Population Pack

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Economics
Pack 9 • Leaving Cert

JT Economics

The Business Guys

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Short Questions

1) 2015 Q9

"*Since 1990 Ireland has achieved the largest gain in life expectancy for 65 year olds in all EU member states.*" (The OECD Report: *Health at a glance: Europe 2014*)
Outline **two** possible economic implications of this development for the Irish economy **and** one policy measure the Government could consider in response to this situation.

(i) _____

_____

(ii) _____

_____

Government Policy: _____

_____

(17 marks)

2) 2009 Q9

Economists have commented on Ireland's 'greying population', i.e. the structure of Ireland's population is getting older. Outline **two** economic effects of this development for the Irish economy.

(i) _____

_____

(ii) _____

_____

(17 marks)

3) 2006 Q1

State **THREE** economic uses for a census of population in Ireland.

(i) _____

(ii) _____

(iii) _____

(16 marks)

4) 2001 Q9

A country is said to be **overpopulated** in the economic sense when

.....

.....

.....

(17 marks)

Long Questions

2016 Q8 (c)

(c) Ireland's population has become increasingly urbanised.
Outline the economic consequences (positive and negative) of this development for Ireland.
[20]

2015 Q8 (c)

(c) (i) Discuss the economic effects of emigration on the Irish economy.
(ii) Advise the Government on **two** policy initiatives/measures that could be introduced in 'Budget 2016' to encourage emigrants to return to Ireland.
(30)

2013 Q8 (c)

(c) Ireland, in common with many developed countries, is facing the challenges of an ageing population.

Discuss the possible economic consequences of an ageing population for the Irish economy.
(15)

2012 Q5 (a)

(a) The following table shows the world population and the projection for 2012, according to the United States Census Bureau (USCB) estimates:

Population in Billions	1	2	3	4	5	6	7
Year	1804	1927	1960	1974	1987	1999	2012
Years elapsed	-	123	33	14	13	12	13

(i) Suggest **two** reasons for the rapid growth in world population in recent times.
(ii) Discuss the economic effects of an increasing population on the Irish economy. (30)

2012 Q5 (c)

(c) The classical economist, Thomas Malthus, in his work *An Essay on the Principle of Population* (1798) created a theory on population.

(i) Explain Malthus's theory on population.
(ii) Is Malthus's theory on population relevant today? Explain your answer. (20)

2012 Q8 (a)

(a) It is often said that 'push' factors and 'pull' factors drive emigration.

(i) Describe **two** economic 'push' factors OR **two** economic 'pull' factors currently affecting emigration from Ireland.
(ii) State and explain the positive **and** negative consequences of emigration for the Irish economy. (30)

2011 Q8 (a) + (b)

(a) Discuss the economic uses of the 2011 Census of Population data for Government and Business. *(20)*

(b) '*Ireland is experiencing the highest level of net outward migration since 1989'.*
(The Central Statistics Office, 2010)
Discuss the reasons why Ireland is now experiencing a high level of net outward migration. *(25)*

2010 Q8 (b)

(b) *By 2036 one in five Irish people will be over 65 years of age, with the greatest increase being in those over 80 years.*

(i) Outline **two** possible economic effects of an ageing population on the Irish economy.

The number of emigrants from Ireland, in the year to April 2009 was 65,100, up from 45,300 for the previous year.

(ii) State and explain **three** economic **consequences** of the recent increase in emigration. *(25 marks)*

2008 Q7 (c)

(c) The 'Birth Rate' in Ireland shows an increase over previous years (CSO Census 2006).

(i) Explain the meaning of the underlined term.
(ii) Outline **three** economic implications of the changing structure and size of the Irish population.

(20 marks)

2005 Q8 (a) + (b)

(a) The last census of population (in 2002) showed that the Irish population continues to grow and now exceeds 3.9 million.
Discuss the economic consequences of an increasing population. *(25 marks)*

(b) Discuss the main economic benefits of the inflow of labour into the Irish Economy. *(20 marks)*

2003 Q7 (a) + (c)

(a) Discuss the economic effects which the recent rise in Ireland's population may have on the Irish economy.

(25 marks)

2003 Q7 (a) + (c)

(c) Immigration replaced high levels of emigration during the 'Celtic Tiger' period.

