

The Republic of Ireland - a brief description

John O'Connell

Department of Agrobusiness, Extension and Rural Development, University College,
Belfield, Dublin 4, Republic of Ireland

Summary

The Republic of Ireland is a small, westerly, island member of the EU. It is beautiful, not very densely populated and has a temperate climate. It has had political independence since 1922. On a world scale it is relatively well off in economic terms. Agriculture is more important to its economy and to its trade than it is to the EU as a whole. It has a large and vibrant external trade. It has relatively high unemployment but it has low inflation and a strong currency.

Anotace

Irská republika je malý, ostrovní člen EU. Je překrásná, ne příliš zalidněná, s příznivým klimatem. Od roku 1922 je politicky nezávislá. Ve světovém měřítku má poměrně dobrou ekonomickou situaci. Ve srovnání s EU jako celek, tvoří zemědělství nejdůležitější oblast její ekonomiky a obchodu. Má rozsáhlý a měnící se vnější obchod. Má poměrně vysoký stupeň nezaměstnanosti, ale nízkou inflaci a pevnou měnu.

Key words

Country, people, history, economy, agriculture, trade.

Klíčová slova

Země, lidé, historie, ekonomika, zemědělství, obchod.

The country

The Republic of Ireland is the most westerly member state of the European Union. Now that Britain is linked by tunnel to continental Europe, Ireland is the only island member of the EU. We have thousands of kilometres of beautiful coastline and beaches, something which I think landlocked people like yourselves value highly and I would commend them to you for holiday purposes. The Republic consists of just over 70,000 sq.km. and has a population of approximately 3.5 million people. Population density is 50 people per sq.km. This compares with an average EU density of 144 people and a figure in parts of the EU of 350. This low population density creates difficulties when it comes to the provision of national infrastructure such as roads, railways, electricity and telecommunications. On the

other hand it has the advantage that you do not suffer overmuch from traffic congestion in rural Ireland. Average daily temperature in July/August is 16-17 (Celsius) and 7-8 in January/February. Annual rainfall is about 1,000 mm but is more in the west of the country whis is exposed to the Atlantic ocean and less in the east, especially the south east. Compared to yours, our climate is more temperate and I think more damp. Our island status and the warming influence of the gulf stream are major factors in determining our climate. The countryside is very green and fresh - we are called the emerald isle - we have lots of spectacularly beautiful mountain, river, lake, forest, and maritime scenery.

The people and the politics

Like most countries the people of Ireland reflect the racial mix resulting from successive invasions and migrations throughout history. The Celts were one of the earliest inhabitants. This fact provides us with a link with this part of the world since the Celts migrated from or across here at one stage of their history. The Romans who invaded Britain never got to Ireland. Christianity came to the country in the 5th century and subsequently many monastic settlements flourished, a period for which Ireland was known as the island of saints and scholars. The Vikings from Denmark and Scandinavia arrived in their long boats around the 10th century and caused a lot of distress to the good monks by taking their precious gold and silver etc. without permission and generally behaving very badly. Dublin, the capital city of Ireland, was founded by the Vikings as were other towns such as Wexford on the south east coast. Next to come were the Normans around the 12th century (I may be out a century or two in some of these dates) followed by the English. Plantations (the insertion of English and Scottish settlers onto confiscated land) started in the 16th century. One of the most effective of these, the plantation of Ulster, led to the inherited present day problem of Northern Ireland (part of the United Kingdom) which in its particular area has a majority of people who wish to remain part of the UK. Starting with an armed rebellion in Dublin in 1916, Ireland minus the 6 northern counties became a democratic state politically independent from Britain in 1922 and became a republic in 1949.

Our parliament has two houses - the Dail (equivalent to the British House of Commons) and the Senate. The Senate has limited powers and is largely a debating forum. We have an elected president who has limited although potentially important powers. Our current president is a lady, and, in my humble opinion, an enlightened and gracious one. Our current government is a coalition between Fianna Fail, a traditionally republican/populist party, and the Labour Party. Despite the problems of history, relations between Ireland and Britain are today very good with a great deal of movement of people between the two countries and a large volume of bilateral trade.

