The European Union (EU) is a family of democratic European countries, committed to working together for peace and prosperity. It is not a State intended to replace existing States, nor is it just an organization for international cooperation. The EU is, in fact, unique. Its member states have set up common institutions to which they delegate some of their sovereignty so that decisions on specific matters of joint interest can be made democratically at European level.

In 1951, six European countries established the European Coal and Steel Community (ECSC) with the goal of preventing a repeat of the suffering caused by the two world wars. These countries agreed to pool their coal and steel resources, signing the Treaty of Paris.

Today there are 27 member states bringing the EU population to almost half a billion. Over time cooperation between the EU member states has increased, resulting, for example, in the formation of the Single Market and the single Euro currency. This case study focuses on Ireland's membership of the EU and the impact this has had on our economy and society.
The Treaty of Rome
The Treaty of Rome represented the formal declaration of a process that had developed between the most powerful European countries in the wake of World War II. Its predecessor, the 1951 Paris Treaty establishing the European Coal and Steel Community provided these six countries, Germany, France, Italy, the Netherlands, Belgium and Luxembourg with an economic forum to work together in promoting the strength of their heavy industries – steel and coal – in a newly emergent Europe which had been devastated by war. Its success led to the signing of the Treaty of Rome in 1957, which marked the expansion of cooperation into other economic sectors. As a result of this treaty, the European Economic Community (EEC) or Common Market came into existence with the objective for people, goods and services to move freely across borders, resulting in closer European unification. The Community enlarged several times and these enlargements combined with a succession of further treaties led to the European Union as it is now called, comprising of 27 countries. The milestones along the road to today’s European Union are:
1973: Ireland, Denmark and the United Kingdom join increasing the European Economic Community from six to nine members.
1981: Greece joins.
1995: Austria, Finland and Sweden join the EU.
1997: Treaty of Amsterdam is signed and provides for an increased role for the Union in the area of Justice, Foreign and Security policy.
2001: The Treaty of Nice prepares the Union for enlargement to include countries of eastern Europe.
2004: Accession of Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Czech Republic, Slovakia and Slovenia increases the number of Member States of the European Union to 25.
2007: Bulgaria and Romania join the Union.

Factors influencing Ireland’s economic growth
• EU membership, support and funding
• The Single European Market
• A large and growing market of consumers as the EU enlarged
• Young and highly educated population
• Foreign Direct Investment
• Low corporate taxes
• Stable political environment
• Break-up of national monopolies and their privatisation
• Labour mobility throughout EU member states boosting Ireland’s workforce and therefore productivity

Effects of Ireland’s EU membership
Economy and trade - Foreign Direct Investment
Ireland has benefited greatly from its position within Europe as a gateway for many transnational companies to locate and invest and therefore gain access to the European market of 500 million people. In order to strategically plan and successfully manage this process, IDA Ireland was given the responsibility of attracting foreign investment. This resulted in a change from the Irish economy being dominated by agriculture and farming to that of a modern economy dominated by the influx of pharmaceutical, software and chemical industries. The last 15 years have seen a range of market leaders such as Intel, Dell, Pfizer, eBay, Google and Citibank locate in Ireland and as a result
create many employment opportunities. This period has also seen Ireland truly become a part of a global economy with our trading partners extending greatly beyond our prior trade links with the UK to the EU, the United States and the rest of the World.

Economy and trade - investment in infrastructure
In order to accommodate growth in the economy and ensure its sustainability, large scale infrastructure improvements were required. For a modern economy to function effectively and competitively, a quality integrated transport system was needed to move freight speedily and reliably from transport hubs to the market. The massive investment in the Irish road infrastructure has been made possible through EU funding aimed at upgrading and improving transport infrastructure, with particular emphasis on cross EU networks.

EU funding has also been made available for the redevelopment of seaports in Cork, Killybegs and Rosslare to accommodate larger boats with larger loads. Significant investment has been made to improving public transport with Intercity trains, the extended Dart line and Luas being all part-financed by the EU.

