

Good morning, dear city and municipal leaders, ladies and gentlemen, friends.

It appears that the coldest days of this winter are upon us.

Fortunately that goes only for the season and the weather.

The current state of the Estonian economy is more spring-like, characterized by a return to growth.

I do not base this assessment on intuition alone. The latest data from the Tax Board show that more revenue is flowing into state and local budgets than did early last year.

You in the audience know – better than I – whether the trying times of austerity have given a boost to long-delayed administrative territorial reforms, or whether all of the attention was focused on just staying alive.

If word arrives in the middle of the fiscal year that a municipality will have to get by on much less than planned, that is bad news in any case.

As tax receipts start flowing in at their former rate, local governments must certainly consider whether the brunt of talks with the Estonian government should be aimed on "resetting" the situation. Should it really be the main focus for local governments to receive the same share of income tax as they once did?

Or is it time for a new beginning – for calmly reviewing the obligations and possibilities of state and local government?

One thing is clear – the recent boom times are not coming back, either at the state or the local government level.

Ladies and gentlemen.

I can only imagine the privation and sacrifice that the economic crisis meant for Estonian municipalities. I would like to thank you for withstanding the difficulties.

That said, I am also sorry that the necessity of administrative reform has not found a worthy place in parties' elections platforms. There is almost nothing to be heard about this topic in the current election campaign.

We know why this is. Facing up to the truth will not earn parties any popularity points on Election Day. It will tend to make them less popular. And that is not because mergers between municipalities are presumably unpopular among local leaders, some of whom would have to bid farewell to their position of mayor or council member.

No, I think one reason no one wants to talk about administrative reform is that it is by its very nature negatively tinged. People have grown used to talking about it in the vein of giving up and losing. It is associated with people being deprived of their municipality, a piece of their identity.

We haven't succeeded in discussing administrative reform in terms of what we have to gain from it. Everyone whom the public has entrusted with the task of making life in Estonia better shares in the blame for this. That means everyone, from the members of municipal councils on up to the president.

But there is a clear need to make adjustments to the system. As it stands, the availability and quality of public services in Estonia depends directly on where a person lives. And that, ladies and gentlemen, goes against the spirit, and undoubtedly also the letter, of the Estonian Constitution.

I will not go into the details, as you know them better than I. I only hope that, after voters have had their say on 6 March, the new Riigikogu and cabinet of ministers will find the fortitude to finish this unavoidable job that has seen only talk for the last ten or more years.

## II

The second major topic – about which there has been a regrettable amount of discussion concerning local governments – is corruption.

We must realize that local government leaders, public servants and members of municipality councils must not only be competent at their jobs, they must also set a moral example. They are a calling card for government. If government is clean and transparent, citizens will have more trust in their country.

I don't mean just the cases where local authorities have been accused of bribery and corruption. The use of local government funds for the good of a party election campaign is likewise theft and abuse of power and position.

I would make a special point to differentiate the particular from the general. Estonia has achieved as much as it has also because, by and large, we have a more or less honest and transparent local government system. Let us not allow individual dishonest people to ruin the overall impression, and may we uphold our good standing.

## III

Ladies and gentlemen.

I know that many topics are on your minds, problems for which solutions are as yet unclear. Snow must be removed and roads kept open, even if the funds for that purpose are running out or already have run out.

New legislation has been passed on reforming the school system at the upper secondary school level, but much remains undecided at the level of the municipalities and counties. This work is not something we can put off.

All this is very important for our fellow citizens. And it seems to me that often they do not know and are not interested in exactly who is responsible for a given segment of work and who is in charge of organizing what matters. They are not even required to know. Nor will they find out when a road has been cleared and children have access to up-to-date, high-quality secondary education everywhere in Estonia.

To prevent this, state and local authorities must work well together. If they do not, people will leave – from countryside to the city and from the cities to other countries. They will go to places where government is able to attend to people's basic needs, to places where cooperation between authorities on different levels is in fact functional.

However, I believe sincerely that Estonia, too, is a country where citizens can get reasonable responses to important questions. I wish you strength and productive discussions.