



2. OUTLINE OF THE PROJECT

A strategy has to be built up in a logical and coherent way in a number of phases. These phases included the construction of an analytical framework through a review of the economic literature, the construction of data profile for the county and extensive consultation with key stakeholder. Together these three tasks inform the overall strategy.

2.1. ANALYTICAL FRAMEWORK

Before one can understand the recent and future development issues for any economic entity one must first understand how the different aspects within that entity work. To satisfy this goal the first phase of this project was concerned with the construction of an analytical framework.

This work aimed at teasing out the general mechanisms of local economic development, which apply in developed countries, as distinct from the specific local differences that yield the particular local outcomes. Thus, the analytical framework was not specific to County Kildare, and because of this generality it is also able to shed light on developments in the key competing countries and regions. However, the second stage in this project, the production of a profile of the county, highlights the specific relevance of the various factors and the distinguishing features of the county using the best available data.

The analytical framework should be understood as the anatomy and physiology, while the data profile provides us with the symptoms. Thus, just as in medicine where the knowledge of how the human body works is used by doctors in conjunction with the symptoms that a patient presents with to form a diagnosis, the framework is used in conjunction with the data profile. While doctors then formulate a plan of treatment the third task of this study was to identify key trends changes that need to be accomplished.

2.2. COUNTY PROFILE

From the analytical framework three broad areas of analysis can be identified, namely issues pertaining to individuals, firms or the community at large. These areas are subject to local factors as well as exogenous factors that are either determined nationally or internationally. The importance of these exogenously determined factors should not be underestimated since these determine the general environment in which businesses and individuals in Kildare have to operate.

With regard to individuals, these can be considered as a group in the context of demography, which determines the supply of labour, or individually as consumers of locally or externally produced goods and services. Apart from the supply of workers, which is driven largely by demographic factors, the qualification of workers, which are determined by their level of education and experience is a crucial factor for the development of Kildare. Of high importance for individuals is the housing market, which along with employment and general quality of life issues impacts on migration and commuting. Of course, high housing prices and inflation in general feed through to wage expectations

The international literature shows that different investments are key drivers of regional as well as national development. These investments include investments in plant and machinery at the firm level, education, infrastructure and research and development (R&D). Investment is only possible if the required finance is available, and this links the regional growth performance to the financial sector. While the availability of adequate finance through the banking system is unlikely to be a significant constraint on Irish regional development, there may be some constraints in the availability of venture capital which might impinge on the rate and success of business start-ups



2.3. CONSULTATION

An important aspect of the project was to consult with individuals, companies and organisations. This was particularly useful since practical problems could be assessed and valuable advice on the key issues, and how they relate to the economic analytical framework, was received. Here it was also particularly important to ascertain the current concerns and constraints that face not only Kildare but also Ireland. This ensures that the strategy will be realistic and address the key issues of concern of the wider business community.

PERSONS CONSULTED WERE:

Mr. Lionel Alexander

Managing Director Hewlett Packard (Ireland) Ltd.

Mr. Sean Dorgan

Chief Executive of IDA Ireland

Mr. Declan Finan

General Manager of Wyeth Medica (Ireland)

Mr. Dan Flinter

Former CEO of Enterprise Ireland

Professor John Hughes

President NUI Maynooth

Mr. Charles Mc Creevy

EU Commissioner for the Internal Market and Services

Mr. John Malone

former Secretary General, Department of Agriculture

Mr. Jim O'Hara

General Manager, Intel (Ireland) Ltd.

Mr. Michael Osborne

(deceased) Chairman of the Curragh Racecourse

Dr. Michael Smurfit

Former Chairman of the Smurfit Kappa Group

2.4 KEY MESSAGE OF THIS STUDY

A number of clear messages emerge from our analysis and the consultation. Firstly, since individuals and investment will locate freely according to where they perceive their potential gain to be highest, the correct environment needs to be created to attract them. Given increased globalisation and the expansion of the EU, competition for investment has increased which means that further investment by foreign and indigenous firms cannot be taken for granted. Since other countries and regions are also keen to attract investment, the relative location factors are key in attracting investment. Thus, Kildare needs to compete in the international marketplace for investment (indigenous and foreign). Increasing skill and education levels, as well as a greater awareness of the opportunities elsewhere have made individuals more mobile, nationally and internationally. Thus, the county also has to compete for skilled workers, internationally and nationally by creating the right environment for these. The competitive position of the county can only be improved through change and thus openness to change from all actors is important. This includes the County Council, which needs to lead in the drive to compete for the attraction of skilled labour and investment in a proactive way.