



Summary of Plenary Symposium: Indispensable Values as Basis of Sustainable Entrepreneurial Success

Pavol Paska, Speaker of the National Council of the Slovak Republic

Mr. Paska expressed distrust towards media and highlighted a certain liberal attitude towards entrepreneurship. Thereafter, he expressed the wish of a more transparent state administration, thus more similar to Swiss model.

Corina Casanova, Federal Chancellor of the Swiss Government

Ms. Casanova introduced the Swiss political system, whose deep population-based direct democracy has had a positive impact on the sustainability of its economic success.

Pavol Arnold, CEO of Spirig Eastern

Mr. Arnold talked about the Switzerland culture and emphasized three important features of the Swiss – mutual trust, accuracy, transparency – that have historical roots.

Gerold Buehrer, President of Economiesuisse

Mr. Buehrer discussed the historical, but also contemporary integration of the Swiss economy into the global context.

Tomas Malatinsky, President of Federation of Employers' Associations of the Slovak Republic

Mr. Malatinsky particularly emphasized the need to increase the flow of private funds into research, development, education and environmental protection.

Silvio Borner, Professor of Economics, University of Basel

Prof. Borner explained the origin of the Swiss “economic miracle”, which has been evolving more than 100 years. Switzerland, in comparison to its neighbors, carried out an earlier transition from feudal to bourgeois system. Thus it brought about good rules that led to good order and success. Switzerland also shows a lower vulnerability towards crisis, which also points out the country’s good regulatory framework. However, it has led to the current problems caused also by subsidy policy. It is very difficult to grant subsidies in a way they do not burden public finance in future.



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Summary of discussion

The most interesting topics, discussed during the symposium, were subsidies, research and development of state-of-the-art technologies in Slovakia, and future vision of the global economy. The subsidies, which may have a lot of sense in crucial moments, could later lead to market- or behavioral distortions, and represent useless burden to public finance. To make the Slovak research base stronger, there are too few large companies having their headquarters or major R&D centers in the country, at the moment. This should continuously happen more or less automatically. The 21st century phenomenon is that the world economy is shifting towards Asia. There will also be global political and military relocations, which bring a certain level of uncertainty to us. Nonetheless, neither Switzerland nor the US/EU has presented any progressive ideas on the subject. At least In Europe we must understand Asian mentality better.



Summary of Workshop 1: Value of Innovation, Research & Development in Healthcare

Adriána Liptáková, Ministry of Health of the Slovak Republic, Slovak Research and Development Agency

Adriana Liptáková opened the workshop by presenting Slovak Research and Development Agency, one of the most important organizations for support of research, development and innovations in health care in Slovakia. Its main task is to promote top basic and applied research and development, but also to mediate the cooperation between universities and Slovak Academy of Sciences on the one hand and business on the other. The agency's mission is also increasing attractiveness of scientific careers and their appeal to young generation.

Jaromír Pastorek, President of Slovak Academy of Sciences

Prof. Pastorek presented all institutes of Slovak Academy of Sciences involved in R&D in health care. He particularly pointed out two parameters making biomedical research specific – high costs and long term to achieve initial results. The necessary time horizon in pharmaceutical industry varies from 10 to 15 years. According to him Slovakia has a great potential in a number of highly qualified scientists. However, he identified Slovakia's shortcoming in absence of a sufficiently strong private domestic partner for health research. The most important issue for Slovakia in the field is, in his view, the need to establish a stable and transparent grant system for funding research projects and establishment of technology transfer institutions.

Ján Turňa, Director of Slovak Centre of Scientific and Technical Information (SCSTI)

Prof. Turňa started his presentation introducing 7 successful projects of Centers of Excellence established at Comenius University. Slovak Center of Scientific and Technical Information, of which he is the director, has been established to improve communication platform of university faculties. The center operates Central Information Portal for R&D and innovations. It is important starting point, which gathers information about Slovak projects, scientific groups and workplaces. Moreover, after completion of its English version, it will become an important source of information for foreign companies providing or supporting research. According to Prof. Turňa, to foster Slovak scientific research development, it is particularly important to resolve the way and form of cooperation between schools and Slovak Academy of Sciences. Furthermore, he considers the absence of intensive cooperation between higher education and business being the key problem. The



challenge we face is to keep the best scientific talents in Slovakia. However, the lack of interesting positions in research and development in the Slovak private sector could be an obstacle to achieve that goal.

