

**Address by the Taoiseach to the Institute of International and European Affairs on 'Ireland at the heart of a changing European Union', Dublin, 15 February 2017**

Distinguished Guests, Ladies and Gentlemen,

As we gather here today, our country is at a crossroads.

As we approach the second century of our State, we are entering a new era of our history.

We are being buffeted by strong external forces – of politics, of economics and of technology.

The greatest of these, of course, is Brexit.

Brexit poses unprecedented political, economic and diplomatic challenges for Ireland.

Challenges to our peace, and challenges to our prosperity.

How we deal with it in the months and years ahead will define the future of our island for decades to come.

We must make sure that we shape that future for ourselves. I firmly believe that we can.

My purpose today is to explain how.

In this generation, we have come through tumultuous, often difficult, but historic times.

The successful search for peace was quickly followed by the despair of the economic crisis, and then the difficult path to recovery.

It was not too much to ask that History might now pause for breath.

But History has rarely been idle in Ireland.

We should recall that we have faced other momentous challenges in our history and we have overcome them.

The struggle for independence a century ago  
The transformation of our economy half a century ago  
The historic reconciliation of the peace process

And, most recently, the achievement by the Irish people in pulling the country out of the grip of recession and onto the path of sustainable economic recovery.

We can draw on the inspiration of all of these past achievements, as we imagine what lies ahead.

As we create a new future.

Last year, as we commemorated the Centenary of the Easter Rising, we recalled the achievements of the revolutionary generation.

We also learned a lot about the Ireland of today.

We felt a deep pride in our country, her history, her culture, her people.

That pride was not stained by narrow nationalism, or fear or hatred of others.

We recalled a time of great division with our nearest neighbour.

That division was remembered in a spirit of respect, reconciliation and friendship.

It was a year of renewal – renewal of our sense of ourselves and of the values we hold dear.

It is those enduring Irish values that will guide us safely through the stormy seas in the years ahead.

The values of freedom and democracy, of openness, of tolerance, of community, of solidarity and of respect for others.

The values of Céad Míle Fáilte.

They were demonstrated in the scenes seen all around the globe from Dublin Castle when the result of marriage equality referendum was announced.

They find expression on the happy faces of so many new citizens, who have come here in recent years and are so proud to be Irish.

They are exemplified by the men and women of our Defence Forces, who serve the cause of peace and who are saving lives daily at the heart of Europe, in the Mediterranean Sea.

For our values are European values, too.

They are the common values that animate our European Union.

They are the values that bind us together as a Union of democratic states, working together for the greater good of our common European home.

As those common values come under increasing threat, so we must defend them more strongly than ever.

We cannot take them for granted.

That mood of unity in defence of European values and ideals was palpable at the recent Summit in Malta.

I hope and believe that mood of unity, and those European values and ideals, they will continue to guide us in the time ahead.

Ladies and Gentlemen,

The 1916 Proclamation recognised that Ireland's place in the world will always be defined by our relationship with Europe, as well as with the United States and with Britain.

Three years after the Rising, in 1919, the First Dáil met to formally declare our independence, right here in this historic room.

On that day, Dáil Eireann issued a Message to the Free Nations of the World on behalf of the Irish people.

It stated, and I quote:

“Internationally, Ireland is the gateway to the Atlantic; Ireland is the last outpost of Europe towards the West; Ireland is the point upon which great trade routes between East and West converge; her independence is demanded by the Freedom of the Seas; her great harbours must be open to all nations”

Of course, it was a document of its time, created in the aftermath of the terrible War in Europe and the outset of the Irish War of Independence.

But that message contained an essential and abiding truth about Ireland – we are a European island nation who will always remain open to the world.

Those relationships, especially with Britain, are very different now, 100 years later. The world is so much smaller...and Ireland's reach is so much longer.

But our unique ties of history, of geography, and of kinship remain unaltered.

A mature, reflective appreciation of our history offers inspiration for the time ahead.

We have faced big problems before, and we have successfully turned them into opportunities.

And we have made big mistakes, too – not least the inflation and bursting of a property bubble, the collapse of the banking system in 2008 and the humiliating loss of economic sovereignty in 2010.

Throughout all this, the essential lessons of our history are the same:

- We must remain at the heart of Europe and open to the world
- We must protect the hard-won peace on our island, and
- We must pursue thoughtful, prudent but ambitious economic policies.

The Government's plan for Brexit combines these three essential elements.

Ireland at the Heart of Europe

To succeed as an open economy and a welcoming society, we must remain at the heart of Europe.

The foundation of Ireland's prosperity and the bedrock of our modern society is our membership of the European Union.

That will not change.

