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CHAPTER 2
Economic Strategy

2 ECONOMIC STRATEGY

2.1 Background

Sustainable economic development seeks to achieve the balance of optimising the output from available resources to achieve modern day objectives in a way that enables future generations to meet their own needs and objectives in due course.

In short, Sustainable Economic Development is the lifeblood of community building. Modern day development objectives focus on building strong inclusive communities supported by adequate employment, housing, education, transportation and sanitary infrastructure, health services, community support services, security, amenities, and leisure services. The quality of life opportunity within a community can be measured by the availability of these services, and their delivery in turn is inextricably linked to economic development.

The links between the living of life in its broadest meaning and economic development are seamless. The primary objective of the County's economic strategy is therefore to find the sustainable balance in that relationship.

The economic development of Kildare can no longer be viewed in isolation from adjoining counties and regions. Ireland as a country has become an open economy and as a result the economic development of Kildare must now be considered in the context of regional, national and global influences.

Market forces are playing a greater part in determining choice of investment locations. It can no longer be taken for granted that Irish companies will automatically invest in Ireland. Investment choices are determined by the requirement to grow and make profit, and the factors that determine the decisions regarding locations for investment are precise and diverse.

Increasing rates of change in global economic conditions result in greater investment mobility. It is not only factors internal to the county that will determine the future development of the county, but external influences will play a crucial role since the county is not isolated from the trends in the national and global economy, as well as the major policy developments which in turn impact on these. Increasingly the effectiveness of traditional policy levers to stimulate economic development has reduced and consequently there is a need to re-examine policy regarding stimulating economic development.

Economic growth and development is primarily linked with growth in population and employment, and while it is generally possible to assign population growth to a particular location, it is not possible to 'assign' employment.

The leverage power of subsidies and grants to make locations attractive is weakening. Emerging policies favour the switch from subsidies and grants to investment in infrastructure that supports

the effort to make a particular location attractive, because it is considered to be more effective and offers better value for money over the long term.

The **National Spatial Strategy** strongly recognises that quality of life is increasingly important to people. People want to spend less time in traffic or travelling long distances and more time at home with their families or enjoying leisure activities. It recognises the need to ensure that our cities, towns, and rural areas develop in a way that meets the economic and social needs of a growing population and that future development focuses on growing the attractiveness and competitiveness of places in a sustainable way. The focus is on the needs and desires of people forming communities.

The **Regional Planning Guidelines for the Greater Dublin Area**, has set out a strategy for the continuing economic development of the region founded on the acceptance that Ireland is the fifth most open economy in the world today and that Dublin is considered as the only location in Ireland with the necessary critical mass that the global market requires for the attraction of investment. The guidelines set out to define Dublin in a wider context to include the counties of the Mid East region and present to the world a location for investment that will compete in scale with other locations of similar critical mass in Europe.

In general terms, the priority for economic policy in the region as set out in the guidelines is the relief of supply constraints in relation to infrastructure and some categories of labour, and therefore a high level of investment in economic infrastructure and human capital is required to:

- attract and develop new high tech manufacturing and internationally traded service sector inward investment;
- enhance the scale and competitiveness of indigenous firms; and
- influence the location of economic activity.

To be successful in attracting inward investment and growing indigenous industry, the Greater Dublin Area as an investment location, must offer:

- a high quality economic infrastructure;
- a large, varied and flexible labour market;
- available appropriate education infrastructure;
- a high quality built environment.

In pursuit of this strategy the Guidelines propose to develop four centres of economic critical mass, called 'Primary Dynamic Clusters', at the nodes where the four main radial routes out of Dublin City intersect the proposed Dublin Outer Orbital Route that will run outside the M50 from Drogheda around to Wicklow. Two of these four centres will be located in Kildare. The first comprises a clustering of Kilcock, Leixlip, Maynooth and Celbridge in the north of the county. The second cluster is comprised of Naas, Newbridge and Kilcullen in the centre of the county.

In addition to these 'Primary Dynamic Clusters' the Strategy has included the Cluster of Monasterevin and Kildare Town as 'Secondary Dynamic Cluster', and Athy as a moderate growth town. As a result of these designations Kildare has been identified as the county in the Mid-East region that has the most potential for economic development in support of Dublin's national role in the global economy.

