



I KNOW THE MOST BEAUTIFUL WORD IN FRENCH – ENTHOUSIASME



VLADIMÍR VALACH – ambassador

- *economist*
- *renowned expert on banking*
- *financier*
- *publicist*
- *holder of the prestigious HNclub prize „Prominent for Economics“, 1996*
- *holder of the French state award Knight of the Legion d'Honneur*

Doc. Dr. Ing. Vladimír Valach gave BIATEC an exclusive interview on the occasion of completion of his mission as ambassador of the Slovak Republic to France.

• Mr. Valach, your appointment as ambassador in 1997 came after 37 years of active, creative work in banking. You applied your experience in further responsible and demanding work abroad. Can you outline some of your memories for us?

To be precise, I worked in banking from 1.7.1960 to 1.4.1997. This was a special period, with dynamic changes, unrepeatable not only in my life, but also in our banking and in the Slovak economy and in general.

I also had the honour and pleasure to be involved in the founding of six banking institutions, which may be a small record and not only in the Slovak context.

Each period of work in a new bank brought me new challenges and new changes, professional and personal. For the first eight years, I worked at the district branch and, after a few months, at the regional branch of the ŠBČS in Banská Bystrica. I have happy memories of this time, of my colleagues and of the town of Banská Bystrica.

The next stage in my banking career involved the development of banking services for foreign trade from March 1968. It is necessary to explain that for 18 years, that is since 1950, the whole of foreign trade and the associated banking services had been concentrated in Prague or in Liberec and Jablonec. The winds of the "Czechoslovak Spring" of 1968 also brought the decision to decentralize this area, with part also in Slovakia. This

was a very demanding, but also pleasant period, since we put together a young enthusiastic group, who literally did not know the difference between day and night. We started new banking services with enthusiasm and the feeling of doing something new in the framework of the branch of the ČSOB where I was the first director. A new generation of several thousand professionals in the area of foreign trade and the related banking services gradually became established in Slovakia.

• Was it this bank that took you to Paris?

You are right. In 1976, I was sent to Paris to establish the first representation of the ČSOB "in the West". This was also a new experience. Apart from payment conditions for export and import, prognoses for the development of convertible currencies and interest rates, I was interested in the phenomena of risk on world markets and adaptation mechanisms following the first and second oil crises. I later wrote several books about these problems.

After five years in Paris, I returned to the Bratislava branch of the ČSOB in 1981. In 1984, I became the deputy chief executive of the Head Office for Slovakia of the State Bank of Czechoslovakia responsible for currency problems, foreign currency dealings and investment.

Looking back, I should also mention another interesting job from this period, which I have continued until to-



day - that of executive editor. For 20 years, I was a member of the editorial board of the forerunner of our Biatec - the banking magazine Hlas banky (Voice of the Bank), and from 1984 I was its chairman. Perhaps it sounds incredible, but I really enjoyed the meetings of the editorial board, which, besides technical questions, involved the exchange of views between such personalities from the areas of journalism and banking as e.g. Rudko Návrat, Janko Valach, Štefan Jorík, Andrej Danko, etc.

• After your return from Paris, the eighties were a sort of prelude to future changes for you Mr. Ambassador. The problems of deeper knowledge of foreign trade, the world economy, banking and the function of money came more into the foreground of interest of the wider public. You gave several hundred lectures, wrote numerous articles, prepared dozens of television and radio reports. All these contributed to raising the importance and weight of banking in the eyes of the Slovak public...

On 1.1. 1990, after the revolution, the federal government appointed me first deputy chairman of the new federal central bank. We started economic reforms, reform of banking and preparations for joining the International Monetary Fund and the World Bank. We worked out a network of instruments for management of commercial banks and criteria for granting licences to new banks. We established an educational institute, and inter-bank accounting centre and so on.

The creative activities I remember with enthusiasm include establishing the first guarantee bank in Central and Eastern Europe – the Slovenská záručná banka, Crédit Lyonnais Bank Slovakia, in 1992. Two years later we established the French-Slovak Commercial Chamber, and in 1996 the Slovak Association of Financiers. Finally, from 14.8.1997, I became Slovak ambassador to Paris.

• The success of an individual is also measured by the quality of his colleagues. What were your criteria for selecting new experts for new banks?

Every new bank meant new mechanisms, new bank products, and we did not have "prepared" people. We felt this especially when establishing the branch of the ČSOB and the Slovenská záručná banka. Accordingly, we applied three basic criteria when selecting new personnel:

– that the new colleague had worked at least partly in banking or finance during the preceding period. However, this criterion could not always be fulfilled, and this made it more difficult.

– that the new candidate was adaptable and could adopt new progressive tendencies,

– that the idea of the new bank project "captured" him, i.e. he would work in a dedicated and enthusiastic way.

Thus, I agree with Napoleon Bonaparte, who said that

the most beautiful word in the French language is enthousiasme, and I also agree with Louis Pasteur, who said that "impossible" is a word which does not belong in the French dictionary.

• As you will agree, Mr. Valach, many people now look at life rather more from the perspective of money... What is your relationship to money, if we may refer to your personal experience as a banker?

