

THE IRISH ECONOMY

Boston University Study Abroad Dublin 2013

Dr Michael Dowling

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Module Organisation Details

Lecturer	Dr Michael Dowling
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Class Times	Wednesday: 18:30 to 21:00 Friday: 10:00 to 13:00
Office Hours	30 minutes before and after each class, or by arrangement
Prerequisites	EC101: Introductory Microeconomic Analysis EC102: Introductory Macroeconomic Analysis (or by permission of the instructor)

MODULE DESCRIPTION AND LEARNING GOALS

The Irish economic experience has been historically characterised by turbulence, excitement, optimism and despair. While world-leading in some aspects of our economic development, we are also severely lacking in other vital areas. The financial crisis of 2007-2013, caused by a banking system and property price collapse, has been particularly severe and has starkly exposed those aspects of the economy that work and those that need major improvement.

Within this context this module will analyse the Irish economy. We examine the history of Irish economic development from a rural farming-based economy to a leading export-led services economy. We critically evaluate the role of government policy and regulation, taxation, spending, and welfare. We analyse the key drivers of economic success: international trade, international relations, demographics, and education; and the key factors driving underperformance: infrastructure and local economy competitiveness.

By the end of the module, informed by influential guest speakers, case studies, and field trips to key institutions, you will have an in-depth understanding of the Irish economic



story. You will also gain insight into regional development, the European Union economic approach, and contrasts with the US economy.

The formal learning goals of the module are:

1. Evaluate the historic economic development of the Irish economy informed by statistical resources
2. Analyse and critique the characteristics of Ireland's current economic situation, including key strengths and deficits
3. Develop an understanding of Irish economic policy within an international context, particularly by reference to the wider European Union and the United States

TEACHING STRATEGY AND LEARNING EXPECTATIONS

Module Assessment

Final Exam	Grade allocation: 30% Structure: Two hour exam. Answer two from a choice of five essay questions.
Group Project	Grade allocation: 30% Structure: Analyse the role of public policy in the Irish financial crisis
Written Responses to Class Discussions	Grade allocation: 20% Structure: Submit written responses to your choice of four from ten class discussion questions.
Class Participation	Grade allocation: 20% Structure: Actively participate in class discussions. Show evidence of prior reading. Contribute to the class understanding of topics.

You are expected to attend and actively contribute to classes. This involves showing evidence of reading in preparation for classes, and a willingness to offer your perspectives that will aid class understanding. A general principle is that vibrant on-going class discussion leads to a better learning environment.

All course notes will be provided in advance of the class on the module intranet. You are welcome in class, with the exception of classes where there is a guest lecturer, to use cellphones, laptops and tablets to add to your learning experience, but this should be respectful of other students.

Group project: This comprises 30 percent of the module grade. The group project will involve self-selected groups analysing the role of public policy in the Irish economic crisis. This includes the role of public policy in possibly creating or exasperating the extent of the crisis, the policy response to the crisis, and evaluating the influence of organisations

such as EU, ECB, and IMF in Irish public policy responses. You will be expected to demonstrate an understanding of the link between public policy and economic conditions, draw on official data sources to support your arguments, and an ability to apply theoretical research in a practical context. The format will be a 5,000 word essay, and a 20 minute presentation where the notional target audience is public policymakers. Full details will be circulated in Week 2 of the course.

Written responses: This comprises 20 percent of the module grade. Each course topic will include a number of questions (1 to 2 usually) requiring wider reading on a subtopic. You are asked to select four of these questions and write 750 words analysing and evaluating each of the chosen topics.

Coursework deadlines need to be strictly adhered to, as you only have a limited amount of time in Dublin within which your contribution can be assessed. Late submission penalties of 1/3 of a letter grade per calendar day will be applied, although a strong preference will be for helping you in advance to avoid submitting late, and unforeseen internship and personal issues that delay your ability to submit will be considered where appropriate and where these have been flagged in advance.

Please note that the Boston University Academic Conduct Code applies to this module. A reminder of the Code:

It is every student's responsibility to read the Boston University statement on plagiarism, which is available in the Academic Conduct Code. Students are advised that the penalty against students on a Boston University program for cheating on examinations or for plagiarism may be "...expulsion from the program or the University or such other penalty as may be recommended by the Committee on Student Academic Conduct, subject to approval by the Dean." You can view the entire Academic Conduct Code here: <http://www.bu.edu/academics/resources/academic-conduct-code/>

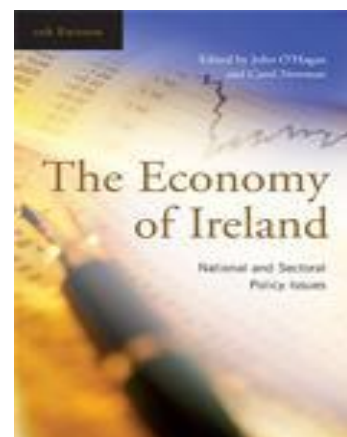
MODULE READINGS

REQUIRED TEXTBOOK

O'Hagan, J. and C. Newman. 2011. *The Economy of Ireland*. 11th Edition. Gill & Macmillan

This is the bestselling textbook on the Irish economy. It consists of contributed chapters from academic leaders in Irish economic analysis and provides an excellent level of detail while also being written in an accessible manner. The module will closely follow this core text.

The university bookshop will have copies of the textbook, or you can purchase from Amazon.co.uk or from the publisher website (gillmacmillan.ie) for approximately €45.