Our membership of the European Union has brought us enormous benefits, and the Irish people have consistently endorsed that membership.

It has been central to the success of our open, competitive economy.

Ireland's membership of the Single Market and the Customs Union are absolutely fundamental to our economic strategy.

It allows us to sell Irish goods and services anywhere within the Union today of over 500 million people without restrictions. It gives us the opportunity to buy goods of high quality, with the reassurances of proper standards.

It provides the freedom to transact business with strong protections for the rights of consumers and the intellectual property of our artists, scientists and businesses.

It gives us full access to EU trade agreements with other major markets, and a capacity to engage in global free trade that we could not possibly have on our own.

It allows our people to travel, work and live freely in all Member States if they choose to do so.

The EU has also been the cornerstone of much of the social progress which Ireland has experienced over the last generation.

The social dimension of the EU – respect for human rights, workers' rights, and equality - reflects a distinctly European set of values which we share here in Ireland.

Membership of the Union also allows us to address shared problems - such as international peace and security, climate change, terrorism and migration - in an integrated way.

As members of a Union with other like-minded democracies who share our values and interests, we have a much more powerful voice on the global stage.

And our interests are absolutely best served from within the Union, helping to shape and influence in for the times ahead.

I utterly reject any suggestion that we would leave the European Union.

Protecting Peace on Our Island

Brexit is a British policy, not an Irish policy or an EU policy.

I continue to believe it is bad for Britain, for Ireland and for Europe.

But I respect the referendum result, and I recognise that Brexit is now going to happen.

Unfortunately, its most severe impact could well be felt on this island.

That is why protecting the peace process and the Common Travel Area between Ireland and Britain are priority objectives for the Government.

For many in the North, there is deep concern at the prospect of being removed from the European Union.

It is not just that there was a strong “remain” majority of over 55% in the North.

Fewer than 350,000 people voted for Brexit in Northern Ireland, out of a total population of over 1.8 million.

But every man, woman and child in Northern Ireland will be affected by the outcome.

And the vast majority of those affected are entitled to be Irish, and therefore EU, citizens.

When I hear people say the Government is too focused on the North, I urge them to consider how you would feel if Ireland was to be removed from the European Union in similar circumstances.

I ask you to reflect on the progress we have achieved together, and how much of it was due to our common membership of the European Union.

After the UK referendum, we made good progress through the North South Ministerial Council in scoping out the implications of Brexit and in agreeing joint principles for moving forward.

Those principles include:

- Ø Recognition of the unique circumstances of Northern Ireland, bearing in mind its geography and history;
- Ø Ensuring that the treaties and agreements between Ireland and the UK are fully taken into account;
- Ø Protecting the free movement of people, goods, capital and services, and
- Ø Maintaining the economic and social benefits of co-operation.

While the Government will keep to these principles, and will remain engaged with the political parties during the current election period, bringing this work forward is now undoubtedly more difficult.

With the dissolution of the Assembly, there is a very real danger that the absence of political leadership in Northern Ireland will lead to a retreat to partisan debate and an even greater marginalization of Northern Ireland’s concerns.

The Brexit process will not wait for another round of lengthy talks in Stormont.

When Article 50 is triggered, the world will move on, and it will move on quickly.

Of course I will do my best to put forward the interests of the North in the Brexit negotiations.

I will defend the Good Friday Agreement, in its spirit as well as its letter.

The Irish Government will oppose a hard border, argue for free movement on this island, seek EU funding for cross-border projects and protect the rights of EU citizens, whether from North or South.

But this requires the support of all strands of opinion if we are to succeed.

We have no choice but to work together, North and South, all of us.

That said, let me be absolutely clear on one point.

It is a matter of vital national interest for Ireland that we do not return to the days of a hard border that we knew only too well.

Or indeed create a new one in the future.

This is a political matter, not a legal or technical matter.

It will have to be solved by political leadership.

It will certainly require creativity, imagination and innovation.

But we have no choice but to succeed.

I have stressed this point to every European leader I have met. In addition, all Government Ministers have engaged intensively with their counterparts to ensure that Ireland's position is well understood. Minister Charlie Flanagan and Minister of State Dara Murphy in particular have travelled the capitals of Europe to highlight Ireland's concerns.

One of my earliest discussions after the British referendum was with Chancellor Merkel in Berlin.

Across the city, over the rooftops, we could see where the Berlin Wall once stood.

After that Wall fell in 1989, one of the most divisive borders in the world continued to exist within the European Union - running from Dundalk to Derry.

That barrier, too, has thankfully ceased to exist.

It was in this city of Dublin, in 2004, that ten countries, mostly from central and eastern Europe and that had been denied their freedom behind the barrier of the Iron Curtain, rejoined our European family.

