THE BROOKINGS INSTITUTION

IRELAND IN EUROPE AND THE WORLD: A CONVERSATION WITH IRISH TAOISEACH LEO VARADKAR

Washington, D.C.

Tuesday, March 13, 2018

Introduction:

STROBE TALBOTT
Distinguished Fellow in Residence, Foreign Policy
The Brookings Institution

Keynote Remarks:

LEO VARADKAR T.D.
Taoiseach, Ireland

Conversation:

THOMAS WRIGHT
Senior Fellow and Director, Center on the United States and Europe
The Brookings Institution

* * * * *

P R O C E E D I N G S

MR. TALBOTT: Good afternoon, everybody. It's wonderful to see such a great crowd, a lot of green.

It is my pleasure to welcome to Brookings Taoiseach Varadkar of Ireland. His visit today is part of our Alan and Jane Batkin International Leaders Forum. He's led the Irish government since June of last year. He has come to that office at an extraordinarily important time for his country, for our world, and especially for the Atlantic community as the European Union negotiates its future relationship with the United Kingdom. For Ireland, navigating those shoals is particularly critical.

The taoiseach's agenda includes other important issues, as well: trade, regulation, and movement of peoples, and, of course, dealing with the challenges to the Good Friday Agreement, which is a pillar of peace for the island. Just last week, the European Council president, Donald Tusk, reiterated that in the Brexit negotiations the EU will be putting Ireland first.

The taoiseach will be also discussing the future of the EU, relations between the United States and Europe, and Ireland's role in a changing world. Following his remarks, Tom Wright, a transplanted son of the Emerald Isle and the director of our Center on the U.S. and Europe, will join for a discussion and take your questions.

You can Tweet under, what else, #SaintPatrick'sDay. (Laughter) Well, at least I got the right tie.

Taoiseach, the podium is yours and so is the audience, I'm sure. (Applause)

TAOISEACH VARADKAR: Thank you very much and good afternoon, everyone. Distinguished guests, ladies and gentlemen, first of all, I wanted to thank Strobe for the very kind introduction; for Tom, who I met earlier and who's going to ask me a few questions later on. And I want to say what a privilege and honor it is to speak at the Brookings Institution today about Ireland's approach to foreign policy and how we see our

role in European and global affairs in the years to come.

To set the scene I'd like to set some reflections about Ireland's role in the world. I think when you come from a small island like Ireland, perhaps more so than if you come from a big country or continental country such as this, you always tend to have an outward outlook because you kind of have to. You know that you're a small country. You're always aware of the world around you. And you always know your neighbors even if you don't necessarily always get on with them.

And so it is for Ireland. We're a country that trades, that travels, that engages with the world, and for us, it is second nature. There is no alternative policy.

We are, of course, first and foremost, a European country. And even though our nearest neighbor, the United Kingdom, has decided to leave the European Union, we will not. We are founder members of the Single Market; founder members of the single currency, the euro; and most recently, founder members of PESCO, the European Union's new enhanced cooperation in defense and security. So as a country, we will always be at the heart of Europe, at the heart of the common European home, which we helped to build.

We also see ourselves as a global country, not so much an island behind an island at the edge of a continent, but rather an island at the center of the world. And we have especially strong links with parts of the world to which our people have migrated down the centuries, including to here at the United States.

We firmly believe in free trade and free enterprise as the means by which every country can become more prosperous in the round. We compete hard and fair for investment jobs and market share, and we're committed internationalists and multilateralists, believing that countries achieve much more working together and that a rules-based order protects all of us. Our foreign policy is rooted in values and we aim to make a distinctive and principal contribution to the world through our commitment to international development, through peacekeeping with the United Nations, among other

things.

As you know, we live in a rapidly changing world. The global order that was created after the fall of the Berlin Wall now seems less certain than has been for many decades. We face numerous challenges. For us, of course, the first of these is Brexit and the decision of our nearest neighbor to leave the European Union. This also increased regional instability, fueled by geopolitical tensions and conflicts, the kind of tensions and conflicts that have brought about a migration crisis in Europe, which has given rise to an increase in populism and nationalism.

There are, of course, changing approaches to international trade, which is very much the topic of the day here in Washington, or at least it was until this morning. (Laughter) And, of course, there are the enormous challenges of governments counteracting the rise of international terrorism in all its manifestations, including cyberterrorism and even extraterritorial assassinations. And while it may be obvious and evident to all of us, it is perhaps too often denied a fundamental shift that is going on in our world politics as economic and military power slowly shifts away from Europe and America south and east.

In our long history as a country we've experienced famine, oppression, occupation, sectarian conflicts, economic crisis, and mass immigration. And I think because of our experience we as a country have something distinctive to say about international cooperation and multilateralism, particularly as the multilateral system comes under increasing challenge. For us, the United Nations and its member organizations has been at the cornerstone of Ireland's global engagement since we joined in 1955. The principles and values that are enshrined in the U.N. charter are those we've always tried to live up to, to promote and protect. And we strongly support the multilateral system of collective security represented by the United Nations and the primary role of the Security Council in the maintenance of international peace and security.

We believe that the world needs an effective multilateral system because

history shows us that the alternatives, whether it's transactional diplomacy or protectionism and confrontation, pull everyone down in the end. It's a lose-lose scenario rather than win-win.

And to the extent that we can as a small country, we want to play a leadership role in the world. As part of that we're seeking a seat on the U.N. Security Council for the 2021-2022 term to bring the voice, experience, and commitment of a small country to the top table.