2.1.1 Economic Profile of Kildare

Kildare has wide ranging and diverse areas of economic activity within its boundaries but there are four broadly defined areas of economic activity:

1. The North East Metropolitan area
2. The North West Agricultural/Boglands
3. The Commercial Centre
4. The Agricultural South

Across the three broad sectors of economic activity, Agriculture, Industry and Services, there has been a marked change in the sectoral employment shares over the past four decades.

Table 2.1 Employment by sector at national level

Sector	1971	2002
Agriculture	26%	4%
Industry	31%	26%
Services	43%	70%

The decline in agricultural employment is matched by the rise in employment in the services sector, and this trend is likely to continue in the future. In Kildare the percentage share of total employment in agriculture in the county has dropped from 7% to 4.16% over 6 years, and by 3.7% in manufacturing industry.

The share of employment growth in Commerce Finance and Business Services (52% of the total employment growth) is significant, in that one in every two additional jobs created in the period was in this sector.



Table 2.2 Change in employment of persons resident in the County

Sector	Kildare 1996		Kildare 2002		Change	Share of growth excluding primary sector
	Persons	%	Persons	%		
Agriculture, forestry and fishing	3,633	7%	3,096	4.16%	-537	
Mining, quarrying and turf production	370	0.72%	402	0.5%	32	
Manufacturing industries	10,328	20%	12,085	16.3%	1,757	7%
Electricity, gas and water supply	426	0.83%	478	0.64%	52	0%
Building and construction	3,928	7.6%	7,665	10.3%	3,737	16%
Transport, communication and storage	2,572	5%	3,941	5.3%	1,369	6%
Commerce, insurance, finance and business services	10,921	21.3%	23,209	31.2%	12,288	52%
Public administration and defence	5,024	9.8%	5,696	7.66%	672	3%
Professional services Other industries or industry not stated	14,097	27.5%	17,775	23.9%	3,678	16%
All industries	51,299	74.347	100%	23,048		

Blackwell Population and Employment Projections

2.1.2 Labour Force Participation Rate

The labour force participation rate in Kildare is 48.31%; this is the ratio of the labour force resident in the county relevant to the population of the county. The average for the GDA is 48.83%. However, there are several factors, which could affect this ratio such as the percentage of population under 15, percentage of population over 65 or the percentage of the population in full time education.

2.1.3 Job Ratio

The Jobs Target Ratio is the ratio of the number of jobs in the county to the labour force resident in the county. A figure of 0.7 is considered as the minimum target for sustainable development. However, the figure does not recognise the fact that there is an estimated gross inflow of 5,000 workers into the county.

Therefore the adjusted table to show the ratio in terms of jobs available to the workforce resident in the county is illustrated below.

Table 2.3 Ratio of Jobs to Workforce

Labour Force resident in County	Jobs in the county	Jobs Target Ratio
79,222	49,271	0.62

RPG for GDA adjusted

2.2 Strategic Goal

To make Kildare the first choice location for indigenous and foreign direct investment by developing locations in Kildare that will attract and sustain job creating investment. Thereby ensuring the provision of employment for Kildare's labour force.

