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# 3.8

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## Exploring Business

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### The European Union

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#### Learning Outcome Notes

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LO 3.8 - Discuss the economic and social benefits and challenges of Ireland's membership of the EU

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**CHAPTER QUESTIONS**

By the end of this learning outcome, you should be able to do the following -

1. Define the term European Union
2. Explain the aims of the European Union
3. Define the concept of shared sovereignty and its significance.
4. List the main decision makers of the EU.
5. Explain the role of the members of Parliament (MEP)
6. Outline the term Single European Market (SEM)
7. Understand the economic and social benefits of Ireland membership of the EU
8. Describe the economic and social benefits of Ireland membership of the EU
9. What are the implications to Ireland of Brexit

**THE EU**

**The EU** <sup>Def</sup> The European Union is a political and economic union of 28 member states that are located mainly in Europe.

The EU is a group of member countries that have an agreement between each other. Each country pays a fee and in return they receive support, co-operation from other countries. They share ideas and work together for a common goal. They also promote and improve the EU

**Aims**

1. To protect human rights and establish European Citizenships
2. To ensure freedom, security and justice for EU Citizens
3. To promote economic and social progress - For example a single market or the euro

**Shared Sovereignty** <sup>Def</sup> This means that each member state is willing to give up control of their government so these common goals and laws can be achieved.

## THE EUROPEAN INSTITUTIONS

There are 7 institutions that make up the EU. They include the following -

### 1. The European Council

There are meetings held twice a year by the heads of states (Taoiseach and prime ministers)

They plan a strategy for the development of the EU. They discuss issues that they face. Once the strategy has been set the responsibility of implementing it lies with

- a. The European Commission
- b. The European Parliament
- c. The Council of the EU

### 2. The European Commission

They are responsible for the day-to-day running of the EU. Each member is given a responsibility. The job of the commissioner is like that of a TD. The main functions of the Commission include -

- a. Proposing new laws
- b. Enforcing laws
- c. Managing the Budget

### 3. European Parliament

These are elected by their country and are known as Member of Parliament (MEP). Election takes place every 5 years. The role of the Parliament includes -

- a. To represent their country and their citizens.
- b. To help introduce legislation.
- c. To approve the budget.

### 4. Council of the European Union

These are ministers from each state. The topic being discussed will determine who is to attend. If it is agriculture - all the agriculture ministers attend. Their main function is to

- a. Set goals.
- b. Pass legislation.
- c. Approve EU budget.
- d. Sign international agreements

### 5. Court of Auditors

The role of this organisation is -

- a. to make sure that taxpayer money is been spent correctly (Monitor spending)
- b. to monitor money allocated to each member state is spent correctly.
- c. Present the EU Parliament and Council with a report each year.

### 6. EU Court of Justice

Each member state appoints a judge to the court of justice. They make sure that laws are applied fairly and if not can enforce business and governments to comply.

### 7. European Central Bank

The have the following role in the EU -

- a. Set monetary policy.
- b. Issue euro.
- c. Keeping the level of inflation under control in the euro area.

**Euro Area** <sup>Def</sup> This is the name given to all the countries who have the Euro as their currency. It is also known as the eurozone.

## BENEFITS OF BEEN A MEMBER OF THE EU

The following are some of the Economic and Social benefits of been a member of the EU -

Economic		Social	
Benefits	Challenges	Benefits	Challenges
1. Free Movement of goods (SEM)	1. Increase competition	1. Irish consumer rights are strengthen	1. Increase cost of Irish business
2. Reduce cost from imports and exports (no Barriers)	2. Contribution more to the EU Budget as our wealth grows	2. Improved right for workers	2. Increasing number of member states - difficult for agreement

3. Larger market for exports	3. Reform of CAP and CFP affect us	3. Better standard of living	3. Our culture may be lost due to shared sovereignty
4. Less dependent on the UK	4. ECB controls our monetary policy	4. European social fund for the unemployed and poverty	4. Bans in Ireland - Turf cutting
5. No exchange risk		5. More of a choice for consumers	5. Communication is difficult - different languages
6. EU Funding		6. EU citizens can travel freely between member states	
7. Lower interest Rates		7. Can study in another member state	

### IMPACT OF BREXIT ON IRELAND

Ireland has been trading with the UK for decades mainly for the following reason -

1. They are our closest neighbours with trading of over €1b each week.
2. They are our biggest market for Irish food and drink.
3. They are our biggest market for tourists visiting Ireland.

