

National University of Ireland, Galway
Ollscoil na hÉireann, Gaillimh

Winter Examinations Semester I 2001/2002

EC301 Irish Economy

Final B. Comm, B.Comm with languages, Final B.A., Final B.A (International),
2nd B.A. (Public and Social Policy) visiting students

Prof. Michael Cuddy
Prof. Hux Dixon
Dr Aidan Kane, Mr Stephen Hynes

Time allowed: **TWO hours**

PLEASE NOTE CAREFULLY

Section A should be answered only by B.Comm. and B.Comm with languages students i.e., by students who attended lectures given by **Dr. Aidan Kane**.

Section B should be answered only by B.A., B.A. (International), B.A. (Public and Social Policy), visiting and Erasmus students i.e., by students who attended lectures given by **Mr. Stephen Hynes**.

Section A

INSTRUCTIONS

PLEASE NOTE: This section should be answered only by B.Comm. and B.Comm with languages students i.e., students who attended lectures given by **Dr. Aidan Kane**.

Time allowed: **TWO hours**

Answer three (3) questions.

All questions carry equal marks

1. "Independent Ireland has seen a wide range of economic development strategies, along the spectrum from free trade conservative economics to highly interventionist policies." Discuss this characterisation of Ireland's economic experience in respect of two periods since Independence.
2. Discuss the extent to which particular periods in Irish economic history since Independence might hold lessons for policy makers and citizens today.
3. Recent years have seen a major shift in Irish public policy towards support for Science, Technology and Innovation (STI). What key arguments from economics would tend to support such a shift?
4. A large part of Ireland's recent economic growth is often attributed to changes in the labour market, especially in respect of the quality of human capital. How might economics help to inform the debate about policies in these areas?
5. Outline the key elements of the Irish public financial system, and discuss how welfare economics/public choice may help to evaluate its effectiveness.

Section B

INSTRUCTIONS

PLEASE NOTE: This section should be answered only by BA, BA (International), B.A. (Public and Social Policy), visiting and Erasmus students i.e., students who attended lectures given by **Mr. Stephen Hynes**.

Time allowed: **TWO hours**

Answer three (3) questions. Question 1 is compulsory

All questions carry equal marks

1. Write a note on any 3 of the following:
 - (a) Why would the Solow model of economic growth need to be modified in order for it to be applicable to a small open economy like Ireland?
 - (b) Briefly outline the main risks for Ireland within Economic and Monetary Union (EMU).
 - (c) Factors that led to the surprising growth spurt in the Irish economy from 1987 onwards.
 - (d) How did the economic policy pursued by the Fianna Fáil government (under De Valera) that came to power in 1932 differ from that of its predecessor, Cumann na nGaedheal government (first government of the Irish Free State)?
 - (e) The drawbacks of Ireland as a location for foreign direct investment.
2. In political-economy models, economic motives of self-interest influence politicians' choices of policies and policy instruments. Discuss this concept using as examples past policies pursued by Irish governments.
3. Ireland's recent economic growth is often compared to the "miracle" growth experienced by the so-called "Asian Tiger economies". Why? In your opinion is this comparison justified?
4. "The rationale for putting industrialisation at the centre of our economic development is based on compelling conceptual and historical arguments". Discuss.
5. "After thirty years of pursuing a strategy of industrial development based on foreign direct investment (FDI), Ireland has arguably become overdependent on this approach". Critically evaluate this assessment in the light of recent developments.

or

Discuss the different measures of unemployment that are used in Ireland. The unemployment rates given by these different sources can greatly differ. Why?