We have a long tradition of support for the United Nations on international peace and security issues, in particular. And this year marks the 60th anniversary of unbroken Irish involvement in U.N. peacekeeping missions around the world. We currently provide peacekeeping troops to six U.N. missions in the Middle East, North Africa, and Cyprus, most particularly in Lebanon, Golan Heights, and Mali. And one of our signature foreign policies has been promoting disarmament and nonproliferation. We played a lead role in negotiating the Sustainable Development Goals and are helping to bring the issues of gender and disarmament to the fore in international affairs.

We strongly support the U.N. and want it to be effective. And therefore, we recognize the need to ensure they remain strong in the face of new and evolving challenges. And in that vein, we very much support the secretary-general and his attempts to reform the U.N. system.

Our approach to issues such as conflict and peace-building is, of course, heavily informed by our own experience of sectarian conflict and violence in our own country. Next month, as you may know, marks the 20th anniversary of the Good Friday Agreement, an agreement which ended decades of deadly conflict in Northern Ireland, secured lasting peace for our people, and transformed political relationships which had been stunted for generations.

Both the United States and Europe played crucial roles in helping the Irish and British governments to find a durable solution to what once seemed to be an

intractable, frozen conflict. And as with any peace, reaching an agreement is far from the end of the journey. The path to reconciliation and stable politics can be a long and winding one, and sometimes can be a bumpy ride.

As many of you would be aware, continuing differences between the political parties representing the two communities in Northern Ireland mean that there hasn't been a parishioner and executive cross-community assembly, and functioning North-South bodies for over a year now. The absence of these, I believe, is corrosive and damaging. It means there's no effective political engagement on issues of relevance to the lives of people in Northern Ireland, economically and socially, and it undermines the operation of the other institutions under the agreement.

Just as important, it means that the direct voice of the people of Northern Ireland is not heard in the negotiations on the terms under which the United Kingdom will leave the European Union, even though these will be of great consequence to people in Northern Ireland and in the border counties in particular. We shouldn't forget that the majority of people in Northern Ireland voted to stay in the European Union. And even now the majority wants to stay in the European Union Single Market and Customs Union. And for me, I think that makes Brexit a real threat to the Good Friday Agreement because it threatens to drive a wedge between Britain and Ireland, between Northern Ireland and Ireland, and between the two communities of Northern Ireland.

So it's our duty to work closely with the British government and the Northern Ireland parties to find an agreed basis for the restoration of the institutions. And given the wider circumstances, the task could not be more urgent.

In this we, of course, deeply appreciate the ongoing support and engagement of our friends and supporters here in the United States. While we deeply regret the decision of the United Kingdom to leave the EU, as we see it there are few upsides to it. Nonetheless, we must respect that decision.

After decades of moving closer to its European partners, the UK has taken

a decision to move farther away from us and that's why we must defend our national interests. We must insist that there's no return to a hard border on our island; that the common travel area and all that goes with it is protected; and that the rights and freedoms of Irish citizens in Northern Ireland are defended and advanced because Irish citizens in Northern Ireland are European citizens, as well, and will remain so after Brexit. And, in fact, anyone in Northern Ireland, whether Catholic or Protestant, unionist or nationalist, or none of the above, will retain the right to Irish and, therefore, European citizenship even after the UK leaves the European Union, putting us in a truly unique situation.

Over the past 20 years, the peace process and our common membership of the European Union has made it possible to render the border on our island all but invisible. The economic benefits of this invisible border have been hugely significant in terms of north-south trade and the all-island economy; and also, and perhaps most importantly, in normalizing the wider social and political relations across the island. And we're determined to ensure that these hard-won advances are not reversed in the coming years.

More widely, Brexit poses a serious challenge for Ireland. And given the strength of our ties and engagement with the UK, we will suffer more negative economic impacts than any other EU member state, perhaps even more so than the United Kingdom itself. Our relationship with the United Kingdom is unique in terms of our shared history, geography, and culture. And while it represents an ever-decreasing share, the UK remains our single most important economic partner.

So it should come as no surprise that Ireland wants there to be a deep and comprehensive future relationship between the European Union and the UK, one that maximizes economic engagement and trade, one that ensures ongoing and continuing cooperation in areas such as combating terrorism and international crime, and also common foreign and security policies. Of course, the extent and possibility of this new deep and comprehensive relationship is limited only by the United Kingdom's own red lines.

Both the government and people of Ireland are strongly committed to the European Union. In recent polls over 80 percent of Irish people say they support ongoing EU membership. As a small country, we know that our interest and values are best advanced and protected through a union of 500 million people rather than standing on our own.

We also really value the relationship we have with the United States, one that's based on shared values of democracy and the rule of law, respect for freedoms, and the dignity of all. For years this relationship has helped a bridge between the European Union and the United States. In recent years, though, I fear there's a danger that the European Union and the United States may drift apart. There are growing divisions and growing differences in policy and attitude when it comes to trade and tax and climate change and security, among many other areas.

Such a development, in my view, would not be in the interests of people on either side of the Atlantic. And Ireland can and is willing to act as a bridge between the United States and the EU, to interpret one to the other, and help ensure that positive and constructive relations are maintained and developed. And I think our role in the European Union as a potential bridge between the United States and the EU becomes all the more important when the UK is no longer sitting around the table.

