



**Address given by**

**DR BRIAN COWEN**

**following his conferring with**

**the honorary degree of Doctor of Laws (LLD)**

**of the National University of Ireland**

**Dublin Castle**

**26 July 2017**



**I am deeply grateful to the Chancellor and the Senate of the N.U.I. for conferring this honour of an Honorary Doctor of Laws. I appreciate it greatly.**

**I know there are very many people who have spent years researching and working towards gaining their PhD. Out of respect for their academic achievement and excellence, I am prepared to allow use of the moniker 'Doctor', as it pertains to this ceremony, just for today!**

**I understand the NUI has granted an honorary award to every Taoiseach, other than Mr. DE Valera, who, of course, was a distinguished Chancellor of the NUI himself for very many years.**

**As an alumnus of U.C.D, I look back on my student days there with great fondness. Looking back now, the Ireland of the late 1970s and early 1980s was a very different place to the country we see today, with many high and low points in between.**

**Opportunity in life is best assured by access to good quality education at all levels .The role all our third- level institutions has played and continues to play in the well- being of the nation is well documented and well merited . Ireland is proud of the part played by our system of education in helping us compete, survive and develop in the modern world.**

**I am not an education expert. I will speak in this context, as a parent. Perhaps because of the pressures to ensure students get to third-level, the thrust towards the need to get good results in State examinations can mean the true purpose of education is lost as students and teachers alike simply 'get through it' to the other side, as it were. This is a source of concern.**

**What makes the issue more important is that the world today is, demonstrably, making more demands on the character and emotional well-being of young people. Yet our education system is not being remoulded sufficiently to reflect this reality.**

**In today's world of instant everything, emotional intelligence is very important. The academically smart achievers, who lack it, will struggle in almost any workplace, and their limitations laid bare in a sometimes brutal manner. The less academically smart person who is emotionally intelligent and equipped for whatever life throws at them, will overcome those challenges and most likely thrive.**

**It is true of course that much of this comes from within; more of it from parents and general family upbringing. But it seems to me that a great deal more thinking and attention needs to be paid by all the education partners to this dimension of personal development in the formal education of our young people throughout their education experience.**

**There is an interesting trend with adult education or, more accurately, specifically with the influx of mature students into certain courses including those that are considered 'the professions'. Here it seems, based on what I've learned anecdotally, there is a much greater emphasis on qualitative considerations around the character and personality of the candidate. This is volume driven I assume; it must be relatively easy to take a more in-depth approach to evaluating the character and suitability of scores of candidates for a few places than trying to apply that to the general intake from our second level schools. But there is, within that experience, something we might be able to extrapolate from in order to refine and improve how we go about assisting our young people identify what career paths best suit their capabilities and temperament.**

**The late John O'Donohue, was more than a great modern Irish philosopher he was a brilliant teacher and, among the many themes he would have addressed in his writings and talks, was the centrality of imagination to learning. Indeed, it was something, the absence of which he scolded the political establishment over, writing once that *'politics seems devoid of vision and is becoming more and more synonymous with economics'* and I know, on a personal level, that I had allowed this capacity to become eroded over my time in public office. I regret that. When I look at some of those on the political stage now, both at home and abroad, I hope,**

earnestly, that in pursuing their political objectives they keep space for their imagination and vision.

I think for graduates, the real ones not those getting honorary awards – whether they have degrees in medicine, the Arts, computer science, psychology or whatever - if I'd an appeal to make to you it would be to preserve that piece of your individuality and find ways of allowing it expression within your professional lives. I know that when I did, it was among the most rewarding parts of my political life and, when you are involved in any form of public service, that benefits more than you so, be courageous and trust more than your academic brilliance or professional competence, trust your imagination and use it to fuel a vision of what you can help to achieve. Be authentic and true to yourself. The importance of this is that, while the deployment of imagination should be balanced; used wisely, it rarely fails us. Let me quote from John O'Donohue for a moment –

