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# IRELAND



## Introduction of Ireland

Ireland is an island located in the North Atlantic. It's situated near Great Britain, north-west of the United Kingdom. Ireland is one of the largest islands in the world, with an area of 84,421km<sup>2</sup>.

Ireland is divided into two **regions**: Northern Ireland (a part of the United Kingdom) and the Republic of Ireland ( **Ireland as we know it today, also known as simply Ireland**). These two **regions** are extremely different. For example, their **currency** is not the same: Northern Ireland uses the pound, while the Republic of Ireland uses the euro.

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Northern Ireland doesn't answer to the European Union, and their religious confessions are not the same as the religion in Ireland (orthodox and catholic, respectively).

The population of Ireland is 6.6 million people as of 2011. 4.8 million people live in the Republic of Ireland and 1.8 million people live in Northern Ireland.

The capital of Ireland is Dublin, located in the south-eastern part of the country. This city is also the largest city in Ireland. The symbol of Ireland is the shamrock. Moreover, green is the principal color of Ireland (we can say it's the color that represents the country).

The flag of the Republic of Ireland consists of three vertical stripes: green on the left (which stands for the Irish Catholics and the republicans), orange on the right (which stands for the Irish Protestants) and a stripe of white in the middle (which symbolizes the hope for peace and unity between the two).

A lot of famous cities are located in this country, such as Galway (located in the South-West of Ireland), Belfast (located in the North of Ireland).

## The Irish Government:

Ireland is a parliamentary democracy, with a President, Prime Minister, and Parliament (House of Representatives and Senate). The constitution of Ireland (declared in 1937) can be altered with a referendum.

The President can serve for a term of seven years, and be re-elected for another term. The Parliament is the law-making body of the government, sending laws to the president to either be approved or vetoed. The Prime Minister heads the Cabinet and their meetings and holds executive power. The Senate and House of Representatives can make laws and suggest changes to law drafts, though total blockage of a law is not possible.

Local governments consist of elected councils and city managers; making the decisions on local policy is the duty of the councils, whereas the city managers complete the administrative work (though usually consulting the councils beforehand).

Irish law is divided into circuit courts, High Court and Supreme Court. "The Supreme Court is the highest court and final appeal in Ireland. The circuit courts have jurisdiction to try all serious offenses except murder, treason, and piracy. Criminal trials, which take place before a jury, can be held in a circuit court or in the central criminal court (a division of the High Court). A special criminal court was established in 1972 with jurisdiction over cases of terrorism".<sup>1</sup>

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<sup>1</sup> <https://www.britannica.com/place/Ireland/Government-and-society>

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Judges are appointed by the president and normally serve for life or until retirement. They may be removed from office only in the case of incapacity or “stated misbehaviour” and then only by resolution of both houses of Parliament.

## The Irish Economy:

### GDP/Industries of Ireland:

The mixed economy of Ireland is a knowledge based, trade-dependent economy, which greatly relies on American multinational companies. These companies invest heavily in the country and employs circa 25% of the private workforce, as well as making up 80% of the business taxes.

Ireland is currently experiencing an economic growth of 6.7% (2018), with a per capita average of \$69,188 USD, far above the EU average of 2.2%

The GDP is made up of 70,4% for the tertiary (service) sector, 28% for the secondary (industry) sector and 1.6% for the primary (agriculture) sector some big companies who are connected to the primary sector are Kerry Group, Glanbia and Greencore.

(typical of an industrialized country, where the tertiary sector makes up the greatest part of the GDP and the primary sector shrinks to a minute percentage of the GDP).

### Import/Export:

Ireland export value is around 123€ billion (as of 2015).

The main export partners of Ireland are the U.K. ((11.8%) excluding Northern-Ireland) and the United States (27.2%) with other export partners being other European countries, China, Japan and Australia, exporting machinery, computers, medical products and animal products. The import of Ireland represents 0.5% of total global import, importing 84.3 billion US dollars worth of goods in 2017, 9.5% more than in 2016 (itself an increase of 27.8% since 2013).

The majority of import in 2017 came from the U.K. (22.5% (excluding Northern Ireland)), Northern America (19%), and France (12.5%), along with smaller percentages of import coming from Asia, Australia, New Zealand and Africa. The main goods imported are data processing equipment, chemicals, petroleum and clothing.