Our relationship with the United States is grounded in strong bilateral economic ties. Both Ireland and the United States are two of the fastest growing economies in the transatlantic economy at present with robust, integrated, and deep economic relationships. Every week 2 billion in goods and services is traded in both directions across the Atlantic. And while the story of U.S. investment in Ireland as a gateway to the EU Single Market is well known, it is less well appreciated the extent to which investment, trade, and jobs flow in both directions.

For example, Irish companies employ over 100,000 Americans across 50 states, with their enterprises present in every one of those. And we are among the top 10

investors in the United States. So jobs, trade, investment, tourism go in both directions, and we'd like to see more, not less of all of that. So alongside our EU partners we oppose any steps that would raise barriers to trade, whether it's through the imposition of tariffs or otherwise, such restrictions on investment.

We all know that our world is getting smaller. And sometimes the world becoming smaller can actually seem to magnify problems, but I think that's more a question of perspective rather than scale. This institution does a valuable job in providing some of that perspective.

In Dublin last month, Homi Kharas told us that eliminating extreme poverty was now possible and could cost less than Ireland's GDP. He reminded us of some of the great strides that have been made, particularly in Asia, in reducing poverty, a place where capitalism has lifted a billion people out of poverty already. However, he also identified some severely off-track countries, notably in Sub-Saharan Africa where urgent action is needed if progress towards eliminating extreme poverty and providing opportunity is to continue.

Seventy years ago, the Brookings Institution helped to make the dream of the Marshall Plan a reality by making recommendations to the Senate to enable its implementation. And today, I believe we need a similar vision for the continent of Africa, an EU Marshall Plan for Africa perhaps or maybe a Marshall Plan for Africa partnered by both the EU and the United States.

As a country we're committed to playing our part in making the world's problems more manageable. There are humanitarian tragedies across the world, in the Sahel, in the Horn of Africa, and, of course, in Syria and Yemen, where politics has failed in a spectacular and tragic way.

As a country we want to build on our reputation for quality development cooperation, to do more and to do it better. Back in 2014, the Brookings Institution rated Irish Aid, Ireland's international development agency, as the outstanding development aid

program among 31 donors, and we intend to continue in that vein, increasing our international development budget in the years to come. We will need to work with old partners, including governments in Africa, civil society, the European Union, and the multilateral system, in particular the United Nations. And we'll also need to work in new and innovative ways, listening carefully to our partners and their needs, and working with their strengths.

For the title of his recent book, Tom used a quote from one of the greatest American presidents, Franklin Delano Roosevelt, that came from a speech he made in 1939. And in that same speech FDR argued, and I quote, "In meeting the troubles of the world, we must meet them as one people." And I believe that the major challenges that we face today, whether in Ireland, the United States, or across the world, will best be dealt with by acting together and not in isolation; confident, despite the doubts of the day; certain that our united strength is a solution to global instability. This is where Ireland stands today in terms of foreign policy.

I look forward to your questions. Thank you very much. (Applause)

MR. WRIGHT: Great. Well, thank you, and welcome, everyone. And taoiseach for a wonderful speech. And you chose quite the day to come to Washington. Everyone's abuzz with the drama, but we'll avoid that.

TAOISEACH VARADKAR: It's never a boring day in Washington. (Laughter)

MR. WRIGHT: Yes, and it's certainly true in the last 18 months, for sure. (Laughter)

So let's start maybe with there's a lot there and I hope to get to most of it, and we'll go to all of you for questions, as well, in about 15, 20 minutes. But let's start with trade is really the issue of the day, as you said, until this morning.

But last week, President Trump imposed tariffs on steel, including on the EU. He's threatened a lot worse on Twitter and other forums, but as part of a sort of larger

pattern whereby in his administration there's sort of a distrust of the EU. You know, they see the EU as this post-sovereign organization that sort of threatens nation states. Trump has been pretty close to Nigel Farage and to others.

And so when you meet him on Thursday, and to Americans generally who may have a skepticism of the EU, how would you sort of explain the EU to them, sort of the importance of a strong relationship between the United States and the European Union, including on trade?

TAOISEACH VARADKAR: I suppose perhaps the best way to try to explain it is maybe to explain the origins of the EU and how it came about. It's easy to forget this, but the European Union was born out of the Second World War, was born out of the defeat of Nazism, which only occurred, of course, because America chose to take part in that war. And a decision was made that the best way to avoid future wars in Europe was through economic cooperation between France and Germany, integrating their economies so much that they would never go to war again.

So ultimately, it was a project that was all about democracy and economic development and fighting extremism and tyranny. And then the European Union did it all over again when Communism failed at the end of the '80s and the early '90s. How do we make sure that those countries in Central and Eastern Europe followed a democratic path, followed a market economy path, followed a capitalist path? And that was the prospect of European Union membership.

So it's a project to me, the European Project, which is all about free enterprise, all about trade, all about economic development. And I suppose rather than being post-sovereign is about sharing sovereignty, which maybe it can be difficult to understand in an American context because America's so big, but perhaps America's a bit like that itself given that states share sovereignty through a federal system, as well.

MR. WRIGHT: And on the trade piece, I mean, we seem like we're on the cusp of sort of an escalation whereby there's a European response to the tariffs as a

deterrent. Trump has said he may respond with additional tariffs. How worried are you that this could sort of spiral out of control and we could have a full-blown trade war or do you think it's possible to sort of avert that, stand down, and sort of reengage in the trade negotiations, the TTIP negotiations or some other version of it?

