

Government Affairs in Slovakia – where we came from and where we are headed

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When Slovakia became independent 25 years ago, it was just a matter of time before the profession of government affairs appeared. However, it took some years for this to happen. The necessary environment for professional government affairs services was formed during the first government of Mikuláš Dzurinda (1998-2002), which launched an ambitious reform agenda. The privatization process started to attract the interest of multinational companies in investing in Slovakia. This period was very hectic and many new laws were passed in a relatively short period of time. Another important milestone for further development of government affairs services came with the EU pre-accession process, which was characterized by adoption of a massive volume of new EU legislation and the creation of new regulatory authorities.

It was the multinational companies which first started to use the services of government affairs professionals. They were familiar with these services from their headquarters and, as many of them were listed on stock exchanges, they had to behave ethically and do business professionally.

When Slovakia joined the European Union, the business sector was full of expectations. Many companies created specialized EU Affairs Departments. Some even opened offices in Brussels. A number of companies invested in training their staff on EU-related matters. It was believed that working with the Slovak government would not make sense any more as most of the legislation would just be adopted at the EU level and simply "translated" to Slovak. However, as time has passed, a growing euro-scepticism became noticeable as did criticism of Brussels in the business community in Slovakia. Much of this was rooted in an inability to understand how Brussels works and how to influence or even communicate with EU institutions. One of the most challenging aspects was to

understand how to influence Brussels from Slovakia via the Slovak government. We are entering a new period in which the member states are more influential than ever before in the decision-making processes in the EU.

What has changed for government affairs professionals in Slovakia?

Twenty-five years later the clients of government affairs firms are still largely multinational and international companies entering the Slovak market. They understand and value these services, as they realize that they are critical for a company's efforts to set the right expectations and strategy in the new market. Clients of government affairs firms are mostly interested in political and regulatory monitoring and political/business intelligence gathering.

On the other hand, as government administration is becoming more professional, there is also a growing interest from Slovak companies, particularly from heavily-regulated sectors, in such professional services. For them, the most desired

service is legislative lobbying. Unfortunately, many of them still only turn to a professional government agency at the very last stage of the legislation process (often during the second or third reading), when it is impossible to assist them in a professional and meaningful way.

It is encouraging that more and more companies based in Slovakia are starting to realize that it is also possible to

shape EU policies from a small country like Slovakia and use the services of government affairs specialists for this purpose. Slovakia has the same voice as any other member state, and, at expert level meetings at the Council, our government representatives, assuming they have the necessary skills and knowledge, can have a real influence on the final versions of legislative proposals. They are also starting to realize that one Slovak member of the European Parliament (of 13), assuming they are a rapporteur/member of a relevant parliamentary committee and have the necessary political skills to gain support from fellow members, can influence the final outcome of legislation.

According to a recent study conducted at companies using government affairs services at the EU level, demand for these services will increase by around 50% over the next two to three years. As EU and national decision-making is becoming more complex, the need for professional management of stakeholders increases. The growth of political instability and populism will strongly influence this business in the future.

