

Ladies and gentlemen,
Dear colleagues and friends.

I hope that you have spent two useful days here.

I believe that many words of recognition have been addressed to you.

I would like to join those expressing their recognition. My immediate experience allows me to confirm, in full sincerity, that the Estonian public servant is a responsible, wise and brave person. Someone who understands the responsibilities of his work, and knows that to serve one's country is not just an employment; it is a matter of honour and a mission.

Therefore, I feel embarrassed and sorry when I sometimes have to hear or read indiscriminate criticism of our public servants.

Contemptuous attitude towards public servants is probably a reflection of the attitude towards one's country. Citizenship is a result of development and growth. With citizenship, also the knowledge of the role of public servant will grow.

Therefore, I recommend you not to take unfair criticism to your hearts. I understand that it offends. But let us be above its offence. And become better and more professional together.

Therefore, I would like to ask for your intellectual contribution to some matters, which are impossible to solve without your help.

Dear friends.

It is probably not an exaggeration to say that for Estonia, 2008 has been a very special year.

The official final chord of the 90th year jubilee of the Republic of Estonia will chime in a few weeks. For nearly 12 months, we have looked back at the brighter and darker moments of our history.

We have perpetuated the memory of the founders and keepers of our country.
We have removed thousands of tons of garbage from our forests in a joint effort.
We have gathered on the Song Festival Ground to join our voices in a magnificent chorus.
In all this, we have brought the Estonia of our dreams closer to reality.

However, I believe that in the future, this jubilee year will be remembered for other events. We will remember it as an instant of change in the world that surrounds and affects us. Which in turn brought changes also in the domestic and foreign politics of Estonia.

First – the events of world economy.

An extensive financial crisis, also called „the perfect storm”, has devastated the banking landscape that had taken decades to develop.

Already, that storm has decreased the value of investments. It will thoroughly shake the foundations of the global financial system built up in the previous decades. It will take whole countries to the verge of bankruptcy.

The implications of the global financial crisis have just started to find their way into the global economy. The signs of cooling economy are visible everywhere.

This is why Estonia has to be a careful observer, so that we would be able to respond to all possible changes of the economic situation as fast as possible. Today, one thing is clear – at least in short term, Estonia is facing tough times.

For several years now, the opinion that with the disappearance of our former competition advantages, our economy is in need of a thorough and structural change, has been pronounced in Estonia.

In 2008, this idea, this concern has become an inevitability, a matter of survival.

Estonia's previous budget politics must now be seen in a totally different perspective. A system built on rapidly growing domestic demand is unsuitable for the circumstances where the growth of consumption is grinding to a halt.

Fortunately, our Government and our Parliament are beginning to see the seriousness of the situation. There is much less of unwarranted optimism. And beside the harbingers of trouble and chaos, we can hear voices calling for necessary political changes.

Once again, we are firmly talking about joining the Euro zone.

Estonia needs a goal. Our next goal is Euro. This will increase our awareness of Estonia's choices and save us from major backlashes.

Second, in 2008, the foundations of the European security policy changed. The events in Georgia shattered our already deep-rooted belief that no European country would attack another in the future. That borders would not be moved by violence.

This new reality has placed us in a principally new situation. Now, we must carefully revise our ways of implementing foreign, defence, and security policy.

This does not mean that Estonia would abandon value-based foreign policy. Estonia will continue to support countries that have chosen the path of democracy. Estonia respects every country's right to decide freely over its future, to choose allies and join international organisations.

As a small country, Estonia can only have a pragmatic foreign policy that is also value-based, based on adherence to international law, conventions and agreements. At the same time, we must be aware of the point where irrefutable defence of values will become a threat to the

interests of the nation.

Ladies and gentlemen.

Let us now get down to the routine running of this country.

We have reasons to be proud that Estonia is functioning quite smoothly as a state. This is one of the motive forces of the growth of social well-being, our statehood is resting on a stable foundation and the everyday sense of safety of the population has been ensured.

Estonia is a credible partner in some of the world's most influential organisations. For years, we have supplied advice, action and financial assistance to countries where times have been harder and our help is needed.

And still, at least we in this hall know all too well that there are several loose cogs in Estonia's state mechanism. Sometimes, it seems to be running idle.

Moreover: the owners of the mechanism – the citizens of Estonia – are not always proud of it.

There are grounds for both concern and complaints. Notwithstanding our inclination to be ever looking for the single fly in the ointment and having found it, to declare the ointment unfit for consumption.

We have a state that is at the same time thick and thin, sometimes extravagant and sometimes feckless.

Estonian state is bound to remain an oversized and over-expensive mechanism, manned with thousands of people and devouring billions of kroons, as long as some of our fellow citizens are unable to feel the support or even the presence of the state or local authorities.