Employment
Since 1973, the number of people working in Ireland has risen by over 70%. There is greater gender equality in the workplace with women constituting 42% of the workforce as opposed to 27% at the time of joining.

Ireland has a very low rate of unemployment which is 4% compared to the EU average of 7%. There is also a strong sense of job security which was shown in the Eurobarometer Spring 2007 which listed Irish citizens as having the fifth highest level of confidence in their economy at 89%.

People and prosperity
The increased performance of the Irish economy on the world stage has brought huge benefits to its workforce. The rate of growth in personal wealth is seen most clearly in the Gross National Product (GNP) per capita which has been driven by direct foreign investment, large numbers in employment and increase in exports and is now three times the 1973 equivalent.

Consumers
The EU has introduced measures to assist European consumers e.g.
• Mobile phone roaming charges have been forcibly reduced by the EU.
• Airline passengers are now guaranteed rights when travelling.
• Facilities also exist to resolve cross-border consumer complaints.

Food safety is a priority of the European Union and measures are enforced at EU level to ensure food is treated in clean hygienic conditions and that packaging is clear and states clearly the contents of foods.

Social conditions
The EU has introduced a wide range of measures aimed to improve the social provisions for Europeans. In 1976, the EU forced Ireland to introduce equal pay and since then EU measures have been introduced to ensure that discrimination on the grounds of age, sex, race and nationality are eliminated in all of the EU’s Member States.

Farming and fishing
The Common Agricultural Policy (CAP) was introduced in 1962 with the dual purpose of
• increasing production and productivity and
• providing a fair standard of living for farmers.
The EU guaranteed prices for farm produce and thereby guaranteed farmers a stable income. The EU also provided funds to modernise farm buildings and machinery while aiding the transfer of farms into single larger units rather than the scattered smaller units that existed in Ireland. This process of modernisation increased economies of scale which in turn enabled farmers to compete in the European marketplace.

As the success of the CAP became apparent, subsequent reforms aimed to decrease farmers’ dependency on external funding while encouraging the modernisation of their business. Small farmers are protected through increased direct supports. In summary, the CAP proved to be highly successful in facilitating the development of Irish farms by leading to modern, specialised farming which has increased productivity, and as a result, increased income for the farming sector.

The Common Fisheries Policy (CFP) has had a similar effect to the CAP on Ireland’s indigenous fishing industry by promoting a process of modernisation towards increased productivity. The movement towards large-scale fishing fleets has brought a significant increase in the total value of fish landings. However, this has occurred against a backdrop of declining global fish stocks. The EU now controls the annual catch of certain fish species in an effort to conserve stocks.

As Ireland’s prosperity has increased, so have its levels of pollution. As a result, there is an urgent need for Ireland to find new ways to dispose of waste as most existing sites near capacity, with most communities opposed to the creation of new landfill sites nearby. One of the most visible changes is in the drive towards recycling with Ireland moving towards the EU target of 50% of municipal solid waste being recycled by 2020.

In summary, therefore, Ireland is greatly assisted in becoming greener through EU membership.

Conclusion

Ireland has been radically transformed through its membership of the EU. This can be seen through our low unemployment, successful economy and prosperous society.

Glossary

Gross National Product (GNP): The most widely used measure of the overall level of economic activity. This has been refined over the years to give a more accurate measure of the level of economic activity by, for example, taking into account the level of profit repatriations from multinational firms.

Monopolies: When a single company controls a market to the exclusion of all competitors, it is said to have a monopoly on that market.

Privatisation: A procedure to pursue a free-market economy for state-owned companies, and make them available for new investments by inviting private businesses to assume part or full ownership and management.

Transnational companies: Organisations that make or distribute goods/services in more than one country. Also known as multi-national companies these organisations have a worldview when it comes to marketing.

Student activity

Name a project in your area that is funded by the EU. Describe this project and how it has benefitted your community.

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