

# Lessons from the 2017 Administrative Reform

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The 2017 administrative reform will go down in history as one of the events that has most influenced life in Estonia, although euphoria over Estonia's successful Presidency of the Council of the European Union was much more prominent at the end of the year. Then again, it would probably be bizarre to expect euphoria as a result of a successful administrative reform. Many people and even institutions still have to adapt to the new situation and to find the potential created through the reform for improving life.

Although the 2017 administrative reform cannot be considered the reaching of the final destination, the changes in the number of municipalities alone – most of which were voluntary – must be considered a success. More generally, we can now tick off the administrative reform as done, but we can view it as a success only when the new potential can be made to work for the purpose of the reform.

Nevertheless, the time has come for an interim summary, and to highlight some aspects that deserve praise or criticism, which should be taken into consideration when moving forward with the administrative reform.

### **A lesson for politicians: have courage to make decisions and rise above the temptation to engage in party politics**

Although during the whole process there has been criticism regarding the reform from its proponents as well as from those against it on principle, these two sides share a general opinion, or really a sense of astonishment, that the reform was successfully implemented. Due to the failed attempts over the course of many years, the more prevalent attitude was that an administrative reform would never succeed. Such an attitude curbed the proponents' optimism as well as the decision-makers' motivation to take the reins of this doomed undertaking.

Hence, to start a reform, the first question for the politicians is whether they can make brave decisions and then have the determination and backbone to adhere to these decisions.

Aborted reform attempts had tested the public's patience, and the readiness for change, which was reflected in opinion polls, definitely influenced the politicians' courage to make decisions. The emphasis on voluntary merging seemed like governmental indecisiveness and burying one's head in the sand to escape obvious problems. However, a reform that affects the entire country cannot be treated like a grassroots-level people's initiative, because local government organisation is not the sum of local wishes. The decision to proceed with the administrative reform had to be taken by government-level politicians.

Long-term growth can probably be considered the reason for the success of the administrative reform. The main idea of the administrative reform was handed over from one party to another, from one government to the next, like a baton, without much giving in to the temptation of discarding the ideas of political competitors. Instead, ideas grew and developed over time, and tested the limits of public acceptability.

As we evaluate the performance of the politicians involved in the 2017 administrative reform, the governments and the parties deserve praise as well as criticism.

We must praise the Reform Party, which dared to rekindle the embers kept by the Pro Patria and Res Publica Union and to take the risk of failure, and the Centre Party, which completed what was started by their political rival. When the administrative reform plans were still being prepared, the wider public became used to the idea that it would no longer be possible to continue with very small municipalities.

One discouraging fact cannot be overlooked: everything got bogged down as soon as the political interests of the decision-makers took precedence over their objectivity.

The case of Harjumaa remains a fly in the ointment. It is a county where, given the population density and level of traffic, it would have been justified to create municipalities with a higher-than-average number of residents. Thus, when municipalities in Harjumaa were exempted from the merger for unconvincing reasons, it damaged people's hopes that the reform could be implemented despite the temptations of party politics. This moment of weakness was probably the reason why some other decision aligned with the objective of the reform was not taken, and which is why work has to begin from scratch in some places. Nevertheless, this success showed that constant dripping wears away a stone.

### **The emotional background must not be underestimated**

Why should we pay attention to emotions when drawing conclusions about the administrative reform? After all, a reform is something very clear-cut – plans, systems, resources, money. But there are also many fears tied to an administrative reform, on a societal, institutional and individual level.

The fear of failure of implementing the reform is only one of them. There is also the fear of change, the fear of losing power, voters, or the face of the party or the election coalition, the fear of losing influence, of being swallowed up or remaining an unimportant periphery, the fear of losing a job and position.

After previous failed reform attempts, it was stated that quite a few fear-based problems had been underestimated. Now the lesson has been learned: fear is not a good helper for implementing change. Unfortunately, not even with the 2017 administrative reform, not all fears were addressed to an equal extent, and there was not enough help to overcome all justified fears. In the case of some fears, it was pragmatically decided that there would be no time to address everything.