*'The imagination is the faculty that gives the duality within us expression and allows its forms of opposition to engage with each other. In the western Christian tradition, we gave a huge role to intellect and to will. The intellect was used to find out what the goal or object was and then the will drove it along the linear track towards it. This model of human sensibility brought us much beauty, but its neglect of the imagination has also cost us dearly. A human life can have everything including status, reputation and achievement, but if the imagination is not awakened, all these will lack presence and depth.'*

In today's language, what John O'Donohue is referring to might be labelled a capacity to think outside the box. However its described, it is one of the most powerful tools available to us as human beings – the power to think imaginatively and yet it is not widely encouraged by an education system, which on account of the examination culture, is almost as restrictive today as it was in my youth. University life did then and even more so today removes much of those shackles but the human mind is well formed by the time our young people graduate to third level education and emotionally and creatively their formal diet of learning to then is not as healthy as it needs to be. This needs to be addressed.

## On Politics

**My political career spanned almost 3 decades from 1984 to 2011. During that time I had the pleasure of spending 8 years on the backbenches when I learned much about the disciplines of representative politics and observed the political Titans of that time, Charles Haughey and Garret Fitzgerald being pre-eminent, engage in some memorable parliamentary battles.**

**I was privileged to serve in two governments under Albert Reynolds and the three governments of Bertie Ahern. I observed their total commitment and endeavour to the job, and was proud to have served them both. I enjoyed a good working relationship with all my colleagues in those administrations, some of whom have since gone to their eternal reward.**

**I was always observant of the principle of collective responsibility in government. I never briefed against a colleague or sought to influence a prospective decision by government through media leaks or otherwise. Good government demands that Ministers consider policy questions without outside interference, and then go out to defend and garner support for those decisions.**

**Great advances were made during the tenure of those administrations. On Northern Ireland, I watched at close quarters the political skills and calibre of both Albert Reynolds and Bertie Ahern, backed by excellent official delegations, impose their political authority as Taoiseach on a very complex and sensitive set of negotiations.**

**It brought us the Downing Street Declaration, the ceasefires and the ending of violent confrontation in Northern Ireland, and the Good Friday Agreement. These major political achievements, together with the subsequent St. Andrew's Agreement, mark the victory of democratic, constitutional politics as the only means of settling differences on this island.**

**If the full political vision inherent in these agreements is to be realised, as the people who have suffered much deserve, then with peace must come reconciliation. George Mitchell eloquently described it as a decommissioning of mindsets. That prospect is best facilitated if there is generosity and mutual trust shown between unionists and nationalists.**

**Present difficulties refer to the idea that some are trying to hollow out Britishness in the North by seeking to provide full implementation of existing agreements. The Agreements speak of parity of esteem for both sides of the community to express their nationality in ways that are respectful of their own traditions.**

**Under the Agreements it is possible for people in Northern Ireland to see themselves as British, or Irish, or British and Irish. Flexibility has to be shown which gives no weight to conspiracy theorists or hyperbolic language that tends to unnecessarily inflame rather than enlighten any given situation. The language of hidden agendas belong to a bygone age. So should the language of 'struggle by another means' be struck from the political lexicon.**

**Devolved government in Northern Ireland is a necessary and important part of the political architecture of the island if we are to engage in meaningful political dialogue that reaps the reward of mutual benefit in the relationships between North and South, and between Ireland and the U.K.**

**The Brexit decision in the U.K. referendum represents a great challenge to our political as well as our economic interests. It is to be recalled that our common membership of the EU greatly facilitated frequent contacts at a high official and political level between Ireland and the U.K since both becoming members in January 1973.**

**It proved fertile ground upon which relationships were made, political perspectives and insights exchanged, trust developed, and a broad common analysis forged regarding how the two governments could use their authority to move the political situation forward in Northern Ireland in addition to understanding each other's positions on both wider EU policy matters and strictly bilateral issues.**

We need to give some thought to how and in what way that important interaction and opportunity common EU membership gives us in exchanging views on important matters of the day is to be replicated when Britain's membership of the EU ends.