(i) Discuss **THREE** reasons why the trend has changed from emigration to immigration in Ireland.

(ii) Discuss the economic consequences (positive **and** negative) for a country experiencing increased immigration.

(30 marks)

Short Questions Answers

1) 2015 Q9

9. "*Since 1990 Ireland has achieved the largest gain in life expectancy for 65 year olds in all EU member states.*" (The OECD Report: *Health at a glance: Europe 2014*)

Outline **two** possible economic implications of this development for the Irish economy **and** one policy measure the Government could consider in response to this situation.

Outline two possible economic implications:

Can cause higher dependency ratio / reduced labour market participation rates.
More demands on government services e.g. health and long term care.
Increased budget or change in budget priorities for health care.
A **change in the pattern of demand** for goods and services for an ageing population.
Increased pressure on pensions / many people under providing for old age.
Possible **increased tax burden** for those remaining in the workforce.
Preference change: extension of working lives (people may choose to work longer- negative impact on long-term unemployed / higher youth unemployment) etc.

2 implications at 6 marks each

Government Policy:

Extend retirement age to reduce the number of people entitled to state pensions.
Seek to expand the working population by encouraging people to remain in work beyond retirement age.
Reform the pension system e.g. means testing pensions / use the taxation system to encourage people to take out pensions (tax credits to take away the burden from the state).
Health and social services plan to meet the demands placed on the services /extra beds for geriatric wards.
Educating the younger population in the area of personal finance to enable better planning for retirement.

One policy measure: 5 marks

2) 2009 Q9

Economists have commented on Ireland's 'greying population', i.e. the structure of Ireland's population is getting older. Outline **two** economic effects of this development for the Irish economy.

- The participation rate falls: as more people reach retirement age, the supply of labour may be affected. Some may wish to work part-time. Some may retire.
- Reduced mobility of labour: as people get older they are less likely to move to a different location seeking work.
- Possible increased tax burden: with larger numbers of people over 65 the dependency ratio may increase, resulting in the need for higher taxes in the working population.
- Increased government expenditure: the government may spend a greater proportion of its revenue on the provision of services for the elderly such as medical care, free transport etc.
- Pressure on provision of state pensions: the government may encourage individuals, through tax incentives, to avail of private pensions in order to reduce the pressure on the government to provide state pensions.
- Changing pattern of demand: demand for certain goods and services required by older people will increase e.g. nursing homes; medication etc.

2 points @ 17 marks graded

3) 2006 Q1

State **THREE** economic uses for a census of population in Ireland.

1. Demographic changes:
   It provides information on demographic changes both nationally and on a regional basis.
2. Infrastructural requirements:
   It helps the economy plan for future infrastructural requirements.
3. Planning and the Provision of Essential services:
   It indicates if additional investment in services is required i.e. health, education etc.
4. Regional policy:
   The government may be prompted to change/develop regional policy if some counties experience depopulation.
5. Pension planning:
   It can influence the provision of pension funds.
6. Future levels of consumer demand: Producers can predict more accurately future demand.
7. Labour market:
   The data can be used to predict and make provision for future labour requirements.
8. Profiling of the population:
   The population can be profiled by age, gender, nationality; place of residence, marital status, number of children, religion, ethnic background etc.

16 marks graded

4) 2001 Q9

A country is said to be overpopulated in the economic sense when: (17 marks)

- It has too many people in relation to the other production resources.

  2 underlined terms: 9 marks + 8 marks

- The resources of a country are incapable of supporting any more people.

  2 underlined terms: 9 marks + 8 marks

- An increase in population leads to a decrease in GNP per head.

  2 underlined terms: 9 marks + 8 marks

- Diminishing returns to labour given the existing economic resources.