The focus was primarily on the fears of those who were responsible for making local decisions. As expected, this caused criticism that the heads of local authorities who were facing an uncertain future were being paid off with taxpayers' money. Indeed, very sizeable compensation packages were provided for the heads of local government leaving or changing office.

How should we assess that? Should these monetary payoffs be considered cold calculations, or a pragmatic recognition of the price of the reform's success? In any case, no one denies that the money worked.

The fears faced by the 'weaker municipalities' (smaller municipalities that were merged with larger ones), peripheries, communities and villages were addressed on a far less convincing scale and therefore with less impact.

Still, it cannot be said that those fears were overlooked. The stakeholders were given information (sharing a previous positive merger experience definitely had a big impact) and supported with advice; studies were compiled with results that were rather encouraging. Nevertheless, these stakeholders themselves largely had to make an effort in order to protect their interests in the merger contract (which can also be amended by the majority).

Nor was there an early or sufficiently clear solution for the funding of peripheries that would help them catch up with the richer municipalities. True, the municipalities in general will get considerably more money in their wallets, but it will be distributed based on another principle and is not primarily concerned with the smaller municipalities

whose boundaries were changed by the administrative reform. While peripheries receive more funding, they are still light years behind the opportunities available for wealthier municipalities.

Hence the content of the administrative reform can be difficult to associate with the declared goal of making all municipalities self-sufficient.

In some cases, it was clear that the fears could well turn out to be true, but regardless of whether the administrative reform took place. For example, it is obvious that no matter what kind of administrative reform is planned, it cannot reverse demographic processes.

Another lesson is that a reform should not be presented as a cure-all for every issue related to inequality, jobs, or regional and rural life. Such an impression should not even be allowed to emerge. Otherwise, when the fantasy fails to come true, the disappointment will be even greater.

What would be the best way to proceed from now on, so that justified or unjustified fears do not impede change? The emotional aspects should not be underestimated when planning any changes. More effort should be made to identify fears at the beginning of the process and to discuss these openly and patiently with everyone.

It would be fair and just to offer efficient relief for the worries of different stakeholders. The bulk of the relief should be measured not in money, but rather in the extent of the consensus reached.

### **Distrustful relationships with partners make reform more difficult to implement**

In 2015, when Arto Aas (a Minister of Public Administration from a party renowned for opposing the administrative reform) unexpectedly asked me, as an expert, to discuss administrative reform with him, I listened to his overview of the current situation with great scepticism. The overview itself was completely pertinent, but I kept waiting for him to reach the point: why it would not be possible to implement an administrative

reform. However, he never reached that point. Instead, he was trying to figure out which options were feasible.

At first, I thought this was devious behaviour. But it quickly became evident that the minister actually wished to launch the administrative reform. With this personal reflection, I want to illustrate the point that if there is mistrust, achieving meaningful collaboration can be a challenge.

The central government and local authorities had thus far created a major barrier in their relationships. Although the annual tradition of negotiating the state budget between the government and representatives of local authorities has lasted for decades, the participants have been unable to use this to build good relations between equal partners. Negotiations would have required a dialogue, but in practice it was often a monologue held by one or the other side, and when it came time to make decisions, the preferences of the stronger side – the state – were favoured.

At the same time, the local authorities barricaded themselves into defensive positions, as was usually demonstrated by their demanding extra money for every little thing. None of this fostered open or understanding relations between the involved parties.

In the context of the administrative reform, the local authorities' mistrust of the state was also increased by the attempted reform that took place at the turn of the century, when the government decreed who could merge with whom. Such coercively drawn lines had become a motif of the administrative reform – a symbol of a state that bulldozed over the municipalities' interests.

That is why a great deal of time and energy was spent on the planning of the 2017 administrative reform to create trust in local authorities, enabling them to give up their defensive positions and engage in open dialogue during the discussions.

Nevertheless, the preparations of the 2017 administrative reform did not see an absolute improvement in relations. Uncertainty was caused by the state's mixed messages regarding which functions

municipalities should take on, and what kind of a financing system would be balanced with these functions. During the discussions, it remained unclear how the minimum population size for municipalities could be established before knowing what kind of a role local authorities were expected to play. Local authorities had no other choice but to accept the explanation that, as soon as it was established how to change the municipal boundaries, the government would start dealing with the fundamental issues of the reform. In the end, however, Minister Arto Aas had to admit pragmatically that the time between elections was too short to have an in-depth discussion about this if the goal was actually to finish the reform.