A fee of 30 kroons for home delivery of the pension may be a financially justifiable idea. But as an argument it is unconvincing, when at the same time, millions are wasted as a result of faulty or wrong decisions, corruption or negligence.

When public authority is making decisions whose background is unknown to the public, the state and local authorities inspire mistrust.

Nor is mistrust diminished by an ostentatious and forceful display of struggle against possible corruption. Especially in cases when the display of force is not accompanied by a coherent explanation of the offence and court proceedings within a reasonable period of time.

Why is the public made to believe someone's guilt if in fact, no one knows whether that someone is guilty or not?

No one except the court can decide over guilt and innocence. But what if the case comes to court a year, two or three years later?

Within those two or three years, what should a citizen make of a municipal leader surrounded by a thick fog of suspicions, although no specific charges have been made?

And how is such a leader supposed to defend himself – as a human being and as a public servant – if the lips of the preliminary investigator remain sealed after the last TV cameras have left?

What does this have to do with trust?

What does this have to do with the principle of the rule of law?

Ladies and gentlemen.

We know that many local authorities are unable to fulfil their tasks pursuant to the law. And yet, it is at the level of local authorities that the inhabitants of Estonia develop their attitude towards their state and its authorities.

Nevertheless, the idea of administrative-territorial reform has so far remained on paper.

Nor have the local authorities understood the need for merging and reforms. True, some weak local authorities have already been merged into a bigger and stronger one. But these are isolated cases. They are not widely known and have therefore not served as an example for others.

One of the reasons may be that words and deeds are not following the same rhythm in Toompea and in rural municipalities.

A few days ago we heard from *Aktuaalne Kaamera*, that Enterprise Estonia had rejected the application of Valga County municipal authorities who applied for a subsidy for an analysis of the implications of merging process. Could the reason really have been that the local authorities approached the wrong desk with their request of financial assistance?

But let us ask:

- Why did they not receive the necessary advice from the local representative of the state, or the County Government?
- Why did the Office of the Minister of Regional Affairs not rush to their assistance?
- Why did they not receive any help from the state that has declared the voluntary merging of local authorities to be its priority?

Dear friends.

I would rather not go deeply into the draft of the new Public Service Act that will directly affect your work and mine.

Or into its implications on the draft Contract of Employment Act presently discussed by the Riigikogu.

Or how the new framework of public service was born and whether the opinion of public servants was heard when it was composed.

Or how it would affect the enactment of authority on local level.

But still, as Estonian citizens, we have the right to ask: what is the strategic goal of all the intended changes, which are unfortunately all being handled separately?

Is it to help strengthen the Estonian state? Or to economise on costs? Or something else?

I believe that just as in economic and foreign policy, Estonia needs to take a critical look at the administration of our country, at the routine enactment of administrative power, at our possibilities and our duties to the people of Estonia.

Let us call it the regular maintenance of our common state mechanism.

We could, calmly and systematically, analyse the routine aspects of organising the life of administration:

- the relations of state and local authorities
- the structure of the government apparatus, as well as public administration and public services;
- the administrative-territorial structure of Estonia.

Looking for solutions, we can only proceed from a single conviction: the state is not a goal in itself, it is not a *Ding an sich*. The state is there for the people.

An efficient state mechanism serving our common interests cannot function on energy saving regime. Thrift and efficiency will both spring from better organisation of work, elimination of duplicate tasks, and reducing waste of time and the need to run between several public authorities for a single errand.

There will probably be counter-arguments:

- this is too big a bite to chew;
- there is already a plan of intended changes for some parts of the state apparatus, and the implementation of such plans cannot be suspended;
- tries have already been made but not successfully;
- within the state apparatus, we find status quo-oriented dissension rather than acceptance to be prevalent both among politicians and officials;

But we can make it if we care and if we really want to come closer to the Estonia of our dreams.

Three days ago, the people of the USA elected a new President. His campaign slogan was unambiguous and coherent: „Yes, we can!”

Dear friends, this is nothing new for Estonia. Estonia has made it, several times. What could be harder, what could be more complicated than restoration of a country's independence?

Estonia's excellent Constitution was complete, written and discussed within half a year by members of the Constitutional Assembly and experts of constitutional law.

On a practically empty space, we have built a modern edifice of the rule of law. And a little later, we redecorated it thoroughly – although it was almost brand-new – “in accordance with the EU rules”.

Has something changed, have we become weaker, have we lost some of our knowledge?

Certainly not. To the contrary, we are wiser, and have more experience. And the experience tells us to avoid unnecessary haste and aspire to consensus.

Of course, to adapt the running routines of a state machine, we need an agreement between political parties. Only this way, the work can be continued by the coming governments and the next Riigikogu.

But first, we have to be convinced that the reforms are necessary. More than so – that they are inevitable.

The future of the people of Estonia and Estonian state cannot afford a home that cannot be repaired or tidied if necessary.

To achieve this, I wish you all – think positively, think together, and be strong.