

Leaving Certificate Economics Worksheet

Globalisation, MNCs & FDI

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| Name | |
| Date | |

Instructions:

- Answer all questions in **Section A** and **Section C**.
- In **Section B**, answer **3** questions.
- In **Section D**, answer **1** question.
- Use correct terms: **globalisation, interconnectivity, marketplace, inequality, outsourcing, emissions, MNC, headquarters/host country, economies of scale, FDI inflow/outflow, IDA, exports, competitiveness, GVA, corporation tax concentration, volatility risk**.
- For evaluation questions: **define → explain mechanism → use evidence/stats → counterargument → judgement**.

Section A – Short questions

Answer briefly.

(15 × 2 marks)

A1. Define **globalisation** as in the notes.

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A2. Give **two** reasons why globalisation can increase competition and benefit consumers.

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A3. Give **one** way globalisation can improve international relations (one sentence).

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A4. State **one drawback** of globalisation related to **inequality**.

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A5. State **one drawback** of globalisation related to the **environment**.

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A6. Define a **multi-national corporation (MNC)**.

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A7. Give **two characteristics** of MNCs (from the notes).

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A8. List **three aims** of MNCs when investing abroad (from the notes).

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A9. Explain what is meant by **centralised management** in an MNC (one sentence).

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A10. State **one** reason why large firms can achieve **economies of scale**.

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A11. Define **Foreign Direct Investment (FDI)**.

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A12. Distinguish between an **FDI inflow** and an **FDI outflow**.

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A13. What is the **IDA**?

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A14. Give **two** functions of the IDA (from the notes).

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A15. State **one** reason Ireland is focused on attracting FDI.

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Section B – Calculations & interpretation (Answer 3 of 5)

Each question: 12 marks (Workings + final answer + brief interpretation where asked.)

B1. FDI and exports: interpreting the statistic

The notes state that in 2023 foreign-controlled enterprises produced €326bn of Ireland's €399bn services exports.

- (i) Calculate the percentage share of services exports produced by foreign-controlled enterprises.

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- (ii) Explain why this statistic supports the claim that **FDI is the backbone of Ireland's export base**.

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- (iii) Give one **risk** for Ireland if this export base is highly concentrated in foreign firms.

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B2. Employment and IDA clients: shares and meaning

The notes state:

- Foreign-owned enterprises employed about **618,700** people (late 2024).
- IDA client companies directly employed **302,566** (about 11% of national employment).

(i) Calculate IDA-client employment as a **percentage of foreign-owned employment**.

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(ii) **Assume** total national employment is 2,750,000. Calculate the IDA client share and comment on whether it is consistent with “about 11%”.

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(iii) Explain one reason why policymakers care about **wage bills and productivity-linked earnings** (not just job counts).

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B3. FDI-heavy sectors and GVA: scale of dependence

The notes state that in 2023, **foreign-owned MNE dominated sectors produced €223.853bn, or 46.2% of Ireland’s GVA**.

(i) Using 46.2%, estimate total GVA for Ireland in 2023.

$$223.853 = 0.462 \times \text{GVA}.$$

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- (ii) Explain why a high share of GVA from a narrow set of sectors can create **volatility risk** for Ireland.

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- (iii) Give one policy approach that could reduce dependence (without “getting rid of FDI”).

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B4. Corporation tax concentration: calculating the exposure

The notes state:

Net tax receipts (2024) = €107.1bn, Corporation tax = €39bn,

and that the **top 10 corporate groups paid about 59% of corporation tax receipts.**

- (i) Calculate corporation tax as a percentage of total net tax receipts.

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- (ii) Estimate how much corporation tax (in €bn) was paid by the top 10 groups.

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- (iii) Explain two reasons why high concentration in a major tax head creates a policy problem.

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B5. FDI inflow vs outflow: applying the definitions

The notes give two examples:

- Intel's €30bn worth of investment in Ireland since 1989.
- Ryanair plans to invest €600m in an airport base in Gdańsk (Poland) by summer 2026.

(i) Identify which example is an **FDI inflow** and which is an **FDI outflow**.

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(ii) Explain (briefly) why this is **direct investment** rather than a short-term financial flow.

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(iii) Give two likely benefits to Ireland from a large FDI inflow like Intel's (use the notes: jobs/exports/productivity/tax).

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Section C – Data & visual interpretation

C1. Globalisation in everyday life: winners and losers

The notes list positives (prosperity for LDCs, employment, competition, relations) and negatives (inequality, environment, outsourcing/job losses).

C1.1 Choose a product you use weekly (e.g. phone, runners, coffee). Outline a simple **global supply chain** for it (at least 4 stages/countries) and explain one way this reflects globalisation.

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C1.2 Explain one **benefit** and one **cost** of globalisation for workers in a high-income country (HIC).

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C1.3 Explain one **benefit** and one **cost** of globalisation for workers in a low-income/developing country (LDC).