A future lesson from this confusion is that whoever is leading the process should first figure out what they want and how much they can take on, and explain this to their partners with total honesty.

Another lesson from this is the fact that good relations between partners are a useful asset, and building such relations during a reform is admittedly more difficult than steadily working on them over a longer period of time.

The task of the Minister of Public Administration was not made any easier by other ministers who continued with parallel reforms within their area of government, which also affected local authorities. Focusing only on their own goals, they could not be bothered to consider how their ministry's actions (such as creating health centres and deciding the location of state secondary schools) would affect the big picture. For example, decisions on the location of state secondary schools in Harjumaa were made without waiting for the merger of the city of Saue and Saue municipality, although the merger requests of the local authorities were already known. The state allowed Saue municipality (before the merger) to establish the Laagri state secondary school on the condition that there could not be a municipal secondary school in the municipality. With the 2017 administrative reform, the boundaries of Saue municipality changed so that the municipality now includes the

municipal secondary school located in the city of Saue, and there is a section in the merger contract of the municipalities stipulating that the municipal secondary school will remain in place. But the construction of the state secondary school has stalled. The situation is a mess.<sup>1</sup>

### **The result of the administrative reform is determined by a criterion**

Implementing an administrative reform was not a goal in itself. The reform was meant to solve a problem that many institutions had highlighted over a long period of time. This problem was that a number of local authorities were not capable enough – that is, they did not have enough administrative capacity to fulfil their designated functions well.

Over the years, public opinion had also become increasingly convinced of the need for administrative reform.

To solve the problem, the government did not go down the path of task simplification (something the author of this article would also have opposed). On the contrary, local authorities had to be shaped so that they could handle the functions assigned to them. Furthermore, each individual local authority was meant to become capable.

The possibility that not all local authorities should fulfil the same municipal functions (an arrangement that would, in principle, be possible in Estonia) was not discussed on a political or specialist level. There was talk about giving extra functions to particularly capable municipalities or to county centres, for example, but that concerned national-level obligations in particular. The option of having local authorities obliged to fulfil a much larger share of functions in collaboration with others was also discussed. By the end of the reform, the list of tasks with obligatory collaboration became quite short.

To implement the reform, it was therefore necessary to find a criterion by which to identify a capable municipality: what constitutes

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<sup>1</sup> M. Tooming, 'Kahe riigikooli tulevik ikka tume' – *Harju Elu*, 19.12.2017; <http://www.harjuelu.ee/2017/12/14973/kahe-riigikooli-tulevik-ikka-tume>.



sufficient competence and what level of resources it needs to fulfil its functions well.

Although the act also stipulated cost savings as an objective of the administrative reform, referring to a more uniform regional development and the objectives of the state reform, this objective was not under direct scrutiny when choosing a criterion.

How was the selection to be made? Initially, attempts were made to find a complex criterion to determine the capability of a local authority, but to no avail. In the end, the chosen criterion was simple, and tried and tested elsewhere in the world – population size. This choice can also be justified by the fact that local authorities decide how to fulfil functions themselves, and that is why their capability cannot be easily quantified. Individually evaluating each municipality's function fulfilment quality would have been unreasonably extensive work, and the results could have been disputed as necessarily subjective.

In short, the attempt to determine quality on a scale of numerical indicators contains the dilemma between the local authorities' decision-making freedom and the quality standard imposed from above. Nevertheless, that dilemma did not become part of the discussion during the search for a criterion – not only due to the time pressure, but also because in the end, there simply was no better alternative to using the number of residents.

On the one hand, it was logical. Studies and analyses had shown that about 5,000 residents is the size at which a municipality generally generates enough revenue to maintain a reasonable number of specialists and achieve at least a minimal investment capability. But there is no such thing as an average municipality.