TAOISEACH VARADKAR: Well, as you say, it's going to be an interesting week because we expect that the European Commission tomorrow will give its response to the White House's threats of tariffs. So that may actually form part of the context for the meeting I'll have with President Trump on Thursday.

Much as I'd love to see reengagement around TTIP, I think that's probably a little bit too ambitious given all the things that are going on. But I would hope that both sides would pull back from any sort of trade war. I can only see everyone losing out from this. You know, if you look at Ireland, we don't really have a -- we don't have a steel industry at all and we have very little aluminum, so the initial round of tariffs isn't going to affect us. But the European Union's response seems to be around things like Harley Davidsons and --

MR. WRIGHT: Whiskey.

TAOISEACH VARADKAR: -- whiskey and denim. And, of course, it occurred to me that if the European Union stops tariffs on bourbon whiskey, the next response might be maybe Irish and Scottish whiskey. And that's the kind of spiral that you go down with trade wars. And I find it really hard to see how economies can benefit in the round. You might have some sectoral interests in certain places that aren't doing well because they're not competitive doing well as a result of trade restrictions, but not economies in the round and not the most competitive industries.

But I'm also not naïve, as well, to the fact that there are protectionist instincts in the European Union, too. And we see that dressed up in lots of different ways, but there are some forces in the European Union, in Europe, who are jealous of the success of America, of the fact that some American companies do so well, and, you know,

would relish the prospect of imposing restrictions on investment or tariffs on American companies in the false belief that that would then allow European companies to fill the gap, which is, you know, a nonsensical doctrine of protectionism which already existed.

So if we have a chance to talk about in any way on Thursday, you know, I'll certainly be making my point in that vein. But this isn't a policy that's anyone going to gain in.

MR. WRIGHT: And just you touch on these forces, also, in the EU. I mean, you're someone who was elected recently with quite -- elected taoiseach recently with sort of quite an internationalist outlook and President Macron, you know, a similar outlook. But in many parts of the world leaders are being elected who are sort of promising their people they're going to stop having foreigners take advantage of them, they're going to cut foreign aid, they're going to focus on the narrow sort of nationalism.

As you look at Europe, but also the wider world where there's this sort of populist movement, really, as we saw recently in Italy, how do you sort of diagnose that? And do you feel that, you know, as Tony Blair said a year ago, maybe the internationalism of the '90s is actually on its way out and we're actually headed into a more nationalistic world? How do you sort of conceive of it from where you sit?

TAOISEACH VARADKAR: Yeah. Well, there's two things, I think. The most important thing is to push back. You know, the main reason why people get involved in politics is because they believe in things and want to change things or what to protect things. And I don't think you can have an analysis that just says that this is the trend in world politics and we're moving away from globalism towards a new form of nationalism. And sooner or later, it'll all come full cycle again and we'll move back towards internationalism again because I think that's a very passive approach.

It's actually up to us, the people who are involved in politics to make the argument for internationalism, to make the argument for free trade, for free enterprise, to make the argument for multilateralism. And in fairness, to Macron, even though I wouldn't

agree on everything, that's very much what he did. And different politicians have adopted different approaches in Europe. Some have tried to steal the clothes of populists and steal the nationalist rhetoric of populists in order to stunt their growth. And some of them have been successful in doing that; others have decided to tackle it head on and stand up to it. And I think that's something he's done in France and that's a better example to follow, I think, than other countries have.

But I also think we need to look at the environment. Ultimately, stagnant or falling living standards is a breeding ground for nationalism and populism. And I think a lot of what's happened in Italy, for example, is as much about a stagnant economy, high youth unemployment, living standards not rising for a very long time now as it is about concerns about migration. And those concerns about migration are real, but it's the absence of improving living standards that you create a breeding ground for national and populism. And that's why it's really important that governments make sure that we have strong, robust economies and that all people and all parts of countries feel the benefits of that.

MR. WRIGHT: Yeah. Moving on to Brexit, which, of course, is the major part of your speech and I think is on everyone's mind here today. You know, the question of the Irish border, of course, has emerged as the preeminent question in the negotiations. And there are three sort of solutions to that, all of which have been ruled out by people who effectively yield a veto.

One option is a hard border, and you and the Irish government have ruled that out, supported by the EU 27, the other 26 members of the EU negotiating with the UK. The second option is Britain staying in the Customs Union and the conservative parties seem to have vetoed that. You know, the prime minister has to say she's not going to pursue that course. And the third option is some sort of special status for Northern Ireland, which the DUP have ruled out.

So I guess one question is where is this headed? But also, you know, if everyone sticks to their guns on this and there is no deal, what does that mean for Ireland

and what does no deal mean? And is there any way to avoid that without somebody having to capitulate?

TAOISEACH VARADKAR: Yeah. Well, I think things are still developing and we've seen a number of changes in the British position over the past couple of months and it's certainly possible that we'll see further changes in the coming months.

I think in many ways the Irish border has become the central question in Brexit precisely because it does crystalize those bigger issues. You know, what relationship does the United Kingdom really want to have with the European Union when it leaves? And I'm not sure they fully know yet. And what we've done in the withdrawal agreement is turn into a legal text what was agreed as a political agreement back in December.

And bear in mind, the UK government has also ruled out a hard border, so nobody's actually seeking a hard border. If it does happen, it'll be a major political accident if that's where we end up in a few years' time because it is a state objective everyone should avoid.