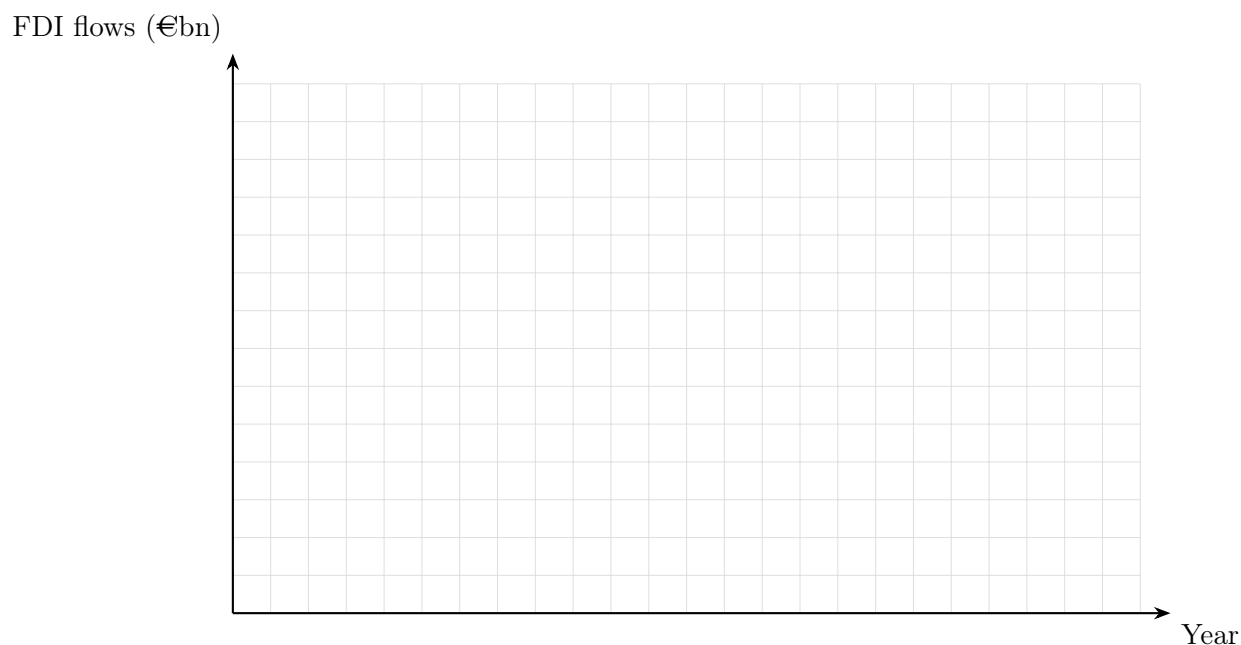
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C2. FDI inflows/outflows: reading patterns

Stimulus (hypothetical CSO-style series): FDI flows for Ireland (€bn). Use the definitions in the notes (inflow = inward investment by non-residents; outflow = Irish residents investing abroad).

| Year | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------------|------|------|------|------|------|
| FDI inflow (€bn) | 28 | 18 | 35 | 22 | 30 |
| FDI outflow (€bn) | 12 | 10 | 14 | 20 | 16 |

C2.1 Plot both series on one set of axes (two lines) and include a key/labels.



C2.2 Calculate **net FDI** (inflow – outflow) for 2022 and state whether it is positive or negative.

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C2.3 Describe two features of the data (e.g. volatility, crossover, trends) and explain one possible reason for the pattern (use: global shocks, uncertainty, competitiveness, large projects).

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C3. The IDA: evaluating industrial policy

The notes list IDA functions: support services, infrastructure, funding/incentives, ecosystem building.

C3.1 Complete the table: match each IDA function to a real-world example of what it could look like in practice.

| IDA function (from notes) | Example in practice (your words) |
|-----------------------------|----------------------------------|
| Support services (pro bono) | |
| Infrastructure development | |
| Funding & incentives | |
| Ecosystem building | |

C3.2 Explain one argument **for** offering grants/tax supports to attract MNCs and one argument **against**.

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C4. Ireland and MNC dependence: evidence-based reasoning

The notes provide evidence on exports, jobs, GVA, and tax concentration. This question tests your ability to **turn statistics into economic arguments**.

C4.1 Use the notes' statistics to write **two evidence-based claims** showing why Ireland prioritises FDI (e.g. exports share, employment, GVA share, corporation tax).

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C4.2 For each claim, give one **counterpoint/risk** (e.g. volatility, policy dependence, inequality, crowding out, footloose firms).

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C4.3 State one **balanced conclusion**: what should Ireland do to keep the benefits while reducing the risks?

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Section D – Evaluation & discussion

HL style: definitions + developed arguments + Irish context + counterargument + clear judgement.

D1. “The benefits of globalisation outweigh the drawbacks.” Discuss.

In your answer:

- define globalisation and distinguish it from political “globalism”,
- explain **three benefits** (use the notes: prosperity for LDCs, employment, competition, relations),
- explain **three drawbacks** (inequality/working conditions, environment, outsourcing/job losses),
- include at least **one Irish example** (MNCs/FDI/export model),
- finish with a judgement: under what policies/conditions is globalisation more likely to be beneficial?

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D2. “Ireland’s economy is too dependent on foreign investment.” Discuss.

In your answer:

- define MNC and FDI (inflow vs outflow),
- use **three** pieces of evidence from the notes (exports share, jobs, GVA share, corporation tax concentration),
- explain **two benefits** of MNCs for Ireland and **two risks** (volatility, concentration, bargaining power, footloose firms),
- include one policy proposal that protects the tax base/employment while maintaining competitiveness,
- finish with a balanced judgement.

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