The last government is to be commended for ensuring that Ireland's concerns regarding the operation of the border in a post Brexit situation is clarified and dealt with satisfactorily before moving on to the next phase of the negotiating mandate given to Michel Barnier and his team by the European Council.

I have no doubt that we are keeping a close watching brief on how things develop in these important negotiations .It is becoming increasingly clear on the British side that there is a recognition that a transitional period of some years will be involved as the U.K. disentangle themselves from EU membership . Brexit, just like EU membership, is a process and not an event.

The decision of the UK Government to leave the European Community means great uncertainty for the UK, for Ireland and for the rest of the EU. A key issue will be what deal is done between the EU and the UK on access to markets. If this is restricted for certain areas of economic activity such as services or if tariffs are introduced, this will slow growth and investment and will result in higher prices for consumers and damage economic efficiency. This would be an unfortunate outcome but as Europe sees labour mobility, capital flows and market access as interlinked, the future is uncertain. Such uncertainty will inevitably impact on investors views on the UK. Overall, I am hopeful that a sensible compromise deal will emerge but this is unlikely to be as beneficial for either the UK or Europe as the UK remaining a member of the EU. However, that issue has now been decided by the UK.



**The impact on Ireland over the next 2 – 3 years will be seen in the indirect impact on our exports of slow growth in the UK market and exchange rate developments. There will, however, be some positive impacts for Ireland as investors consider Ireland as an alternative for investment projects.**

**Our economic strategy is as an open trading regime with full access to EU product, labour and capital markets.**

**This does not mean that there are no problems with the EU and the global economic crisis showed that Europe was ill prepared and that there was a lack of solidarity with small countries who were in difficulty. Indeed Europe forced certain countries such as Ireland to implement inappropriate decisions such as protecting international bond holders. Also legitimate criticisms could be made that the property crash in Ireland, Spain, Portugal and other countries was in part fuelled by an inappropriate euro currency system. However despite the valid criticisms of the EU, Ireland is much better off as an integrated member of this significant and successful economic bloc.**

**My own term as Taoiseach from May 2008 till March 2011 proved to be an arduous task with the onset of the financial crisis and the economic recession we experienced as a result.**

### **The Background**

**The Irish economy grew very rapidly between 1994 – 2007. This growth was used to fund investment in infrastructure and public services and also to significantly reduce our public debt as a percentage of GDP from 88% to 24%.**

**The scale of reduction in public debt and the consistency of very high growth rates over many years was an exceptional performance by any measure and led to Ireland being seen internationally as a best practice**

model and was widely referred to as the Celtic Tiger economy. However, behind the high growth and international praise there were built in weaknesses in the Irish economy which were not sufficiently recognised. The weaknesses were seen as risks but the extent of the risks was underestimated.

The exceptional growth was in part driven by the very effective policies which built on Ireland's attraction for foreign investment and on capitalising on the openness of the Irish economy for goods, people, and capital. The growth in Ireland was also driven by the impact of European Monetary Union and a single currency which resulted in very low interest rates.

It was also based on Ireland's attractiveness as a place to live and critically was based on the education and skills of our people. Respective governments implemented a policy of low personal income tax for many low paid employees and low corporate taxation. All of this implied an over dependence of the exchequer on indirect/ transactional taxes (VAT / Stamp Duty). This structural problem was not recognised and the benefits to lower paid workers in terms of increased employment and the benefit for FDI masked the vulnerabilities for the Exchequer and for public finances in periods of crisis.

This in simple terms meant that the very factors which contributed to the remarkable success of the economy had built in weaknesses. The bottom line was that Ireland was uniquely vulnerable to any international economic crisis.

