

Construction of Social Accounting Matrix for Andhra Pradesh for 2007-08 and Impact Analysis of MNREGA

Topic: Input-output analysis for policy making I

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SAM, an extension of the Input-Output model, is constructed for the state of Andhra Pradesh (A.P.) for the year 2007-08. It consists of 73 producing sectors, two factors of production and nine categories of households, based on occupation and location (i.e. rural and urban). The main data sources used have been provided by the Directorate of Economics and Statistics of A.P. In addition, the sources are: NSSO's 66th round survey on consumer expenditure and NCAER's Income – Expenditure Survey 2004-05. At a number of places, all India coefficients based on the 2007-08 Input-Output Table have been used. This is the first SAM constructed for any state in India.

The impact of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) on producing sectors of SAM and different categories of households have been estimated through the multipliers generated by this SAM. The multipliers estimated are output, value added, household income and employment multipliers.

MNREGA refers to the world's largest welfare program, run by the Government of India. It is a job guarantee scheme for rural Indians. It was enacted by legislation on 25 August 2005. It aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work.

Key Words: Social Accounting Matrix, Andhra Pradesh, MNREGA

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