## Wages and Unemployment Rates:

The average gross salary of the population is between 3,133€ and 3,592€ per month, with the average net salary at 2,479€ and 2,842€.

8% of the Irish people live below the poverty line. On average, these people earn 950€ per month (10,926€ per year).



At the end of 2017, the unemployment rate was 6.4%. Currently (2018) this percentage has stayed below that of 2017. As shown in the graph, we can see the unemployment rate stayed constant between February 2018 and July 2018. In 3 months, the percentage sunk to 5.3%. In conclusion, the unemployment rate of Ireland has been sinking recently, due to big multinational companies who invest in Ireland thus creating jobs for those who weren't able to find work before these companies settled.

## Distribution of Wealth:

“The main owners of wealth are those over the age of 55, owing to the fact that the Irish save money throughout their working lives: thus their wealth peaks right before retirement and then declines as they go through their savings. This is also evident in the acquisition of homes (the average in Ireland being 10% higher than in Europe).

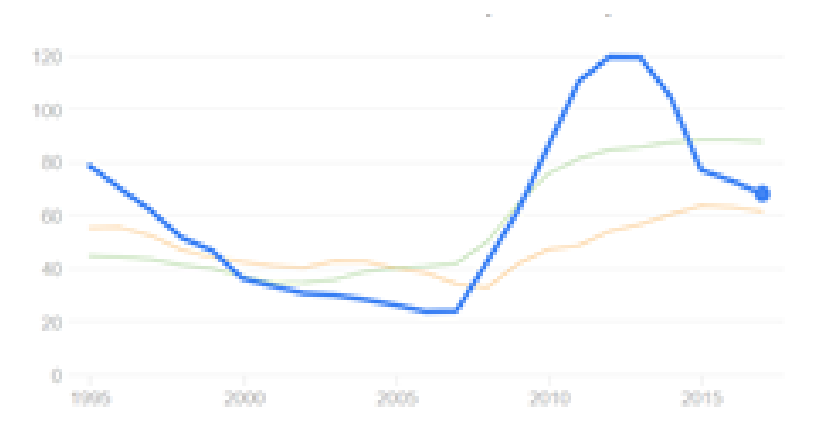
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Household net worth was estimated at 626€ billion, or 135,078€ per capita, at the end of 2015.”<sup>2</sup>

## Government Debt:

Ireland’s debt, as of 2017, was equal to 68,0% of the country’s GDP. For comparison, in France and Germany, this percentage was 97% and 64,1% respectively. The ratio of government debt to GDP in Ireland averaged 72.84% from 1980 until 2017, reaching an all-time high of 119.60% in 2012, and a record low of 23.60% in 2006.

The all-time high in 2012 can be explained by the collapse of the Irish bank. This collapse began in 2008, which explains the all time low in 2006. The graph shows the Irish government debt over the years between 1995 and



2015. The bank collapse is clearly visible due to the graph skyrocketing after 2007.

This bank collapse had a huge impact on the quality of life of the citizens in Ireland, due to the unstable economy, loads of companies were hesitant to hire people, which caused a lot of Irish people to become jobless.

Loads of insurance companies have been benefiting a lot from this crisis, because many people were afraid a huge collapse like the one in 2007 would occur again, leading in citizens getting insurances to make sure another crisis will not affect them as much as the one before.

