

# Threat of economic development in ireland



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Economics As It Comes to Government Throughout history, the financial capability of a country has played a direct role in the day-to-day operations of the country itself as it comes to both their national needs, as well as the international goals. Financial status is, after all, that which enables leaders to execute their executive goals.

In testimony given by Dr. Daniel J. Mitchell before the Federal Financial Management, Government Information and International Security, Dr. Mitchell says that, " Economic theory does not necessarily tell us the proper size of government. Instead, economic theory tells us to examine costs and benefits in order to determine whether resources are allocated in a manner that increases or decreases economic growth," Adding further down in his commentary that, " Other forms of government spending have a less desirable impact on economic activity. If a program does not facilitate or encourage economic activity, or has only a small positive effect, then the aggregate impact on the economy will be negative because there are limited benefits - if any - to outweigh the costs. And if the program actually undermines work, saving, and investment or encourages misallocation of resources, then the overall adverse impact on economic growth will be particularly pronounced. A good example from recent events is federal flood insurance. Not only does the program require resources to be taxed or borrowed from the productive sector of the economy - with all the associated economic costs, but it also encourages over-building in flood zones, which leads to the destruction of wealth during natural disasters," (Mitchell 10/25/2005).

As it pertains to Irish environment, it can be determined that first a sense of which in environment is key in understanding the implications, positive or

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negative, that economic development will have on the said environment. When it comes to the political environment of a nation, economic development is important as it comes to progressive advancement. Any other environment can find itself hampered in one way or another by economic advancement because as was seen with the Industrial Revolution, which had great economic benefits even presently, the environment itself has suffered through greenhouse gases that have left the environment in continuously deteriorating health.

According to the brief description provided within the article, Ireland is described as being the second richest nation within the European Union. As such, logical deduction would state that for a country to have reached that kind of status within their national sector, then economic development appears to be serving a larger piece of the pie than it may appear to the naked eye. All in all, economics does in fact control the scoreboard and the manner in which a country does develop. A strong economic development can bode well for the industrialized members of the nation, as well as the political hard hitters and while it can bode well for the citizens of the nation through such means as economic incentives that trickle down to them from the Executive level.

#### References

Mitchell, J. Daniel Dr. "The Economic Consequences of Government Spending."

Source: Testimony given before the Federal Financial Management, Govt. Information and International Security. Date Given: October 25, 2005.

Date accessed: 12 April 2008. URL: [http://www. heritage.](http://www.heritage)

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