  2 underlined terms: 9 marks + 8 marks

Long Questions Answers

2016 Q8 (c)

(c) Ireland's population has become increasingly urbanised.
Outline the economic consequences (positive and negative) of this development for Ireland. [20]

Possible responses include:

Positive economic consequences	Negative economic consequences
Increased standard of living Cities offer citizens opportunities which are not available in rural areas e.g. availability of jobs, higher incomes, efficient public transport etc.	**Quality of life/pressure on infrastructure** Citizens may be subjected to greater levels of noise, crime, pollution etc. Similarly traffic congestion can be significant – may all lead to a deterioration in the quality of life.
Easier access to services/lower cost of services With a higher concentration of people, the cost of providing (state) services should be lower. Specialisation is possible.	**Housing: costs / availability** A shortage of suitable housing exists in some urban areas and/or the cost of housing is prohibitively high.
Easier to attract FDI With the availability of a large skilled workforce, well-established infrastructure including broadband urban regions are more attractive to FDI.	**Provision of services** Due to high demand a shortage of schools may exist; provision of public transport may be inadequate. Investment may be concentrated in urban areas at the expense of rural areas e.g. loss of some hospital services in rural areas.
More attractive for entrepreneurs The existence of a large population means that the market exists for goods and services and this may encourage more entrepreneurs to set up businesses.	**Prospect of future shortage of water** It has been forecast that the greater Dublin area will suffer from a lack of water supply in future years.
Better use of scare resources As it may be cheaper to provide services less scare resources are wasted e.g. greater volume of people can use public transport and this helps reduce our carbon emissions.	**Loss of a sense of 'community'** Urbanised societies may lack a sense of community which characterises rural areas. This may cause stress, mental health issues and require expenditure by the state.
4 x 5 marks (2+3) **(Must have a minimum of one point under each heading.)**	

2015 Q8 (c)

(c) (i) Discuss the economic effects of emigration on the Irish economy.
(ii) Advise the Government on **two** policy initiatives/measures that could be introduced in 'Budget 2016' to encourage emigrants to return to Ireland. (30)

(i) Discuss the economic effects of emigration on the Irish economy.

Negative consequences	Positive consequences
Higher dependency ratio The active population is probably leaving leading to higher dependency ratio and the need for the government to finance this increasing dependent population/increased tax burden on the employed population.	**Unemployment reduced** Those people who emigrate may have been unemployed if they stayed in Ireland. This reduces the strain on the government finances to fund increasing social welfare payments.
Opportunity costs The state loses out on its investment in the education/training of these citizens. Ireland may be educating workers for foreign countries.	**Emigrants returning to Ireland** may help those companies involved in the tourism, airlines, pub trade etc.
Loss of skills within the economy / Brain Drain We lose those workers / graduates who have acquired skills which are the skills needed to achieve economic growth. The 'brain drain' may deprive the country of much needed skills/ loss of human capital.	**Contacts / Export opportunities** The people who emigrate may be willing contacts for Irish exporters who may be anxious to find markets abroad. Irish emigrants may set up business providing jobs to new emigrants; improving skills and providing an outlet for Irish exporters e.g. O'Neill's GAA jerseys.
Underutilisation of services As population declines some state services may be underutilised which could lead to some services being discontinued e.g. bus routes; local hospitals.	**Demand for state services** With a declining population the demand for state service may decline e.g. schools, health care, transport etc
Upward pressure on Irish wage rates The highly trained and skilled are more mobile thus they leave. To try to retain these workers firms may have to increase wage rates.	**Emigrants' remittances to Ireland / New skills.** Emigrants send home monies to Ireland. The CSO estimates for emigrants remittances for 2013 was €776m. In the long term they may return home with newly acquired skills/Returning emigrants may be a valuable source of skilled personnel.
Reduced domestic demand As the domestic market contracts there may be reduced opportunities for investment by businesses / entrepreneurs.	
Decline in rural communities Morale may suffer and those areas experiencing high emigration may decline more rapidly making their long term viability more difficult.	
Any 4 points at 5 marks each (2 + 3)	

2015 Q8 (c) Continued

(ii) Advise the Government on **two** policy initiatives/measures that could be introduced in 'Budget 2016' to encourage emigrants to return to Ireland.

Lower taxation
By reducing income tax this will reward work. Higher net pay will create an incentive to attract emigrants to return. The government could also reduce other taxes introduced during the austerity period e.g. property tax; water charges etc. – providing an incentive to return.

Provide grants/subsidies to firms
These grants could be made available to those firms which specifically hire emigrants.
If the government reduced the rate of PRSI for employers on each new emigrant hired then emigrants may return home.

Training and education
Provide training and education course in growth sectors of the economy and make these training places available to emigrants. This may encourage emigrants to return to Ireland.

