

Slovakia Roundtable
Sponsored by *Friends of Slovakia (FOS) and CSIS*
Meeting Report
January 15, 2004

On January 15, 2004 the CSIS East European Project, together with Friends of Slovakia (FOS), hosted a meeting of the U.S.-Slovakia Security and Foreign Policy Working Group with guest speakers Ivan Korcok, State Secretary at the Slovak Foreign Ministry, H.E. Rastislav Kacer, Slovak Ambassador to the United States and Ivo Samson, Senior Research Fellow at the Slovak Foreign Policy Association. The meeting addressed the



evolving agenda of U.S.-Slovak relations and explored emerging areas of bilateral cooperation. The panelists also discussed Slovakia's role as a catalyst for the spread of democracy within a wider Europe and outlined the successes and challenges that Slovakia faces on the road to EU and NATO membership. The meeting was co-chaired by Janusz Bugajski, Director of the East European Project at CSIS and Ambassador Theodore Russell, Founding Chairman of Friends of Slovakia, and former U.S.

Ambassador to Slovakia.

Three major areas for a newly focused agenda were outlined during the meeting. First, as a U.S. ally and soon to be NATO member, Slovakia will be an active partner, aiding in the spread of democracy within a wider Europe. Second, there is a need to intensify the political dialogue between Slovakia and the United States. Third, the two countries must continue to develop their economic ties. The past few years have produced a boom of U.S. investment and currently the United States is the third biggest foreign investor in Slovakia. The panelists stressed the fact that this new bilateral agenda is not a change of priorities; it is rather a *refocusing* of those priorities.

The meeting also reviewed some of the major challenges facing Slovakia with its pending accession into both the European Union (EU) and NATO. One of the major trials for the Slovak government will be how to meet the public hopes and expectations associated with the country's membership in both organizations. Currently, the government has an unprecedented package of reforms to enhance competitiveness and improve the economy, which however come at high social costs. Therefore, it will be challenging to convince the public of the need to continue reforms even past the accession dates. Slovak EU membership will not be the end of Slovakia's developmental process, because the country will have to define its role within the wider union of twenty-five.

Slovakia will bring renewed enthusiasm to the EU. The European Union has been disappointed over its inability to achieve consensus on its own institutional reform (i.e.,

the European Constitution). However, Slovakia does not believe that the EU is in a crisis, in spite of the Constitution failure. Thus, the panelists believed that Slovakia could encourage a positive domino effect within the new EU countries and bring reform enthusiasm in the areas where reforms are needed most.

Another major challenge for Slovakia will be in helping to bridge the Transatlantic gap. The United States and EU should understand that for the East European countries following an EU membership agenda does not mean a falling-out with the United States. Nor does being a staunch U.S. and NATO ally translate into a lack of commitment for European institutions. The speakers emphasized that since 1998 Slovakia's security and foreign policy turned from the tactical to the strategic. The country abandoned its earlier isolationism and developed a set of priorities toward different key partners, including the EU, OSCE, NATO, the Balkans, and Russia. Furthermore Slovakia increased the number of troops it contributed to foreign missions from 47 in 1997 to over 800 today. Slovakia thereby became a valuable Transatlantic partner, fully capable of upholding its own interests. For example, with respect to the International Criminal Court (ICC), Slovakia maintained the EU position, while during the war in Iraq it supported the United States. Slovakia and the rest of the "new" Europe should not be viewed as children caught in a domestic dispute between their parents (EU and U.S.), but as mature international players. The country has strong economic ties with both sides of the Atlantic: Germany is the number one foreign investor in Slovakia, while at the same time there has been a 600% increase in trade between Slovakia and the United States.

Therefore, Slovakia considers it a legitimate goal for Europe to have a Common Foreign and Security Policy (CFSP) and a Common Defense Policy (CDP). This should not simply be a political task, but must have corresponding military capabilities. Europe is confronting new strategic challenges and therefore needs to be unified with an ongoing dialogue on these challenges with the United States. The future of Transatlantic relations will not be in ad-hoc coalitions but rather in a long-term partnership, and East Europe can play a major role in the future of the Alliance.

Discussion

Reform package: The government introduced a flat tax rate of 19% for individuals and corporations as of January 1, 2004 to replace the old tax system with two or three



different rates. In this way individual tax rates have decreased, while the weight of taxes fell on the consumption side. The reform package also addresses private investment, health care, and public spending. Slovakia's bold, newly introduced reform package is innovative and an economic necessity. However, its harsh social consequences have led to a high degree of pessimism in the country.

Slovakia's Contribution to Transatlantic Relations: Slovakia is trying to contribute to mending Transatlantic relations by generating a bottom to top debate and by sending strong messages to decision makers. Dialogue must be substantial and must include all sides. Transatlantic dialogue cannot be limited to security and Iraq. Dialogue on issues such as the International Criminal Court (ICC), the Kyoto protocol, as well as other questions have largely halted even though they will require discussion and cooperation.

In addition, EU and NATO are both adopting new security strategies and this has been reflected in Slovakia's policies. One major difference is that on the U.S. side there is a sense of urgency to act, while in Europe terrorist acts are not a novelty and the process usually involves extensive discussions and negotiations prior to any actions. There needs to be an understanding that the world has changed and that the new threats must elicit the most effective responses. Slovakia is ready to assume its responsibilities in this changing security environment through regional and trans-Atlantic cooperation.

Common Foreign and Security Policy (CFSP): There needs to be more patience in Europe regarding the CFSP. There is a tendency for frustration when it comes to finding a common position on important issues and any lack of consensus is often perceived as failure. It has been only sixty years since the continent was torn by internal conflicts, hence the strategy of devising a common foreign and security policy is innovative and courageous. While the specifics of CFSP are still being debated, it is important that all Europeans understand the need to define their unified interests and their relations with Europe's frontiers.

Slovakia's Future: The current government is very ambitious and would like to see its priorities completed. The non-governmental sector, especially organizations such as Friends of Slovakia (FOS) and CSIS, will continue to have a strong and positive influence on the country's development as they work on salient issues to facilitate public discussion and encourage reform where it is most needed.