**In particular the economy was characterised by:**

- **A Banking sector, which was poorly regulated and had grown very rapidly to meet needs of a fast growing economy, that was dependent on Euro funds provided from banks in other countries. While the deficiencies in regulation became all too clear these were not understood by the sector, by policymakers or by international agencies. Ireland's banking regulatory system had been highly praised by the IMF and other international reviewers and this contributed to a lack of awareness of the problems.**
- **Low personal and corporate taxes which had contributed to economic growth and to rising living standards, made the Exchequer particularly vulnerable to a downturn.**
- **The growth in incomes and in Ireland's population resulted in a major expansion in housing activity and prices which in turn created further vulnerabilities for the economy as a speculative housing bubble was created. This was initially mistaken as a reflection of the growth in the real economy.**
- **One issue which was not given sufficient attention in Ireland was the increase in household and corporate debt.**

**These weaknesses would have caused problems for the Irish economy even if we had not been faced with a worldwide crisis. In a period of a collapse in the international financial and economic system Ireland faced its deepest economic crisis in decades.**

## **Government's Response to Economic Crisis in Ireland**

**When the international banking crisis happened, post the Lehman Brothers banking collapse in the US, Irish banks for the reasons I outlined, were uniquely vulnerable. This was because of their dependence on continuing high growth, insufficient capital and a dependence on Euro dominated inter bank liquidity. This, in turn, was made much worse by an overdependence on an inflated property sector which collapsed faster than nearly any property sector in any country. The openness of the economy which had been the platform for rapid growth also made the Irish economy particularly vulnerable. This was combined with a fiscal crisis because the country's over-dependence on transactional/indirect taxes related to the property sector.**

**As developments became clear internationally and nationally, the Government recognised the magnitude of the crisis hitting the Irish economy as taxation collapsed, home building stopped, domestic demand dramatically declined and consumer and investor confidence hit the floor. This occurred as the international economy faced the deepest economic depression since the 1930s.**

**Having been used to experiencing very rapid economic growth over a very long period, GNP in Ireland declined by 3% in 2008 and by a further 7% in 2009. The impact on public debt was ever more dramatic. Public debt as % of GDP increased from the low levels of 24.8% in 2007 to 66.2% two years later.**

**The public finance crisis reflected and further contributed to the economic downturn.**

**The Government recognised that to build a platform for future economic success would require tackling problems full on rather than to push them into the future. The Government knew the required responses would involve great sacrifices from our people and would be very painful on individuals and families.**

**The greatest hardship of the recession was the loss of employment for so many of our people - something which I deeply regret. Hardworking men and women who ask only for the chance to work to support themselves and their families were denied that opportunity by the cruel reality of an economic downturn that impacted upon millions across the world. 250,000 of our 2 million workforce lost jobs, the vast majority in construction and related industries and in retail.**

**We knew that the required action would understandably be more unpopular than almost any policies in recent Irish history and that this threatened the survival of the Government and our hopes of election. However, we also know that to avoid taking the decisions would mean that future recovery could be put off by decades.**

**All of this meant that very significant and painful cuts in public expenditure were needed as well as increases in personal and indirect taxation. A financial adjustment of about €20 billion, or 2/3rds of the gap between government income and government spending, was made by the Government during our time in office. We were also forced to implement cuts in public sector pay in nominal terms which meant an immediate reduction in take home pay for all public servants.**

**The Government also decided to capitalise the losses in the Irish banks up front by setting up a national asset management agency. This had a very significant negative impact on the economy but pushing the problem out would have damaged our long term ability to recover.**

**For various reasons we were forced to agree to IMF/EU bailout despite the inevitable reputational impacts for the country and the Government, but this was needed so that public services could continue to be funded.**

**In all our negotiations we insisted on keeping the advantages which attracted high levels of foreign investment including our 12.5% corporate tax rate and negotiating the best deal feasible with the IMF/EU.**

