

Inter-Sectoral Linkages in Haryana's Income: A Temporal Analysis*

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Based upon secondary time-series data for 29 years since 1970-71, an attempt was made to examine the nature of structural changes in output and employment along with inter-sectoral linkages in the income of the Haryana state. Out of the two indexes [viz., θ due to Moore (1978) and ξ (based upon Entropy measure)] adopted for measuring the pace of structural change, the latter turned out to be relatively superior because of its higher sensitivity to temporal changes. Value of the index pointed towards voluminous changes to have occurred in the structure of Haryana's income. But, commensurate changes have not taken place in the structure of employment; through-out the study period, the share of secondary sector in employment has remained virtually static. An index of structural imbalance obtained through ξ indicated that the latest four years' period (1995-1998) under liberalisation regime has undergone structural distortions to a severe extent. Further, the nature of inter-sectoral linkages was gauged by subjecting trend-stationary series on income from each of the major aggregates to distributed lagged modelling. The analysis revealed the presence of strong inter-linkages of income from each of primary and tertiary sectors with the aggregated income. However, the all-important secondary sector has failed to exhibit perceptible forward and backward linkages with income from other sectors. Agro-processing industrialisation, especially in rural pockets, may act not only as a booster for the secondary sector but also assist in curbing the severity of structural distortions in the state's economy.

Economic development and structural changes are known to go hand-in-hand. If faced with distortionary policies, an economy might, however, witness such temporal changes (in the composition of different sectors and sub-sectors in output and employment) which could lead to imbalanced growth. A knowledge of such changes along with the nature of inter-sectoral linkages in output may turn out to be instrumental in framing suitable policies which could ultimately help in inducing balanced growth pattern. Haryana being one of the leading Indian states, an attempt has been made in the present paper to carry-out such a structural analysis in respect of the state's economy.

I Data Base and Methodology

The study was based on secondary data on Net State Domestic Product (NSDP, aggregated as well as disaggregated into $M = 16$ distinct components) at both current and constant (1993-94) prices. The data were compiled in the form of time series for $n = 29$ years from 1970-71 to 1998-99 from various issues of the Statistical Abstracts of Haryana. The information on NSDP at constant prices was available partly (for

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