

His Excellency
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Change, Growth and Freedom: Slovakia's Experience After Independence

My answers before this distinguished forum conclude my U.S. trip, which started last week in New York at the anniversary U.N. summit and at the 60th U.N. General Assembly. Our discussions there were primarily geared towards finding the right kind of consensus on U.N. reform, because this high-level multilateral organization is undergoing a turbulent period marked by a search for original solutions to issues, efficiency and effectiveness in respect to its activities and programs.

Slovakia was approved by the Eastern European regional group as a candidate for nonpermanent membership on the U.N. Security Council, and in all probability it will be a fully-fledged member of the U.N. Security Council as of January 1, 2006. This will put Slovakia in a unique position to contribute to the organization's efficient operation. Receiving nonpermanent membership on the U.N. Security Council is beyond any doubt a major achievement for my country, which may not be large in terms of size, but its people are rich in spirit, intelligence and skill. It was a truly remarkable feeling to represent Slovakia at that meeting. Slovakia, by its clear approach on the issues of today's global environment, and through effective diplomacy, was rewarded this way.

Slovakia is one of the oldest nations that has traveled through the history of Europe. Christianity in Slovakia took root a hundred years earlier than in Poland, Hungary or in the Czech Republic. The old Slovak language was one of the four languages of the Church; the word of God was spoken in Slovak and services were held in this old Slovak language. Over more than 1,000 years of Slovak history, Slovakia never had its own state, although it had its own culture and its own language. Nevertheless, what we did not manage to achieve over 1,000 years of our history we managed to achieve 13 years ago when Slovakia became an independent free country.

Slovakia was never part of Hungary, but what Slovakia *was* part of was Ugría, a territory which was formed by Hungary, Slovakia, Slovenia, and the Ukraine. So, Slovakia was never part of Hungary, this is a great error which is perpetrated by today's Hungary. In Slovakia, 19 Ugrían [monarchs] were crowned, including Maria Theresa. So, we do have our history and we take due pride in that history.

1993 was a very important year, in which Slovakia attained statehood and

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achieved independence. Over those 13 years I don't know of any other country that would have achieved as much as Slovakia. Slovakia became a member of the U.N., a member of the E.U., a member of NATO, and of various other international and transnational organizations. Today, a Slovak president sits at the same table with the presidents of the United States, France, and Germany, and as of January of next year, Slovakia will also be a nonpermanent member on the U.N. Security Council. I know no other example of a country that could achieve the same in so little time and I'm duly proud of this achievement. Slovakia made itself an asset and contributed to all the international trends, which are earmarked by integration, innovation, and improvement of human capital. These are all facts that Slovakia can state boastfully.

A few days ago, on September 1, we commemorated our 13th anniversary of the adoption of the constitution of the Slovak Republic. This is one of the most important milestones in our history, which marks Slovakia's finality in assuming responsibility for its own development. The constitution laid the foundation for the existence of today's Slovak Republic, and by way of its adoption the Slovak nation ranks itself among countries with a parliamentary democracy. The constitution, as an important and fundamental law, defines the Slovak Republic as a democratic and independent state.

But when we say that our country is a country ruled by law, that does not mean that everything is okay. The rule of law and the activity of governments

and other public authorities must guarantee the rights of the individual to have recourse to independent courts, including the constitutional court, which has the authority to examine the compliance of laws and regulations with our constitution, as well as complaints by individuals related to their rights and freedoms.

though our constitution contains no definition of our economic and social system there is one article from which we may infer the principles that should translate into the laws and practice of the government. I am talking mainly about Article 55 of the Slovak constitution, which provides that the economy of the Slovak Republic is based on principles of a socially and environmentally oriented market economy. This does not reject the market but it limits its application by social and environmental principles. Unfortunately lawmakers tend to forget about this Article, which means that the individual, the citizen, comes second as opposed to first.

The social aspect of the life of our citizens is something that some of our political leaders unfortunately mistake for socialism. That goes for health care, the rights to remuneration for work, rights to a dignified standard of living, collective bargaining, education, sound environment, the right to information, judicial protection, work, social security and other rights to which

individuals have not only a natural right but also a right enshrined in the laws of the Slovak Republic. This has an impact on the reforms that Slovakia is currently undertaking. These reforms are necessary and they are called for by the changes that occurred after 1989 when Slovakia had to completely rework its social, economic and political system.

Reforms are only good if they don't impact the citizens, the individual, to the point that the individual must have recourse to welfare. Of course, it is the obligation of every government to provide a good living for every citizen in cooperation with the citizens. Modern society must have respect for human

rights, human freedoms, democracy, and morality in order to increase its international credibility, reputation and recognition. I think Americans, Slovaks, and, in the broader context, also Europeans, all share the same views about these values. The Slovak Republic, after joining the E.U., became a member of the family of states, which are built on the same principles of rule of law, democracy and freedom. We have strong aspirations to be convincing promoters of these principles in the everyday life of our citizens to also respect our partners and allies. By becoming members of the E.U. and NATO, Slovakia gained stronger footing and is now seeing more attention about our country.