It was one of the greatest moments of unity in European history.

The European Union has always been about removing barriers, about bringing people together in peace and prosperity.

The Treaty of Rome, which we will celebrate on its 60th anniversary next month, is one of the greatest peace agreements in history.

Without it, there could have been no Good Friday Agreement.

So, I am in absolutely no doubt that the European Union, which has done so much to support reconciliation on this island, will defend the peace process and the Good Friday Agreement.

I am confident that the European Union will not bring us back to a border of division.

**Ambitious Economic Policies**

So, for Ireland to succeed and prosper, we must remain at the heart of Europe and we must preserve the hard-won peace on our Ireland.

The final, and enormous, challenge is to protect and grow our economy.

Brexit is a serious, direct threat to Ireland's economic prosperity.

The potential impacts are profound, right across the economy. Key sectors, such as agri-food and fishing, face particular risks and challenges. These sectors are among Ireland's priorities as the agri-food sector has traditionally been reliant on the UK export market, while fishing depends enormously on access to the waters around Britain.

Other areas, like tourism, and energy, also face significant challenges, as do many of our small and medium enterprises across the economy and across all parts of the country.

All these challenges require a hard-headed, radical and innovative response.

We need to negotiate hard for the best possible economic outcome from the Brexit negotiations.

For us, that continues to mean the closest possible economic and trading relationship between the EU and the UK, even if it will not now involve UK membership of the Single Market.

I believe that close relationship is in the interests of not just Ireland, but of all of our fellow EU member states.

From my own contacts with other leaders, I believe that there will be significant support for that position at the European Council, provided it is based on a level playing field.

It also means that, after Article 50 is triggered and discussions on the terms of the divorce commence, we will also need to have very detailed discussions on the shape of the future relationship between the EU and the UK.

And it means that, after 2019, we should have an appropriate period of transition, during which the full legal framework for that new relationship can be concluded.

Whether in London, Brussels, or anywhere else, talk of punishment or of cliff edges is deeply unwise and can only be harmful to everybody in Europe.

I recognise that there is a desire to have clarity and certainty on every detail as quickly as possible. I understand that frustration.

But we have to be realistic about the process we are heading into, and the time it will take to reach a full conclusion.

We need to be calm, clear-eyed and strategic.

Our negotiations with the UK must recognise the wider, long-term interests of Europe and all of her people.

If we believe in a vision of a bright future for our continent and for our European values, then we must place that vision at the heart of our discussions.

Otherwise, we will be playing into the hands of those who do not share those values, or that vision.

But let me also make one thing absolutely clear – Ireland will be on the EU side of the table when the negotiations begin.

We will be one of the 27.

We will continue to work with the other Member States to ensure that they fully understand and address the nature and scale of the particular challenges for Ireland.

We will seek an outcome that is good for Europe and good for Ireland.

We will negotiate from a position of unity and strength.

And we will play our full part in the debate on the renewal of the European Union at this time of challenge.

The European Council, which consists of all the leaders of Member States including myself, will provide political oversight of all of these negotiations.

As we engage in tough negotiations in Europe, the Government will also take decisive economic measures at home.

We will focus on growing strong domestic markets capable of sustaining indigenous enterprise and employment, on developing a wider base of strong Irish companies which employ more of our national workforce, and on exporting to traditional and new overseas markets.

We will continue to strategically target key sectors for Foreign Direct Investment, with clear linkages to our domestic firms, our higher education sector and our talented people.

We will attract enterprises that will thrive in a single market that will still number almost 450 million Europeans, as well as in the Middle East and Asia.

Crucially, Ireland's economy will remain open: open to investment; open to trade; and open to talented people coming here to study, to work, to start a business.

The Government has already taken a number of important short-term actions.

The last Budget contained tax measures to support Irish businesses who could be affected by Brexit. As part of this, we have taken specific actions to help the agri-food sector.

We have also provided extra resources for the IDA, Enterprise Ireland, key Government Departments and our Diplomatic Service.

Crucially, we have learned from the mistakes of the past by doing this in a fiscally sustainable manner in order to avoid future cycles of boom and bust.

We have formally reduced our Debt/GDP Ratio target to 45%, far below the peak of 120% that it reached during the economic crisis.

We are on course to have a balanced budget in 2018.

And we are putting in place a new Rainy Day Fund to commence in 2019.

These essential actions by Government will give our country the capacity to absorb and respond to any economic shocks in the future, not least the impact of Brexit.

Now, we are moving to the next and decisive phase of our economic response to Brexit.

Firstly, we will implement 20 specific actions to respond to Brexit set out in the Action Plan for Jobs for 2017.