ADDITIONAL USEFUL READINGS

Barry, F. 2007. "Foreign Direct Investment and Institutional Co-evolution in Ireland" *Scandinavian Economic History Review*, 55(3), pp 262-288

Fitzgerald, J. 2013. "Two Recessions and a Boom: Where Next for Ireland?" in W. Huber, S. Mayer & J. Novak (eds.), *Irish Studies in Europe*, Vol 4, Ireland in/and Europe: Cross-Currents and Exchanges, pp. 173-188

Gramlich, E. 2001. "Infrastructure and Economic Development" Texas Trade Corridors New Economy Conference, San Antonio available at: <http://federalreserve.gov/boarddocs/speeches/2001/20010803/default.htm>

Harmon, C., H. Oosterbeek, I. Walker. 2003. "The Returns to Education: Microeconomics" *Journal of Economic Surveys*, 17(2), pp. 115-156.

Inglehart, R., R. Foa, C. Peterson, and C. Welzel. 2008. "Development, Freedom, and Rising Happiness A Global Perspective (1981-2007)" *Perspectives on Psychological Science*, 3(4), pp 264-285.

Kaitila, V., J. McQuinn, I. Siedschlag, X. Zhang. 2013. "International Investment and Firm Performance: Empirical Evidence from Small Open Economies", ETLA Reports No. 6 available at: http://esri.ie/publications/latest_publications/view/index.xml?id=3714

Lane, P. 2010. "A New Fiscal Framework for Ireland" *Journal of Statistical and Social Inquiry Society of Ireland*, 39.

Lewis, M. 2012. *Boomerang: Travels in the New Third World* W.W. Norton & Company

Lucey, B., C. Larkin, and C. Gurdgiev. 2012. *What if Ireland Defaults?* Orpen Press

Rodrik, D. 2000. "How Far Will International Economic Integration Go?" *Journal of Economic Perspectives*, 14(1), 177-186.

Walsh, B. 2011. "Well-Being and Economic Conditions in Ireland" Working Paper, available at: http://www.ucd.ie/t4cms/WP11_27.pdf

Reports:

Accenture "Sustaining High Performance in Shared Services: An Irish Perspective", Dublin 2010

Department of Finance "Programme for Recovery 2011-2014", Dublin 2010

National Competitiveness Council "Annual Competitiveness Report 2012", Dublin 2012

Blogs: IrishEconomy.ie : IrishBusinessBlog.com : TrueEconomics.blogspot.com

WEEK-BY-WEEK CLASS SCHEDULE

Date	Description
<u>Program Week 2</u> 11 th June 2013 12 th June 2013 13 th June 2013	<ul style="list-style-type: none"> ▪ Contemporary Irish Society: Space, Place, and Race ▪ Contemporary Irish Society: Ireland and Modernity ▪ The Irish Economy: Historical Overview, Celtic Tiger, Crisis, and Now READINGS: O’Hagan and Newman: Chapter 1, 7. Fitzgerald (2013). Kaitila et al (2013). Circulated case study.
<u>Program Week 3</u> 19 th June 2013 21 st June 2013	<ul style="list-style-type: none"> ▪ Irish Government Policy and the Economy ▪ Key Economic Sectors: Agri-Business and International Trade READINGS: O’Hagan and Newman: Chapter 2, 3, 9, 11. Inglehart et al (2008). Lane (2010). Accenture (2010). Barry (2007). Rodrick (2000).
<u>Program Week 4</u> 26 th June 2013 28 th June 2013	<ul style="list-style-type: none"> ▪ Ireland’s Economic Strengths and Weaknesses: Demographics, Education, Infrastructure, and Internal Competitiveness ▪ FIELD TRIP: Na Fianna GAA Experience READINGS: O’Hagan and Newman: Chapter 5, 6, 10, 13. Dept of Finance (2010). Gramlich (2001). Harmon et al (2003). National Competitiveness Council (2012).
<u>Program Week 5</u> 3 rd July 2013 5 th July 2013	<ul style="list-style-type: none"> ▪ GUEST SPEAKER: ‘What will drive long-term economic success?’ [Dr Charles Larkin, Trinity College Dublin] ▪ FIELD TRIP: IDA Ireland (government body responsible for attracting FDI) READINGS: To be advised by Dr Larkin
<u>Program Week 6</u> 10 th July 2013 12 th July 2013	<ul style="list-style-type: none"> ▪ Irish Economic Policy in an International Context: EU, US, and Beyond ▪ The New Economics of Well-Being and Community READINGS: O’Hagan and Newman: Chapter 9, 11. Accenture (2010). Barry (2007). Rodrick (2000). Walsh (2011). Dowling in Lucey, Larkin, and Gurdgiev (2012)
<u>Program Week 7</u> 17 th July 2013 19 th July 2013	<ul style="list-style-type: none"> ▪ EXAM REVISION ▪ FIELD TRIP: Co-operation Ireland (NGO focused on building North-South social and economic linkages) <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> DUE DATE: Written class discussion answers to be submitted: Wed 17th July </div>
<u>Program Week 8</u> 24 th July 2013 26 th July 2013	<ul style="list-style-type: none"> ▪ PRESENTATIONS: Group projects. ▪ FINAL EXAM: 11:00 – 13:00 <div style="border: 1px solid black; padding: 2px; margin-top: 10px;"> DUE DATE: Group project written reports to be submitted: Wed 24th July </div>