	459537	0	608777
electricity, Gas & Water	9108	4201	7498	74115	6666	9736	53339	54	705	19582	0	0	215143
Education	0	0	0	0	0	0	0	0	0	203	0	0	143454
Health	6	27	0	0	0	0	16	105	85	998	0	0	94363
Other Services	30127	59635	11523	324861	56743	83817	19682	3971	10153	229991	45712	68368	2016707
Captial Account												122790	1391084
Rest of the World	3735	5875	9297	284479	96700	0	0	0	0	55173	0		456199
Total	717534	1113357	233670	2382604	652269	608778	215141	143453	94363	2016707	1391086	456200	

Source: This table is lifted from Pradhan and Sahoo (1996).

Table 3: Some Basic Poverty Related Estimates (Rural India)

	Distribution of Households	Poverty Measures			Elasticities of poverty measure to mean income			Group Poverty Share out of Total Poverty		
		Head count index P0	Poverty gap index P1	Distributional sensitive index P2	Head count index e0	Poverty gap index e1	Distributional sensitive index e2	Head count index s0	Poverty gap index s1	Distributional sensitive index s2
Agriculture Self-employed	41.82	0.27	0.11	0.06	-1.39	-1.45	-1.67	0.332	0.307	0.314
Agriculture Labour	16.72	0.65	0.33	0.19	-0.6	-0.97	-1.47	0.320	0.368	0.397
Non-agriculture Labour	10.94	0.58	0.23	0.11	-0.94	-1.52	-2.18	0.187	0.168	0.150
Non-agriculture Self-employed	14.36	0.33	0.12	0.06	-1.21	-1.75	-2.00	0.139	0.115	0.108
Salaried Class	13.05	0.12	0.04	0.02	-3.47	-2.00	-2.00	0.046	0.035	0.033
Other Household	3.1	0.34	0.22	0.13	-0.12	-0.55	-1.38	0.031	0.045	0.050
Total	100	0.34	0.15	0.08	-1.11	-1.27	-1.75	1	1	1

Source: Computed using data from NCAER (1996).

Table 4: (Scenario 1): Poverty Alleviation Effects of Sectoral Growth (Caital, ROW and Govt. accounts as Exogenous)

	S1	S2	SO3	S4	S5	S6	S7	S8	S9	S10
HEAD COUNT MEASURE										
1. Effective Distributional Effects	0.174 (9)	0.168 (8)	0.070 (0)	0.099 (3)	0.072 (1)	0.128 (5)	0.095 (2)	0.141 (7)	0.115 (4)	0.130 (6)
2. Interdependency Effects	2.110 (1)	2.083 (0)	2.427 (8)	2.343 (7)	2.320 (6)	2.126 (2)	2.511 (9)	2.197 (3)	2.244 (4)	2.287 (5)
3. Effective Multiplier Effects	0.368 (9)	0.350 (8)	0.170 (1)	0.232 (2)	0.168 (0)	0.272 (5)	0.240 (3)	0.309 (7)	0.258 (4)	0.297 (6)
4. Poverty Senitivity Effects	0.08731 (8)	0.08735 (9)	0.08695 (1)	0.08704 (2)	0.08706 (3)	0.08729 (7)	0.08687 (0)	0.08720 (6)	0.08715 (5)	0.08710 (4)
5. Poverty Alleviation Effects	0.032 (9)	0.031 (8)	0.015 (1)	0.020 (2)	0.015 (0)	0.024 (5)	0.021 (3)	0.027 (7)	0.023 (4)	0.026 (6)
POVERTY GAP MEASURE										
1. Effective Distributional Effects	0.166 (9)	0.160 (8)	0.066 (0)	0.094 (3)	0.069 (1)	0.122 (5)	0.091 (2)	0.134 (7)	0.109 (4)	0.123 (6)
2. Interdependency Effects	2.109 (1)	2.083 (0)	2.429 (8)	2.344 (7)	2.320 (6)	2.126 (2)	2.513 (9)	2.197 (3)	2.244 (4)	2.287 (5)
3. Effective Multipliers Effects	0.350 (9)	0.333 (8)	0.161 (1)	0.220 (2)	0.160 (0)	0.259 (5)	0.228 (3)	0.294 (7)	0.246 (4)	0.282 (6)
4. Poverty Senitivity Effects	0.11457 (8)	0.11459 (9)	0.11431 (1)	0.11437 (2)	0.11439 (3)	0.11455 (7)	0.11425 (0)	0.11449 (6)	0.11445 (5)	0.11441 (4)
5. Poverty Alleviation Effects	0.040 (9)	0.038 (8)	0.018 (1)	0.025 (2)	0.018 (0)	0.030 (5)	0.026 (3)	0.034 (7)	0.028 (4)	0.032 (6)
DISTRIBUTIONALLY SENSITIVE MEASURE										
1. Effective Distributional Effects	0.170 (9)	0.164 (8)	0.068 (0)	0.097 (3)	0.071 (1)	0.125 (5)	0.093 (2)	0.137 (7)	0.112 (4)	0.127 (6)
2. Interdependency Effects	2.109 (1)	2.083 (0)	2.429 (8)	2.344 (7)	2.320 (6)	2.125 (2)	2.514 (9)	2.197 (3)	2.244 (4)	2.288 (5)
3. Effective Multiplier Effects	0.359 (9)	0.342 (8)	0.166 (1)	0.227 (2)	0.164 (0)	0.266 (5)	0.234 (3)	0.302 (7)	0.252 (4)	0.290 (6)
4. Poverty Senitivity Effects	0.15555 (1)	0.15551 (0)	0.15588 (8)	0.15580 (7)	0.15578 (6)	0.15556 (2)	0.15595 (9)	0.15565 (3)	0.15570 (4)	0.15574 (5)
5. Poverty Alleviation Effects	0.056 (9)	0.053 (8)	0.026 (1)	0.035 (2)	0.026 (0)	0.041 (5)	0.036 (3)	0.047 (7)	0.039 (4)	0.045 (6)

