

Examine how enlargement of the European Union impacts on existing member states

(30 marks)

### Answer

In this answer I will discuss the impact of the enlargement of the European Union on member states such as Ireland.

The enlargement of the European Union presents both economic opportunities and problems for member states such as Ireland. The European Union has continued to grow since its beginnings in 1957. In 2004 Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Malta and Cyprus joined; in 2007 Romania and Bulgaria joined and in 2013 Croatia joined. There are now 28 member states in the European Union. This has presented economic opportunities for member states such as Ireland by providing a new source of labour for the Irish economy. Between 1995 and 2009 the Irish economy grew and required over 420,000 new workers, particularly in the tertiary sector. Without EU expansion there would not have been enough people available to fill these jobs and maintain economic growth during these years. Migrants from new member states such as Poland filled this gap. These migrants worked in industries such as hotels, pubs and shops. These new workers had a positive impact on the Irish economy as their taxes contributed to important health and education services and helped fund the Irish National Development Plan. Non-Irish workers also supported the Irish economy when they bought houses, goods and services in Ireland. However, since the economic recession Irish migrants have been moving to other European countries in search of employment. Several EU treaties have been enacted during the enlargement process allowing people from EU countries to travel to other countries within the EU to find work, e.g. the Maastricht Treaty in 1993.

Enlargement of the European Union has also had a positive impact on Irish trade. Enlargement of the European Union in 2004, 2007 and 2013 saw the internal European Union market increase from 350 million to 500 million. This expansion of the European Union meant that Ireland had a greater export potential.

However, the enlargement of the EU to include Eastern European countries also presents economic challenges for member states such as Ireland. The enlargement of the European Union increased Ireland's competition from newer member states for attracting foreign direct investment, i.e. multinational companies. The increased cost of doing business in Ireland during the Celtic Tiger years led to multinational companies leaving Ireland for Eastern Europe, as their costs of doing business were much lower than ours, e.g. Dell computers has relocated production from Limerick to Poland.

Ireland has benefitted from funding in many forms from the European Union, e.g. the Common Agricultural Policy. However, funding that was previously directed towards peripheral areas in Ireland will be directed towards new member states. The new EU members have a much higher dependency on agriculture than exists in other EU countries and their accession will increase the number of farmers in the EU by 300 per cent. This will

divert huge funds from the Common Agricultural Policy and reduce the amount of subsidies received by Irish farmers. This will also increase competition for Irish farmers and may see prices for agricultural produce fall in the future.

The expansion of the European Union also presents cultural impacts. After expansion of the European Union in 2004 immigration increased into member states such as Ireland and it became a multi-cultural society. In 2006 over 25,000 new work permits were issued to Polish people. Irish people have adapted to become familiar with EU citizens working in primary, secondary and tertiary industries. Irish people hear different languages in their daily lives and now live, work and socialise with people from different cultures. There has also been an increase in cultural mixing between Irish people and those from different nationalities. Multi-cultural families are now a feature of Irish society. Many children are reared in bi-lingual families. With an increase in multi-culturalism there has also been an increase in populist right wing anti-immigration policies in a number of countries. In fact some would attribute 'Brexit' to these sentiments, which is also leading to a reduced EU market and consequently a possible reduction in Irish exports.