Why We Should Do Business With Ireland-A Proposal Essay, Research Paper

Republic of Ireland Business Research Proposal

History

On April 18, 1949, Former Eire became the Republic of Ireland, formally free of allegiance to the British crown and no longer a member of the Commonwealth of Nations. Following the next month, the British Parliament confirmed the status of Northern Ireland as part of the United Kingdom until its own parliament chose otherwise. The deal allowed Ireland to retain the economic benefits of Commonwealth membership and it extended to Irish citizens resident in the United Kingdom the same rights as British citizens. Ireland granted British citizens residing in the republic similar benefits, not including political rights. The republic became a member of the United Nations in 1955. It declined to join the NATO, however, since this would have entailed entering into an alliance with the United Kingdom, which retained possession of Northern Ireland.

Culture, Diversity, Ethnicity, & Religion

Ireland was probably first occupied by Neolithic people, who used flint tools, and then by people from the Mediterranean, who used bronze implements. Later, Ireland became the home of the Picts, an immigrant people of the Bronze Age. Extensive traces of the culture of this early period survive in the form of stone monuments and stone forts, dating from 2000 to 1000 BC. During the Iron Age, the Celtic invasion introduced a new cultural strain into Ireland, one that was predominate. The oldest relics of the Celtic language can be seen in the 5th century Ogham stone inscriptions in county Kerry. Ireland was Christianized by Saint Patrick in the 5th century. The churches and monasteries founded by him and his successors became the fountainhead from which Christian art and refinement permeated the crude and warlike Celtic way of life.

Ireland is famous for its contributions to world literature. After a long and bitter colonization by England, Ireland gave the world some of the greatest writers in the English language, including Jonathan Swift and Oliver Goldsmith.

Saint Patrick s Day, March 17, is the most important national holiday in Ireland. The national sports of hurling, a strenuous game similar to field hockey, and Gaelic football, which resembles soccer. Horse-racing is a highly popular spectator sport throughout the republic.

From the 5th to the 9th century the Irish monasteries produced artworks of world renown, primarily in the form of illuminated manuscripts. Recently, the expressionist painter Jack B. Yeats, the cubist painter Mainie Jellet, and the stained-glass artist Evie Hone have achieved widespread recognition and acclaim for their work.

About 94 percent of the people of Ireland are Roman Catholics, and less than 4 percent are Protestants. Protestant groups include the Church of Ireland and the Presbyterian and Methodist denominations. Freedom of worship is guaranteed by the constitution.

Almost all the people speak English, and about one-fourth also speak Irish, a Gaelic language that is the traditional tongue of Ireland. Irish is spoken as the vernacular by a relatively small number of people, however, mostly in the areas of the west. The constitution provides both Irish and English as official languages.

View of the Economy-Past and Present

The economy of Ireland has been traditionally agricultural. Since the mid 1950 s, however, the country s industrial base has expanded, and now mining, manufacturing, construction, and public utilities account for approximately 36 percent of the gross domestic product, while agriculture accounts for only about 10 percent. Private enterprise operates in most sectors of the economy. The gross domestic product in 1996 was $69.6 billion.

The Irish pound is the basic unit of currency. Before March 1979, the Irish pound was exchangeable at a par with the British pound sterling. The Central Bank of Ireland is the Irish national bank. Associated with the central bank there are associated banks and their branches but mergers have reduced the number of these associated banks. On the other hand, the number of merchant banking houses has increased, and leading North American and continental European banks now have offices in Dublin. In May 1998, Ireland was among 10 members of the European Union to adopt a new single currency, called the euro, for all transactions. The new currency will be used for electronic transfers and for accounting purposes. The Central Bank of Ireland is now a subordinate to the ECB as a member of the European System of Central Banks.

The major trading partners of Ireland include the United Kingdom, Germany, the United States, France, and Japan. The most important exports include electrical and electronic equipment, livestock, meat, dairy products, chemicals, and textiles and clothing: about two-thirds of all exports are to the countries of the European Union. Imports are primarily machinery, transport equipment, petroleum and petroleum products, chemicals, cereals and foodstuffs, textiles, and iron and steel.