Note: (1) 'Poverty Sensitivity Effects' and 'Poverty Alleviation Effects' are negative.
(2) Figures in parentheses are ranks.

Table 5: (Scenario 2): Poverty Alleviation Effects of Sectoral Gorowth (ROW and Govt. accounts as exogenous)

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
HEAD COUNT MEASURE										
1. Effective Distributional Effects	0.174 (9)	0.168 (8)	0.070 (0)	0.099 (3)	0.072 (1)	0.128 (5)	0.095 (2)	0.141 (7)	0.115 (4)	0.130 (6)
2. Interdependency Effects	4.615 (1)	4.518 (0)	5.786 (8)	5.476 (7)	5.388 (6)	4.675 (2)	6.095 (9)	4.938 (3)	5.109 (4)	5.269 (5)
3. Effective Multiplier Effects	0.804 (9)	0.760 (8)	0.405 (1)	0.542 (2)	0.390 (0)	0.599 (5)	0.581 (3)	0.694 (7)	0.588 (4)	0.684 (6)
4. Poverty Senitivity Effects	0.09219 (1)	0.09217 (0)	0.09238 (8)	0.09234 (7)	0.09232 (6)	0.09221 (2)	0.09242 (9)	0.09225 (3)	0.09228 (4)	0.09231 (5)
5. Poverty Alleviation Effects	0.074 (9)	0.070 (8)	0.037 (1)	0.050 (2)	0.036 (0)	0.055 (5)	0.054 (3)	0.064 (7)	0.054 (4)	0.063 (6)
POVERTY GAP MEASURE										
1. Effective Distributional Effects	0.166 (9)	0.160 (8)	0.066 (0)	0.094 (3)	0.069 (1)	0.122 (5)	0.091 (2)	0.134 (7)	0.109 (4)	0.123 (6)
2. Interdependency Effects	4.663 (1)	4.565 (0)	5.857 (8)	5.541 (7)	5.452 (6)	4.725 (2)	6.173 (9)	4.992 (3)	5.167 (4)	5.330 (5)
3. Effective Multiplier Effeects	0.773 (9)	0.730 (8)	0.389 (1)	0.521 (2)	0.375 (0)	0.576 (5)	0.559 (3)	0.667 (7)	0.566 (4)	0.658 (6)
4. Poverty Senitivity Effects	0.12668 (1)	0.12661 (0)	0.12741 (8)	0.12725 (7)	0.12720 (6)	0.12673 (2)	0.12755 (9)	0.12692 (3)	0.12703 (4)	0.12713 (5)
5. Poverty Alleviation Effects	0.098 (9)	0.092 (8)	0.050 (1)	0.066 (2)	0.048 (0)	0.073 (5)	0.071 (3)	0.085 (7)	0.072 (4)	0.084 (6)
DISTRIBUTIONALLY SENSITIVE MEASURE										
1. Effective Distributional Effects	0.170 (9)	0.164 (8)	0.068 (0)	0.097 (3)	0.071 (1)	0.125 (5)	0.093 (2)	0.137 (7)	0.112 (4)	0.127 (6)
2. Interdependency Effects	4.675 (1)	4.576 (0)	5.874 (8)	5.557 (7)	5.467 (6)	4.736 (2)	6.192 (9)	5.005 (3)	5.180 (4)	5.344 (5)
3. Effective Multiplier Effects	0.796 (9)	0.752 (8)	0.401 (1)	0.537 (2)	0.387 (0)	0.593 (5)	0.576 (3)	0.688 (7)	0.583 (4)	0.677 (6)
4. Poverty Senitivity Effects	0.17792 (1)	0.17775 (0)	0.17959 (8)	0.17922 (7)	0.17911 (6)	0.17803 (2)	0.17993 (9)	0.17846 (3)	0.17872 (4)	0.17895 (5)
5. Poverty Alleviation Effects	0.142 (9)	0.134 (8)	0.072 (1)	0.096 (2)	0.069 (0)	0.106 (5)	0.104 (3)	0.123 (7)	0.104 (4)	0.121 (6)

Note: (1) 'Poverty Sensitivity Effects' and 'Poverty Alleviation Effects' are negative.
(2) Figures in parentheses are ranks.