Support recovery in the economy
The government can continue to implement economic policies which help restore confidence in the country and so create more employment opportunities. These opportunities may attract emigrants.

Devote more resources to capital spending
More capital spending will likely create more job opportunities for construction workers that have had to emigrate in the past.

Improve services
Make the economy a more attractive place to return to. Ensure stability in the financial sector; ensure that the housing market functions correctly; develop the infrastructure e.g. broadband. Develop state services such as health provision and develop the education sector.

2 points at 5 marks each (2 + 3)

2013 Q8 (c)

(c) Ireland, in common with many developed countries, is facing the challenges of an ageing population.

Discuss the possible economic consequences of an ageing population for the Irish economy. (15)

1. Pressure on provision of state pensions
The government must encourage individuals through tax incentives to avail of private pensions in order to reduce the pressure on the government to provide state pensions.

2. Possible increased tax burden
With larger numbers of people over 65 the dependency ratio may increase, resulting in the need for higher taxes on the workforce to fund services for older people.

3. Increased government expenditure
The government may spend a greater proportion of its revenue on the provision of services for the elderly such as; medical care, free transport, nursing homes.

4. Changing pattern of demand
Demand for those goods and services required by older people will increase e.g. nursing homes; medication etc.

5. The participation rate falls
As more people reach retirement age, the supply of labour may be affected. Some may wish to work part-time. Some may retire.

6. Reduced mobility of labour
As people get older they are less like to move to a different location in search of work.

3 points at 5 marks (2+3) each

2012 Q5 (a)

(a) The following table shows the world population and the projection for 2012, according to the United States Census Bureau (USCB) estimates:

Population in Billions	**1**	**2**	**3**	**4**	**5**	**6**	**7**
Year	1804	1927	1960	1974	1987	1999	2012
Years elapsed	-	123	33	14	13	12	13

(i) Suggest **two** reasons for the rapid growth in world population in recent times.
(ii) Discuss the economic effects of an increasing population on the Irish economy. (30)

(i) Suggest **two** reasons for the rapid growth in world population in recent times.

1. **Birth rate higher than death rate**

As the birth rate exceeds the death rate there is a natural increase in the world's population.

2. **Health care**

Advances in health care technology and medicine have led to fewer people dying from illnesses. The availability of antibiotics and access to vaccines has led to the elimination of many diseases such as measles and tuberculosis.

3. **Government policies**

Better sanitation has led to fewer diseases being spread through water.
Development of safe drinking water leads to less contamination.
Access to medication for various illnesses.

4. **Increased agricultural productivity**

Improved agricultural practices have led to fewer famines, allowing farming to sustain much larger numbers of people. Improved fertilizers and pesticides increase crop yields and reduce crops lost to pests thereby increasing the supply of food.

5. **Increased life expectancy**

Advancements in health care and improved standards of living are allowing people live longer.

6. **International migration**

In the developed regions population growth is largely due to high levels of international migration.

2 at 5 marks each.

2012 Q5 (a) Continued

(ii) Discuss the economic effects of an increasing population on the Irish economy.

1. Larger domestic market

- With a rising population the demand for goods and services within the country grows.
- This may lead to increased opportunities for investment.
- Firms who increase output may benefit from economies of scale.

2. Pressure on infrastructure / economic planning

- If the population lives in under-populated areas then services will be more fully utilised.
- Greater pressure is exerted on the current infrastructure of the country e.g. schools, hospitals, transport etc.
- An increase in population should lead to an increase in planning by both central and local authorities for future development of infrastructure/provision of services.

3. Dependency Ratio

- If increased numbers are in the labour force it will lower the dependency ratio and lead to increased tax revenues for the state.

or

- If the increase in population is due to an increase in the birth rate then the dependency ratio will increase requiring additional state finances.

4. Government employment strategy

- The numbers joining the labour market may be greater than anticipated making it important for the government to prioritise the creation of employment.

5. Land values

- As population density increases, available land becomes scarce and hence the price of land may increase.

6. Government finances

- If population increase is due to increased birth rates then increased spending on services is required i.e. education, health etc.
- If the increase in population is due to an increased labour force then tax revenue will increase i.e. VAT, income taxes etc.
- If the increase in population leads to increased unemployment then government current expenditure will increase / social welfare payments.

4 at 5 marks each.