MR. WRIGHT: But your position, though, just to clarify, is that even if they don't want to impose it, that if there is this regulatory divergence that it will happen sort of by force of nature, that because of WTO rules or other rules that in order to avoid it that there has to be regulatory alignment between Ireland North and South. Is that right?

TAOISEACH VARADKAR: Yeah, it doesn't mean that Northern Ireland has to stay in the customs union or singlem, but it does mean that we would form a common regulatory area in the same way there's a common travel area between Britain and Ireland. And Northern Ireland can form a common regulatory area with the European Union, thereby adopting the rules of the customs union and some aspects of the single market. But that is what we call the backstop. It's what Prime Minister May calls the last resort.

The best solution, which is one that we want and I think the Unionist Party

wants, as well, and I think that perhaps a lot of people in Britain want, too, is to render that issue around the Irish border irrelevant because the new relationship between the UK and the EU would be so strong that it wouldn't arise as a question. But that does involve a change in policy and a change in position by London, by the British government, and that is not yet forthcoming.

But, you know, we shouldn't forget that the people in the UK voted by a very small margin to leave the European Union. When I remember that referendum happening, you know, the debates were barely at all about the customs union. I don't even think it came up. And not all that much about the single market either. Certainly the freedom of movement aspects of it, but what we have now in the UK is, after a very narrow vote to leave the European Union, two of the countries -- Northern Ireland and Scotland -- voting not to leave. That's been interpreted as a very hard Brexit and I think that position is going to become a difficult one to square.

MR. WRIGHT: And the United States has had, of course, a significant cameo role in the peace process in the past. It wasn't the lead player, but it was an important player. And there's been U.S. support for the peace process all along. We're, of course, on the 20th anniversary now.

Do you see any role for the U.S. in general, not necessarily for the administration, but for -- you know, on Capitol Hill or private envoys or others in trying to address this question, which I think is of serious interest here because there's a U.S. interest in upholding the peace process? Is there anything the United States could do to sort of help move this along?

TAOISEACH VARADKAR: Yeah. Well, I think it's important to acknowledge that the role the United States played in the peace process and the Good Friday Agreement was a lot more than a cameo role. George Mitchell chaired the talks 20 years ago and President Clinton and others took an enormous personal interest in affairs and where the U.S. has influence.

MR. WRIGHT: Right, right.

TAOISEACH VARADKAR: You know, it does have influence, first of all, on the parties in Northern Ireland, not least on Sinn Fein, the biggest party on the nationalist side. It has a very strong and deep connection to the United States, and there is American pressure that could be put on them to go down the road of compromise, which was done in the past. And also has influence on the British government, as well. That's a role that the U.S. can play. I think it's particularly valuable when it comes to U.S. members of Congress and members of the administration who take an interest in Irish affairs, who put it on a level it might not otherwise be on, and that's always helpful.

MR. WRIGHT: So do you think they should play that role in the coming months given that it's at such a delicate balance?

TAOISEACH VARADKAR: I think ongoing interests and engagement from the administration and from members of Congress and from Irish America would be very welcome. I'm not sure if the appointment of an envoy or something like that is necessarily what would be required at this stage. You know, the two parties came very close to an accommodation anyway, so I don't think brokerage is what we need. But I do think ongoing interest and engagement from the United States remains very important. And certainly, from my point of view as the leader of the Irish government, it remains very welcome.

MR. WRIGHT: One thing you mentioned in your speech, you mentioned that Ireland's relationship with the United States may evolve a bit after Brexit, you know, that the U.S. had sort of not quite worked through Britain, but Britain was a country that understood the U.S. well and there were lots of internal debates in the EU. And sometimes British interests aligned a little bit more with America's interests than maybe some other countries did. I was wondering if you could expand on that a little bit. I mean, what sort of additional elements to the relationship do you think might sort of come to fruition or be developed in the coming years? If Britain does the leave the EU, what's that sort of U.S.-Ireland relationship look like in that context?

TAOISEACH VARADKAR: Yeah, I think there's two aspects of that, you know, that the European Union without the United Kingdom is going to be a very different place. I think it's going to be less of a place because of their absence. They've been very much a like-minded country to Ireland when it's come to the Atlantic relationship, when it's come to trade, when it's come to free enterprise, so many different things, and having them gone is going to be a big loss.

So it has two downstream effects, though, that I think are relevant to Ireland. The first is that Ireland has to form new alliances. Our natural ally on most questions, not agriculture, but pretty much everything else, will be gone, so we're already very much in the process of forming new alliances particularly, but not exclusively, with other small countries with a similar outlook when it comes to free enterprise and free trade; a lot of the Nordic countries, Baltic countries, some of the countries in Southeastern Europe. And that's also building new alliances, if you like, within the European Union.

The second is our relationship with America. And I mentioned that in the speech where I think that Ireland can become a bridge between America and the EU, particularly with Britain not there anymore; that we can play a role in interpreting the American position better to the EU and the EU's position better to America. And that's because of our longstanding friendship. It's because we share the same language. It's because of the economic ties we have. It's because of a very similar political and business culture in many ways.

That is not to suggest for a second that we were offering ourselves up as America's agents in the European Union because that's not what I mean. You know, we're committed members of the EU. We're going to be at the heart of the EU. We believe in further European integration. But I think sometimes the two sides can misunderstand each other.

