# A Re-elaboration of the Strategic Planning Model for the Mexican Economy: An Application to Poverty Reduction Strategies.

Topic: Regional input-output modeling I
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Buzaglo (1985) seminal dynamic multisectorial model brings focus to two critical aspects of the development and poverty reduction process, namely output structure and the structure of income distribution. In the model, the evolution over time of the multisectoral output structure is influenced by sectoral investment, which determines sectoral output growth (given the level of investment efficiency specific to the different sectors). The structure of the multisectoral distribution of incomes by size directly influences the incidence of poverty (lower income shares for low income groups imply greater poverty), and indirectly influences overall growth, trough its effect on the level of saving. A complete mathematical description is given (Buzaglo and Calzadilla, 2001, 2002, 2008, 2010). This text presents a re-elaboration of the strategic planning of the Mexican economy dynamic multisectorial model. The new version of the model involves a redefinition of three aspects.
  At the empirical level, the new national input output matrix forms the basis of information (INEGI,2008). At the conceptual level, we incorporate a refinement of the behavior of the external sector, external debt and production. And, at the programming level, the computer simulation is STELLA / IThink (9.1.3). As the model application we analyze the poverty reduction strategies in México.