In addition to the simplicity of the criterion, we should also address the specific size: 5,000 residents was the middle of three choices discussed when planning the reform. (Based on the studies, municipalities would need a minimum of 3,500 residents to function properly, while the largest choice was based on the number of residents considered optimal for operating a secondary school.)

During the discussions, it was stated that the studies were based on assessing the capability of the local authorities in the context of existing functions, and indeed could not take into consideration a situation in which the functions were significantly extended. It was also found that for many local authorities that just barely met the criterion, the ongoing demographic trends were not considered, and the number of residents could drop below the recommended minimum after only a few years.

Using the number of residents as the criterion of the administrative reform had its strengths and its weaknesses. It was strong because it was understandable, measurable and objective, and could be applied to all municipalities across the board. The weakness of the criterion lay in the fact that it is often not possible to paint similar-sized municipalities with the same brush, as their demographic, regional or economic situation is so different. Municipalities with an equal number of residents could be in an unequal position, for example due to the age distribution of the population, the size of the territory or the regional location.

In addition, problems with registering people's place of residence in the population register are widely known in Estonia. People often do not live in the municipality that is their official place of residence according to the population register and whose services they actually use. The simplicity of the criterion was something of a disappointment, both for the proponents of the reform with their high expectations and for the sceptics. Ridiculing this criterion, sceptics eagerly used the opportunity to depict the whole administrative reform as hopeless. For example, the simplicity of the criterion made it possible to ask the rhetorical question: how is it possible for a rural municipality of 4,999 residents, i.e. an administratively incapable municipality, to become an administratively capable municipality with the addition of two residents?

As the limit of 5,000 residents was included in the Act as the formal required minimum, it started to have a direct impact on the size of municipalities created as a result of the administrative reform. What was called the optimal size of a municipality, 11,000 residents, was added

to the draft Act during the final stage of discussions as a soft recommendation, and the only means for attaining this was the extra bonus added to merger grants to motivate local authorities.

At the same time, it is clear that there is no one optimal municipality size for all regions. In sparsely populated areas, forming municipalities with 11,000 residents would have been unreasonable.

Nor did the government wish to have more discretionary authority for decision-making, realising that it could result in gruelling disputes. And so it happened that instead of moving towards municipalities with at least 11,000 residents in more densely populated areas, the government had to explain whether municipalities that were just under the bar, i.e. with fewer than 5,000 residents, could hope to maintain the status quo. The government decided that it would not forcibly create administrative units with artificial boundaries just for the sake of fulfilling the criteria. Quite a few municipalities were encouraged by this: they could be deemed fit even if they did not have the minimum number of residents.

Just to be on the safe side, some municipalities focused their efforts not on trying to find some common ground with their neighbours, but instead on getting 5,000 residents as per the population register, thus avoiding the merger requirement. They came up with all kinds of schemes to achieve that goal.

To maintain the status quo, municipalities encouraged people to register as residents, even putting up a four-wheel-drive vehicle as a lottery prize, or made other extra conspicuous efforts. For example, Raasiku municipality hired a campaign director and disseminated a poster ordering people to 'register as residents quickly' to 'keep our own culture'. It also stated that 'every person is unique' (something the administrative reform had not disputed at all).<sup>2</sup>

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<sup>2</sup> A. Tohver, 'Raasiku sai 5000 elanikku täis' – *Harju Elu*, 22.12.2016; <http://www.harjuelu.ee/2016/12/8410/raasiku-sai-5000-elanikku-tais/>.

Although Raasiku municipality exceeded the limit of 5,000 residents and was not compelled to merge, it is a tiny municipality compared to its neighbours in Harjumaa county. The head of another local authority even admitted during a similar recruitment campaign that they would not reject people who become residents of their municipality even on fictitious grounds.<sup>3</sup>

The result of the administrative reform obviously could have been different if something other than minimum population size had been set as the main criterion (in many cases, it was impossible to meet). The principle of optimal size, combined with the government's greater right of discretion, could have given a better result that would have better matched the particular regional conditions.

But now the reform tended to produce exactly what was measured. Because a minimum criterion was used as the measure, the result was minimally capable local authorities, rather than simply capable ones.

