

OLLSCOIL NA hÉIREANN, GAILLIMH
NATIONAL UNIVERSITY OF IRELAND, GALWAY

SUMMER EXAMINATIONS 2002

EC120 NATURAL AND SOCIAL ENVIRONMENT PAPER 1
1st B.A. (Economic and Social Studies), St. Angela's College, Sligo

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Mr. Stephen McNena

Time allowed: **THREE hours**
Marks: **360**

Instructions: both Section A (shorter questions) and Section B (longer questions) must be attempted. Use an 8-page Answer Book for Section A and a 12-page Answer Book for Section B.

SECTION A (120 marks)

Answer any **THREE** of the following. (maximum one page each)

1. Many analysts agree that the year 1958 marked a turning point in Irish economic history. Discuss this statement, commenting on the broad economic policies that followed this point.
2. What is meant by the term Social Partnership? Describe the central features of Social Partnership. Has Social Partnership achieved its aims since 1987? Briefly discuss one criticism of Social Partnership.
3. Discuss the housing market in Ireland, with reference to State interventions and the background to the recent large increases in house prices.
4. What are the Structural Funds and what are their aims? How did Ireland qualify for assistance from these funds? Briefly discuss the impact of structural funds on the economy, and outline the recent reforms of the structural funds as part of the National Development Plan 2000-2006.
5. Briefly discuss, in the Irish context, what is meant by a region. Outline three indicators that can be used to analyse differences between regions.
6. In the context of Competition Policy, explain the following terms: (1) market power, (2) cartel, and (3) privatisation.

SECTION B (240 marks)

Remember to use a separate 12-page Answer Book for Section B. Answer any THREE of the following questions:

1. Who, exactly, are the Government? Who are the ultimate decision-makers in the policymaking process? (30 marks)

Compare and contrast the pluralist model of policymaking with the corporatist model of policymaking. (50 marks)

2. Discuss the taxation system in Ireland under the following headings:

1. The three reasons why we have to pay tax
2. The overall burden of taxation
3. The breakdown between direct and indirect taxation
4. Problems associated with the income tax and PRSI system
5. Possible reforms of the taxation system, including environmental taxes

3. Briefly describe the principal features of the National Minimum Wage introduced in April 2000. Comment on the likely effects of this minimum wage under the following headings: (1) the sectors and numbers of workers affected, (2) macroeconomic effects (wages, employment, inflation, etc.) and (3) spillover effects. (40 marks)

Why do some economists oppose minimum wage laws? Why do some analysts suggest that minimum wage rates be dependent on age? (e.g. lower rate for those aged under 21 years) (40 marks)

4. Briefly describe the functions of the three principal institutions of the European Union. What roles do each of them play in the EU decision-making process? (40 marks)

Discuss the operation, current problems and prospects for the future of the European Union's Common Agricultural Policy. (40 marks)

5. In terms of Competition policy, discuss what is meant by deregulation. (10 marks)

Entry into the Dublin taxi market was deregulated in late 2000. Briefly discuss the regulation and the recent deregulation of entry into the taxi industry. Using two diagrams, illustrate the effects of the recent deregulation on the value of these licences. (70 marks)

6. Discuss the causes of the large increase in the level of traffic congestion during the last decade. Suggest some potential solutions to this problem. (30 marks)

Contrast the public transport system in Dublin with those in other European cities. (20 marks)

Using the concept of externalities, explain why economists favour road-pricing as a policy prescription. (30 marks)