We often talk about Europe and America or even the UK and Ireland and America being divided by a common language. We're going to the European Union now in

which we're the only ones who speak that language, and I think there's a role for us to play there.

MR. WRIGHT: Yeah. I was struck last week, I think it was, that your minister of finance agreed to this document with the Nordic countries of the future of the eurozone. It was sort of interesting, Ireland's often put into the periphery of Europe with Estonia and others.

But I'd like to set one final question related to that and then we'll go to the audience. And it sort of how you finished the speech, talking about the role of small countries. And, you know, at a time when the world is becoming more geopolitically competitive, we have these weird assassinations that you mentioned at the beginning, island-building in the South China Sea, annexations, things we didn't think we would see again.

The liberal international order has been very good to Ireland, it's been very good to small countries. We have more countries now in the world than we've ever had before. That's not really an accident. It's because of sort of the system we've had.

As that system seems to be fraying what do you think small countries can do? What do you think Ireland's role is with small countries globally in trying to sort of speak up for that liberal international order or multilateral order, whatever you will call it, against the sort of more geopolitical forces, these giants clashing, you know, China, Russia, the U.S., and others?

TAOISEACH VARADKAR: Well, I think that is probably the way the world is going to develop over the next number of decades, you know, major economic and political blocs, you know, the United States, China, Europe, potentially India, potentially South America and Mercosur if they come together in the way they haven't yet, but still might. So you're going to have these very powerful blocks in the world and that makes it more multi-polar and less the kind of dominance of America that we had since the fall of the Berlin Wall. And there will be pluses and minuses to that.

I think for Ireland, part of our role is to be there in the European Union and to make sure that European values and European principles remain strong in the world. And that's something we are concerned about. We would have almost assumed 10 or 20 years ago that the march of democracy and the march of free enterprise was unstoppable. And yet we've seen places like Turkey, places like Russia start to go in the other direction. And that's why I think Europe needs to be strong.

And I think, also, that's also why you need to go strong with the EU relationship. In terms of our individual role as a small country, I think it's through engagement in the U.N., through engagement in multilateral organizations, and that's how we can make a difference.

And if you go back to I think it was Kennedy's speech in Dáil. When I had the opportunity to visit Dealey Plaza and the book depository in Dallas the other day. I happened to be thinking about Kennedy and one of the best speeches he ever made was the speech he made in our Parliament when he visited Ireland in '63, about six months before he was killed. And he spoke about one of the strongest things that small countries can do is to use their voice. And maybe that sounds a bit wishy-washy, but I think it's actually not. Small countries can show leadership in using their voice, but it has to be backed up by real engagement in international institutions, by things like a strong international development program, by being willing to take part in peacekeeping operations, the kind of things that we do, but we can do more of I think in the decades to come.

MR. WRIGHT: Great. Well, thank you very much and we'll open it up to some questions from the audience. So I'll call on you. The microphone will come. Please make sure it's a question with a question mark at the end, and please make sure it's about foreign policy, as well, rather than domestic policies since this is a foreign policy speech.

So let's see, I've got the gentleman here in the -- yes. Yes, you. Sorry, the person in front and then -- well, we'll take maybe the two together, both of you ask a

question. Compromise. (Laughter)

SPEAKER: Well, I was very pleased to hear you mention the possibility of a Marshall Plan for Africa. And Ireland is no stranger to famine. It's certainly probably the reason I'm here in the United States is because of the famine. But the question I guess is with the Paris Accords and the U.S. pulling out of that, the possibility of famine is even greater in Africa. I wonder if you could talk about how the EU might be approaching food insecurity and famine in Africa.

MR. WRIGHT: Thank you. And let's take the gentleman in front of you, as well, and we'll take both together. And maybe just state your name, as well, I should have said that, and then the question.

SPEAKER: Hi, Taoiseach. I'm Liam. I'm from Clare. So fantastic to hear you speak. And just piggybacking of Tom's last question about the liberal international order and its frame.

MR. WRIGHT: Could you hold the microphone a little further up?

SPEAKER: Oh, sorry. You've seen the European Union recently seek to deeply integrate in terms of the defense. I was wondering what role will the EU play in the future. And more specifically, what role will Ireland play in terms of defense, especially in light of our recent commitment to PESCO?

MR. WRIGHT: So that's a question, for those who didn't hear, a question on Africa and then one on European defense cooperation and PESCO.

TAOISEACH VARADKAR: I suppose taking Africa first, we often have this conversation around the European Council tables a couple times of year. As you know, the heads of state in governments from across the EU meet together. We'll meet again at the end of March. And almost always a major topic of discussion is migration and the migration crisis. You know, what Brexit is to Ireland, the biggest issue for us in foreign policy, migration is the biggest issue for Italy and for most of the countries in Central and Eastern Europe because of what they've experienced in the last couple of years.

And we always divide into sort of two sets of things we can do. One is the internal action. What can we do to share out migrants? What can we do to protect borders? And the external action, what can we actually do to stem the flow of migrants, to eliminate some of the push factors, the reasons why people are migrating in the first place. And I'm always trying to make the point very strongly that the most effective action, you have to do both, obviously, but the most effective action is to try to stem the tide of migration, to remove those economic and political push factors that cause people to want to risk their lives and walk hundreds of miles across Europe, to take the boats to get across the Mediterranean Sea in order to get out of the countries they come from and come to Europe.

