# Poverty and the functional distribution of income: in pursuit of strategies for inclusive growth

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The first Sustainable Development Goal is straightforward: â€œend poverty in all its forms everywhereâ€•. However, the means to active this goal are not simple. Between 2013 to 2014, poverty headcount ratio in Brazil reduced from 24.9 to 7.4% of total population, according to the World Bank (2018). After that, this trend shift, and the number of people living in extreme poverty has increased. These observations lead to the reflection that although the public policies developed so far have contributed greatly to poverty alleviation, they are not enough to keep the population out of the poverty trap. In this sense, the present work contributes to the discussion of inclusive growth policies, which allow work opportunities for the low-income population and self-sustaining elimination of poverty. To do so, we developed a microsimulation model integrated with input-output data for 2009 where consumption and income data from national surveys were merged, and sectorial information were analyzed in the light of Miyazawa (1976). Based on this detailed database it was possible to map, by sector and by household, the ways of transmitting economic growth through the labor market accessing not only the effects on poverty but also on income distribution. The results show how labor-intensive sectors are important to active the goal of ending poverty and how the income generated by those sectors can generate positive effects in the rest of the economy.