2.3 Objectives

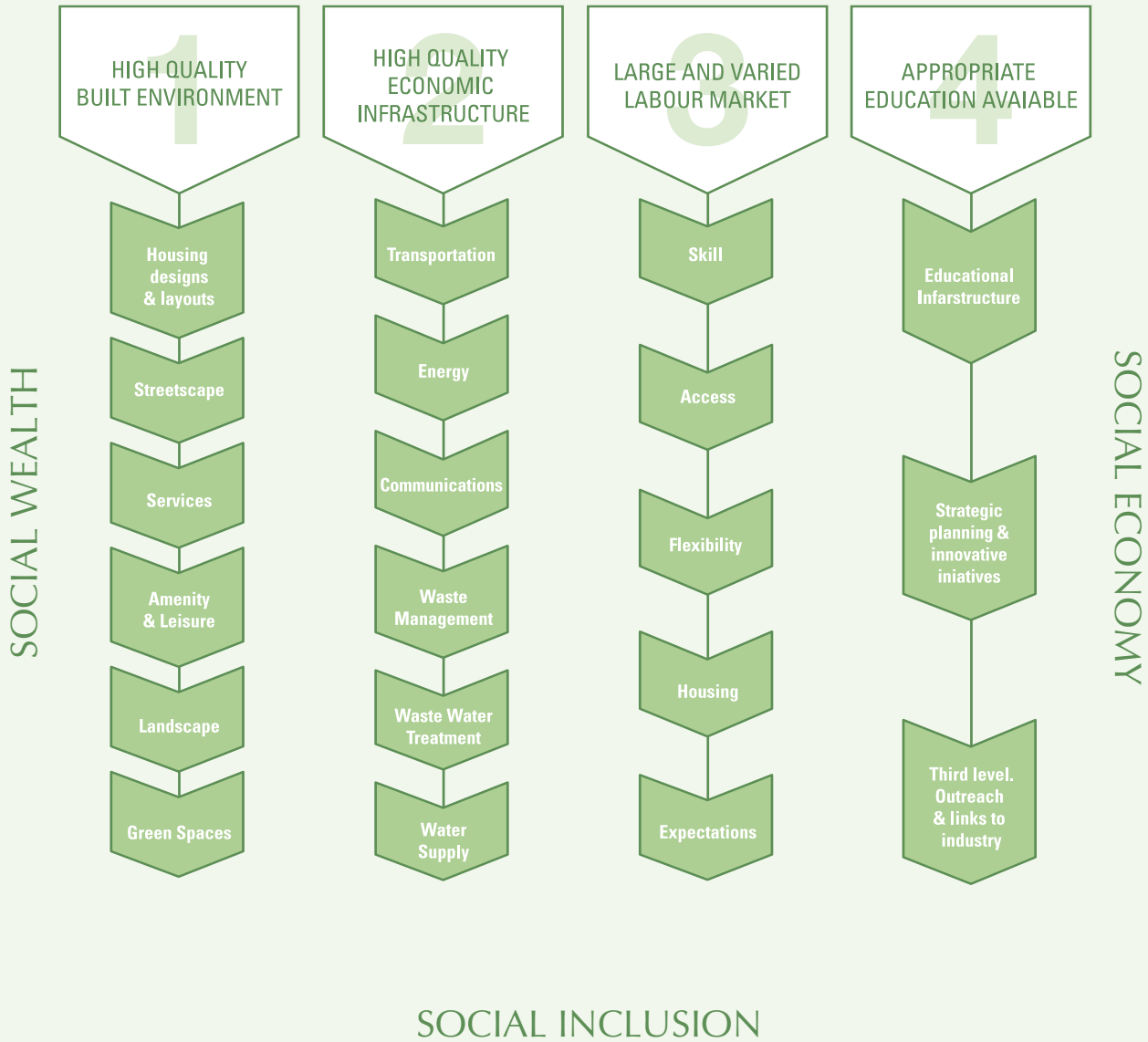
- (1) To develop a quality built environment to attract and sustain employment creation initiatives.
- (2) To remove infrastructural blockages and build capacity for the future population and employment growth.
- (3) To support and develop a skilled and flexible labour force.
- (4) To support and develop education initiatives that promote and support career choices towards the future labour market requirements.

It is clearly seen from this table that a Strategy for Economic Development integrates to focus all the elements that shape the county as a living environment, and that the role of each is relevant. There are some individual elements that have a greater impact than others in presenting locations to attract and sustain economic development, but increasingly factors that heretofore were considered irrelevant are coming into strong play.

Factors that make a county attractive for both firms and their employees are the key to a successful development strategy.

The Development Plan is the primary document that will set out the policy in this regard and pull together all the issues that impact on population assignment and investment into the county. It will be the document that the investor will take guidance from as to the future socio-economic development strategy for the county and which will, in association with the IFPLUTs and the imminent Economic Development Strategy for the county, enable investors plan with reasonable certainty how to deliver the jobs and the houses that the county requires. Therefore the key documents will be constructed in a way that enables the county become more competitive in securing the investment decisions, and flexible enough to react as necessary to changes in the economic environment.

Figure 2.1 Key determinants of attractive locations for indigenous & foreign direct investment



2.4 Policy Statement

2.4.1 Transportation

It is the policy of the Council:

- ED 1 To support and implement the strategic development of identified dynamic clusters and towns in accordance with the Integrated Framework Plans for Land Use and Transportation (IFPLUT) as required under the NSS and supported in the draft Regional Planning Guidelines. Studies are currently under way for:
- Newbridge/Kilcullen
 - Athy
 - Kildare/Monasterevin
 - Leixlip/Celbridge/Maynooth/Kilcock.
- ED 2 To support and implement the strategic development of Naas in accordance with the Integrated Framework Plans for Land Use and Transportation (IFPLUT) as required under the NSS and supported in the draft Regional Planning Guidelines.
- ED 3 To improve access of the labour market (local and remote) to the employment location.
- ED 4 To improve access to Dublin Airport and Dublin Port.
- ED 5 To improve movement within and between settlements in the county by all modes of transport.
- ED 6 To promote more sustainable forms of transport.

