ABSTRACT WORKING PAPER 6.2

ECONOMIC IMPACT ASSESSMENT OF ALTERNATIVE SEARCH POLICY OPTIONS WITH THE APPLICATION OF THE GMR-TURKEY MODEL

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The SEARCH project targets the analysis of the impact of the European Neighborhood Policy (ENP) on the integration of EU neighboring countries with the EU. Several policy suggestions have arisen from SEARCH publications all of them offering promising ways of improving the ENP. This paper applies the GMR-Turkey policy impact model to estimate the likely effects of a selected set of suggested policies on the economies of European neighborhood countries (ENC). We grouped SEARCH policy suggestions into two alternative sets of measures, which became the bases of two alternative scenarios of regional economic development, the Conservative scenario and the Technology development scenario. Our results suggest that a persistent and systematic long term regional technology development-based economic policy which applies measures such as investment, education and R&D support, promotion of better connectedness to EU research networks and increased physical accessibility could in the longer run result in higher levels of regional and national production together with decreasing interregional differences than a scenario supporting the expansion of traditional industries in the region.