Abstract

Agriculture is one of the most important economic sectors in developing countries and economic growth is considered as primary goals of these countries. This study analyzes the impact of fiscal policy on economic sectors including agriculture, in a General Equilibrium Model (CGE). Information about the latest Input- Output table 2006, is used in the form Social Accounting Matrix (SAM) as the statistic base. The matric composed of 4 parts (field activity), agriculture, industry, transport and services. Analysis of fiscal policy has done under three Scenarios: 20 percent increase in government Consumption expenditure, 20 percent decrease in government Consumption expenditure and 20 percent increase in capital expenditure. Results showed that increasing in government consumption expenditures reduces agriculture exports and transportation and other sectors have increased. Value added of all sectors has increased, also employment and household income increases. Reduction in government consumption spending is reducing the consumption of rural and urban households and investment in agriculture is upside, that this increase is less than other sectors. Also, increase in capital spending of government employment growth and fund in economic sectors.

Key words: Fiscal Policy, Social Accounting Matrix, Computable General Equilibrium Model

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