The economy

There are about 170 countries in the world. I seem to remember seeing recently that the Republic of Ireland ranks at number 23 or 24 with regard to wealth per head of population, so we are reasonably well off. GDP per head (1990) was about US\$11,000. This may be compared for the same year with 16,000 in the UK, 18,000 in Germany and 21,000 in the USA. Our average earnings per worker are in the range 85-90% of the average EU figure but on a per head of population basis this reduces to 65-70%. This sharp drop arises because of a high dependency ratio in the Republic, i.e. we have a large proportion of young and school going people in the population, we have a relatively low proportion of married women employed in gainful occupation outside the home, and (at perhaps 16% depending on how measured) we have a relatively high rate of unemployment.

The labour force consists of approximately 1.3 million people. The biggest components of this are made up of people employed in commerce, insurance, finance (over 20%), manufacturing (under 20%), and agriculture, forestry and fishing (14%). Agriculture accounts for about 9% of GDP (compared with about 3% in the EU), over 60% of agricultural output is exported and these exports comprise 20% of total national exports and 40% of net national exports. The large difference between the total and the net figures arises because the import content of agricultural production is substantially less than for non-agricultural production.

The agricultural economy

The Irish agricultural economy is very highly oriented to the production of livestock and livestock products. Livestock and livestock products (cattle/beef, dairy products, sheep, pigs and poultry) account for 85% of gross agricultural output and account for 95% of agricultural exports. Because of the importance of Agriculture in the economy and because of its high export orientation, membership of the EU, or the EEC as it was when Ireland became a member on January 1st 1973, has been of significant economic benefit to the country as a whole although not all sectors benefitted and some declined due to lack of competitiveness when tariff and other protection is now significantly curtailed due to changes in EU agricultural policy aimed at reducing expensive food surpluses.

Starting around the middle of the last century the British Government (Ireland was still part of the UK at that time) began to introduce a series of Land Acts which saw the beginning of the transfer of land ownership in Ireland from landlords (many of whom were non-Irish and non-resident and were not particularly popular) to Irish non-landlord ownership. By the early part of this century the process was more or less complete and to-day 90% of the land is farmed by its owners i.e. there is almost no tenant farming and very little long-term leasing. Average farm size is about 25 hectares and only 10% of farms are over 40 hectares.

While this is very small scale farming compared to the Czech Republic it is relatively large scale in the EU with the exception of the UK.

External trade

Like most small countries Ireland has a large dependence on external trade and has a ratio of exports to GDP of 60%. We enjoy a substantial surplus in our balance of trade. Our main trading partners are the UK (30% of exports and 40% of imports), other EU countries (40% of exports and 25% of imports), with North America accounting for a substantial proportion of the remainder. Exports have been exhibiting high growth rates for quite a number of years with the top performers in this regard being electronics and pharmaceuticals. In terms of ownership the firms involved in these exports are mainly multinationals brought into Ireland on favourable terms so as to get some quick results in industrial production and employment. The policy has been successful but the downside is that there is now very substantial repatriation of profits out of Ireland.

Economic negatives and positives

The main economic problems of the country are the relatively high level of unemployment which has been alluded to already and the high level of national debt. On the bright side, recent figures have shown a small reduction in unemployment and the national debt which has been declining as a % of GDP is about set to stabilise in absolute terms and which good economic management could shortly begin to decline. Also on the bright side, inflation is running at about 3% and the currency is strong and stable.

Finale

The Irish talk a lot. They like to congregate in a pub and discuss things over a pint of beer or three but they don't drink as much as they are reputed to. They are paranoid about the weather. They complain constantly about it but if they get two weeks of sunshine together they worry about what it will do to the grass and start saying special prayers in church to have it rain again. The things I like about the Czech Republic are the friendliness and courtesy of the people, Czech beer, and the strength of Czech culture, especially the music.

References

1. Irish Economic Statistics. Central Bank of Ireland, Autumn 1994
2. Quarterly Bulletin. Central Bank of Ireland, Autumn 1994
3. Irish Statistical Bulletin. Central Statistics Office, September 1993