2012 Q5 (c)

(c) The classical economist, Thomas Malthus, in his work *An Essay on the Principle of Population* (1798) created a theory on population.
(i) Explain Malthus's theory on population.
(ii) Is Malthus's theory on population relevant today? Explain your answer. (20)

(i) Explain Malthus's theory on population.

- Malthus stated that population increases in a geometric progression (i.e. 2, 4, 8, 16 etc) while food supply increases in an arithmetic progression (i.e. 2, 3, 4, 5 etc).
- Population would outgrow the means of subsistence. The outcome would be famine, disease etc.

10 (4+4+2) marks.

(ii) Is Malthus's theory on population relevant today? Explain your answer.

	Yes His theory is relevant today	**No** His theory is not relevant today
Population	• The rapid increase in population • World population has exceeded 7 bn • There is an uneven distribution of population worldwide between LDCs and DCs.	• Extensive population control measures are in place worldwide which are helping control population growth. • Some countries impose strict population controls e.g. China's 'One Child Policy'.
Food Production	• The rapid increase in population cannot be matched with a proportionate increase in food production. • In some developing countries there is malnutrition. • The UN estimates that in Africa if population and soil degradation continues, the continent might be able to feed just 25% of its population by 2025.	• Because of the development of high yielding crops /Genetic modification means that food production is being increased. • The availability of cheaper imports from developed nations (EU; North America) is helping the distribution of food worldwide.
	2 points at 5 marks each.	**2 points at 5 marks each.**

2012 Q8 (a)

(a) It is often said that 'push' factors and 'pull' factors drive emigration.

(i) Describe **two** economic 'push' factors OR **two** economic 'pull' factors currently affecting emigration from Ireland.

(ii) State and explain the positive **and** negative consequences of emigration for the Irish economy.(30)

(i) Push and pull factors

Push factors	Pull factors
Economic recession in Ireland This has resulted in increasing unemployment and with fewer available job opportunities people are emigrating / FDI is relocating to low cost economies.	**Job opportunities abroad** Those people who can are emigrating to find available jobs in those countries where vacancies exist e.g. Canada; Australia.
Wage rates in Ireland Wage rates in Ireland are falling. This means that the standard of living is declining and so people are seeking a better standard of living abroad.	**Develop skills abroad** Some skilled workers, as part of their professional development, emigrate to develop their skills.
Rising levels of taxation in Ireland. The introduction of the various income levies / new taxes have resulted in a reduced standard of living. Those people who are mobile may seek a higher standard of living abroad.	**Better standard of living** The possibility of better pay rates, lower taxes and a better lifestyle is attracting younger people to emigration.
Prospects for economic recovery Some people are concerned for their future in Ireland and see their prospects as poor. They are seeking opportunities for a better lifestyle elsewhere e.g. Canada / Australia / USA.	**More optimistic outlook / Existence of Irish networks abroad** Some people are emigrating because the outlook abroad is more positive and the existence of Irish communities makes emigration easier.

Any 2 push OR pull factors at 5 marks each.

2012 Q8 (a) Continued

(ii) State and explain the positive **and** negative consequences of emigration for the Irish economy.

Negative consequences	Positive consequences
Higher dependency ratio The active population is probably leaving leading to higher dependency ratio and the need for the government to finance this increasing dependent population.	**Unemployment reduced** Those people who emigrate may have been unemployed if they stayed in Ireland. This reduces the strain on the government finances to fund increasing social welfare payments.
Opportunity costs The state loses out on its investment in the education/training of these citizens. Ireland may be educating workers for foreign countries.	**Emigrants returning to Ireland** Emigrants when they return may help those companies involved in tourism such as airlines, pubs etc. Emigrants may also send home finance to their families and in the long term return home with newly acquired skills.
Loss of skills within the economy / "Brain Drain" Lose those workers / graduates who have acquired skills which are the skills needed to help the economy towards economic growth. The "brain drain" may deprive the economy of much needed skills.	**Contacts / Export opportunities** The people who emigrate may be willing contacts for Irish exporters who may be anxious to find markets abroad. Irish emigrants may set up business providing jobs to new emigrants, improving skills and providing an outlet for Irish exporters e.g. O'Neill's GAA jerseys.
Smaller domestic market As the domestic market contracts there may be reduced opportunities for investment by businesses / entrepreneurs.	**Demand for state services** With a declining population the demand for state service may decline e.g. schools, health care, transport etc
Upward pressure on Irish wage levels The highly trained and skilled workers are more mobile thus they leave. To try to retain these workers firms may have to increase wage levels.	
2 at 5 marks.	**2 at 5 marks.**