**All of the key actions taken by the Government were subsequently built on by the new government who deserve credit for continuing with the policies which we had started.**

**Recognition of the scale of the problems Ireland faced and introducing measures to address them facilitated the remarkable recent turnaround in the Irish economy. These measures by us included a radically changed system of financial regulation, major cuts in public expenditure and the recapitalisation of the Irish banking system. Widespread reductions in pay levels were also introduced. These measures provided a basis for the return to economic growth. However I accept that the problems should have been identified earlier and policy should have changed prior to the crisis.**

**A cursory look at the 2007 election manifestos of the other political parties confirms that the consensus about the future of the Irish economy continued to be optimistic. The critique at the time of my budgets as Minister for Finance prior to taking office as Taoiseach describe them a**

**“measly” and “did not give people enough”. Some other opposition parties described spending as “hopelessly inadequate” and “totally insufficient”.**

**One aspect of the received political narrative regarding that time suggests that there was no strategy to provide for economic recovery during the 2008 – 2011 period. I want to refute that emphatically.**

**While a considerable focus of our attention was on stabilising the economy, we also introduced a comprehensive set of policies that laid the foundations for growth returning by 2011 and the exceptional jobs growth we have seen in the last number of years. These policies have continued as a centerpiece of the current government’s policies.**

**It is clear that without stable public finances and a reformed banking system there would have been no return to job creation. The truth is that the purpose of our entire economic strategy was to sustain and generate jobs. Those who said we could save jobs while allowing financial institutions to fall were closing their eyes to the most basic necessities of a market economy like ours, which is built on international trade and sustained by the free flow of capital and commerce.**

**Our trade amounted to over 150% of our GDP. Our ability to create employment, pay good wages and pay for social services such as health, education and social supports depended on our competitiveness in international trade and depended on pursuing a very clear and well-defined strategy for growth and jobs.**

#### **Ireland’s Framework for Economic Renewal**

**While dealing with the short-term economic crisis, we committed ourselves to laying the foundations for a return to growth and job creation in the future. And the decisive action we took saw and an annual return to economic growth by 2011.**

**We first outlined our Framework for Economic Renewal – Building Ireland’s Smart Economy - in December 2008. A “smart economy” in this context meaning a “high productivity economy”. We recognised the need to put the economy on a new trajectory through actions to boost productivity and, at the same time, embody the principles of economic efficiency, energy independence and moving the economy onto a low-carbon path, with the specific objective of driving productivity growth right across the economy and supporting employment.**

**While we were sorting out the huge gap that had emerged between the reduced cash coming into govt coffers, and the amount of govt spending , we also set our minds to identifying the areas we needed to invest into so that the economy would recover again as soon as the contraction in the economy ended.**

**With the way we were going about it from 2008 on the budgetary side of the house , with big cuts in day to day spending and tax rises to bring the public finances back into shape , we estimated that by late 2010 /early 2011 we could get the economy growing again, with the first full year of resumed economic growth coming in 2011 .**

**We therefore had to invest wisely to make the recovery happen and get the economy moving again in the meantime. We therefore had to keep the capital spending as a proportion of total spend high. We revised our plans , and said that the capital spend from 2010-2016 should be 40 billion euros, with a 6.5 billion euro allocation for capital spending in 2010 .**

**We spent that money on strategic sectors that we identified as being crucial areas of spending if we were to make ourselves more competitive , and sell more into international markets when the worst effects of the recession began to wane.**

**We sat down with those who worked in the agri- food industry where 120,000 farm livelihoods supplied into a food industry that had 45,000 jobs at stake and agreed with them a 10 year strategy which we called Harvest 2020. That blueprint for the food industry set clear and ambitious targets that by 2020 the value of output coming out of Irish farms would increase**



by 33per cent and that the value-added and exports from our 800 food processing factories throughout the country would improve by 40per cent off a baseline figure taking a 2007-2009 average value. Those targets are being met today and indeed exceeded as per the plan put in place then.