### **Well-advised and unambiguous legislation would reduce tensions and disputes**

The draft Administrative Reform Act was compiled in a hurry. A great rush was evident in the entire process. Everyone understood that the deadlines the government set both for itself and for the local authorities did not reflect the complexity of the decisions nor the need for developing and considering alternatives, not to mention the many stakeholders that had to be involved or the time necessary for disputes.

This put unreasonable pressure on politicians and officials, as well as on the people whose lives were most affected by the changes.

For example, at the beginning of 2017, within a period of about six weeks, the government essentially had to be engaged with nearly

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<sup>3</sup> S. Mihhailov, 'Loositav maastur ei toonud Narva-Jõesuu ja Vaivara vallale ühinemiseks vajalikku elanike arvu kokku' – *Põhjarannik*, 8.12.2016; <https://www.err.ee/580039/loositav-maastur-ei-toonud-narva-joesuu-ja-vaivara-vallale-uhinemiseks-vajalikku-elanike-arvu-kokku>.

200 municipalities: to confirm all voluntary mergers and their conditions (among other things, to argue over poor naming decisions with merging municipalities); to analyse the justification of the applications for receiving an exemption, and to screen out where the government should initiate a merger to meet the objective of the reform; to find a suitable partner for such municipalities; and finally, to formalise it all as reasoned decisions.

Understandably, the haste with which these decisions were made worked against the people involved. Despite several questionable decisions made during the preparation stage, the result clearly could have been worse: we could well have ended up with a bunch of perfect decisions but without a completed administrative reform. Of course, this does not mean that, when it comes to large reforms that significantly affect society and the people, we should agree to breaking many eggs to make an omelette.

The Administrative Reform Act turned out to be quite short and not too detailed. There was confusion around how to understand and interpret the letter of the law, both among experts and the involved parties. They were thus forced to be (but also given the opportunity to be) creative in matters nobody had even conceived of at first. The case was more difficult regarding issues that were knowingly under-planned and unregulated in the Act (e.g. the principles for disputing the implementation of the administrative reform). Looking back, we can say that contestations were inevitable, but there was an unfair number of loose ends for local authorities, which is why they had to waste time and money to defend their rights.

The Ministry of Finance could have used support from the Ministry of Justice, as well as additional resources for legislative drafting and its technical aspects. Experts on local government highlighted this need, but with little effect. In conclusion, this demonstrates that the government should work together towards a common goal and not allow the ministries to act as silos.

Whenever any kind of rule is implemented, the question arises as to whether allowing exemptions is justified. Exemptions were provided for the administrative reform criterion, some of which had existed from the very start as political decisions. Without analysing them one by one, we can generalise that every more or less justified exemption possibility diverted the end results away from the overall objective. Moreover, at the end of the reform, the people involved in its implementation were not completely satisfied with the result either.<sup>4</sup>

Better consideration would also have been necessary in situations where local authorities that had done a great deal of work towards a voluntary merger could not be certain for several months whether their negotiated, deliberated and government-confirmed contract could be implemented as is, or whether the government would coercively add another municipality to the merger.

It also definitely decreased the motivation to prepare the post-merger steps that the new municipal council needed to quickly take in the new municipality. Uncertainty affected not only those who could not meet the minimum population size criterion despite the voluntary merger, but also those with more than 5,000 residents.

However, the proposal of a coercive merger did not always result in a completely new situation, because in some cases, coercive mergers were implemented with municipalities that had discussed a merger during the voluntary stage but, for various reasons, did not complete it.

During the preparation of the reform, it was not comprehensively analysed whether a municipality (e.g. the city of Tartu) that was being joined by a smaller municipality should go through the process in the same way as municipalities merging to form a completely new municipality.

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<sup>4</sup> 'Head of the Ministry of Finance regional administration department Väino Tõemets admits that the remaining 15 small municipalities do cause him some unease.' O. Eylandt, 'Aas taaskäivitas, Korb soperdas, Aab viis lõpule. Omavalitsused said lõpuks liidetud' – *EestiPäevaleht*, 29.12.2017; <http://epl.delfi.ee/news/eesti/aas-taaskaivitas-korb-soperdas-aab-viis-lopule-omavalitsused-said-lopuks-liidetud?id=80634287>.

