

# Globalisation in Ireland | A1 Sample answer

## Examine the effects of globalisation on Ireland

A country I have studied the impact of globalisation on is Ireland.

Globalisation is the term used to describe the increasing political, social and economic inter-connection of people and countries internationally. It means that events and actions taking place in one part of the world impact other communities and economies elsewhere in the world.

Ireland is a globalised economy. It started in the 16th century when Britain colonised it. Ireland gained new trade links from this as part of the empire's world-wide trade network. However this did not do much to benefit the Irish people as a whole. When Ireland gained independence in the early 20th century, it lost many of its previous trading partners. This was because the government in the 1930s introduced high tax barriers on any imports. Until the 1950s, Irish businesses were protected from having to compete with any foreign companies. This policy is called protectionism. This only limited Ireland's international trade and ability to gain FDI. The main markets were the Irish home market and the UK. Ireland reduced its trade barriers from 1950 onwards and became part of the global economy.

This allowed Ireland to reap the benefits of globalisation for once. Ireland has promoted the change from traditional activities that they were once reliant on such as agriculture and weaving to high tech sectors such as Pharma. This is because Ireland cannot possibly compete with the labour intensive low wage economies elsewhere such as in Eastern Europe. The government promotes service industries such as financial services, research and development, and communications. Foreign companies offer vital employment to Irish people. In 2011, 1.8 million were employed and 140,000 of these were employed by foreign companies in Ireland. 91% of Irish exports in 2012 were produced by foreign firms located in Ireland and were worth about 126 billion to the economy. This compares to the 11.5 billion worth of exports from Irish firms.

However globalisation today is both an opportunity and a threat for Ireland. Globalisation provides the chance to sell goods and services abroad. However if Ireland is unable to compete against labour costs and energy costs, its domestic industries will go into decline because of cheaper alternatives being available

from the international market. Also, the existence of so many foreign owned companies have increased Ireland's vulnerability in the case of a collapse of the global economy.