

Research study 2024

What is the research study?

The research study will be based on a **brief issued annually** by the State Examinations Commission. The brief will outline a number of topics from which students will **choose one** for their research study. The brief is common to both **ordinary and higher level**. The research study is worth **20%** of the overall mark for Economics.

Research study brief 2024

The study of economics explains how income is generated, how income is used, how resources are employed.

Economics Curriculum Specification, NCCA

Research theme

Over the last 50 years, Ireland has transformed into a highly globalised economy, reporting record export numbers in 2022 across all sectors (Department of Enterprise, Trade and Employment, 2023) whilst there are over 1,600 foreign owned companies in operation in Ireland (Department of Enterprise, Trade and Employment, 2023).

'We will deliver on our ambition of a vibrant, resilient, regionally balanced and sustainable economy, made up of a diversified mix of leading global companies, internationally competitive Irish enterprises and thriving local businesses'

Simon Coveney, Minister for Enterprise, Trade and Employment, May 2023, Dáil Éireann, 2023

Topics for 2024

Each candidate is required to complete a Research Study and Report on one of the following research topics in the context of the research theme.

Research Topic 1

Candidates are required to pursue an individual line of inquiry discussing and evaluating the impact of **Foreign Direct Investment into Ireland**, on **two** of the following areas:

- Employment
- Government Finances
- Ireland's Balance of Payments
- Balanced Regional Development

Or

Research Topic 2

Candidates are required to pursue an individual line of inquiry discussing and evaluating the impact of **Irish exports** on **two** of the following areas:

- Employment
- Government Finances
- Ireland's Balance of Payments
- Balanced Regional Development

Top tips

Layout and content

The introduction

- **Keep it simple** - keep your focus on a distinct area. A narrow range is better
- **Turn the 'line of inquiry' into a question** – this will help give your structure and a focus
- **Aims** – use bullet points for each aim. Two or three aims is enough.
In each aim, say **what** you want to find out, **how you will achieve it** and **how you will measure it**.
You could also give a link to the learning outcomes here.

Research process

- **Give an in-depth, critical evaluation of the data** - form arguments and judgments. You could explore alternative arguments and comment on whether you agree or disagree
- **Include economic concepts** - remember it is based on economic concepts. Try to reflect this, and work it into your data
- **Labelling** - all tables, graphs, images, curves must be clearly labelled, numbered and referenced correctly
- **Clarity** - data should be clear and easy to read, particularly when using figures
- **Quality** - remember there should be **quality over quantity**.

Conclusions

- **Refer to each aim** - use bullet points and refer to each aim individually in your conclusion
- **Prove** - make sure all your points have been proven during the research process
- **No new information** - make sure you do not include any new information in the conclusion.

Recommendations

- **Must be based on findings** - the recommendations must be based on the findings of the research study
- **Impact** - look at the impact of your recommendations e.g., is there an 'opportunity cost' involved.

Reflection

- **Critical reflection** - critically reflect on new knowledge or understanding you have gained
- **Change and development** - state how your behaviour, thinking or opinion have changed or developed, and the importance of this.



What is FDI?

Ireland attracts a large amount of inward **foreign direct investment** (FDI) from multinational companies (MNCs).

Ireland is in the top five most attractive countries globally for FDI.

These companies who require a skilled, educated and highly capable workforce chose to locate in Ireland.

IDA Ireland is the State's inward investment promotion agency that is tasked with growing and sustaining FDI in Ireland.

Ireland is the European home to over 1,600 leading multinational companies in fields such as, IT, social media, pharmaceuticals and finance, with names such as **Google, HP, Apple, IBM, Facebook, LinkedIn, Twitter, Pfizer, GSK and Genzyme.**

Advantages of FDI

- Economic Growth – positive multiplier effect
- Increase in employment
- Human Capital Development – skills and training brought in by MNCs
- Improved technology – ideas, innovation
- Competitive markets
- Tax revenue to the government
- Access to management expertise and skills.

