



HOW TO BECOME A SUCCESSFUL WOMAN

Elena Kohútiková worked at the National Bank of Slovakia from 1993 until 27 March 2006. She served as chief executive director of first the Economic Division, then the Banking Transactions and Foreign Exchange Division, and, from 1996, the Monetary Division. In 1994 she was appointed a member of the NBS Bank Board, and in 2000 was made a Deputy Governor of the NBS.



It has been almost four months since Elena Kohútiková stepped down from her high-level and responsible executive position as a deputy governor of the National Bank of Slovakia. Altogether, she worked at the central bank for sixteen years, including twelve years as a board member. The name of Elena Kohútiková is connected with many reform steps in banking and monetary policy in Slovakia.

The road to success is often not easy, especially for a woman raising a family and pursuing her professional career. Her reputation as a monetary policy expert did not develop overnight, but came after many years of hard work and personal sacrifice.

A modern woman today is surrounded by recipes for success and recognition, but few admit that it is about making sacrifices, family tolerance, continuous learning, time management, accepting challenges, taking responsible decisions, accepting praise and criticism, understanding the work, the people...

How did Elena Kohútiková rise to the top in a field usually dominated by men? Looking back, how does she see her role in high posts of the country's central bank? Is there any recipe for success at all?

"We could speculate on what the term "successful woman" means. Is a woman who achieves a top management position successful? In my opinion, regarding such a specific field as banking and finance, and central banking in particular, I consider my work to have been successful. In other words, it is a success in my life, but I also see two important facts behind it: hard work and sacrifice for others. If one wants to be successful in the post I held, one must work very hard, must communicate with others, and master several languages in order to establish relationships – not only on official occasions, but also during informal conversations. And this skill helped me in the National Bank of Slovakia and in working with other central banks and international institutions. My route to the positions I held was, if I may say so, influenced mainly by my always being put in charge of building something new and that I took it as a challenge. In 1990 it involve my participation in developing relations between fiscal and monetary policy in the former State Bank of Czechoslovakia, which I had joined directly from

the Institute of Economic Research of the Slovak Academy of Sciences. Later it involved work in the National Bank of Slovakia, first as the chief executive director of the Economic Division, then as chief executive director of the Banking Transactions and Foreign Exchange Division, and eventually as an NBS deputy governor responsible for the said divisions. Those years were the years of new beginnings, new goals and tasks. The time when the state central bank was being established stood out as a time full of solving and implementing new things that had been untested in practice (currency separation, introduction of our own currency, foreign exchange reserves management, operations on the Slovak money market, setting and implementing monetary policy). Those were times of discussions, learning, coming to work early and leaving late, and sometimes even working on weekends. Not only I, but all of us, considered it a matter of course."

As Elena Kohútiková says, the recipe for success in her case meant 95% perspiration and 5% inspiration, courage, interest in work, looking for new alternatives, and having the ability to focus on the core matter and not to be distracted by trivialities. Plus enthusiasm.



Back then, no one was really thinking about whether they would be considered successful in the future.

“Of course success is a very relative term. It has brought me respect, but has also stolen time away from my family that can never be given back – that little time after work I had to divide among my children and household chores. If you asked my two daughters about that time today, they would probably tell you that they did not have much quality time with their mum. That was the price I paid for my successful career. Many times I struggled with pricks of conscience, and felt stressed at not being able to spend as much time with my children as I would have liked while they were growing up, and as their age sometimes required. On the other hand, though, that is maybe why they grew up to be independent young ladies. And my hobbies... there was no time left for those. Reading was limited to professional literature, learning and self-education in my field.

Everything has its price – even success. There are no geniuses who manage to do everything in all aspects of their lives one hundred percent. I think that especially a woman, when she has a family and children, is far more sensitive to all those negative aspects that a professional post carries with it. After being widowed, I became even more aware that what we missed at home was that family warmth. It is perhaps a particularity of women in high positions – to struggle with the duality of priorities and the level of commitment to family and work.“

With every new professional challenge, deep down a mother and a public official always looks for justification that every new thing she helped to implement will one day give a better quality life also to her children. And here somewhere is the already mentioned price for professional success. The former deputy governor of the National Bank of Slovakia, Elena Kohútiková, always found time for meetings, discussions, and lectures for university students of economics, and she also visited high schools. Young people, students in Bratislava, Trenčín, Banská Bystrica, Zvolen, Košice, Prešov, but also in foreign countries such as Austria, know Ms Kohútiková's talent and desire to share with them her knowledge and experience.