Table 6: (Scenario 3): Poverty Alleviation Effects of Sectoral Growth (Capital and Govt. accounts as exogenous)

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
HEAD COUNT MEASURE										
1. Effective Distributional Effects	0.174 (9)	0.168 (8)	0.070 (0)	0.099 (3)	0.073 (1)	0.128 (5)	0.095 (2)	0.141 (7)	0.115 (4)	0.130 (6)
2. Interdependency Effects	2.369 (1)	2.335 (0)	2.953 (7)	3.148 (8)	3.422 (9)	2.484 (3)	2.920 (6)	2.463 (2)	2.686 (5)	2.651 (4)
3. Effective Multiplier Effeects	0.413 (9)	0.393 (8)	0.207 (0)	0.313 (4)	0.249 (1)	0.318 (5)	0.279 (2)	0.346 (7)	0.310 (3)	0.344 (6)
4. Poverty Senitivity Effects	0.08729 (8)	0.08732 (9)	0.08698 (1)	0.08706 (2)	0.08708 (3)	0.08727 (7)	0.08691 (0)	0.08719 (6)	0.08714 (5)	0.08710 (4)
5. Poverty Alleviation Effects	0.036 (9)	0.034 (8)	0.018 (0)	0.027 (4)	0.022 (1)	0.028 (5)	0.024 (2)	0.030 (7)	0.027 (3)	0.030 (6)
POVERTY GAP MEASURE										
1. Effective Distributional Effects	0.166 (9)	0.160 (8)	0.067 (0)	0.094 (3)	0.069 (1)	0.122 (5)	0.091 (2)	0.134 (7)	0.110 (4)	0.123 (6)
2. Interdependency Effects	2.369 (1)	2.335 (0)	2.954 (7)	3.148 (8)	3.421 (9)	2.483 (3)	2.923 (6)	2.464 (2)	2.686 (5)	2.651 (4)
3. Effective Multiplier Effects	0.393 (9)	0.374 (8)	0.197 (0)	0.297 (4)	0.237 (1)	0.303 (5)	0.265 (2)	0.329 (7)	0.295 (3)	0.327 (6)
4. Poverty Senitivity Effects	0.11474 (5)	0.11476 (6)	0.11463 (1)	0.11480 (8)	0.11493 (9)	0.11477 (7)	0.11451 (0)	0.11467 (3)	0.11472 (4)	0.11465 (2)
5. Poverty Alleviation Effects	0.045 (9)	0.043 (8)	0.023 (0)	0.034 (4)	0.027 (1)	0.035 (5)	0.030 (2)	0.038 (7)	0.034 (3)	0.038 (6)
DISTRIBUTIONALLY SENSITIVE MEASURE										
1. Effective Distributional Effects	0.170 (9)	0.164 (8)	0.068 (0)	0.097 (3)	0.071 (1)	0.125 (5)	0.093 (2)	0.137 (7)	0.113 (4)	0.127 (6)
2. Interdependency Effects	2.368 (1)	2.335 (0)	2.955 (7)	3.149 (8)	3.421 (9)	2.483 (3)	2.924 (6)	2.464 (2)	2.686 (5)	2.652 (4)
3. Effective Multiplier Effects	0.404 (9)	0.384 (8)	0.202 (0)	0.306 (4)	0.244 (1)	0.311 (5)	0.272 (2)	0.339 (7)	0.303 (3)	0.336 (6)
4. Poverty Senitivity Effects	0.15617 (1)	0.15613 (0)	0.15682 (7)	0.15714 (8)	0.15746 (9)	0.15637 (3)	0.15670 (6)	0.15625 (2)	0.15659 (5)	0.15649 (4)
5. Poverty Alleviation Effects	0.063 (9)	0.060 (8)	0.032 (0)	0.048 (4)	0.038 (1)	0.049 (5)	0.043 (2)	0.053 (7)	0.047 (3)	0.053 (6)

Note: (1) 'Poverty Sensitivity Effects' and 'Poverty Alleviation Effects' are negative.
(2) Figures in parentheses are ranks.

Table 7: (Scenario 4): Poverty Alleviation Effects of Sectoral Growth (Govt. A/C as exogenous)