2.4.2 Communication

It is the policy of the Council:

- ED 7 To promote the provision of broadband to homes, schools and workplaces.
- ED 8 To promote the increase in telecommunications capacity for future needs.
- ED 9 To develop the broadband capacity in towns where warranted.

2.4.3 Energy

It is the policy of the Council:

- ED10 To support the provision of adequate electricity supply to all the settlements within the county.
- ED 11 To promote gas distribution to dynamic clusters, large and moderate growth towns.
- ED 12 To support renewable energy initiatives (This policy should also be read in conjunction with Chapter 8, in particular policies SE 1 and SE 2)

2.4.4 Infrastructure

It is the policy of the Council:

- ED 13 To ensure the provision of water, wastewater treatment and waste management initiatives to accommodate the future economic growth of the county.

2.4.5 Skills

It is the policy of the Council:

- ED 14 To continue to promote and support the ICT employment cluster in the NE of the county and further develop opportunities for third level/ICT/R&D linkages.
- ED 15 To build strong links with education and training agencies to enable the skill set to match existing and future labour market needs.
- ED 16 To ensure high quality living environments within the County to retain its indigenous skilled population and to attract high skilled labour.

2.4.6 Access to Employment

It is the policy of the Council:

- ED 17 To pursue special initiatives to enable the Northwest and South of the County, to compete for employment opportunities.
- ED 18 To build on the opportunity presented by the planned Edenderry-Enfield road for the sustainable development of the settlements in the area.
- ED 19 To support employment development in Celbridge in accordance with the Integrated Framework Plan (IFPLUT), and in particular any high quality strategic development proposals which will be of benefit to the town and general area.
- ED 20 To encourage and support entry to, and minimise exclusion of the population to the labour market.
- ED 21 To support initiatives that reduce car dependency to access work locations.
- ED 22 To support employment development in the South of the County. In particular the Council will support employment initiatives within the Secondary Dynamic cluster of Kildare-Monasterevin having regard to the IFPLUT and sustainable development principles.

2.4.7 Small and Medium Enterprise

It is the policy of the Council:

- ED 23 To support and promote proposals for SME business development in development centres with existing infrastructural facilities, services and good communications, or where these can be provided at reasonable cost.

- ED 24 To support start up businesses and small scale industrial enterprises, particularly those that have a creative & innovative dimension, through the Development Contribution Scheme.
- ED 25 To encourage and facilitate at appropriate locations, small indigenous industries in recognition of their increasing importance in providing local employment and helping to stimulate economic activity within small communities.
- ED 26 To acquire suitable land, subject to the availability of funding, to stimulate and support creative and innovative entrepreneurial initiatives.

2.4.8 Educational Infrastructure

It is the policy of the Council:

- ED 27 To promote opportunities for career development and retraining and develop links between existing industry and secondary level education.
- ED 28 To set up a task force, in conjunction with the relevant authorities, to investigate and pursue the provision of an additional third level facility within the county.
- ED 29 To support research and development and innovation within the county.
- ED 30 To support further development of NUI Maynooth as a leading third level educational facility.

2.4.9 Specific Programmes

It is the policy of the Council:

- ED 31 To develop and expand the 'Thoroughbred' brand identity of Kildare.
- ED 32 To prepare a strategy for the economic development of the county to 2016 in order to guide development policies to meet emerging trends and place Kildare at the forefront in the choice of location for investment.
- ED 33 To prepare a promotional and marketing strategy for Kildare. This will aim to communicate at a variety of levels and through a variety of media the message that Kildare is the most attractive location for investment in the region.
- ED 34 To prepare a feasibility study within six months of the adoption of the County Development Plan 2005-2011, to identify the most appropriate development of the lands at Cherryville and Mayfield. This will aim to examine the job creation potential of this key area, which is designated as a Secondary Dynamic Cluster within the RPGs and is strategically located near the convergence of the National Rail infrastructure and the N7 and M7 National Routes. Immediately thereafter a Local Area Plan will be prepared having regard to the findings of the feasibility study.

In the interim any planning application received in relation to a Motorway Service Area will be considered having regard to policy NR 8 and in the context of maximising employment creation opportunities at these locations.

- ED 35 To support the provision of a new rail port and logistics park in the general Monasterevin area, subject to proper planning and development.