„During my time in the State Bank of Czechoslovakia and later as a banking expert, head of the commercial banking division, followed by the posts in the National Bank of Slovakia, I gave many lectures not only to students, but also to entrepreneurs and employees of commercial banks. I tried to explain how the activity of the central bank should be understood, in particular its individual steps of implementing monetary policy. I am

convinced that what we are doing today, and our visions of the future in this area, must be conveyed especially to young people, since it is they who will continue our work and realise our dreams in the future. I always try to get it across that theoretical knowledge and experience complement each other that they are intertwined, and re-melted into the theory we use in our work. It is not so cut and dried that the members of the bank board sit around the conference table and adopt some decision. Decisions come from a collective effort based on knowledge, experience, read materials, and mastery of the theory of the subject by every member of the bank board. It is about exchange between various schools, different points of view, and considering various possibilities. On the other hand, when you are with students, you must not only discuss and listen to their opinions, you also must be well prepared to defend your view and the activities of the National Bank of Slovakia. Sometimes I was asked questions that surprised me, I did not expect them, but they let me see a problem from the other side. This is fulfilling work and I like doing it.“

Work at the central bank involves defending your work and being responsible for actions watched by the whole nation, as well as being open, transparent, cautious and visionary at the same time. Can an individual be successful in such a setting? Elena Kohútiková worked in a team that participated in an independent Slovak monetary policy, she was one of the co-authors of euro changeover strategy for Slovakia. This path was an uneasy one - full of tough decisions to make and tough times to go through, including discussions with a team of top level domestic and foreign experts. Was there anything particularly memorable about this period and this work?

“I remember that in terms of the difficulty and criticality of the work, there were three key periods while working in the National Bank of Slovakia. The first was when our central bank was established. There were not too many of us there who realized what was actually happening and how much work was to be done and that we were about to realize something that had never been done here before. When for the first time we had to prepare the monetary programme and set the inflation targets, I must admit we all had a cold sweat of nervousness running down our backs. We deliberated, discussed, solved problems and made decisions for which we were responsible. The second key period was when, following logically on from Slovakia's independence, decisions had to be taken about our own currency and the direction of restructuring of the real economy. It took a long time to find a partner, and to convince him that restructuring is only as effective as the extent to



which we can “cure” the banking sector. There were long discussions about the fact that banks would not survive without having a real owner, real capital, doing real business. The later this change took place, the higher price was for all of us. So my soul was relieved of another burden when it was finally decided to restructure the banking system. That was the starting signal we gave not only to the domestic economy, but also to the international community that we are a standard economy. The third, and in my view difficult, period was when Slovakia was not mentioned at international conferences, we were not mentioned in any economic analyses or examples, and when we were mentioned, it was more in a negative light. This only changed when we started implementing fundamental economic reforms. Those reforms were painful but necessary in order for Slovakia to get into a territory where it physically belonged; but still not mentally, so to say, and it had to join international integration groupings. The first step was when Slovakia was admitted to the OECD, and it continued all the way to our membership in the European Union.“

The unforgettable is associated with with something nice. What nice thought does Elena Kohútiková associate with the post of deputy governor of the National Bank of Slovakia?

“In 2002, we were first in our region to start thinking about the future of integration. We started to prepare analyses on questions of the euro changeover in our economy. That was the cherry on the cake – that we created space not to stagnate, not just to sit there complacently, not to start making mistakes, but to continue with the scenario of integration to its ultimate point. After difficult years this was a time in my work at the NBS that I can describe as nice. The nice thing about it was that we no longer had to race against time, catching up, but we were finally able to develop our visions and gradually fulfil them. We defined a goal, evaluated advantages and disadvantages of implementing the euro as a national currency. In advance we started to shape this vision to our own advantage. I also think that the fact we have a clear goal and that we adopted and are implementing a strategy of introducing the euro as our currency – as our entry into ERM II indicates – is all seen as a positive signal that Slovakia not only has a vision but also clear and realistic goals which are being realistically fulfilled. And last but not least, we are internationally accepted as a serious partner, as a country that in a relatively short time has made many steps in the right direction.“

"Euro" is probably the most used word in connection with the mane of Elena Kohútiková. During transition to the common European currency, Slo-

vakia will meet demanding criteria in the monetary policy area, in particular the criterion of inflation. Are there any risks connected the euro changeover?

„Implementation of the euro is a long-term process. It entails a series of steps that have already been made and steps that still have to be made. All policies, not only the monetary policy must be oriented in that direction. In my view, there are some situations that can prevent successful realization of this strategy.

The first is that we simply would not able to meet the Maastricht Criteria. We now know the experience in Latvia and other countries that are postponing the original date of euro adoption. Although it must be said that these countries had a fixed exchange rate, they did not have to deal with exchange rate risks, and did not have to meet this criterion in the way Slovakia has to. In real life, it could happen that even with the best effort, we are I not able to meet this inflation criterion. We would then have to make sure that the criterion is met in the shortest possible time. Tto be able to claim this, we would have to be certain that as much as possible was done in the economic and monetary areas. Economic policy must realize that monetary policy is gradually losing its strength and in its place must come fiscal policy and wage policy connected to the employment market, so that we actively begin replacing monetary policy. To put it simply, we cannot on the one hand be nice Santa who rewards a child also for a performance that was not that good, and, on the other hand, demand that the child tries harder, be more diligent, and modest. The fact is that a blend of policies must be found that will show the child how it can earn this money in life, what it must do to create good conditions for this. That is the main idea – we cannot say that this goal will be automatically fulfilled. The central bank must identify risks and possible problems in sufficient time, even when everyone thinks that to do so is a waste of time. That is its role. It must defend its steps and intervene when most cannot see this risk. It must above all communicate with the Government and the Ministry of Finance to achieve these goals.