We set up a Tourism Renewal Group involving participants in the industry, and told them to set out a detailed strategy for renewing Irish tourism in the face of the considerable challenges they were facing as the recession hit hard on them. They produced a 4 year plan entitled " Survival, Recovery and Growth 2009-2013.

Their Framework for Action was implemented. We increased the Tourism Services budget. We trebled the capital budget for Failte Ireland to investing the tourism product the Tourism Group had identified. On the occasion when I attended one of their Board meetings about the progress being made , I recall the Chief Executive outlining a progress report on a new tourism concept they had in development stage at that point that they hoped to have ready for the following year, as an example of their thinking . That project was the Wild Atlantic Way project which has done so much to revitalize tourism from NW Donegal to Kinsale in the SW.

Similarly we organized an Expert Group to bring forward plans to develop the Green Economy in Ireland . They reported in late 2009.

The Green Enterprise Action Group reported that the value of the Irish GreenTech sector was estimated at the time to be of the order of 2.8 billion euros. They published proposals which they believed could create 80,000 new jobs over the following years.

In Budget 2010 we announced a new 130 million euros National Energy Efficiency Retrofit Programme which enabled energy efficiency improvements in over 60,000 homes and buildings in 2010 alone, supporting 5,000 jobs with all the health and environmental benefits that come with such activity.

On renewable energy we put Ireland firmly on track to have our 2020 target of 40 per cent of all electricity generated in Ireland from renewable energy with the balance of payments benefits that accrue from reducing our dependence on fossil fuels.i

We spoke to the IDA about planning ahead in this new environment . They

**saw the increase in our competitiveness and regaining previously lost ground there as crucial to the successful strategy they undertook .They launched their new strategy setting a target of securing 62000 new jobs from 2009 to 2014. The target was met as a result of those competitiveness improvements, but also because of our continued commitment as a country to investment in productive infrastructure that I have alluded to earlier, including investing in the innovative capacity of our people.**

**And it is this point that I want to come back to in the context of this audience and the fact that our university and third level institutions are I would argue, more relevant than ever in shaping the sort of Ireland we want to see in the future. Investing in our people to innovate, come up with new ideas, new products and services, new and better ways of doing what we do now,; this is how we can best compete and provide opportunity and better prospects for our people.**

**I regard as one of the most far-reaching decisions I was ever party to is when Cabinet decided in 1997 on foot of a presentation to it, to establish Science Foundation Ireland. It has filled a gap in our offering which had we not proceeded with it would have left Ireland all the poorer today. That decision and the policy Michael Martin guided through when he was Enterprise and Employment Minister , that is the Strategy for ,Science , Technology and Innovation have been crucial in my view in getting us into the arena where we can credibly pitch for serious RD and I projects that are being competed for by some of the most advanced economies in the world.**

**In that respect, our government set up a group who reported to us having examined the subject very thoroughly and expertly. It was the Report of the Innovation Taskforce whose proposals are being implemented that has established the Innovation Ecosystem that is critical for success in so many areas of industrial activity.**

## **1. Strategic Initiatives in Education.**

**The Government placed great importance retaining investment in people through key strategic initiatives in education:**

**In July 2010, Cycle 5 of the Programme for Research in Third Level Institutions (PRTLII) was announced. It provided funding for third level research infrastructure, national shared facilities and structured PhD programmes. Cycle 5 involved 38 projects with total funding of €360m envisaged over the period to 2016.**

**Investment in knowledge (including higher education) in Ireland increased at an annual average of around 10% in the decade to 2011, compared with EU and OECD averages of around 3%. Economy-wide R&D spend trebled over this time, with two thirds coming from the enterprise sector. Half of new foreign direct investments in 2009 were in Research, Development and Innovation driven projects.**

**In 2010 the IDA won a number of high-value projects for Ireland with over €500m in new RD&I investment secured. RD&I plays a strategic role as part of Ireland's FDI landscape embedding existing employment and setting the groundwork for increased future employment.**