2011 Q8 (a) + (b)

(a) Discuss the economic **uses** of the 2011 Census of Population data for Government and Business. *(20)*

Government	Business
Infrastructural requirements It helps the government plan for the construction of future infrastructural requirements e.g. how many primary schools; hospitals etc. are required.	**Future levels of consumer demand** Producers can predict more accurately future demand for their goods and services.
Provision of essential services It indicates where the additional services are required and what the manpower requirements are to ensure those services are provided e.g. numbers of teachers; doctors etc.	**Population data** Detailed information on the population such as age, gender, marital status, number of children, religion etc. is provided – and so business firms have detailed information on their markets.
Pension planning The government can predict more accurately what provision it should make for pensions in the future.	**Labour market** The data can be used by business firms to determine if they can meet their future labour requirements.
Demographic changes / Regional policy It provides information on demographic changes nationally. On a regional basis it helps the government plan for the future needs of the regions.	
Qualifications of workforce It provides details of the educational qualifications; levels of training attained by the workforce which can help the government plan for future developments in education and training services.	

4 points x 5 marks each

Candidates must have a minimum of one from each.

2011 Q8 (a) + (b)

(b) '*Ireland is experiencing the highest level of net outward migration since 1989'.*
(The Central Statistics Office, 2010)

Discuss the reasons why Ireland is now experiencing a high level of net outward migration.

1 Compulsory point: 4 marks

1. Foreign nationals returning to their home countries
With the decline in the economy many foreign nationals who came to Ireland for work in the 'boom' period are now returning home because of the lack of employment opportunities and the high cost of living in Ireland.

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3 other points x 7 marks each

2. Economic recession in Ireland
This has resulted in increasing unemployment and with fewer available job opportunities people are emigrating / FDI is relocating to low cost economies.

3. Wage rates in Ireland
Wage rates in Ireland are falling. This means that the standard of living is declining and so people are seeking a better standard of living abroad.

4. Prospects for economic recovery
Some people are concerned for their future in Ireland and see their prospects as poor. They are seeking opportunities for a better lifestyle elsewhere e.g. Canada / Australia / United States.

5. Job opportunities abroad / emigration of skilled workers
Those people who can are emigrating to find available jobs in those countries where vacancies exist e.g. Canada; Australia and London (construction jobs in UK in the lead up to the 2012 Olympics). Some skilled workers, as part of their professional development, emigrate to develop their skills.

6. Rising levels of taxation in Ireland.
The introduction of the various income levies / new taxes have resulted in a reduced standard of living. Those people who are mobile may seek a higher standard of living abroad.

2010 Q8 (b)

(b) *By 2046 one in five Irish people will be over 65 years of age, with the greatest increase being in those over 80 years.*

(i) Outline **two** possible economic effects of an ageing population on the Irish economy.

The number of emigrants from Ireland, in the year to April 2009 was 65,100, up from 45,300 for the previous year.

(ii) State and explain **three** economic consequences of the recent increase in emigration. (25 marks)

(i) Outline **two** possible economic effects of an ageing population on the Irish economy.

1. **Pressure on provision of state pensions**: The government must encourage individuals through tax incentives to avail of private pensions in order to reduce the pressure on the government to provide state pensions.
2. **Possible increased tax burden**: with larger numbers of people over 65 the dependency ratio may increase resulting in the need for higher taxes on the workforce to fund services for older people.
3. **Increased government expenditure**: the government may spend a greater proportion of its revenue on the provision of services for the elderly such as; medical care, free transport, nursing homes.
4. **Changing pattern of demand**: demand for those goods and services required by older people will increase e.g. nursing homes; medication etc.
5. **The participation rate falls**: as more people reach retirement age, the supply of labour may be affected. Some may wish to work part-time. Some may retire.
6. **Reduced mobility of labour**: as people get older they are less like to move to a different location in search of work.

2 at 5 marks.
State: 2 marks. Explain: 3 marks.