That is a good question, because material stimulation is now much more effective than it was before, when bankers were badly paid as "unproductive" workers. Then, and I think, still today, money is not the most important thing in a bank, but the people on both sides sides of the counter. In the end, a bank works with the money of others. Money is neither good nor bad. It is the purpose for which a person uses it that is good or bad. I regard the ability to gain and retain trust as the most important quality of a banker. This also applies to businessmen, politicians and all who recognize true values. In the present atmosphere of great competition between banks, every bank and every bank employee must think about profitability and returns, and sometimes about their survival. In spite of this, I think that a good banker should be something like a good doctor. He should be able to make a correct diagnosis of the financial health of his client, and to diagnose the correct therapy. I remember that when I began work in the Crédit Lyonnais, this great bank had the slogan: "We are the only ones who always say yes to our clients". I do not entirely agree with this view, since every bank must also be able to say no, but must say it "so that it does not hurt", so that a mutual starting point can be arrived at. I regard the correct and successful operation of companies and banks as being on the highest level of human creativity, since it creates space for the self-realization for many others, and advances human progress by optimal use of the available possibilities.

• A banker must also be a diplomat... With this we come to your present activity: What is the contribution, or how do you understand the activities and results of important international and bilateral talks, in favour of the Slovak economy?

To be the ambassador of one's country is an immense confidence, it is both an opportunity and a challenge. The activity of an ambassador is extremely wide. In one day, he must change direction from politics, to culture, to economics, to the problems of his compatriots and so on.

In the classic role of an ambassador, that is promoting the political interests of one's country in the country to which I am sent, I tried to emphasize two further levels: that of creating a favourable image of Slovakia and its



visibility in France and the world, and that of economic relations. When I came to France as ambassador, I was especially interested in the phenomenon of the image of the country, how it is formed, what are its components, how can knowledge and visibility of our country be increased. Therefore, I devoted great attention to creating the foundations for the infrastructure of Slovak diplomacy in France, including historical, regional and personal infrastructure. For example, the memorial year for M.R. Štefánik, commemoratives events for Dr. Štefan Osuský, Alexander Dubček, cooperation in the regions, creation of honorary consulates and other activities were useful.

As far as the economic dimension is concerned, we set four basic priorities: to maintain a dynamic and balanced development in foreign trade between France and Slovakia, attract foreign investors from France, deepen cooperation in the area of tourism and inter-regional cooperation, and gain help from France and its institutions in the preparations of Slovakia for future accession to the European Union. In the framework of the overall actions of Slovak diplomacy in the world, the Embassy in Paris actively contributed to fulfilling these priorities. They also included our accession to the OECD, which has its headquarters in Paris, and intensification of preparations to join the EU. We used a wide spectrum of methods to achieve this, including regular participation and contributions in the French press, symposia, colloquia, journeys to regions, cooperation with companies and banks, and intensive cooperation with partners in Slovakia, including excellent cooperation with the National Bank of Slovakia and the majority of commercial banks.

• What is your advice as a financier, economist and renowned banking expert on good business dealings?

Slovakia is one of more than 20 post-communist countries on the road of transformation and "transition". Each of them must undergo a sort of "cleansing" involving extensive economic and social changes. Slovakia has made immense progress in this direction during the last ten years, but more still awaits us. We have been accepted as the thirtieth member of the prestigious OECD club, and in number of concluded chapters, we are approaching the first group of candidate countries for accession to the EU. We have an excellent geo-political position in the heart of Europe and a splendid young generation, as well as a number of other advantages.

The only alternative is to continue the process of preparing to join the EU, and not only in the form of the main negotiations and legislation, but also on the level of direct main players in the economy, that is on the level of companies and banks in terms of their adaptation, and on the level of the population with regard to adopting the values typical of Europe. Achieving these huge changes, intensification of direct, everyday communication with the

population from the point of view of its involvement in the process of change, are extremely important. Accession to the EU is excellent for the well prepared, but a handicap for the unprepared. Extraordinarily important tasks await us in this direction.

• Let us return, Mr. Ambassador, to the beginning of our interview, to memories. What feelings do Paris and France awake in you? What did this undoubtedly beautiful and interesting country leave in you?

I will start my answer with a comparison: a good banker should not fall in love with money, nor a good doctor with his patient. A diplomat must have two great loves: his own country and the country in which he works. I acknowledge that I love Slovakia, and I also love France, where I have worked for 9 years. France undoubtedly has first place in the world as far as the quality of life goes, with a balance between the beauty of nature and human culture, and the high level of environmental care. For us Slovaks, France is also close in mentality and psychology. I am very pleased that I could make a modest contribution to the development of these good relations, friendship and cooperation with France.

• Thinking about what you said about enthusiasm, which forms such a firm thread through your life, allow me to conclude our interview with the following question: What motivated your continual creative activity?

The first and basic motive is to discover the meaning of what you do, then it "captures" and interests you, and the achievement of results clearly multiplies your motivation. A further important drive behind my activity, is the simple conviction that if we have the splendid gift of life and work, why not live well, why not do good for others and why not enjoy work. A further very important stimulus to activity and creativity is the knowledge that Slovakia is entering the group of the most developed countries; that Slovakia needs to prepare a future for the young and security for older people. In my own experience, I can confirm that Slovakia is capable of this, but sometimes we do not have enough self-confidence. You know, there is a nice Burgundian proverb: "Soyez dignes de vous meme", which more or less means: be worthy of yourself.

**Thank you for the interview
Soňa Babincová**

I wish BIATEC and its editorial board a productive pen and a head full of ideas.

**doc. Dr. Ing. Vladimír Valach
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