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
HEAD COUNT MEASURE										
1. Effective Distributional Effects	0.1745 (9)	0.1683 (8)	0.0702 (0)	0.0992 (3)	0.0726 (1)	0.1282 (5)	0.0956 (2)	0.1408 (7)	0.1153 (4)	0.130((6
2. Interdependency Effects	9.5031 (1)	9.2708 (0)	13.3779 (7)	14.4517 (8)	16.0719 (9)	10.2083 (3)	13.2818 (6)	10.1747 (2)	11.5609 (5)	11.402((4
3. Effective Multiplier Effects	1.6579 (9)	1.5600 (8)	0.9388 (0)	1.4335 (6)	1.1662 (1)	1.3087 (3)	1.2703 (2)	1.4326 (5)	1.3334 (4)	1.482((7
4. Poverty Senitivity Effects	0.09275 (1)	0.09274 (0)	0.09289 (7)	0.09293 (8)	0.09297 (9)	0.09279 (3)	0.09289 (6)	0.09278 (2)	0.09284 (5)	0.0928((4
5. Poverty Alleviation Effects	0.1538 (9)	0.1447 (8)	0.0872 (0)	0.1332 (6)	0.1084 (1)	0.1214 (3)	0.1180 (2)	0.1329 (5)	0.1238 (4)	0.137((7
POVERTY GAP MEASURE										
1. Effective Distributional Effects	0.1659 (9)	0.1601 (8)	0.0667 (0)	0.0943 (3)	0.0690 (1)	0.1219 (5)	0.0909 (2)	0.1339 (7)	0.1097 (4)	0.123((6
2. Interdependency Effects	9.6165 (1)	9.3804 (0)	13.5551 (7)	14.6410 (8)	16.2829 (9)	10.3317 (3)	13.4608 (6)	10.2996 (2)	11.7062 (5)	11.547((4
3. Effective Multiplier Effects	1.5958 (9)	1.5016 (8)	0.9040 (0)	1.3804 (6)	1.1231 (1)	1.2598 (3)	1.2232 (2)	1.3791 (5)	1.2838 (4)	1.427((7
4. Poverty Senitivity Effects	0.12838 (1)	0.12834 (0)	0.12887 (7)	0.12896 (8)	0.12906 (9)	0.12850 (2)	0.12887 (6)	0.12850 (3)	0.12868 (5)	0.1286((4
5. Poverty Alleviation Effects	0.2049 (9)	0.1927 (8)	0.1165 (0)	0.1780 (6)	0.1450 (1)	0.1619 (3)	0.1576 (2)	0.1772 (5)	0.1652 (4)	0.183((7
DISTRIBUTIONALLY SENSITIVE MEASURE										
1. Effective Distributional Effects	0.1705 (9)	0.1645 (8)	0.0685 (0)	0.0969 (3)	0.0709 (1)	0.1253 (5)	0.0933 (2)	0.1376 (7)	0.1127 (4)	0.127((6
2. Interdependency Effects	9.6422 (1)	9.4051 (0)	13.5982 (7)	14.6861 (8)	16.3330 (9)	10.3597 (3)	13.5050 (6)	10.3284 (2)	11.7401 (5)	11.581((4
3. Effective Multiplier Effects	1.6443 (9)	1.5472 (8)	0.9315 (0)	1.4226 (6)	1.1575 (1)	1.2982 (3)	1.2605 (2)	1.4211 (5)	1.3230 (4)	1.471((7
4. Poverty Senitivity Effects	0.18151 (1)	0.18141 (0)	0.18260 (6)	0.18274 (8)	0.18296 (9)	0.18175 (2)	0.18261 (7)	0.18177 (3)	0.18216 (5)	0.1821((4
5. Poverty Alleviation Effects	0.2985 (9)	0.2807 (8)	0.1701 (0)	0.2600 (6)	0.2118 (1)	0.2359 (3)	0.2302 (2)	0.2583 (5)	0.2410 (4)	0.268((7

Note: (1) 'Poverty Sensitivity Effects' and 'Poverty Alleviation Effects' are negative.
(2) Figures in parentheses are ranks.

Table: 8 Effective Distributional Effects for all the scenarios

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.1327	0.1279	0.0537	0.0757	0.0554	0.0975	0.0732	0.1072	0.0879	0.0992
2.AG LAB(R)	0.0269	0.0261	0.0101	0.0145	0.0107	0.0197	0.0135	0.0213	0.0173	0.0193
3.NON AG.LAB(R)	0.0007	0.0006	0.0002	0.0004	0.0003	0.0005	0.0003	0.0005	0.0004	0.0005
4.NO AG.SELF(R)	0.0102	0.0098	0.0043	0.0060	0.0044	0.0075	0.0059	0.0084	0.0069	0.0078
5.SALARIED(R)	0.0033	0.0032	0.0013	0.0019	0.0014	0.0024	0.0018	0.0027	0.0022	0.0025
6.OTHERS(R)	0.0005	0.0004	0.0004	0.0005	0.0003	0.0004	0.0006	0.0005	0.0005	0.0006
Poverty Gap Index										
1.AG. SELF(R)	0.1225	0.1181	0.0496	0.0699	0.0511	0.0900	0.0676	0.0990	0.0812	0.0916
2.AG LAB(R)	0.0310	0.0301	0.0116	0.0167	0.0123	0.0227	0.0155	0.0245	0.0199	0.0222
3.NON AG.LAB(R)	0.0006	0.0006	0.0002	0.0003	0.0002	0.0004	0.0003	0.0005	0.0004	0.0004
4.NO AG.SELF(R)	0.0084	0.0081	0.0035	0.0050	0.0036	0.0062	0.0049	0.0069	0.0057	0.0064
5.SALARIED(R)	0.0025	0.0024	0.0010	0.0014	0.0010	0.0018	0.0013	0.0020	0.0017	0.0019
6.OTHERS(R)	0.0007	0.0007	0.0006	0.0007	0.0005	0.0006	0.0009	0.0007	0.0007	0.0008
Distributionally Sensitive Index										
1.AG. SELF(R)	0.1253	0.1208	0.0507	0.0715	0.0523	0.0921	0.0692	0.1013	0.0830	0.0937
2.AG LAB(R)	0.0335	0.0325	0.0125	0.0181	0.0133	0.0245	0.0167	0.0265	0.0215	0.0240
3.NON AG.LAB(R)	0.0005	0.0005	0.0002	0.0003	0.0002	0.0004	0.0003	0.0004	0.0003	0.0004
4.NO AG.SELF(R)	0.0079	0.0076	0.0033	0.0046	0.0034	0.0058	0.0046	0.0065	0.0053	0.0060
5.SALARIED(R)	0.0024	0.0023	0.0009	0.0013	0.0010	0.0017	0.0013	0.0019	0.0015	0.0017
6.OTHERS(R)	0.0008	0.0007	0.0006	0.0008	0.0005	0.0006	0.0010	0.0008	0.0008	0.0009