Disadvantages of FDI

- Displacement of local businesses who can't compete
- Profit repatriation
- High capital outflows if profits not reinvested back into Ireland
- Over-reliance on tax revenue.



Why does Ireland attract FDI?

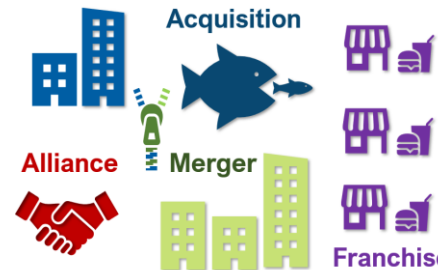


- Access to the EU and single market
- Skilled workforce
- Low corporation tax
- Stable political and legal system
- Ireland's economy – A graded credit
- Secure pro-business country
- Infrastructure
- R&D (research and development) capabilities
- Quality of life.



Types of FDI

- **Mergers and acquisitions**
- **Investment in a joint venture/alliance**
- **The expansion of an already existing company.**



Government Finances

- Approximately 80% of corporate tax receipts along with 30% of income tax receipts are related to foreign multinationals.
- Corporate tax €11.8 billion, 68.5% ahead of 2021 (Grant Thornton, Budget 2023, The FDI Landscape)
- Over reliance on FDI is a problem
- De-risking the Public Finances, Assessing Corporation Tax Receipts, research on gov.ie for information.

Research ideas

Regional Development

- Need more balanced regional development – not just Dublin area
- IDA target for 50% of all investment from 2024 to go to the regions
- Importance of border regions
- The IDA's 'Driving Recovery and Sustainable Growth' strategy is intended to position the agency to respond to changing environments.

Effects of foreign firms on the balance of payments

Foreign firms operating in Ireland may affect Ireland's balance of payments **current account** in the following ways:

- **Salaries or wages returned to home country** - may bring staff and expertise from their home country. Part of the salaries earned may be returned to the home country thereby leaving Ireland
- **Imported raw materials and capital goods** - some may need to be imported. These physical imports and will appear in the current account
- **Exported finished products** - some produce mainly for export. These are considered physical exports and appear in the current account
- **Repatriated profits** - once profitable, these companies may decide to repatriate their profits. These are considered an invisible import.

The role of the IDA

The IDA is responsible for attracting FDI into Ireland. The agency markets abroad Ireland's advantages as a location for investment.

The IDA administers a range of **investment incentives** such as:

Grants

- Capital grants
- Employment grants
- Training grants
- Grants for research and development.

Sites/properties

- It also provides sites and buildings, often in partnership with private developers.

Low corporation tax

- The most important financial incentive it offers, is the **low corporation tax** rate which is at 12.5% at present, which is very attractive to MNCs as it is over 20% in most other European countries.

Employment

- 301,475 employed through FDI at the end of 2022, which is the highest level of FDI and 9% on 2021 (Dept of Trade and Employment)
- FDI resilience during Covid
- FDI tracked closely with economic growth – high employment and a positive multiplier effect
- National Planning Framework
- Driving Recovery and Sustainable Growth – includes employment
- Department of Trade and Enterprise.



What is 'Myleavingcert'?

<https://www.myleavingcert.ie/>

Myleavingcert is a series of flexible, high quality on-line resources, aimed at helping students improve their grades and fill in knowledge gaps.

What is included?

- ✓ **Key facts** in each topic to help students check knowledge and identify gaps
- ✓ **Important definitions** highlighted in every section
- ✓ **Detailed revision notes** organised by topic
- ✓ **Original diagrams** aimed to clarify topics and promote understanding
- ✓ **Audio files** to make revision more flexible
- ✓ **Quizzes** provided at the end of each topic aimed at improving retention
- ✓ All available **exam questions** included by topic, helping to focus the study.

Benefits for students

Students **have all the information** they need in one place.

'Myleavingcert' allows access to information at any time of the day or night on any device.

Our priority is to support, motivate and encourage students to be in control of their learning.

 [myleavingcert.ie](https://www.myleavingcert.ie)

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