Czech Republic (Česká republika) and Slovakia (Slovensko)

The Czech Republic and Slovakia are neighbouring countries in central Europe. Both states share borders with Austria and Poland. The Czech Republic also has a border with Germany, while Slovakia borders Hungary and Ukraine. The two countries were unified until 1993 as Czechoslovakia. Since they separated, both have undergone major economic and social reforms in their attempts to achieve EU membership. This became a reality in 2004 when both countries joined the European Union.

Recent History

During the Cold War, Czechoslovakia was under Communist rule and was an ally of the USSR through the Warsaw Pact. Soon after the fall of the Berlin Wall, the people of Czechoslovakia overthrew their Communist government in what was dubbed the 'Velvet Revolution'. Although Czechoslovakia remained a single country, the tensions between the majority Czech and minority Slovak populations made this situation unsustainable. On 1 January 1993, the two countries separated in a peaceful 'Velvet divorce'.

As independent states, the Czech Republic and Slovakia both set about adapting to the democratic liberal economic system. Under the presidency of revolutionary democratic leader Václav Havel, it was the Czech Republic that initially made the most rapid development, leading to NATO membership in 1999. However, following serious economic problems and a government reluctant to reform under President Vladimír Merčiar during the 1990s, Slovakia has recently made huge advances to become one of the most dynamic economies in central Europe. Whether this progress continues depends on how the current centre-right government responds to the global economic downturn.

Government Structure

Both the Czech Republic and Slovakia are parliamentary republics. In the Czech Republic the head of state is the President, currently Václav Klaus. Originally elected in 2003, he was re-elected at a close election in February 2008; he has some limited political powers. The President is elected for five-year terms by a joint session of the Parliament. The Czech Parliament has two chambers, the Chamber of Deputies (*Poslanecká sněmovna*), and the Senate. Most political power rests with the Prime Minister and his cabinet. In March 2009, the Czech government collapsed. This had huge implications for the EU because the Czech Republic was halfway through its six-month EU Presidency (member states take turns to act as President of the EU Council of Ministers). The country was led by an interim government until July 2010, when the current government took office, led by Prime Minister Petr Nečas of the Civic Democrat Party. He leads a centre-right ***coalition*** government which includes the Civic Democrats party, the conservative TOP 09 party and the Public Affairs party.

In Slovakia, the head of state is also the President, currently Ivan Gasparovic who was re-elected for a second term in 2009. He has more limited powers than his Czech counterpart as most political power rests with the Slovakian Prime Minister. The Slovak parliament has one chamber – the *Narodna Rada Slovenskej Republiky* - which has 150 members. Following disagreement in the parliament over the ratification of changes to the European Financial Stability Facility (EFSF), the opposition to then Prime Minister Iveta Radicova's *Slovak Democratic and Christian Union* (SDKU) party government, which had taken office in July 2010, demanded an election be called. The current Prime Minister is Robert Fico of the left-wing Direction – Social Democracy party. Fico's party was elected in March 2012, making history as the first party to rule without a coalition partner since Slovakia's independence in 1993.

Relations with the EU

Membership of the European Union was a key goal of the Czech and Slovak governments. To this end, the Czech Republic underwent major reforms in the 1990s to make its economy more competitive, including reform of the labour market and ***privatisation*** of state industries. However, the Czech government has not been afraid to sound a critical voice within the EU, for example Czech President Vaclav Klaus was an outspoken critic of the EU Constitution and halted the ratification of the Lisbon Treaty after the Irish rejected it at a referendum in 2008. President Klaus also refused to fly the EU flag over Prague castle during the Czech Republic's six-month Presidency of the EU Council of Ministers.

The reform process in Slovakia did not happen as rapidly. Before 1998 there were severe doubts about whether Slovakia would be ready to join the EU at the same time as its other former Communist neighbours. However, massive reforms took place under the government of Prime Minister Miklaus Dzurinda from 1998-2006 and, more recently, a law passed in March 2010 aimed to crack down on income from crime and corruption. The Slovakian government has allowed many major industries to be privatised and has encouraged foreign investment. A particularly significant reform in Slovakia was the introduction of a flat rate of tax of 19%. As a result of these reforms, many western European businesses, especially car manufacturers, have been encouraged to set up in Slovakia. Since joining the EU, the Czech and Slovak governments have shown broad support for European integration. In 2007, both countries became part of the Schengen Convention allowing visa-free movement across national borders, and Slovakia adopted the euro as its currency in 2009.

Facts and Figures

- Both countries have highly industrialised economies. Their major exports include automotives and electrical goods.
- The Czech Republic's average annual GDP growth for 2005-07 was 6%, which fell to –0.63% in 2009, and recovered to 2.3% in 2010.
- Slovakia's GDP grew 5.5% in 2005 and 6.4% in 2008. It slumped to -5% in 2009, but rose to 4% in 2010.

Technical Terms

Coalition: a formal agreement between political parties to share power in government.

Privatisation: the transfer of companies from state ownership to private control.

Links

- http://www.czech.cz/
- http://www.government.gov.sk/government-office-of-the-slovak-republic/

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Last Update: Anna Sonny 03/2012