Our international position, mainly because of our good relations with the most developed countries of the world and in particular the United States, has translated into increased foreign direct investments, and this has a very positive impact on the Slovak economy. Its convenient geographic location, a strong tradition in industry, qualified work force with low costs and the growing development of infrastructure, all could spark interest with American businessmen. When I spoke about the convenient geographic location, Slovakia is only two hours from Budapest, even less from Vienna and only a half hour flight from Prague, one hour from Warsaw, two hours from Berlin and Moscow, and the list goes on. Slovakia has all the prerequisites to becoming a hub for businesses.

Slovakia is building a small and open economy with a well-developed legislation with an emphasis on low income-tax rates. The ongoing reform process in the Slovak Republic standardizes relations and strengthens the free market. We, therefore, have very good prerequisites and chances to be competitive within the E.U. and beyond. We outperformed many other members of the European Union, including old members such as Germany and France.



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In addition, our people have the possibility to refer their complaints also to the European Court of Human Rights in Strasbourg. Our constitution does live up to the most stringent democratic criteria; however, that is not to say that our Bill of Rights is perfect. Life brings new phenomena, new relations, new needs which call for new constitutional provisions which may be introduced either by way of revisions of some of the articles, or by way of amendments, which is also the way the U.S. constitution has been amended.

At this point I would like to point to some articles in our constitution, which define the character of our state. Al-

The weak link in the chain of Slovakia's development takes the form of regional disparities; on the one hand we have the wealthy region in the wider area of the capital, Bratislava, where the productivity average of the European Union is exceeded by far, which is in stark contrast to the relatively poor regions in the east of the country which hardly reach the 50 percent mark of the E.U. average. The only chance to reverse this adverse situation is by way of stimulating foreign investors so that they seek out areas in regions of central and eastern Slovakia in pursuit of their business activities.

Slovakia, so far, has been developing as an export-oriented economy, which was attractive mainly because of its low labor costs. For the future, however, it will be necessary for us to move away from this approach and to be keener about supporting the arrival of high-tech into Slovakia. I think there is no place better for me to be right now in this regard. The high potential of further growth of American investment into Slovakia is mainly in the area of high-tech. California and its share in U.S. and world economy in these trendy areas is an exclusive partner and we are very much looking forward to cooperating with California in this area.

I want to say that bilateral relations between the United States and Slovakia are fully standardized. In the U.S. administration and in industrial and business circles, Slovakia is considered to be a market economy, which is fully integrated into the European and global economic environment. The development of foreign trade between Slovakia and the U.S. was, from 1992 to 2000—from the view-

point of Slovak exports—moderately progressive with a slight stagnation between 2000 and 2001. There was a surge in Slovak exports in 2003 which continued into

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2004, whereby the main export commodity were Volkswagen Touareg SUVs. This very swift change in our trade balance continued into 2003 and 2004 and the trade balance went from negative numbers into highly positive numbers. I mentioned VW. I also want to mention that Slovakia is soon to become the single largest per capita car producer in the world. Apart from VW, Slovakia will be home to plants for Peugeot, Citroen, Kia, Hyundai and also to Ford Motors. The contracts with Ford Motors were signed this year.

Imports from the United States are also on a moderate upswing from 1991 to 2004. They're marked by a highly diversified structure of the imported commodities. I could name many success stories. Slovakia is home to over 100 investments made by U.S. companies. I could mention U.S. Steel, Motorola and the Texas Pacific Group, Rolex, Pepsi Cola and the list goes on. Slovakia welcomes these investments but there is an important

note I would like to make: Slovakia is no longer a pure recipient of investments; Slovakia has gained an economic strength to become an investor, and these investments may take place in cooperation with U.S. companies.

Ladies and gentlemen, it is said that Europeans, as opposed to Americans for whom a professional career is the most important thing, tend to live life to enjoy life. However, the dynamism with which the world of today is changing has hit Europe as well. Europe is becoming increasingly aware that, if it wants to keep abreast with these changes and remain a decisive force in the global arena, it must become a place with so-called "added value." Europe in the form of a union has its problems—there are internal disputes and internal contradictions. However, I'm sure there's a future for Europe and for the European Union, which in my mind will become an equal authority—an equal partner—to the world powers. Already today I see that there is a European elite forming—people who consider themselves Europeans that are Slovakian, Swedish, Portuguese, or whatever European nationality. This growing phenomenon among young Europeans is something that is considered very positive, despite the fact that I'm renowned for being a relentless defender of the Slovak national interest and a person who always stood up for the Slovak identity. I'm convinced that Slovaks will have nothing to lose in the European Union—that they will not lose their Slovak identity because they derive their Slovak identity from taking pride in their homeland.

Dear friends, I thank you very much for making me feel at home and I thank you for your attention.

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