These actions aim to diversify our export markets, improve our competitiveness, realise opportunities for Ireland, and support sectors under particular pressure, like agri-food,, where the Government will continue to help industry respond to the effects of Brexit.

Next, the Government will publish a new Trade and Investment Strategy before St Patrick's Day, with targets and actions to grow and diversify markets for Irish exports and investment. This will include a focus on the many opportunities in Eurozone markets.

Based on that strategy, we will undertake the largest ever programme of Ministerial trade missions in 2017.

The National Competitiveness Council will carry out research specifically to benchmark our competitiveness against the UK, as UK policies evolve for a post-Brexit environment.

Later this year, the National Planning Framework Ireland 2040 will be finalised and presented to the Dáil.

This will prepare our country for a growth in population of around 1 million people, for more than 500,000 extra people at work, for at least 500,000 extra homes, and for all the associated infrastructure, services, amenities and environmental measures that will require.

That will be complemented by a new 10-year National Capital Plan.

As a direct response to Brexit, I have asked the Ministers for Finance and Public Expenditure and Reform to prepare an ambitious multi-annual 10-year capital plan that will make Ireland a far better place in which to live and work.

That plan will make prudent and effective use of our own resources, as well as resources available to Ireland as a member of the European Union.

We are already in active discussions with the European Investment Bank, which recently opened an office here in Dublin. I am confident those discussions will lead to significant further EIB investments in Ireland.

That new Plan will show how we will invest in roads, in public transport, in energy, in water, in schools, in higher education and in hospitals and health facilities.

It will include detailed, funded plans to complete the national road network, including links between Dublin and Derry and Donegal, and to accelerate delivery of critical public transport infrastructure.

It will include substantial investment in the ports and airports that Ireland will need as a successful, global trading nation.

And it will support the achievement of our international climate change obligations and our national objectives for sustainable development and environmental protection.

Finally, the Government has commenced a review of our industrial policy, Enterprise 2025, which will also be completed this year. It will prioritise policies and investments to make Irish enterprise more diverse and resilient.

The updated Enterprise 2025 Strategy will include a medium-term stabilisation and adjustment plan for those businesses who will be most affected by Brexit.

This will set out actions to help businesses to adjust to new trading conditions with the UK, to develop new markets, to address any new logistical challenges or trade barriers and to invest in their people, products and services.

The stabilisation and adjustment measures will be supported by Government funding, where appropriate.

We will also make a strong case at EU level that Ireland will require support that recognises where Brexit represents a serious disturbance to the Irish economy.

Taken together, these Government initiatives will provide a clear, practical vision for our country a decade from now.

This needs to be a truly national effort.

The State will have to prioritise policy measures and dedicate resources to protect jobs in the sectors and regions most affected by Brexit.

The process will start with our draft budgetary plans for this year, which will be published before the end of April.

This will allow a frank and open debate on where our limited resources should be deployed, and on the choices we need to make.

I will continue to engage with other party leaders in the Dáil, both to keep them informed on developments and to actively listen to their ideas as the negotiations progress.

They too will have an ongoing role to play informing their political groups in Europe of Ireland's priorities.

Following a series of sectoral meetings across the country this Friday will see the second Plenary of the All Island Dialogue that which has helped us prepare for the challenges of Brexit.

I have also invited employer and union leaders to discussions on the impact of Brexit on our economy later this month.

My objective is to develop a consensus on our national priorities, on our key vulnerabilities and on how we can collectively work together to address them.

#### Negotiation Process & Objectives

Ladies and Gentlemen, we are just weeks away from the moment when the British Prime Minister sends the Article 50 notification and begins the process of Britain leaving the European Union.

Ireland then faces the most important negotiations in our history as an independent state.

The Government will be fully prepared.

We have set out our key priorities – trade and the economy, the peace process, the Common Travel Area and the future of Europe.

We have mounted a major diplomatic campaign with all of our EU partners and the EU institutions, to ensure that our priorities are recognised and our position fully understood.

We are reaching out to Irish business to support them and to prepare for Brexit.

We have carried out detailed analysis of each sector of our economy and all the possible scenarios that we could face.

We are preparing for all eventualities.

The Government is seasoned in tough European negotiations, and our key officials can draw on decades on experience at the highest level in Brussels, London, Belfast and across Europe.

But our negotiating objectives are crystal clear.

We are firmly focused on winning the argument and on getting the best deal for Ireland.

This will require skill, creativity and imagination.

We will have to demonstrate toughness, patience and resilience.

We will remain at the heart of the European Union and open to the world.

We will protect the peace process.

We will implement our comprehensive Economic Plan.

We will be resolute and determined.

The next few years will require a supreme national effort.

But we are optimistic.

We will succeed.

ENDS