Tourism has been effectively promoted and has increased steadily in importance. In 1996, some 5.3 million tourist spent $2.2 billion in Ireland.

In 1996 the total labor force was 1.4 million. Some 14 percent of the workers were engaged in agriculture, forestry, and fishing; 29 percent in manufacturing, mining, and construction; and 57 percent in services. In the early 1990 s some 667,000 workers in both the Irish Republic and Northern Ireland are members of unions affiliated with the Irish Congress of Trade Unions.

Most health services are provided free of charge for low-income groups and at modeate charges for others, through local and national agencies, under the supervision of the department of health. A nonprofit, contributory voluntary health insurance scheme is administered by an independent statutory agency. Public insurance and assistance programs are administered by the department of social welfare and include pensions for the aged, widows, and orphans; children s allowances; unemployment benefits; and other social security items.

Reasons to do Business with Ireland

Although inflation and an unfavorable balance of trade continued to trouble Ireland s economy, the country made significant strides toward economic stability through the 1950s and 1960s. In 1964 the government completed a five-year plan of economic development, which exceeded its goals. A feature of the program was the offer of tax incentives to foreign investors.

Partly as a result of such programs, the rate of economic growth increased from about 1 percent per year in the 1950s to more than 4.5 percent in the late 1960s. It was officially reported in 1964 that more than 200 factories had begun production since 1955, most of them with foreign participation. A second plan had a goal of increasing the 1960 gross national product by 50 percent with 10 years. The improving economic circumstances were and are still regarded as the main decline in emigration, ending a population decline that had continued unabated for more than a century.

During the 1990s, Ireland s economy has grown dramatically. By 1996 it had grown to within 5 percent of Britain s economy and was expected to grow a further 6 percent by the end of 1997. However, Irish per capita income in 1997 was still below the average for members for the European Union. One cause of the growth has been government encouragement of foreign investment, which as led many large corporations-especially those in the computer and electronics industries- to open facilities in Ireland. Ireland s economy is expected to continue growing and to surpass Britain s economy by the year 2000.

Important business and economic agreements among Ireland and EU countries include the elimination of frontier controls and trade barriers, creating uniform minimum technical product standards, the opening of government procurement to businesses from all member countries, and unification of financial regulations and lifting of competitive barriers in banking and insurance.

Challenges or Barriers to overcome

Doing business in Ireland and our home country share many economic concerns, needs, and problems, but the most important factor is recognizing the economic differences, legal/political differences, educational differences, and socio-cultural differences. The area the international manager must pay special attention to is knowing how to be culturally aware of these items and act accordingly within the Irish culture.

Challenges facing the International Manager

One of the biggest challenges the Irish international manager will face is the dealing with the new culture he or she will experience. The differences in the sets of beliefs, values, and patterns of behavior common to the Irish population may be hard to adapt to. Culture shock, the confusion and discomfort a person experiences when in an unfamiliar culture, is a reminder that many of these differences must be mastered to be successful in Ireland. The important business and managerial implications of socio-cultural differences must be understood. Ethnocentrism must be avoided by learning to respect differences by mastering self-awareness and cross-cultural sensitivity training.

Language is not that much of a concern but it must be mentioned. Some versions of the Irish language can be very misleading. For example, some Irish national sports include hurling and Gaelic football. For the non-prepared international manager, he or she may think that the Irish like to spend their time watching people vomit or homosexual football. It may sound far-fetched but things like this have happened.

Conclusion

The complexity of the Irish international operating environment makes global planning and controlling even important but difficult for managers. With the properly trained international manager in place at a Irish operation, success would be inevitable. The economy is growing very quickly due to rapid advancement in the computer and technology sector and this would make a great time for market entry. Ireland is on the fast track for growth. What a great opportunity it would be to help it grow while earning a reasonable profit.