Table 9: With Govt., Capital and Row accounts as exogenous
Effective Accounting Multiplier

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.2802	0.2668	0.1299	0.1772	0.1283	0.2075	0.1832	0.2356	0.1972	0.2266
2.AG LAB(R)	0.0562	0.0537	0.0252	0.0347	0.0252	0.0416	0.0353	0.0468	0.0390	0.0446
3.NON AG.LAB(R)	0.0014	0.0013	0.0006	0.0008	0.0006	0.0010	0.0009	0.0011	0.0010	0.0011
4.NO AG.SELF(R)	0.0217	0.0206	0.0102	0.0139	0.0101	0.0161	0.0145	0.0184	0.0154	0.0178
5.SALARIED(R)	0.0070	0.0067	0.0032	0.0044	0.0032	0.0052	0.0045	0.0059	0.0049	0.0056
6.OTHERS(R)	0.0012	0.0011	0.0008	0.0010	0.0007	0.0009	0.0011	0.0011	0.0010	0.0012
Poverty Gap Index										
1.AG. SELF(R)	0.2587	0.2464	0.1199	0.1636	0.1184	0.1916	0.1692	0.2176	0.1821	0.2093
2.AG LAB(R)	0.0647	0.0618	0.0290	0.0399	0.0290	0.0478	0.0406	0.0539	0.0449	0.0513
3.NON AG.LAB(R)	0.0012	0.0012	0.0006	0.0008	0.0006	0.0009	0.0008	0.0010	0.0009	0.0010
4.NO AG.SELF(R)	0.0179	0.0170	0.0084	0.0115	0.0083	0.0133	0.0120	0.0151	0.0127	0.0146
5.SALARIED(R)	0.0053	0.0050	0.0024	0.0033	0.0024	0.0039	0.0034	0.0044	0.0037	0.0043
6.OTHERS(R)	0.0018	0.0016	0.0011	0.0014	0.0010	0.0013	0.0017	0.0017	0.0015	0.0017
Distributionally Sensitive Index										
1.AG. SELF(R)	0.2646	0.2520	0.1227	0.1673	0.1211	0.1960	0.1730	0.2225	0.1862	0.2140
2.AG LAB(R)	0.0699	0.0668	0.0313	0.0431	0.0313	0.0516	0.0438	0.0582	0.0484	0.0554
3.NON AG.LAB(R)	0.0011	0.0011	0.0005	0.0007	0.0005	0.0008	0.0007	0.0009	0.0008	0.0009
4.NO AG.SELF(R)	0.0168	0.0160	0.0079	0.0108	0.0078	0.0124	0.0112	0.0142	0.0119	0.0137
5.SALARIED(R)	0.0050	0.0047	0.0023	0.0031	0.0023	0.0037	0.0032	0.0042	0.0035	0.0040
6.OTHERS(R)	0.0020	0.0018	0.0012	0.0016	0.0011	0.0015	0.0018	0.0018	0.0016	0.0019

Table 10: ROW and Govt. accounts are exogenous
Accounting Multiplier Effects

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.5806	0.5486	0.2916	0.3905	0.2812	0.4322	0.4183	0.5008	0.4242	0.4930
2.AG LAB(R)	0.1521	0.1436	0.0768	0.1027	0.0739	0.1132	0.1103	0.1314	0.1114	0.1295
3.NON AG.LAB(R)	0.0069	0.0065	0.0036	0.0048	0.0034	0.0052	0.0052	0.0060	0.0051	0.0060
4.NO AG.SELF(R)	0.0452	0.0426	0.0229	0.0306	0.0220	0.0336	0.0329	0.0390	0.0331	0.0385
5.SALARIED(R)	0.0145	0.0137	0.0072	0.0097	0.0070	0.0108	0.0104	0.0125	0.0106	0.0123
6.OTHERS(R)	0.0051	0.0048	0.0029	0.0038	0.0027	0.0039	0.0042	0.0046	0.0040	0.0047
Poverty Gap Index										
1.AG. SELF(R)	0.5362	0.5066	0.2693	0.3606	0.2597	0.3991	0.3863	0.4625	0.3917	0.4552
2.AG LAB(R)	0.1750	0.1652	0.0884	0.1182	0.0851	0.1303	0.1269	0.1512	0.1282	0.1491
3.NON AG.LAB(R)	0.0062	0.0059	0.0032	0.0043	0.0031	0.0046	0.0047	0.0054	0.0046	0.0054
4.NO AG.SELF(R)	0.0372	0.0351	0.0188	0.0252	0.0181	0.0277	0.0271	0.0322	0.0273	0.0318
5.SALARIED(R)	0.0110	0.0104	0.0055	0.0073	0.0053	0.0082	0.0078	0.0094	0.0080	0.0093
6.OTHERS(R)	0.0076	0.0070	0.0042	0.0055	0.0039	0.0057	0.0062	0.0067	0.0058	0.0068
Distributionally Sensitive Index										
1.AG. SELF(R)	0.5484	0.5181	0.2754	0.3688	0.2656	0.4082	0.3951	0.4730	0.4006	0.4656
2.AG LAB(R)	0.1889	0.1784	0.0954	0.1276	0.0918	0.1407	0.1370	0.1632	0.1384	0.1609
3.NON AG.LAB(R)	0.0056	0.0052	0.0029	0.0039	0.0028	0.0042	0.0042	0.0049	0.0041	0.0048
4.NO AG.SELF(R)	0.0349	0.0329	0.0177	0.0236	0.0170	0.0260	0.0254	0.0302	0.0256	0.0298
5.SALARIED(R)	0.0103	0.0097	0.0051	0.0069	0.0050	0.0076	0.0074	0.0088	0.0075	0.0087
6.OTHERS(R)	0.0084	0.0078	0.0047	0.0061	0.0044	0.0063	0.0068	0.0075	0.0064	0.0076