**At the end of 2010, there were 29 SFI funded top-class research centres in operation.**

**By end 2010 SFI researchers were working with just over 400 firms, both Multinational Corporations and Small & Medium Sized Enterprises. Also SFI is now supporting in excess of 500 research groups and comprising over 3,000 researchers engaged in high quality international peer-reviewed research.**

**The programmes sponsored by SFI have significantly contributed to Ireland's international reputation in research and technology. Specifically, according to the international, Thomson Reuters benchmark, Ireland broke into the Top 20 global rankings for the quality of its research.**

**Key strategic initiatives by Enterprise Ireland in innovation and commercialisation included investment in high potential start-up companies, R&D funding for firms, the Innovation Voucher Scheme to assist small companies to acquire cost-effective R&D solutions from third-level institutions, five IDA /EI Competence Centres (centres where clusters of companies are working together to overcome common research challenges and drive opportunities for innovation, growth and jobs) were launched in 2010 in strategically important sectoral areas such as nanotechnology and bioenergy.**

**We improved the taxation regime for stimulating productive investment: we improved the R&D tax credit, new tax arrangements for Intellectual Property (IP), tax incentives for start-up companies and to encourage venture capital companies to locate in Ireland.**

**Budget 2009 also introduced an exemption from Corporation Tax arising in the first 3 years of operation for business start-ups; and extended the existing tax incentive scheme of accelerated capital allowances for energy efficiency equipment.**

**The Start-up company tax exemption was extended into 2010 encouraging both entrepreneurship and economic activity.**

**This contribution of science and R&D is critical to positioning Ireland to compete for the global mobile investment in the industries of the future.**

**Knowing that the availability of venture capital is so important for financing innovative firms. Our government led the development of the 500 million Innovation Fund Ireland, to support early stage R&D capital – intensive SME's and to contribute to scaling Irish companies. The fund**

**was designed to incentivise a number of top-tier international Venture Capital Firms established their European Operations in Ireland.**

**All of these initiatives confirm that we were taking a structured and strategic view of all those sectors where we felt jobs could be created if the right long term policies were put in place during this period.**

**We followed this up with our 4 year budgetary plan published in November 2010 having been agreed to by cabinet and then shown to and agreed with the Troika and pursued subsequently by the government in place in March 2011, with the National Minimum Wage restored and the repayment schedule extended by a further year by them.**

**As I said before, from the outset of the economic crisis in 2008, huge effort and attention of my Government rightly went into stabilising the banking system, securing financing for the Irish economy and bringing our public finances back into line through a fiscal adjustment of almost €20 billion or over 12.5% of GDP (in 2010 terms).**

**While a considerable focus of our attention was on stabilising the economy, we also introduced a comprehensive set of policies that laid the foundations for economic growth returning in 2010 and the exceptional jobs growth we have seen in the last number of years. We could have left that for another Government. We could have cut capital spending to the bone – it would have been easier politically than cutting current spending but it would have damaged the productive capacity of the economy, and definitely would have delayed economic recovery.**

**These policies have continued to be pursued by this current Government. These were initiatives that no one would give us credit for but I am satisfied that we contributed to the future economic growth and jobs by taking the right decisions for the economy at that time.**

**I freely acknowledge that the emphasis of discussion about my administration will focus on the banking crisis primarily and how we dealt with that. I have outlined my position on that subject in the course of the evidence, I gave to the Banking Inquiry. I refer to my two opening statements to the Inquiry dealing with my time both as Minister of Finance and as Taoiseach. I also gave evidence under questioning from the committee members for two full days. My position on that aspect of our work is comprehensively on the record.**

**But I hope that I have outlined today that even in the midst of all that activity by our government, we also discharged an equally important task of putting steps in place that would benefit Ireland beyond the difficult times Ireland was going through.**