The following are the main worries when the UK leaves the EU

1. If the sterling falls in value, it will make our products more expensive and less likely to be competitive in Britain. This will have an effect on our Balance of Payments.
2. The tourism industry may suffer with less people coming here due to it being more expensive.
3. There will not be the free movement of goods, services and people
4. Ireland may decrease their corporation tax to attract Foreign Direct investment.

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# Exploring Business

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## Introducing the Consumer

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### Past Exam Questions and Answers

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#### **NOTE - Very Important**

It is very important when answering exams questions use the following steps -

1. That you know the information for the learning outcome
2. That you understand the information from the learning outcome
3. That you can apply the information from the learning outcome to the question
4. Be able to give at least two full sentences for your answer (Fill up the space)

Questions are changing from rote learning to applying the knowledge to the Question

**QUESTIONS****2022 - Question 4**

Identify two benefits of membership of the European Union for Ireland

1.
2.

**2019 - Question 8**

Identify two benefits of membership of the European Union for Ireland

1.
2.

**2019 - Sample Paper - Question 18**

- (c) The pure confectionery Company is planning to export to the UK market but is concerned about the effects of Brexit.

Outline two difficulties the company might face selling to the UK after the UK leaves the European Union

1.
2.


**2019 - Sample Paper - Question 18**

- (d) A new poll suggests that 88% of Irish people that Ireland should remain in the European Union. Explain one economic benefit and one social benefit of Ireland's membership of the EU.

Economic benefit -
Social benefit -



<b>SUGGESTED SOLUTIONS</b>
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**2022 - Question 4**

Identify two benefits of membership of the European Union for Ireland

- |  |
|--|
| 1. <b>Single European Market</b> - This means that there is free movement of goods, services, Capital and citizens between member states. Irish citizens can travel freely between member states and Irish companies and can study in another EU country |
| 2. <b>Removal of Barriers</b> - as the EU is a trading Bloc it is easier for Irish companies to export And import goods and service to and from other member countries without having to pay Extra taxes and customs duties                              |

**2019 - Question 8**

Identify two benefits of membership of the European Union for Ireland

- |   |
|---|
| 1. <b>Larger Markets</b> - The EU provide a larger market for Irish exports. The population of Ireland is 4 million, the population of the EU is 447 million. This means there is an opportunity For Irish business to sell more of their products and increase their profits |
| 2. <b>Common Currency</b> - 20-member state use the Euro as their currency. Having the same Currency reduces the fluctuation rate of currencies that can make it more expensive to buy And sell goods and service. Prices can also be compared to get more value for money    |

\*\* NOTE - The answer for 2022 can also be used. The above answer is given you extra solutions that can be used

**2019 - Sample Paper - Question 18**

- (c) The pure confectionery Company is planning to export to the UK market but is concerned about the effects of Brexit.
- Outline two difficulties the company might face selling to the UK after the UK leaves the European Union

- |  |
|--|
| 1. <b>If the sterling falls in value</b> - This it will make our products more expensive and less likely To be competitive in Britain. This will have an effect on our Balance of Payments as Ireland Will be selling less exports and reduce the money we receive form exports. This is turn Could result in a deficit for the balance of payments and imports might be greater |
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2. <b>Reduction in Tourists coming here</b> - The tourism industry may suffer with less people
coming here due to it being more expensive. This can result in employees working in the
Tourist industry becoming unemployed which will result in less income for the Government
In PAY, PRSI and USC and more expenditure in Job Seekers Allowance

**2019 - Sample Paper - Question 18**

- (d) A new poll suggests that 88% of Irish people that Ireland should remain in the European Union. Explain one economic benefit and one social benefit of Ireland's membership of the EU.

Economic Benefits - Ireland is a member of the Single European Market - This means that
there is free movement of goods, services, capital and citizens between member states. Irish
citizens can travel freely between member states and Irish companies and can study in
another EU country
Social benefit - More of a choice for consumers. As there is free movement of goods and
Service form other member states the consumer will have more of a choice in the products
They buy. This means they will get more value for money due to competition and people
Living here form another EU country can get product from their country meeting their needs