## Inflation/Price Stability:

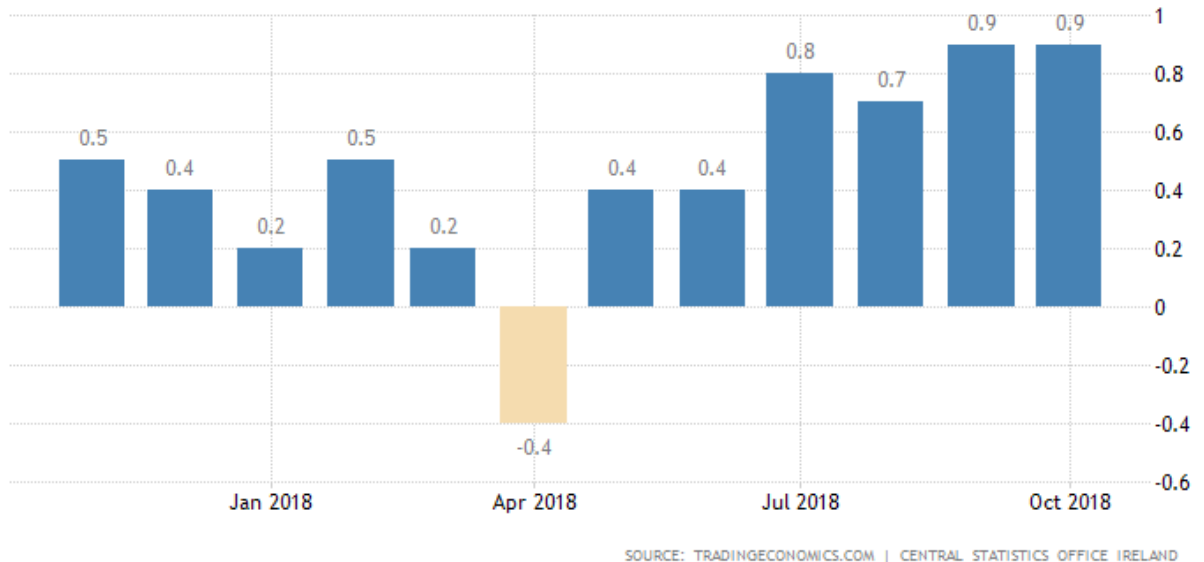
Buying products in Ireland has become more expensive over the years. Luckily for the Irish, not by all that much.

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<sup>2</sup> <http://www.publicpolicy.ie/distribution-of-wealth-in-ireland/>

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The inflation rate compared to last year (2017) is 0,3% which means that a product that used to cost \$1000, will cost people \$1003 in 2018. Here the Irish Inflation between January 2018 and October 2018 is depicted:



We can see that the Irish inflation is not stable. At the end of 2017, the inflation was positive (equal to 0.5) and at the beginning of 2018, the inflation was equal to +0.2. During this short period, the inflation was reduced to 0.3 %. In April 2018, the inflation was negative (-0.4%) and after that, the inflation continued to increase. Today, the inflation is above 0.9%!

To conclude, the inflation rate has changed rather dramatically over the past year.

## The Most Important Irish Businesses:

- Paddy Power Betfair: The home office is situated in Dublin. This business corresponds with a group which produce gambling games (it's the same firm as "La française des jeux" in France and for Germany it is "Bethard". In this business, there are 4.422 employees and the turnover is equal 6.2 billion euros.

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- Google: The home office of Google is situated in Dublin too. 2.199 people work for this company, and the turnover is 15.5 billion euros.

Companies such as Google were drawn to place offices in Ireland due to the low amount of corporation taxes they have to pay there in comparison to other countries in Europe.

Ireland has a corporate tax rate of 12,5%, which is very low in comparison to the 25% in England and the whopping 33% in France.

- CRH: This group was founded in 1970 in Dublin. There are 76.000 employees and the turnover is 18 billion euros. This firm is the most important firm for Ireland. They are a company that specializes in delivering building materials to all kinds of organizations who plan on building things such as flats, tunnels and bridges.

## Ireland and its connection to Europe :

Ireland is a part of the European union, which is good for its economy due to all the economic benefits it gives the companies that are active in international trading.

Some benefits Ireland has by being part of the European Union are:

- Open borders:

By being part of the European Union, you have access to open borders, meaning that all kinds of transport such as planes and trucks can transport their products way faster than companies that are not a part of the European Union, because those transport vehicles are subjected to far more security checks leading to inefficient transport times compared to the transport times of EU members.

Besides transport, open borders also allow people to study and or work in other EU countries without having to get a visa to do so, which is beneficial to the economy.

- Lower taxes:

Members of the European Union have access to beneficial tax, whereas non-EU members do not. Exact percentages are hard to find because there are too many factors that affect the tax per product.