Martin Filko, Adviser to the Minister of Finance of the Slovak Republic

In his presentation, Martin Filko identified two main reasons for innovations in health care. Firstly, the improved healthcare leads to longer and healthier lives, and secondly, via production it leads to a more dynamic and robust economy. He used the Preston curve, which refers to the relationship between GDP per capita and life expectancy, to demonstrate that after a country achieves a certain level of wealth the extending of its population life expectancy stops and further improvements could be achieved only by innovations. Innovations enable the country to provide more effective treatment and thus better health for the same money. According to statistics, Slovakia is lagging behind the EU average; however it is not because of the country's wealth. Mr. Filko summed up the reasons for attractiveness of R&D in health for Slovakia: First of all, it contributes to build knowledge economy and to increase sophisticated production, which affects the foreign trade balance positively in an environmentally friendly way. Secondly, Slovakia is comparable with EU countries, when looking at the number of graduates in scientific fields, but this potential is not used. The graduates do not stay in scientific and technical disciplines. Thirdly, it is the most promising way for Slovakia how to engage in the global R&D by establishing and developing international contacts showing local potential and involving Slovak scientific groups and departments into ongoing international projects.

Iris Rajman, Translational Medicine Head Profiling Cardiovascular, Novartis Institutes for Biomedical Research

In her presentation, Dr. Rajman introduced the approach of transnational pharmaceutical company Novartis to research and development of new drugs. Novartis considers innovation being the cornerstone of all its operation. Drug R&D is associated with many risks and takes a long time. At the beginning, there are 1,000 compounds tested in preclinical research period, but only one of them turns into a drug. The whole process takes in average 14 years and sometimes even longer. The company has a systematic approach towards new drug development. Deciding which area of research to step in is determined by several parameters. First of all, it is the unfulfilled medical need, absence of treatment for a disease. Considering the research point of view, it is always interesting regardless of the size of affected population. Another important assessment parameter is the scientific promise. There is will to understand the mechanism of the disease. There is an increasing emphasis on the search for molecular mechanisms that are common to several diseases. The



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interaction and cooperation among academic and biotechnological circles is also very important when selecting the best projects of potential research.

Summary of discussion

The panelists supported the idea that the diversification of Slovak industrial basis should take place by development of biomedicine. However, we would need greater involvement of pharmaceutical companies, which's performance to date has been restricted to the scale of drug sale. On the other hand, several speakers drew attention to the needs of effectiveness evaluation of scientific groups and their achievements. They spoke about the need for a more visible presentation of Slovak science abroad. The speakers have agreed on specific solution proposals. They have suggested the establishment of centers for technology transfer, similar to those in the U.S. and Germany, which would act as intermediaries between the work of scientific groups and business.



Summary of Workshop 2: Social Responsibility & Education

The workshop aimed to explore how sustainable and socially responsible entrepreneurship could be endorsed by partnerships between business and the public education system.

Juraj Stern, Former Rector of University of Economics in Bratislava

In his introduction Prof. Stern gave an outline of both the Swiss and the Slovak educational systems, with a special focus on vocational education as a space where entrepreneurs can have the most immediate impact on the values of the next generation. The Swiss dual system is a good example of public and private sector cooperation: entrepreneurs who employ vocational school students as apprentices not only take a share in public costs but also make a long-term investment in their own industry. Mr. Stern pointed out that the vocational education system in Slovakia is dangerously underdeveloped and therefore a much higher engagement of entrepreneurs would be needed.

Timo Meynhardt, Center for Leadership and Values in Society, University of St. Gallen

In his lecture “The business of business is society – promoting dialogue as mutual education”, Mr. Meynhardt made the case for a *pragmatic approach* in business ethics. Societies can be motivated by two factors to behave ethically: rules and values. Although legislative *rules* can be important incentives, their impact is very limited. A bigger emphasis should be therefore put on the promotion of *values*. The pragmatic approach says that values are not ‘absolute’ entities that exist independently from society. Rather, they should be constantly negotiated between societal actors. The role of business schools is to sensitize students for this negotiation process. As an example Mr. Meynhardt introduced the project SchweizerDialog.ch, an interactive web platform where – in the light of the global economic crisis – 24 famous personalities from the field of economy, politics and academia opened themselves to a discussion with the public about business ethics.

Vladimír Sirotko, President of the Slovak Association of Small Enterprises

In the introductory part of his presentation Mr. Sirotko briefly outlined the situation of small and medium enterprises (SMEs) in Slovakia. The transition into free market economy has created an ‘early capitalist’ society behaving rather profit- than value-oriented. SME employ 72 percent of the Slovak workforce and create 42 percent of the GDP. Therefore, their role in building a responsible and sustainable economy is crucial. A key issue is education: entrepreneurs who themselves need to be well-



educated also have to invest in the education of their employees, who, due to the small size of the firm, often have to serve multiple tasks. The Slovak Association of Small Enterprises has implemented several projects in this direction: courses on project management, synergy building between senior and junior employees in family enterprises, seminars in tax and employment law are the most important examples. The Association also introduced an “Equal Opportunity and Education Support Certification Mechanism” with the participation of five hundred SMEs. The “SME Incubator”, another central project of the Association, was implemented in cooperation with the Bratislava employment office and helped 18 small companies to model certain business situations.

