

Economics in Ireland

Study Abroad Program

Instructor & Program Leader

Dennis W. Jansen, Professor of Economics, Jordan Professor, and Fulbright Scholar to Ireland in Fall 2008.

Location & Dates

This program is tentatively scheduled for May 28 – July 1, 2012. The program will take place in Dublin at University College Dublin, one of the two premier universities in the Republic of Ireland. Dublin is the political, financial, and cultural capital of Ireland, with an urban area population of just over 1 million. Dublin is located on the east coast of Ireland and serves as a major port city and hosts a major international airport. Dublin is also the hub of Ireland's train network. As the political capital, Dublin is home to the national parliament, the Oireachtas. The climate is mild, and in June the average high temperature is 64 F, the average low 52, with frequent light rain. Parks are common, and Dublin claims more green space per square kilometer than any other European capital city. Dublin is at the economic center of Ireland as well, and during the Celtic Tiger period Dublin saw rapid growth and a large increase in the cost of living. In 2011, Dublin was ranked the 13th most expensive city in the European Union, and is a popular shopping destination. The greater Dublin area hosts many companies including local favorite Guinness but also Microsoft, Yahoo!, Pfizer, Google, and Amazon, with Intel and H-P having manufacturing plants within 10 miles of Dublin. Dublin also serves as the cultural center of Ireland, with a rich literary tradition (Yeats, Shaw, Becket, Joyce). There is a well-developed theater scene, and a lively nightlife both in the famous Temple Bar area and in other areas of the city. Ireland has a young population, with 50% of the population less than 25. The local music scene provides opportunities for both modern and traditional Irish music. Dublin boasts a wide variety of sports including hurling, Irish football, soccer, rugby, and even dog racing. Just south of Dublin are the famous Wicklow Mountains, Glendalough, and St. Kevin's monastery.

Activities

We will visit the Bank of Ireland, the Guinness Brewery, the Wicklow Mountains and Glendalough, and take two tours of Dublin including the Literary Pub Crawl and the Dublin Walking Tour. We will also visit the university town of Galway on the west coast, and tour Galway, the Cliffs of Moher and the Burren, and possibly Connaught. We will also visit Belfast in Northern Ireland to see the Peace Walls and evidence of the troubles, as well as tour the northern coast including the Giant's Causeway. Optional activities in Dublin will include hurling and Irish football at Croke Park, UCD's team in the Irish soccer league, greyhound racing, and possibly rugby. Cultural events including theater, dancing, and art shows will be available.



ECON 489-xxx: Special Topics: Growth and Development of the Irish Economy: History, Current Status, and Prospects

This course will use economic theory to analyze and understand Ireland's economic development and growth, past, present, and future. We will begin with a review of Ireland's economic history. Ireland provides a case study of a nation that was initially quite poor, one of the poorest in Western Europe, a nation that saw a net outmigration of its population, a net recipient of remittances from abroad. Beginning in the 1980's, Ireland experienced very high growth rates, it eventually experienced net immigration and became a source of remittances for other countries such as Poland and Brazil. By the turn of the century Ireland was by some accounts the richest nation in Western Europe, and was known as the Celtic Tiger. Currently Ireland is suffering from the financial crisis.

After outlining Ireland's economic history we will cover various aspects of economic theory to see how this helps us to understand and interpret the Irish experience. We will present the economic theory of comparative advantage and terms of trade, and identify Ireland's comparative advantage. We will present an economic analysis of exchange rates and exchange rate determination, and examine Ireland's exchange rate history under the Irish Pound and now the Euro. We will study balance of payments and how openness matters for the economy, and then examine the history of Ireland's balance of payments, the history of Ireland's openness to trade, and the role of the European Economic Community and its free trade zone in Ireland's economic development. We will study the choice between fixed and flexible exchange rates, the implications for monetary policy, and how Ireland is influenced by its adoption of the Euro. Finally, we will study growth theory, especially the Solow model, and the determinants of growth, from physical capital to population to human capital and government institutions including property rights, and then we will try to interpret Ireland's experience in light of growth theory. Finally, we will discuss the financial crisis, its impact on Ireland, and prospects for the future of the Irish economy.

This course can be used to satisfy the Econ 320/330/452 requirement for Economics Majors.

ECON 445-500: Financial Economics (Study Abroad Syllabus)

This course is an introduction to financial economics. It includes a descriptive tour of financial markets, beginning with equity and bond markets and including foreign exchange markets and derivatives. Students read Malkiel's book *A Random Walk Down Wall Street*. The textbook is Bodie, Kane, and Marcus's *Essentials of Investments*. The goal is to become conversant with the various terminology and financial instruments available, as well as becoming comfortable with the economics underlying financial markets.

Students will work in a two-person group (or three if the integer problem emerges) to write a paper comparing the impact of the financial crisis, and responses to the financial crisis, in Ireland and one other impacted country. Examples of countries for the comparison could be Iceland, Portugal, Greece, or the U.S., but other nations could be chosen if approved by the instructor. This paper will be presented to the class at the end of the course.

This course counts for the Business Economics Certificate program.

ECON 485-xxx: Directed Studies

Students may be able to arrange Directed Study credit if they have already completed ECON 445.

A Minor in Economics?

A Minor in Economics requires ECON 202, 203, 323, and two other ECON courses. Students who have already completed the principles of economics sequence (202 and 203) can, with the addition of ECON 323, complete a minor in Economics via this study abroad program.

