

A CGE Analysis of Policy Effects on the regions of the Polish Economy

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Abstract

Computable general equilibrium (CGE) models have become more widely used in regional policy analysis. This paper employs a small scale CGE model to assess the impact of economic policy on the regions of the Polish economy. The empirical analysis is based on a static region CGE model using an interregional input-output tables for Poland. The model reflected the sizes of economies and differences in industrial structures across regions. Furthermore, we have based on related empirical research, taken into consideration the main economic relations across regions, such as interregional commodity flows. The paper aims to develop a tool for monetary and fiscal policy analysis at the regional level. Empirical simulations of alternative fiscal and monetary policy strategies were carried out to reveal the important effects of different policy implementations on the different regions.

Keywords: Multiregional CGE model; regional differences; Policy impact