The second condition is to create a sufficiently flexible space in the field of public finances so that they are not be running on the edge. When the economy grows at such steep rate as we see today, then even meeting the criterion at 3% could require an expansive fiscal policy. Therefore, fiscal policy must create scope to save money for a rainy day. This applies for the whole public finances sector.

The third area is the employment market and wages. The public sector signals how wages should develop in the economy. Labour productivity must grow faster than wages, otherwise, inflation money would come into cir-



ulation and the central bank would have to intervene with its monetary policy instruments. Therefore, all representatives of areas responsible for the healthy development of the economy must be aware of their role and responsibility. Only by combining those two policies will we be able to meet the Maastricht Criteria. And I believe that they are achievable as projected. We also must not forget that by introducing the euro by a set deadline, a large sum of money will be released, especially in the business sector where it can then be invested into further development of businesses and subsequent recruitment. . This is the second effect for the public - there will be decent work and production will go into regions where there is currently unemployment. However, even if all policies are harmonised, some shock could occur, for instance a raw materials shock, and the euro changeover will be delayed. Events throughout the world affect what is happening in Slovakia and not vice versa. That also applies to the development of the exchange rate. The Slovak economy is small. If the whole region does not move forward with sufficient ambition and its exchange rates are volatile, the development in Slovakia will be just as volatile. We can see this also in Poland, Hungary, and the Czech Republic. It is an illusion to think that in an open economy such as ours, monetary policy could on its own and independently determine when the development would happen. The second risk is intentional postponement of adopting the euro for various reasons. In my view, delaying the euro would harm the public, and for businesses it would mean additional costs due to exchange rate volatility. In their plans, businesses would not consider some long-term stability and instead of investing they would use their money to hedge against rate volatility. On the other hand, when a single currency is used in this large European area, then even a small and medium-sized entrepreneur will have a better chance to export his goods to areas where he can compete; he will be able to sell his products or provide services that he did not do so far and thus be able to create more jobs. In any case, I personally believe that there is no more discussion over whether the date for introducing the euro will or will not be advantageous for the public. It will be advantageous.“

The sixteen years of Elena Kohútiková's work at the National Bank of Slovakia can be described as demanding, creative, responsible and useful for the whole society. How does she see her future?

„There are many areas where a person can use her skills and abilities. I think that I could contribute my knowledge and experience in the process of the euro changeover in Slovakia.

We are not there yet and it is my dream to work in si-

milar areas as I have worked so far. I would like to be there when the euro becomes a reality of life, and to work in areas where the scenario that I helped prepare is meaningfully fulfilled and moves the development of our country forward. I do not want to dwell on the past; I would like to work on shaping the future. I would like to work in an area where a vision can be not only formulated but also carried out. I will only consider my work fulfilling when I can help introduce new thoughts into life. In this connection I would like to go back to the beginning of our conversation and elaborate on the question “what is a successful woman like.” When I look back, I think I can say that a person is successful when he is happy, when he is satisfied with what he has achieved and done. I was lucky that my career was smooth and without any fundamental problems. It was a kind of “dream progress,” and if one had planned it, it may not have come true. Every new step on my career ladder was a fulfilment of set tasks. Every time I accepted a new position, I thought of how much confidence was placed in me, and that I could not disappoint.“

Elena Kohútiková always says she was afraid to come to work unprepared. She believed in the skills of herself and colleagues. However, there were times when not everything went right, when a tear of disappointment appeared in her eyes, for example, when the proposal to change monetary policy in favour of inflation targeting was not approved at first try. But she took it as another challenge to deepen the analysis and argumentation. Leaving the National Bank of Slovakia, perhaps she should have cried, as she said:

“But we cry for something that has died and gone, and the National Bank of Slovakia is here to stay. I am very fortunate that I was given the opportunity to put my effort and skills into work for this institution, and that I was allowed to witness and participate in the process, and to get to the point when we are waiting for the door of the grand hall to open and there are twelve European countries sitting in chairs and soon they will make room for the thirteenth. I am convinced that on 1st January 2009, there will be a chair for Slovakia. I consider my service at the National Bank of Slovakia as time of fulfilling a great professional dream, but I also consider it a great fortune and privilege that I was able to work with such a wise and enthusiastic team of people. Thank you.”

The interviewer was Soňa Babincová