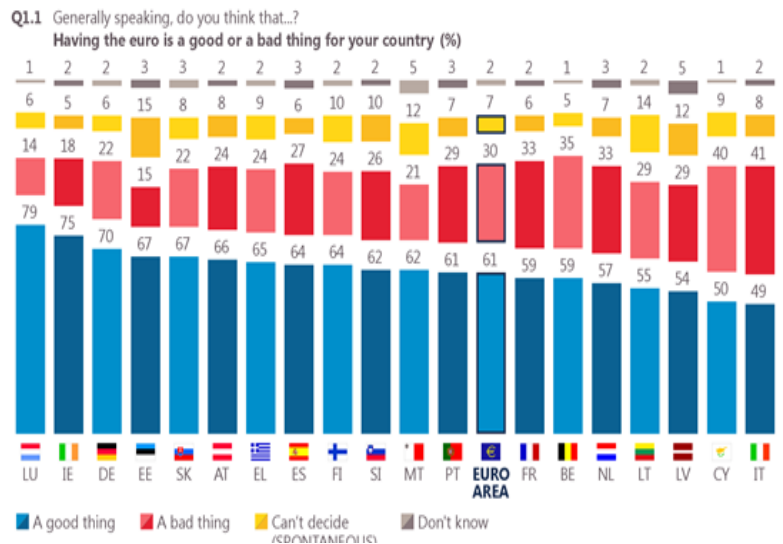
- Same Currency:

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Most of the members of the European Union use the Euro as their currency, this is beneficial for trading because there is no need to exchange different currencies to pay other countries for their products or vice versa.

This also allows companies to make better estimations on how much a product is worth because they don't have to calculate the inflation on each currency to determine what something costs.

The benefits listed above are highly appreciated by the citizens of Ireland, this can be seen in the graph right from here, because Ireland is among the happiest countries to be part of the European Union.



## Ireland and the HDI:



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Rank		Country/Territory	HDI	
2018 rankings [1]	Change in rank from previous year [1]		2018 rankings [1]	Change from previous year [1]
1	—	Norway	0.953	▲ 0.002
2	—	Switzerland	0.944	▲ 0.001
3	—	Australia	0.939	▲ 0.001
4	—	Ireland	0.938	▲ 0.004
5	▼ (1)	Germany	0.936	▲ 0.002
6	—	Iceland	0.935	▲ 0.002
7	▲ (1)	Hong Kong	0.933	▲ 0.003
7	—	Sweden	0.933	▲ 0.001
9	▼ (1)	Singapore	0.932	▲ 0.002
10	—	Netherlands	0.931	▲ 0.003
11	▼ (1)	Denmark	0.929	▲ 0.001
12	—	Canada	0.926	▲ 0.004
13	▼ (1)	United States	0.924	▲ 0.002
14	—	United Kingdom	0.922	▲ 0.002
15	—	Finland	0.920	▲ 0.002
16	—	New Zealand	0.917	▲ 0.002
17	▼ (1)	Belgium	0.916	▲ 0.001
17	▼ (1)	Liechtenstein	0.916	▲ 0.001
19	—	Japan	0.909	▲ 0.002
20	—	Austria	0.908	▲ 0.002
21	—	Luxembourg	0.904	▲ 0.001
22	—	Israel	0.903	▲ 0.001
22	▲ (1)	South Korea	0.903	▲ 0.003
24	—	France	0.901	▲ 0.002
25	—	Slovenia	0.896	▲ 0.002
26	—	Spain	0.891	▲ 0.002
27	—	Czech Republic	0.888	▲ 0.003
28	—	Italy	0.880	▲ 0.002
29	—	Malta	0.878	▲ 0.003
30	—	Estonia	0.871	▲ 0.003