And if you think about what's happened in the past couple of years, two relatively small countries collapsed, failed politically: one being Libya with a population of 4 or 5 million; one being Syria. Don't know what the population of Syria is, maybe 10, 20 million. And look at the enormous migration crisis and humanitarian that has been caused by two relatively small countries imploding. Imagine what would happen if Egypt or Algeria or Nigeria had a similar experience, hundreds of millions of people on the move.

And, therefore, it has to be in our interests in all sorts of ways to make sure that we support these countries, support them economically, support their institutions, help them to build capacity, help them to become successful countries in a way that some of them are not at the moment. And that's very much where the whole idea of having a Marshall Plan for Africa comes from because that was the original philosophy behind the Marshall Plan back then, was to make sure that these countries in Europe didn't turn to Communism, didn't collapse. And I think that's as true today as it was then.

On defense, you know, Ireland is in an unusual position, as you know, from most of the European countries in that we have a longstanding policy of neutrality. And that means that we don't join military alliances, so we're not members of NATO. And it means that we can only take part in military operations if they're mandated by the United

Nations and with the support of our government and Parliament, and we're not going to depart from that. So that doesn't allow us to participate as deeply in the European defense as other countries might.

But we have joined PESCO. We are founder members of that new security cooperation. But rather than getting involved in the more military aspects of that, what we're going to stick to is things like peacekeeping, things like cybersecurity, things like technological developments. We're going to opt into certain programs that actually make sense for us to opt into that preserve our neutrality, but actually do bring about added value. Like Ireland's never going to be a country that has a big air force. We're not going to start buying aircraft carriers. It doesn't make sense for us to do it. So our contribution to EU security is never really going to be about firepower or a military one. It's going to be around peacekeeping, around trading, around security, around cybersecurity, counterterrorism. I think that's where we can play an added-value role in the way we couldn't by using force and conventional arms.

But I do think one thing Europe as a whole -- this isn't Ireland, but Europe as a whole -- does need to do, and this is one of the areas where I tend to agree with President Trump, is it does need to start paying for its own defense and start doing more to look after its own security. And really United Kingdom's one of the few countries that does that; to a lesser extent, France.

And it is 70 years now since the end of the Second World War, and we are as a continent still overly dependent on the United States for our defense and security, and we shouldn't be like that. And I think Europe does need -- we still want America in Europe, of course. For all sorts of reasons it makes sense that we have America in Europe. But we do as a continent need to rely less on the United States to provide for our own security.

MR. WRIGHT: Thank you. I'll take two more and I think two people here at the front, Isobel Murray there in the second row and then the gentleman beside her.

MS. MURRAY: Welcome to Washington, Taoiseach, and thanks to

Brookings and Tom for this excellent discussion. My name is Isobel Murray and I'm chairman of the Irish Network in Washington, D.C.

You've established we won't be getting a huge increase in the air force, but you do have a very effective diplomatic force, ably represented here by Ambassador Mulhall and his staff here in Washington. He has no counterpart in Dublin at the moment. There has been no counterpart for the last 14 months, and Ireland is not unusual in that regard. Many of those postings are open. And many of us wouldn't fancy our chances as second in command in some of those postings given today's events.

I wonder if this is something you'll be raising when you visit the White House, not just for Ireland, but for other countries, also. You know, you spoke of having a voice and how important it is. There has to be somebody to listen, also.

MR. WRIGHT: Thank you. And if you want to dodge that question, you have a second question here that you can pretend is more important. (Laughter) Just kidding.

MR. KOLBANK: I'm the deputy ambassador of Slovenia. Kolbank is my name. Thank you, Mr. Prime Minister, for your presentation.

I think the TTIP was mentioned here today, the Transatlantic Trade and Investment Partnership, which was launched back in 2012 I think with a big hope for the both sides how it would improve the relations in trade. So, unfortunately, it has been cut off after many rounds of negotiations in the summer of 2016. And then put on ice end of August 2016, when the then minister of economy of one big member state proclaimed it dead.

So now we know that President Trump has excluded the two NAFTA members, Canada and Mexico, from the tariffs. So do you think that the TTIP could be revived or restarted in another way and that it would help resolve this issue and prevent a possible trade war between the two partners? Thank you.

MR. WRIGHT: Great. Okay, let's take those two. And I don't know, we

might have time for one more round after that, but let's see how we go.

TAOISEACH VARADKAR: Yeah. On the first question, I should acknowledge that we have a chargé d'affaires, an acting ambassador, in Reece Smyth in Dublin who's actually doing a very good job and I'm in contact with him regularly. So even though there isn't an ambassador, there is an acting ambassador. Having said that, we would like to see an appointment, and I'm sure that's something that will be discussed on Thursday in the Oval Office.

On the second question on TTIP, you know, I'd be totally up for it and so would the Irish government. We'd love to restart and reengage with TTIP. But I'm also realistic about it. You know, we do have an administration here in the United States that is moving away from free trade deals, is renegotiating NAFTA. I would be skeptical about the prospects of TTIP being the means by which we can avoid a trade war. And it may be through WTO that we avoid it rather than through TTIP.

And for Europe, we need to focus on trade agreements that have a realistic prospect of actually getting done. And, you know, we've done Canada already with CETA; we have an agreement with Japan. There are quite advanced negotiations on Mercosur and we really want to get started on Australia and New Zealand.

MR. WRIGHT: And Britain.