Table 11: Capital and Govt. aacounts are exogenous
Accounting Multiplier Effects

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.3146	0.2992	0.1581	0.2387	0.1901	0.2426	0.2130	0.2642	0.2362	0.2627
2.AG LAB(R)	0.0630	0.0601	0.0308	0.0468	0.0373	0.0485	0.0412	0.0524	0.0467	0.0517
3.NON AG.LAB(R)	0.0015	0.0015	0.0008	0.0011	0.0009	0.0012	0.0010	0.0013	0.0011	0.0013
4.NO AG.SELF(R)	0.0244	0.0232	0.0125	0.0187	0.0149	0.0189	0.0169	0.0206	0.0185	0.0206
5.SALARIED(R)	0.0079	0.0075	0.0039	0.0059	0.0047	0.0061	0.0053	0.0066	0.0059	0.0065
6.OTHERS(R)	0.0015	0.0014	0.0010	0.0015	0.0013	0.0013	0.0014	0.0014	0.0014	0.0015
Poverty Gap Index										
1.AG. SELF(R)	0.2906	0.2763	0.1460	0.2204	0.1755	0.2240	0 1967	0.2440	0.2181	0.2426
2 AG LAB(R)	0.0725	0.0691	0.0354	0.0538	0.0429	0.0558	0 0474	0.0603	0.0537	0.0595
3 NON AG.LAB(R)	0.0014	0.0013	0.0007	0.0010	0.0008	0.0011	0.0009	0.0012	0.0010	0.0011
4 NO AG.SELF(R)	0.0201	0.0191	0.0103	0.0154	0.0123	0.0155	0.0139	0.0170	0.0152	0.0170
5.SALARIED(R)	0.0059	0.0057	0.0030	0.0045	0.0036	0.0046	0.0040	0.0050	0.0044	0.0049
6.OTHERS(R)	0.0023	0.0021	0.0015	0.0023	0.0019	0.0018	0.0021	0.0021	0.0020	0.0022
Distributionally Sensitive Index										
1.AG. SELF(R)	0.2972	0.2825	0.1493	0.2254	0.1795	0.2291	0.2012	0.2495	0.2231	0.2482
2.AG LAB(R)	0.0783	0.0746	0.0382	0.0581	0.0464	0.0602	0.0511	0.0651	0.0580	0.0642
3.NON AG.LAB(R)	0.0012	0.0012	0.0006	0.0009	0.0007	0.0010	0.0008	0.0010	0.0009	0.0010
4.NO AG.SELF(R)	0.0189	0.0179	0.0096	0.0145	0.0115	0.0146	0.0130	0.0159	0.0143	0.0159
5.SALARIED(R)	0.0056	0.0053	0.0028	0.0042	0.0033	0.0043	0.0037	0.0047	0.0042	0.0046
6.OTHERS(R)	0.0025	0.0023	0.0017	0.0025	0.0021	0.0020	0.0023	0.0023	0.0022	0.0025