Miroslav Beblavý, Director of Slovak Governance Institute

In his talk, Mr. Beblavý deconstructed four “myths” about the Slovak education system. The first myth says that “Slovakia has too many students”. The actual problem, however, lies not in the number of the students, but in the poor quality of their degree. According to the second myth “we have too many institutes of higher education”. The problem here is similar: there are not too many institutes, but rather too many that present themselves as high quality universities while in reality they are not. The third myth – “the quality of higher education is in decline” – is also false. Not the education, but the average IQ of students is decreasing, so in the end the quality of education has to be ‘downgraded’ according to students’ capabilities. The fourth myth saying “we have too many high school students” is another error: the data show that we have too few.

Mr Beblavý pointed out that the failure of higher education is rooted already in elementary and secondary education, which produces average or under-average students. The immediate result of this failure is brain-drain: many Slovak students go abroad in order to receive better education and in many cases they do not come back.

Patrik Zoltvány, Partner Jenewein Group

The presentation of Mr. Zoltvány with the title “20 years of experience with market economy in Slovakia” focused on two aspects: the achievements of the past and the challenges of the future. In the past, several factors had helped the Slovak entrepreneurial sector to evolve. These are a functioning banking system, a simplified taxation system, the EU membership, the introduction of the Euro, and transparency measures like the online business register. But further measures would be needed to enhance business in the future. These are mainly of legislative character: indirect amendments of business laws should be omitted because they enable to change laws much more easily without addressing the original law. Laws should also include mechanisms that would evaluate their actual effect on the entrepreneurial sector. Mr. Zoltvány suggested that the administrative burdens of



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business should be reduced and e-government mechanisms should be introduced in order to further facilitate the establishment of enterprises.

Summary of discussion

In a very brief discussion an extensive comment has been made in defense of the Slovak educational system. It was also pointed out that business schools worldwide play an important role in preventing – or resolving – financial and economic crises. The comments show that the role of education in shaping a sustainable and responsible economy is crucial, but, at the same time, a broad reform needs not only time but also a coalition of several societal actors such as politicians, businessmen and academia. The workshop showed that these actors are not isolated from each other. On the contrary: due to large interdependencies the problems of one sector have an immediate influence on the whole system. Education, a key partner of business, carries a pivotal role in the creation of a value-based society.



Summary of Workshop 3: Transforming Waste into Resource – Environmental Sustainability

The workshop aimed to map out current situation in the Slovak waste management system and to offer solutions for better utilization of the material and energy potential of waste in Slovakia.

Marcela Pokusová, director of Waste Management Department of the Slovak Ministry of Environment

Mrs. Pokusova gave a presentation of up-to-date statistics of the waste management in Slovakia. Rates of land-filling, incineration, co-processing and recycling, as well as carried out measures to increase material and energy recovery in Slovakia, were conveyed to the audience. Mrs. Pokusová, as said during the workshop, sees the root-cause of high land-filling rate of waste in Slovakia twofold: a) a great number of land-fills with free capacity as a heritage of the previous era and b) price difference of land-filling and environmentally friendlier methods that de-motivates waste generators from using them. Besides that, Mrs. Pokusová said that she feels a gap in public awareness about environmental impacts of various waste management methods, as the general public still favors a new land-fill before a new incinerator or co-processing facility in their neighborhoods.

Bernhard de Quervain, Industrial Ecology Consultant from Switzerland

Mr. de Quervain provided the audience with a brief overview of the Swiss waste management system that e.g. ensures that all municipal waste is recovered for material or energy. In the second part of his presentation, Mr. de Quervain introduced the computer-based LCA4AFR tool developed by the ETH Zurich and sponsored by the Swiss Federal Office for Environment, Swiss Federal Office for Energy and the Holcim Group. The tool enables to use various life-cycle analysis methods to evaluate the environmental footprint of different waste types and waste treatment methods. Thus, the tool compares environmental impacts of e.g. cement production with various fuels (traditional vs. waste derived) to incineration or land-filling. The LCA4AFR, to be launched before end of 2010 for public use, offers a great potential as a decision-making tool in waste management.

Summary of discussion

The 25 participants of the workshop discussed various solutions to increase material and energy recovery of waste in Slovakia. In particular, land-filling tax that effectively



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increases the price of land-filling and ban of land-filling for burnable waste were discussed. The discussion lead to a conclusion that land-filling tax is the most suitable solution for current situation in Slovakia provided it is introduced progressively to avoid impacts on economic well-being of the population.