TAOISEACH VARADKAR: And Britain, as well, of course, yeah. That one, yeah. (Laughter) That one, too. So, you know, I guess while the United States is perhaps moving away from free trade agreements, the European Union is busy making them, making a lot of deals, and that's going to continue.

MR. WRIGHT: Okay, we have time for one more quick round. I'm looking for a single. Okay, so Doug Rediker and then the lady here in the middle. So Doug at the front here. And keep it brief.

MR. REDIKER: Sure. Doug Rediker from Brookings. Ireland's the great success story in a post-euro crisis model. The economy's growing incredibly well. But

some of that is allegedly on the back of some tax competitiveness. And last week the Commission actually cited Ireland as one of the countries that was not exactly on its pleasant list in terms of tax policies, and I know that Ireland has pushed back on that.

As Germany and France are pushing for harmonized European tax policies, how central do you think tax is going to be as the EU rolls out its economic policies across the Eurozone and what would that mean for Ireland?

MR. WRIGHT: Great. We have time for one more question. The lady in the middle on the aisle.

MS. REISER: Thank you. My name is Mindy Reiser. I'm vice president of an NGO called Global Peace Services USA.

My question is about the robust Irish Aid program and how some of those ideas that you're trying to implement in other parts of the world go back to Ireland, specifically with regard to work, employment, and training. This is a challenge in the United States that has not been completely addressed or addressed very well. So how are you handling those people left behind in economic development in your own country and in suggestions for working in other parts of the world? This is a critical question for the 21st century.

MR. WRIGHT: Thank you very much. So Irish Aid and the very softball question from Doug on Ireland and tax.

TAOISEACH VARADKAR: Yeah, on tax.

MR. WRIGHT: The last ones are always the toughest, you know.

TAOISEACH VARADKAR: But, you know, we have a very clear, very straightforward position on tax, which I've articulated many times. And it's, first of all, that we believe in tax sovereignty. Fundamentally, it's our view that member states should set their own taxes, that national parliaments set the taxes at a national level and that's what funds national budgets, and we're not up for a departure from that.

In terms of our corporation profit tax, what we have is a 12-1/2 percent

rate, a low flat rate corporation profit tax. We've had it for decades now. And it's one that has crossed party support. All four major parties support that policy. So even if there's a change of government in Ireland, investors have an assurance that our tax policy will remain the same, which wouldn't necessarily be the case in other countries. You know, a Prime Minister Corbyn or a President Sanders might take a different view on tax to the current incumbents were that ever to transpire. So it's as much about tax certainty as anything else.

To the extent to which there are companies avoiding their taxes, that's not something that I favor. I don't want to be a prime minister who heads a government that facilitates companies to avoid paying their taxes. Big companies should pay their taxes, should pay them in full, and should pay them where they're due. We've worked very hard with the OECD in recent years to eliminate loopholes like the Double Irish, like stateless corporations that companies used to avoid paying their fair share of tax. But they find new ones very quickly and they also find them in other countries, other than ours. But we're actively committed to working through the OECD on an international basis to close any of those loopholes that exist and make sure that companies do pay their taxes somewhere. Like we can't have a situation whereby big companies think that they can not pay it anywhere. They are paying our low rate, not paying it anywhere at all is something we can't stand over and we won't be part of.

But in terms of our own economic policy, though, you know, it's never been all about tax. Ireland offers more than tax advantages. We have a really good talent pool of people who work in industries. If I go into Google or Facebook in Dublin, I see people from 30, 40 different nationalities, different countries working there; you know, have a good education system, have a good infrastructure that we're really going to invest in in the next 10 years. So an economic policy and industrial policy that's only based on low taxes wouldn't be a good one for us anyway. And more and more we'll focus on other things, like attracting talent as well as investment, and infrastructure and education because you have

to have the whole package I think.

I'm not sure I fully followed the last question, sorry. You mean in terms of economic exclusion?

MS. REISER: What do you see internationally in terms of the whole issue of employment and training in other countries? And how does that factor back home in what you're trying to do for the people who've been left behind in some of these areas?

TAOISEACH VARADKAR: Yeah, I think it's a problem and it'd definitely a problem for us and I'm sure it's a problem in all countries. We now have a very low unemployment rate in Ireland. It's about 6 percent, 3 percent in terms of long-term unemployment. But there are still lots of people who are excluded from the economy for lots of different reasons. And what we tried to do there mainly is changes to our welfare system.

Whereas in the past our welfare system was quite passive, people could receive benefits almost for life with little engagement from the public authorities. And we now do a lot more to encourage people to become part of the labor force. Now, there's an element of carrot-and-stick to it. There are disincentives if you don't cooperate. But if you do, there's the availability of things like free education and training, like support for families in particular. A lot of lone parents or single parents were excluded from -- lone parent families were excluded from the labor market because of the high cost of child care, for example. And we brought in free preschool, subsidized child care, target subsidies for low-income families. And it's all those different things that I think can make a difference. To the extent to which they apply internationally, though, I don't know because obviously it's different from country to country.

MR. WRIGHT: Taoiseach, thank you very much for a wonderful conversation, for your speech. And very best of luck the rest of this week with all your engagements. I know you're headed to New York, as well. So please join me in thanking Taoiseach Leo Varadkar. (Applause)

If I could also ask everyone to stay seated. The doors will be shut for a minute or two while the Taoiseach is escorted out, so please remain in your seats for about a minute or 30 seconds. Thank you.

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2020