

### **Appendix 3.3**

#### **Economic Analysis (=)**

The level and extent of economic activities in rural areas (such as South Tipperary) are primarily influenced by market forces that are largely external to the area. Market driven events determine local economic outcomes, they define local development opportunities and they create economic problems. The objective of a County Economic Strategy is to try and shape or influence these market forces in the interest of the local citizens.

Michaelson (1979) suggests that rather than complain about the lack of market signals, a correct course of action is to focus more on the quality and content of the market signals. The basis of local economic development is the placement of capital, both human and financial. The capital market, while perfect most of the time, is not altogether perfect. The Economic Working Group (of the CDB) has identified a number of opportunities where the quality and content of market signals can be improved by local action. The Economic Working Group's initial perspective on the value that a County Economic Strategy needs to add to the economic situation of South Tipperary is:

- Build on the Tipperary Brand name to promote quality goods and services from the County
- Shorten access times within the County and from the county to the main cities, ports and airports in Ireland
- Take on the role of 'matchmaker' by facilitating better matches: between the skills base/qualifications of the population and available jobs; between education supply and industry development; within and between sectors in the economy to optimise value added potential; between entrepreneurs (especially farmers and small retailers) and new opportunity areas; between micro businesses and external markets; between growing Clonmel as a nationally significant economic location and balanced development in the county; etc.

In linking the output of the Economic Working Group with that of other groups, the County Development Board identified eight strategic themes including: an economic theme (based on matchmaking); a spatial theme; and a Tipperary theme (also incorporating a cultural dimension). Following further consultations and analysis, the economic dimensions of the three themes were combined and are presented in the Economic Development Innovation Programme. The Innovation Programme largely concentrates on the matchmaking dimensions which are doable. Expert advice on branding led to a consensus that the economic potential of a County Tipperary approach was extremely limited. The more doable measures arising from both the spatial and Tipperary themes are those where good matches have already been found. These doable measures have been included in the Economic Development Innovation Programme.