2010 Q8 (b) Continued

(ii) State and explain **three** economic consequences of the recent increase in emigration.

1. **Higher dependency ratio.**
   Active population is probably leaving leading to higher dependency ratio and the need for the government to finance this increasing dependent population.

2. **Opportunity costs.**
   The state loses out on its investment in the education/training of these citizens. We may be educating workers for foreign countries.

3. **Loss of skills within the economy / "Brain Drain".**
   We lose those workers / graduates who have acquired skills which are needed to help the economy move towards economic growth. The 'brain drain' may deprive the country of much needed skills.

4. **Smaller domestic market**
   As the domestic market contracts there may be reduced opportunities for investment by businesses / entrepreneurs.

5. **Upward pressure on Irish wage levels.**
   The highly trained and skilled are more mobile thus they leave. To try to retain these workers firms may have to increase wage levels.

6. **Demand for state services.**
   With a declining population the demand for state service may decline e.g. schools, health care, transport etc

7. **Unemployment reduced**.
   Those people who emigrate may have been unemployed if they stayed in Ireland. This reduces the strain on the government finances to fund increasing social welfare payments.

8. **Contacts.**
   The people who emigrate may be willing contacts for Irish exporters who may be anxious to find markets abroad.

3 points at 5 marks each.
State: 2 marks. Explain: 3 marks

2008 Q7 (c)

(c) The 'Birth Rate' in Ireland shows an increase over previous years (CSO Census 2006) (20 marks)

(i) Explain the meaning of the underlined term.

The Birth Rate is the number of live births per 1000 of the population. **5 marks graded.**

(ii) Outline **three** economic implications of the changing structure and size of the Irish population.

1. **Increased demand for goods & services / Larger domestic market**
   A rising population leads to increases in the demand for goods & services within the country. A rising population leads to a larger domestic market, possibly leading to increased opportunities for investment. Firms increasing production may benefit from economies of scale.
2. **Increased pressure on state services**
   - A rising population puts further pressure on essential state services e.g. health services, schools.
   - If the increase in population had not been planned for by the government then shortages may develop in certain sectors i.e. housing, education, social services etc.
3. **Increased pressure on the country's infrastructure**
   - Greater pressure is exerted on the infrastructure of the country leading to bottlenecks e.g. increased traffic jams.
   - The government will have to plan for the provision of more schools and facilities for younger population and more health facilities for the older population.
4. **Better utilisation of state services**
   If the population lives in under populated areas of the country then services available may be more fully utilized i.e. transport services, schools etc.
5. **Dependency ratio**
   - If the population increase is due to immigration then numbers joining the labour market may increase making it important for the government to prioritise the creation of employment. The increased numbers in the labour force will lower the dependency ratio and lead to increased tax revenues for the state.
   - If the increase in population is due to the increased birth rate then there will be a higher dependency ratio, an increase in the percentage of the population which is economically inactive and greater demands on government funds.
6. **Land / Property values**
   As population density increases, available land / property becomes scarce thus leading to increased prices for land/property.

3 points at 5 marks each graded.

2005 Q8 (a) + (b)

(a) The last census of population (in 2002) showed that the Irish population continues to grow and now exceeds 3.9 million. Discuss the economic consequences of an increasing population. *(25 marks)*

1. Increased demand for goods & services / Larger domestic market.

With a rising population the demand for goods & services within the country increases.
This may lead to increased opportunities for investment. Firms which increase output may benefit from economies of scale.

2. Increased pressure on services / Increased utilisation of services.

A rising population may put further pressure on essential services e.g. health services, schools etc.
However if the population lives in under-populated areas then services will be more fully utilised.

3. Increased pressure on the country's infrastructure / sector shortages.

Greater pressure is exerted on the infrastructure of the country leading to bottlenecks e.g. increased traffic jams.
If the increased population had not been planned for adequately then shortages will develop in certain sectors i.e. housing, education, social services etc.

4. Economic Planning.

An increase in population should lead to an increase in planning by both central and local authorities for future development/provision of services.

5. Decreased Dependency ratio.

The numbers joining the labour market may increase making it important for the government to prioritise the creation of employment. These increased numbers in the labour force will lower the dependency ratio and lead to increased tax revenues for the state.

