



Trust in rule of law

Ideal state versus reality

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The most basic definition of Rule of Law offered by Merriam-Webster dictionary describes it as "a situation in which the laws of a country are obeyed by everyone." Considering the complex functioning of modern societies this plain definition hides a vast and incredibly intricate web of networks and relationships. That is why the subtitle of this conference states "ideal state versus reality". However, the goal of every country or society should be to get as close to this ideal as possible.

AmCham's Rule of Law initiative has been striving to establish a mutually beneficial discussion between the private and the public sphere and this conference clearly confirmed that it has achieved considerable success in this regard.

The program was opened by AmCham's President Gabriel Galgóci who welcomed all the guests and speakers and stressed the importance of this topic for

AmCham. His introduction was followed by a keynote speech by Peter Žiga, Minister of Economy of the Slovak Republic, who confirmed that the government sees the topic of rule of law as one of its priorities and welcomes this initiative. He has also described several ongoing initiatives which are supposed to help make the legislative process more transparent and predictable.

The discussion in the first panel went into more detail and focused on specific areas that could be improved. Its goal was not to evaluate the impact of any of the recent legislative changes but rather to point out the non-standard process of their adoption and the troubles it has caused for employers.

Despite having a major impact on employers and the business environment, several legislative changes were adopted through the parliament without any discussion with other relevant stakeholders. As Rastislav Chovanec,

State Secretary, Ministry of Economy, explained, governmental proposals of legislative acts must fulfill certain obligations. The entire process takes from six to nine months, the public has an opportunity to comment or raise objections, and the potential impact on the state budget as well as the specific industry involved has to be evaluated.

However, this is not the case for legislation adopted through the parliament. This was the main objection raised by Mária Lelovský, 1st Vice President of the Republic Union of Employers, as employers have no time to prepare for legislation adopted in this way and they are not consulted. As he summarized: "There's nothing worse for the business environment than not knowing what's coming."

According to statistics provided by Mr. Lelovský, an employer in Slovakia currently has to follow 1800 obligations towards the state. Every year, approximately

Slovakia should move on to a new model which is no longer based on cheap labor force to attract FDI but rather on promoting innovations and quality regulation to attract investments with higher added value.

LÍVIA VAŠÁKOVÁ,
Head of Economic Analyses
Section at the European
Commission Representation in
Slovakia

160 new obligations are added and around 30 are canceled. That is why his single wish for a meaningful change was to get rid of two existing regulations before implementing a new one in the future.

Lívia Vašáková, Head of Economic Analyses Section at the European Commission Representation in Slovakia, offered several interesting insights through the EU lens. According to her, one reason why Slovakia lags behind in European rankings when it comes to rule of law is weak implementation. She also mentioned the



GABRIEL GALGÓCI
President of AmCham Slovakia



PETER ŽIGA
Minister of Economy of the
Slovak Republic



TOMÁŠ BOREC
President of the Slovak Bar
Association



example of Estonia, which joined EU in 2004 like Slovakia, and its extremely fast rise to one of the world's most advanced digital societies. Fast-track reforms and full commitment of all stakeholders to the digital agenda had a very positive effect on rule of law and predictability.

Big global companies are not interested in a fast deal, they are interested in long-term sustainable business.

JOPPE JANSEN, Managing Director, MSD

The second panel featured MPs across the political spectrum. In principle, all of them agreed that they would support an initiative to make the legislative process through parliament more transparent. However, they raised several technical obstacles and none of them was optimistic about the likelihood of making such a change anytime soon.

In his keynote talk preceding the last panel, Tomáš Borec, President of The Slovak Bar Association, talked about the lack of trust which often results in unnecessary and complicated legislation. This concerns both the public and the private sphere and his message to the business sector was to accept their social responsibility and incorporate it into the entrepreneurial efforts.

The discussion in the last panel shifted the focus towards the private sector and its share of challenges and responsibilities related to rule of law. As Peter Gažík, CEO, O2, pointed out in the very beginning, it makes perfect business sense for any bigger company to get involved and try to improve the business environ-

ment. The responsibility doesn't only lie with public institutions, but the business sector too. Companies need to lead by example and invest time and resources into socially responsible projects, while remaining committed to highest ethical standards in their business activities.

Public procurement as one of the most burning issues was also discussed in regard to the recent as well as the upcoming changes. It was great that Miroslav Hlivák, Chairman of the Public Procurement Office, was among the panelists to offer immediate reactions.

In his closing speech, AmCham's Executive Director Ronald Blaško asked what was the key factor determining whether a country is poor or rich. The answer went beyond cultural, geographical or policy factors and highlighted the role of political and economic institutions which have a surprisingly big impact on the economic success of a country.

Today, the biggest challenges for the business sector come from the exterior, not from within.

PETER GAŽÍK, CEO, O2

As Ronald Blaško concluded: "It is my wish that Slovakia will soon be able to attract new investments also thanks to a stable, predictable and standard legal environment comparable to that of developed countries." This conference clearly demonstrated that the AmCham community is fully committed to this goal and AmCham will continue in its efforts to help achieve it.



FIRST PANEL: PREDICTABILITY OF LEGISLATIVE CHANGES
From left: **Livia Vašáková**, Head of Economic Analyses Section, Representation of the European Commission in Slovakia; **Rastislav Chovanec**, State Secretary, Ministry of Economy; and **Mário Lelovský**, First Vicepresident, National Union of Employers (RÚZ)



SECOND PANEL: (UN)PREDICTABILITY OF PARLIAMENTARY LEGISLATIVE PROPOSALS
From left: **Peter Kresák**, Most-Híd; **Eduard Heger**, OĽaNO; **Jana Kiššová**, SaS; **Peter Štarchoň**, Sme Rodina; **Tibor Bernaták**, SNS



THIRD PANEL: CREDIBILITY OF THE BUSINESS COMMUNITY
From left: **Peter Kovarič**, General Director for Prevention of Corruption, Government Office; **Miroslav Hlivák**, Chairman, Public Procurement Office; **Peter Gažík**, CEO, O2; **Jappe Jansen**, Managing Director, MSD; and **Ivan Skaloš**, Chairman, Slovak Compliance Circle



Michal Krémery, Director of Government Affairs, AmCham Slovakia (Moderator)