**The job at hand was to save as many existing jobs as possible while job losses ratched up in the worst international recession to hit us since the 1930s. We activated an Employment Subsidy Scheme which helped to keep 80,000 vulnerable jobs in existence during that time.**

**So it is crystal clear that we had economic recovery strategy that we pursued purposefully as I have outlined and I am convinced it was the right strategy at the time, and has been followed and built on since. I think over the interim period since we left office there is an acknowledgement as to what motivated us to take the decisions we took, and the context in which we operated.**

**Major problems persist. I wish the new Taoiseach, his government and the whole Oireachtas well as they grapple with the priority issues of today. I will make one comment on a current problem.**

**I think that if we revert to common building standards with the U.K. even say just for the next 3 or 4 years, we can get the housing market back moving again, particularly lower-priced affordable starter homes for our young people. If we do that I am of the view that the housing sector will come back much more quickly and in the necessary volume to deal with present day demand.**

Clearly, a social housing programme needs to be put in place as well for those who cannot get a mortgage to buy their own home.

**People who have found themselves unable to meet mortgage payments, and/or find themselves in negative equity need to have decisions on their future occupancy and ownership of their homes resolved at this remove from when their problems first started. I know proposals have been put forward by Deputy Michael McGrath, Fianna Fail's Finance Spokesman, among others. Some solutions need to be found for distressed family situations where some sort of intervention is needed to arbitrate a decision between the lending institution and the borrower in these cases.**

When I started in politics there were just over a million people at work in Ireland. Expectations were low and people wondered if our system of government was capable of dealing with the country's problems at all.

Since then in those 30 years we have seen our national workforce double to over 2.1 million , survive the worst recession and biggest world financial meltdown since the Great Depression of the 1930s , and still come back to previous record employment levels within a decade.

I don't suggest it is all behind us. It certainly isn't. But we confronted the problems. We did not delay or defer a change of course, and as a people we kept our nerve under the most trying circumstances.

“First among equals” is how I described how I would lead the government. To be able to rely on the confidence and wisdom of cabinet colleagues is vital to the function of government. I sought to encourage free and open debate. Expertise and opinion is accumulated and explored. More often than not an agreed position is arrived at.

Leadership is about the exercise of judgement. As Taoiseach, I was acutely aware that the buck stopped with me. I have never sought to shift it elsewhere. Despite making this clear in a statement I made to the banking inquiry and that nothing I would say in answering questions should in anyway be interpreted as shifting responsibility elsewhere, and saying so

explicitly, we still had some sub editor in a national newspaper at the time giving a headline that I was “throwing others under the bus”. That has never been my style and I defy anyone involved in the media who has covered politics during my career to come forward and give me even one instance where I did that.

A position of leadership can be at times a lonely and isolating place. While the intellectual pursuit of a solution has always interested me, it’s the practical application of the intellectual idea which is supreme in politics: How will it work? The cost to any politician is that when judgements have to be made on the basis of the available information there will always be those who second guess subsequently. It just comes with the territory and we all know what the rules of engagement are. Those in power take the responsibility; those out of power can succumb to expressing the populist soft options, that usually amount to non-options in a real crisis. But it is in the striving for improvement in our society that the real nobility of politics lies and I pay tribute to those who are genuinely committed to that aim rather than using the human story of our community for their own self-serving purposes.

I was always proud to serve my Party and my country in anyway I was asked. I thank my family particularly, my many friends and supporters who walked with me on my eventful political journey every step of the way. I thank all my political colleagues with whom I worked down the years. I want to pay tribute to the integrity and efforts of the public servants who worked to me in every Department in which I served and as Taoiseach. Their sense of the State and their integrity were in the finest traditions of the Irish Civil Service. I wish all well who are in political life. Given the recent election result, it certainly isn't getting any easier. But I know you will all meet your obligation to make it work for all our people.

Thank you again for this kind honour you have bestowed today.