Rank		Country	HDI	
2018 rankings [1]	Change in rank from previous year [1]		2018 rankings [1]	Change from previous year [1]
31	▼ (1)	Greece	0.870	▲ 0.002
32	—	Cyprus	0.869	▲ 0.002
33	▲ (1)	Poland	0.865	▲ 0.005
34	▼ (1)	United Arab Emirates	0.863	▲ 0.001
35	—	Andorra	0.858	▲ 0.002
35	▲ (1)	Lithuania	0.858	▲ 0.003
37	▼ (1)	Qatar	0.856	▲ 0.001
38	▲ (1)	Slovakia	0.855	▲ 0.002
39	▲ (1)	Brunei	0.853	▲ 0.001
39	▼ (1)	Saudi Arabia	0.853	▼ 0.001
41	▲ (2)	Latvia	0.847	▲ 0.003
41	▲ (1)	Portugal	0.847	▲ 0.002
43	▼ (2)	Bahrain	0.846	—
44	—	Chile	0.843	▲ 0.001
45	—	Hungary	0.838	▲ 0.003
46	—	Croatia	0.831	▲ 0.003
47	—	Argentina	0.825	▲ 0.003
48	▼ (1)	Oman	0.821	▼ 0.001
49	—	Russia	0.816	▲ 0.001
50	—	Montenegro	0.814	▲ 0.004
51	▼ (1)	Bulgaria	0.813	▲ 0.003
52	—	Romania	0.811	▲ 0.004
53	▲ (1)	Belarus	0.808	▲ 0.003
54	▼ (1)	Bahamas	0.807	▲ 0.001
55	▲ (1)	Uruguay	0.804	▲ 0.002
56	▼ (1)	Kuwait	0.803	▼ 0.001
57	—	Malaysia	0.802	▲ 0.003
58	▼ (1)	Barbados	0.800	▲ 0.001
58	▲ (2)	Kazakhstan	0.800	▲ 0.003

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Rank ↕	Country ↕	GDP (US\$million) ↕
	<i>World</i>	80,683,787
1	 United States	19,390,604
2	 China <sup>[n 4]</sup>	12,237,700
3	 Japan	4,872,137
4	 Germany	3,677,439
5	 United Kingdom	2,622,434
6	 India	2,597,491
7	 France	2,582,501
8	 Brazil	2,055,506
9	 Italy	1,934,798
10	 Canada	1,653,043
11	 Russia <sup>[n 2]</sup>	1,577,524
12	 South Korea	1,530,751
13	 Australia	1,323,421
14	 Spain	1,311,320
15	 Mexico	1,149,919
16	 Indonesia	1,015,539
17	 Turkey	851,102
18	 Netherlands	826,200
19	 Saudi Arabia	683,827
20	 Switzerland	678,887
21	 Argentina	637,590
22	 Sweden	538,040
23	 Poland	524,510
24	 Belgium	492,681
25	 Thailand	455,221
26	 Iran	439,514
27	 Austria	416,596
28	 Norway	398,832
29	 United Arab Emirates	382,575
30	 Nigeria	375,771
31	 Israel	350,851
32	 South Africa	349,419
33	 Hong Kong	341,449
34	 Ireland	333,731
35	 Denmark	324,872

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As can be seen in the chart, Ireland is in 4th place in the HDI (Human Index Development) with 0.938 in 2018 (with 1 being the best country to live in), and it is ranked as the 34th country in the mondial GDP.

Compared to other countries, we can see that France has a GDP which is higher than the GDP of Ireland (= \$2.582.501) and its HDI is smaller than that of Ireland (=0.901). The same situation is present in Spain; its GDP is equal to \$1.311.320 and its HDI is around 0.891.

However, the GDP of a country doesn't prove that the quality of life is better there. The GDP does indicate the wealth that is produced within the country as well as the expenses in the industrial sector or occurrences such as road accidents. The GDP also does not take into account the effects of the partial consumption of natural capital, such as soil or water.

It's better for a country to have a good HDI ranking and a worse GDP order than the inverse because the HDI proves definitively that life is better in that country. Thus, as can be seen in the graph above, life is better in Ireland than in France or Spain.

## Conclusion:

Ireland has been experiencing an economic growth recently, with a decrease in government debt as well as a stable GDP. However, the effect that Brexit may have on Ireland will most likely lead to negative consequences for the country. With an important trade partner (namely Britain) leaving the European Single Market, as well as many Irish workers now uncertain of their job security in Britain, Brexit will certainly have an effect on the economic growth of Ireland.

In addition to this, an outer EU border between Northern Ireland and the Republic of Ireland may rekindle past hostilities (namely, "The Troubles", where thousands of people lost their lives) and start anew the violent altercations between the two countries.

All in all, Ireland is, despite it's recovery from the economic crisis in 2012, now facing a time of uncertainty in the face of changing policies.

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### Pictures :

- On my Phone

### Jennifer's work review :

Very good analysis but the share of work is unbalanced, I would have liked you to write a little bit more !

Economic facts and explanations : B

Economic analysis : B

English : A

Efforts to cooperate : A

Mrs MESTRE : Jennifer's grade 16/20