Practice showed that trust was not always justified. The most disappointing outcome was when some of the municipalities that had chosen a voluntary merger took on a loan or other obligations without the others knowing about it, and left these for the new municipality to deal with, or simply spent everything in the bank account and began the merger with a stack of unpaid bills.

It is not possible or reasonable for the government to regulate partners' relationships down to the last detail, but these examples should serve as valuable lessons for the government and local authorities alike. The government should consider making the local authorities' activities and use of funds more transparent – and not only during an administrative reform. Moreover, local authorities should make partner agreements more thorough and controllable.

One of the positive principles of the administrative reform was that the law gave local authorities greater freedom to decide what kind of a municipality they saw themselves as. An actual step back was taken, so that a municipality that had once held the status of *linn* (city) and then changed its status to *vald* (rural municipality) during a previous merger could again apply for city status.

Although there is no advantage of the one municipal status over the other, and some cities had already become used to the idea of changing their municipal status to *vald* (e.g. in Saaremaa), giving the permission to do so could disarm potential critics. However, looking at the overall picture resulting from such freedom is quite baffling. The division of Estonian local government entities into rural municipalities and cities has become fuzzy, and it is not clear whether it is even necessary to make such distinctions in the 21st century.

## **There can never be too much open communication, sincere interest and explanations aimed at everyone**

This applies to the popular topic of public engagement, but also to communication and awareness raising in a wider sense. To the people behind the reform, it was clear from the beginning that meetings had to be arranged to alleviate the antagonism of local authorities, and that a positive attitude had to be spread locally with the people involved. A lot of time and effort was put into strategic communication, although the existence of a long-term general plan was not evident to a bystander.

However, what was noticeable and even positively surprising was how Minister Arto Aas emphasised the seriousness of the reform initiative. Not only did he promise to show up at discussions, but he also participated in them and did not leave immediately after the festive introduction and greetings. This contrasted with another minister, who promised to come but then did not, and sent other officials to explain things in a city that was extremely critical of the administrative reform. There may well have been an objective reason for this, but it caused an acrimonious reaction.<sup>5</sup>

Generally, however, it must be said that none of the Ministers of Public Administration who were involved with the 2017 administrative reform implemented the reform from behind their office desks. They were constantly 'in the field'.

But this kind of communication poses the more general risk of dealing primarily only with those that have a loud voice and a critical attitude. This could mean that not enough attention is given to those whose position is weaker, on whom not much depends, and who could get caught in the process –for example, villages that had a different idea of the merger than the heads of rural municipalities did.

One of the positive highlights of the administrative reform process was the state's advice and help. For merger negotiations and entering

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<sup>5</sup> A. Viivik, 'Minister Korb jättis Keilasse tulemata' – Harju Elu, 20.4.2017; <http://www.harjuelu.ee/2017/04/9629/minister-korb-jattis-keilasse-tulemata/>.



into contracts, local authorities were given free advice by consultants. Their help as impartial process leaders and, where necessary, tension relievers was definitely valuable. We can only regret that the government has not provided such advisors to local authorities in need of advice with other areas and at other times.

A lesson to be learned from this is that the Ministry of Finance could harmonise the consultants' viewpoints and coordinate their actions. Based on what happened, it seemed that some merger-related choices that the consultants recommended to the local authorities were based on personal preferences. In the future, a wider range of advice could be offered – so far, it has depended on the preparation and experience of the specific consultant. Rather, several consultants should be employed in each municipality if necessary, so that all the key questions could be covered (e.g. there could have been more focus on legal issues). Issues that arise after a formal merger should also be addressed separately.

The three regional committees, which included experts as well as state officials (county governors and officials from the Ministry of Finance), could also be considered advisors. These committees were created primarily to make proposals to the government in the stage of government-initiated mergers.

It was good that during the preparation of the draft Administrative Reform Act, the role of regional committees was expanded, and in the voluntary merger stage, they were given the task of explaining the Act and pointing out the municipalities' problems before any decisions were made.

