

# European Union Policy Influences Economic Activity in Ireland | Sample Answer

## Examine how European Union policy influences economic activity in Ireland (2016 Q9.c)

### Policy 1 - Common Agricultural Policy (CAP)

The Common Agricultural Policy (CAP) was brought in to stabilise food production for the 510million people living within the EU and it was set up in 1962.

Ireland first joined the European Economic Community in 1973 which has led to a rise in farm income and greater production. In the period to 2020 CAP will invest 10.7bn euro in Ireland.

The 2014-2020 Rural Development Programme for Ireland will receive almost 2.2bn euros from the European Agricultural fund for regional development.

The Irish Government assists with funding also investing 1.7bn. Irish farmers in peripheral regions are supported by the Areas facing Natural Constraints fund with 195m euro per year.

The Agri-Environment scheme GLAS will help 50,000 Irish farmers with a payment of up to 5,000e per year for being eco-friendly.

Targeted Agricultural Modernisation scheme help farmers modernise buildings and processes e.g. supporting the Irish dairy industry with automated milk parlours. This is especially aimed at young farmers to keep younger generations in the industry.

Caps were put on production to stop butter mountains and wine lakes forming. The restriction on national herd was removed in expectation of the demand to increase however, when the Irish dairy herd increased by 300,000 cattle the price fell by 40%.

## Policy 2 - Common Fisheries Policy

The second policy is the Common Fisheries policy. This manages fisheries and aquaculture. This was brought in to prevent overfishing and marine pollution which is leading to the extinction of some of the species in our sea and waterways.

Ireland has a seabed of 710,000km<sup>2</sup> which is the largest in the EU and almost 10 times the land mass of the nation. Ireland has sovereign right to Atlantic waters.

European Maritime Fisheries Fund has allocated 6.4bne for 2014-2020. Of this Ireland will receive 147.6million out of previously 28 EU nations, now 27.

EMFF enables the Irish food sector to develop which is now worth over 540million e in exports to over 80 different markets.

Global demand for seafood is expected to rise by 42m tonnes over the next decade increasing total fish sales in Ireland to e1bn. This will greatly increase pressure on already depleting fish stocks.

The food harvest 2020 partly funded by the EMFF aimed to add another 10,000 direct jobs to the current 20,000 which also provides 3.3bn e to the national economy.

20,000 people are employed directly in maritime business in Ireland with 13,000 people in supporting industry which help fisheries and aquaculture. This is a strong multiplier effect.