Table 12: Govt. account is exogenous
Accounting Multiplier Effects

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	1.1884	1.1184	0.6717	1.0252	0.8337	0.9377	0.9090	1.0265	0.9547	1.0618
2.AG LAB(R)	0.3197	0.3008	0.1817	0.2779	0.2264	0.2527	0.2456	0.2764	0.2578	0.2865
3.NON AG.LAB(R)	0.0152	0.0143	0.0088	0.0134	0.0110	0.0121	0.0119	0.0132	0.0124	0.0138
4.NO AG.SELF(R)	0.0926	0.0871	0.0526	0.0801	0.0652	0.0731	0.0712	0.0801	0.0746	0.0830
5.SALARIED(R)	0.0296	0.0279	0.0167	0.0255	0.0208	0.0234	0.0226	0.0256	0.0238	0.0264
6.OTHERS(R)	0.0123	0.0115	0.0074	0.0112	0.0092	0.0098	0.0100	0.0108	0.0102	0.0114
Income Gap Index										
1.AG. SELF(R)	1.0974	1.0328	0.6203	0.9468	0.7699	0.8659	0.8394	0.9479	0.8817	0.9805
2.AG LAB(R)	0.3679	0.3461	0.2090	0.3198	0.2605	0.2908	0.2827	0.3181	0.2966	0.3297
3.NON AG.LAB(R)	0.0137	0.0128	0.0079	0.0121	0.0099	0.0108	0.0107	0.0119	0.0111	0.0124
4.NO AG.SELF(R)	0.0763	0.0718	0.0433	0.0661	0.0537	0.0603	0.0587	0.0660	0.0615	0.0684
5.SALARIED(R)	0.0224	0.0211	0.0126	0.0193	0.0157	0.0177	0.0171	0.0193	0.0180	0.0200
6.OTHERS(R)	0.0181	0.0169	0.0108	0.0165	0.0135	0.0144	0.0147	0.0158	0.0150	0.0167
DistributionallySensitive Index										
1.AG. SELF(R)	1.1223	1.0563	0.6344	0.9683	0.7874	0.8856	0.8585	0.9695	0.9017	1.0028
2.AG LAB(R)	0.3972	0.3737	0.2257	0.3452	0.2813	0.3139	0.3052	0.3434	0.3202	0.3559
3.NON AG.LAB(R)	0.0123	0.0115	0.0071	0.0108	0.0089	0.0097	0.0096	0.0106	0.0100	0.0111
4.NO AG.SELF(R)	0.0716	0.0673	0.0406	0.0619	0.0503	0.0565	0.0550	0.0619	0.0576	0.0641
5.SALARIED(R)	0.0210	0.0198	0.0118	0.0181	0.0147	0.0166	0.0160	0.0181	0.0168	0.0187
6.OTHERS(R)	0.0200	0.0187	0.0120	0.0183	0.0149	0.0160	0.0162	0.0175	0.0166	0.0185

Table 13: With Capital, ROW and Govt. accounts are exogenous
Poverty Alleviation Effects

	O1	O2	O3	O4	O5	O6	O7	O8	O9	O10
Head-count Ratio										
1.AG. SELF(R)	0.015	0.014	0.007	0.009	0.007	0.011	0.010	0 012	0.010	0.012
2.AG LAB(R)	0.010	0.009	0.004	0.006	0.004	0.007	0.006	0.008	0.007	0.008
3.NON AG.LAB(R)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4 NO AG.SELF(R)	0.004	0.004	0.002	0.003	0.002	0.003	0.003	0.004	0.003	0.004
5.SALARIED(R)	0.003	0.003	0.001	0.002	0.001	0.002	0.002	0.002	0.002	0.002
6.OTHERS(R)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Poverty Gap Index										
1.AG. SELF(R)	0.014	0.014	0.007	0.009	0.007	0.011	0.009	0.012	0.010	0.012
2.AG LAB(R)	0.018	0.017	0.008	0.011	0.008	0.013	0.011	0.015	0.012	0.014
3.NON AG.LAB(R)	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.001
4.NO AG.SELF(R)	0.005	0.005	0.003	0.003	0.002	0.004	0.004	0.004	0.004	0.004
5.SALARIED(R)	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
6.OTHERS(R)	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.001	0.001
Distributionally Sensitive Index										
1.AG. SELF(R)	0.017	0.016	0.008	0.011	0.008	0.012	0.011	0.014	0.012	0.014
2.AG LAB(R)	0.029	0.028	0.013	0.018	0.013	0.022	0.018	0.024	0.020	0.023
3.NON AG.LAB(R)	0.001	0.001	0.000	0.001	0.000	0.001	0.001	0.001	0.001	0.001
4.NO AG.SELF(R)	0.006	0.005	0.003	0.004	0.003	0.004	0.004	0.005	0.004	0.005
5.SALARIED(R)	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.001	0.001
6.OTHERS(R)	0.002	0.002	0.001	0.002	0.001	0.002	0.002	0.002	0.002	0.002

Table 14: ROW and Govt. accounts are exogenous
Poverty Alleviation Effects

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.031	0.029	0.015	0.021	0.015	0.023	0.022	0.027	0.022	0.026
2.AG LAB(R)	0.026	0.024	0.013	0.017	0.013	0.019	0.019	0.022	0.019	0.022
3.NON AG.LAB(R)	0.002	0.002	0.001	0.002	0.001	0.002	0.002	0.002	0.002	0.002
4.NO AG.SELF(R)	0.009	0.009	0.005	0.006	0.005	0.007	0.007	0.008	0.007	0.008
5.SALARIED(R)	0.006	0.005	0.003	0.004	0.003	0.004	0.004	0.005	0.004	0.005
6.OTHERS(R)	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Poverty Gap Index										
1.AG. SELF(R)	0.030	0.028	0.015	0.020	0.014	0.022	0.021	0.026	0.022	0.025
2.AG LAB(R)	0.048	0.045	0.024	0.032	0.023	0.036	0.035	0.042	0.035	0.041
3.NON AG.LAB(R)	0.003	0.003	0.002	0.002	0.002	0.002	0.002	0.003	0.002	0.003
4.NO AG.SELF(R)	0.011	0.010	0.006	0.007	0.005	0.008	0.008	0.010	0.008	0.009
5.SALARIED(R)	0.002	0.002	0.001	0.002	0.001	0.002	0.002	0.002	0.002	0.002
6.OTHERS(R)	0.003	0.003	0.002	0.003	0.002	0.003	0.003	0.003	0.003	0.003
Distributionally Sensitive Index										
1.AG. SELF(R)	0.035	0.033	0.018	0.023	0.017	0.026	0.025	0.030	0.025	0.030
2.AG LAB(R)	0.079	0.074	0.040	0.053	0.038	0.059	0.057	0.068	0.058	0.067
3.NON AG.LAB(R)	0.004	0.004	0.002	0.003	0.002	0.003	0.003	0.004	0.003	0.004
4.NO AG.SELF(R)	0.012	0.011	0.006	0.008	0.006	0.009	0.009	0.010	0.009	0.010
5.SALARIED(R)	0.002	0.002	0.001	0.002	0.001	0.002	0.002	0.002	0.002	0.002
6.OTHERS(R)	0.010	0.009	0.005	0.007	0.005	0.007	0.008	0.009	0.008	0.009