As far as regional committees are concerned, it is worth noting that they focused on territories the size of several counties and their recommendations were based on the bigger picture instead of being confined within the county borders. The work of regional committees was definitely not painless, as county governors were used to protecting their own county's interests. Thus their occasional self-serving acts (e.g. in Läänemaa or Põlvamaa) were apparent to the public as well.

Given that the Estonian population is so small and there is only a limited number of experts in each field, the issue of a role conflict could

have arisen. There was at least the potential for a conflict of interest when the same person acted as a merger consultant for a local authority and also made a merger proposal to the government as a member of the relevant regional committee.

In some cases, the same people had a say regarding the fundamental choices of the draft Administrative Reform Act in the expert committee appointed by the Minister of Public Administration. Namely, Minister Arto Aas convened an expert committee in 2015 whose task was to help the minister prepare the administrative reform. The committee consisted of representatives from local and state authorities, scientists, and other specialists in the field. Despite a change in government, the committee continued working when Mihhail Korb became the Minister of Public Administration.

Actually, such involvement of experts had been even more consistent – many committee members had already been meeting over the course of several years, at the invitation of Siim Kiisler, Minister for Regional Affairs. That meant that when preparation for the 2017 administrative reform began, many of the specialists involved knew each other and each other's positions, and in 2015 their collaboration got off to a great start.

### **What else could have been done to make the administrative reform better?**

In conclusion, the 2017 administrative reform has generated ambivalent feelings. Importantly, decades-long political irreconcilability was overcome, and the reform was implemented to an extent many people did not think possible. At the same time, demographic processes had advanced at their own pace by that time. We must accept the irreversible: the administrative reform has not actually equalised the capabilities of municipalities, which remain uneven in this country.

Could the government have achieved a greater proportion of voluntary mergers through better awareness raising and consultation work, so that there would have been fewer painful merger decisions? Perhaps.

The other side of the coin is that, in order to encourage voluntary mergers, the government did not take the opportunity to stop the emergence of unreasonable local government formations and sacrificed some things. It was too soft to protect the continuity of historically justified names. It is also possible that some voluntary mergers did not happen because the local authorities did not know precisely which role changes the state would consider necessary in the long term. To be more accurate: the state simply did not have such a viewpoint.

The state's hesitations, which were sometimes apparent, also had an impact on some of the local government politicians. Instead of negotiations, they adopted a noncommittal position, the motivation to find a compromise decreased, and the hope grew that yet another reform would dwindle. Had the government shown more decisiveness, at least some of the local authorities that discontinued negotiations would have been motivated to reach a result.

If the administrative reform had actually been prepared as a part of the state reform (as the government, albeit inconsistently, has declared), it would have been reasonable to analyse immediately the effect resulting from a considerable decrease in the number of municipalities as well as the abolishment of county governments. Decisions concerning county governments were made when the administrative reform decisions were already in full swing. At first, it was said that county governments would be abolished in mid-2018; but then it was decided that this deadline would be brought forward by six months, and that local authorities had to immediately fulfil the functions transferred from the county governments.

Although the abolishment of county governments need not affect the county-based administrative division, it should have been reviewed whether the division of Estonian territory into 15 counties was reasonable and did not require any corrections. This should have been done simply because the administrative reform was, in any case, planned to cross county boundaries, and the county affiliations of several municipalities changed.

The Local Government Organisation Act of 1993 also remained set in stone, although it is very outdated and has not kept pace with legal developments. But it will remain the foundation of local government organisation in the future.

Unfortunately, the government did not have enough stamina to tackle other issues as well. For example, the promotion of local democracy should have been addressed – the political forces in the minority on a municipality council have scant recourse if the majority simply bulldozes over them. Also important to address is the oft-mentioned conflict of interest – when a member of a municipal council is simultaneously the head of an institution employed by the municipality. The council members' ability to set their own salaries should also be reviewed.

Now we can only imagine what will happen next. In the future, the 2017 administrative reform will be evaluated not by politicians or respected international organisations but by the local people. If we want to be able to look back in 2027 and be able to say that a remarkable surge of development has taken place that gives people access to everything they need in their home town, then we must fill the reform with meaningful content and learn from the mistakes made thus far.