6. Land values.

As population density increases, available land becomes scarce and hence the price of land increases.

7. Decrease in average age of population / Increased dependency ratio.

If the increase is due to an increase in the birth rate then: the average age of the population falls.
The increased dependency ratio will require additional state funding / taxes.

Marking: 5 points at 5 marks graded.

2005 Q8 (a) + (b) Continued

(b) Discuss the main **economic benefits** of the inflow of labour into the Irish Economy. *(20 marks)*

1. Increased demand for goods & services.

The level of demand for goods and services will increase leading to greater opportunities for businesses. Lifestyles acquired abroad provide opportunities for the development of business, providing goods and services to match.

2. Maintaining essential services.

The inflow of labour to fill vacancies which may exist in the labour market will help ensure that essential services are maintained e.g. the health sector, at present.

3. Eased pressure on wage rates.

With the increase in the labour supply there will be less pressure on the wage rates, helping competitiveness in the economy.

4. Improved state finances.

With an increased labour supply the government will be able to raise additional direct and indirect taxation revenues.

5. Greater utilisation of services.

If the labour locates in low density population areas then services will be more fully utilised

6. New skills / traditions within society.

The economy will benefit from the new skills/traditions developed abroad and brought into Ireland. These skills could result in increased opportunities for specialised businesses.

Marking: 4 points at 5 marks graded.

2003 Q7 (a) + (c)

(a) Discuss the economic effects, which the recent rise in Ireland's population may have on the Irish economy.

(25 marks)

1. Increased demand for goods & services.
With rising population the demand for goods & services within the country increases.

2. Increased pressure on state services.
A rising population puts further pressure on essential state services e.g.health services, schools.
If the increase in population had not been planned for by the government then shortages may develop in certain sectors i.e. housing, education, social services etc.

3. Increased pressure on the country's social infrastructure.
Greater pressure is exerted on the infrastructure of the country leading to bottlenecks e.g. increased traffic jams.

4. Larger domestic market.
A rising population leads to a larger domestic market, possibly leading to increased opportunities for investment. Firms increasing production may benefit from economies of scale.

5. Better utilisation of state services.
If the population lives in underpopulated areas of the country then services available may be more fully utilized i.e. transport services, schools etc.

6. Decreased Dependency ratio
The numbers joining the labour market may increase making it important for the government to prioritise the creation of employment. The increased numbers in the labour force will lower the dependency ratio and lead to increased tax revenues for the state.

7. Land / Property values
As population density increases, available land / property becomes scarce thus leading to increased prices for land/property.

25 marks: 5 points x 5 marks each. graded

2003 Q7 (a) + (c)

(c) Immigration replaced high levels of emigration during the 'Celtic Tiger' period.

(i) Discuss **THREE** reasons why the trend has changed from emigration to immigration in Ireland.

1. Emergence of the'Celtic Tiger' / Increased awareness of opportunities.

- The boom in the Irish economy with employment opportunities attracted immigrant workers.
- Global communications have made people more aware of the employment opportunities available in Ireland.
- Multi national corporations may bring their own personnel to do specific work.

2. Member of EU and ease of access.

With the relative prosperity of citizens in the EU many non-EU nationals seek an improvement in their living standards and as Ireland is a member of the EU it has become an attractive destination for these immigrants.

3. Ireland's social welfare system.

Ireland offers a 'caring' welfare system, in comparison to some countries and this eases the difficulties of re-locating to Ireland, making it an attractive destination.

4. Stricter immigration controls in other countries

The economic downturn in some countries such as Germany coupled with tighter immigration controls in certain countries such as Australia and the USA has led to Ireland attracting more immigrants.

5. Recruitment in the past by FAS to fill labour shortages.

During the boom Ireland experienced significant labour shortages in certain sectors and state / private agencies sought immigrants to fill these vacancies.

6. Lower tax rates.

In recent years personal taxation levels have fallen attracting home people who have emigrated in the past due to high tax rates.

7. Better quality of life.

Ireland offers its citizens a better quality of life and people who had emigrated have returned home to rear their children in what is considered a safe environment.

8. Humanitarian Factors.

People forced out of their own countries due to conflicts have been welcomed in the past by the Irish state i.e. those displaced in the Kosovo conflict.

14 marks: 3 points at 5 + 5 + 4 marks graded.