Table 15: Capital and Govt. aacounts are exogenous

Poverty Alleviation Effects

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.017	0.016	0.008	0.013	0.010	0.013	0.011	0.014	0.013	0.014
2.AG LAB(R)	0.011	0.010	0.005	0.008	0.006	0.008	0.007	0.009	0.008	0.009
3.NON AG.LAB(R)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
4.NO AG.SELF(R)	0.005	0.005	0.003	0.004	0.003	0.004	0.003	0.004	0.004	0.004
5.SALARIED(R)	0.003	0.003	0.002	0.002	0.002	0.002	0.002	0.003	0.002	0.003
6.OTHERS(R)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Poverty Gap Index										
1.AG. SELF(R)	0.016	0.015	0.008	0.012	0.010	0.012	0.011	0.014	0.012	0.013
2.AG LAB(R)	0.020	0.019	0.010	0.015	0.012	0.015	0.013	0.017	0.015	0.016
3.NON AG.LAB(R)	0.001	0.001	0.000	0.001	0.000	0.001	0.000	0.001	0.001	0.001
4.NO AG.SELF(R)	0.006	0.006	0.003	0.005	0.004	0.005	0.004	0.005	0.005	0.005
5.SALARIED(R)	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
6.OTHERS(R)	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Distributionally Sensitive Index										
1.AG. SELF(R)	0.019	0.018	0.009	0.014	0.011	0.015	0.013	0.016	0.014	0.016
2.AG LAB(R)	0.033	0.031	0.016	0.024	0.019	0.025	0.021	0.027	0.024	0.027
3.NON AG.LAB(R)	0.001	0.001	0.000	0.001	0.001	0.001	0.001	0.001	0.001	0.001
4.NO AG.SELF(R)	0.006	0.006	0.003	0.005	0.004	0.005	0.004	0.005	0.005	0.005
5.SALARIED(R)	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
6.OTHERS(R)	0.003	0.003	0.002	0.003	0.002	0.002	0.003	0.003	0.003	0.003

Table 16: Govt. account is exogenous
Poverty Alleviation Effects

	S1	S2	S3	S4	S5	S6	S7	S8	S9	S10
Head-count Ratio										
1.AG. SELF(R)	0.063	0.059	0.036	0.054	0.044	0.050	0.048	0.054	0.051	0.056
2.AG LAB(R)	0.054	0.051	0.031	0.047	0.038	0.043	0.042	0.047	0.044	0.049
3.NON AG.LAB(R)	0.005	0.005	0.003	0.004	0.004	0.004	0.004	0.004	0.004	0.004
4.NO AG.SELF(R)	0.019	0.018	0.011	0.016	0.013	0.015	0.015	0.016	0.015	0.017
5.SALARIED(R)	0.011	0.011	0.006	0.010	0.008	0.009	0.009	0.010	0.009	0.010
6.OTHERS(R)	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
Income Gap Index										
1.AG. SELF(R)	0.061	0.057	0.034	0.053	0.043	0.048	0.047	0.053	0.049	0.054
2.AG LAB(R)	0.101	0.095	0.057	0.088	0.072	0.080	0.078	0.087	0.081	0.091
3.NON AG.LAB(R)	0.007	0.007	0.004	0.006	0.005	0.006	0.006	0.006	0.006	0.006
4.NO AG.SELF(R)	0.023	0.021	0.013	0.020	0.016	0.018	0.017	0.020	0.018	0.020
5.SALARIED(R)	0.005	0.005	0.003	0.004	0.003	0.004	0.004	0.004	0.004	0.004
6.OTHERS(R)	0.008	0.008	0.005	0.008	0.006	0.007	0.007	0.007	0.007	0.008
Distributionally Sensitive Index										
1.AG. SELF(R)	0.071	0.067	0.040	0.062	0.050	0.056	0.055	0.062	0.057	0.064
2.AG LAB(R)	0.166	0.156	0.094	0.144	0.117	0.131	0.127	0.143	0.134	0.149
3.NON AG.LAB(R)	0.009	0.009	0.005	0.008	0.007	0.007	0.007	0.008	0.007	0.008
4.NO AG.SELF(R)	0.024	0.023	0.014	0.021	0.017	0.019	0.019	0.021	0.020	0.022
5.SALARIED(R)	0.005	0.004	0.003	0.004	0.003	0.004	0.004	0.004	0.004	0.004
6.OTHERS(R)	0.023	0.022	0.014	0.021	0.017	0.019	0.019	0.020	0.019	0.022