Plans for the Administrative-Territorial Restructuring of Estonia from 1989 to 2005

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The restored Republic of Estonia inherited its administrative division from the Soviet system, consisting of districts (raions), state-governed cities, cities, towns and village councils. These administrative entities and their boundaries had emerged as a result of largely arbitrary waves of centralised restructuring.

In 1988, a shift towards the re-establishment of local government was initiated as part of the development of the concept of a self-managing Estonia (*isemajandav Eesti*). At first, there were two main alternatives, with counties and municipalities as the contenders for the status of primary entities of local government. There was also a third option, of establishing approximately 40 new entities with completely redrawn borders.

It was an administrative organisation based on cities and rural municipalities that eventually prevailed. In 1989, the Principles of Local Government Act and implementing acts for the transition period were adopted. In the following year, the then administrative units (raions) were renamed counties; the village councils and cities would be granted self-governing rights within three years depending on their readiness. Until then, county councils would perform local government functions by proxy, as it were.

During the transitional period, several existing municipalities were divided into two, forming Saku and Kiili, Juuru and Kaiu, Orissaare and Pöide, as well as Kuressaare and Kaarma. The rural municipality of Torgu was separated from Salme at the initiative of the Independent Royalist Party faction in the *Riigikogu* (Estonian Parliament). No elections were held in the city of Paldiski, which remained under the city of Keila until the 1996 elections. There was one instance of redrawing municipal boundaries, as part of the rural municipality of Meremäe was incorporated into Vastseliina rural municipality.

Summer 1993 saw the hasty adoption of the Local Government Organisation Act so as to establish a new administrative organisation by the time of the local elections that autumn. The whole legislative package was passed between 1993 and 1995. The new system of local government consisted of 46 cities and 209 rural municipalities.

At a critical moment before the 1993 local elections, it became clear that, under the new legislation, the existing towns (*alevid*) were outside the law. The town councils were given three weeks to decide whether to apply for city or municipal status. Only towns with a population greater than that of the smallest city at the time could apply for city status. The smallest town to apply for city status was Lihula. The largest town that decided not to apply for city status was Vändra, arguing that it would merge with the rural municipality of Vändra at the earliest opportunity (the merger took place only in 2017) and that city status might interfere with that process. The legislation allowed for rural municipal districts

to be formed within rural municipalities. Within a few years, the district of Vinni in Lääne-Virumaa used this option.

Although it was acknowledged that many administrative divisions were far from optimal in terms of size and completeness, the primary goal was to assign local government functions and revenue bases. According to the general logic of the reform and the views held by several parties at the time, the functional establishment of local government was to be followed by the reorganisation of the administrative-territorial division, given the small size, unreasonable shape and lack of internal cohesion of many of the rural municipalities. However, it was not yet the right time for this, as the municipalities first had to adapt to the new administrative organisation and primarily address more existential problems (a fuel crisis, ownership reform and so on). There was also a lack of willingness at the state level and no proper legislation. The need to make greater or smaller adjustments after the initial implementation of the local government reform was already obvious at that time.

One of the discussion points throughout that period was what to call the new administrative divisions. Unfortunately, no agreement was achieved on using a single term, as in neighbouring countries (e.g. 'municipality', 'kunta' or 'kommun'), and so both cities and rural municipalities were included in the Constitution.

The Territory of Estonia Administrative Division Act was adopted in 1995 and amended in 1996. The Act established the rules for the merging and division of municipalities as well as the alteration of municipal boundaries at the initiative of local or central government. In addition to administrative divisions, the different types of settlement units were also defined. In view of expected municipal mergers, the distinction between rural municipality and city as established in the Constitution emerged as problematic. The definition of a city was ambiguous between an administrative division and a settlement unit. In order to make terminological room for the merging of a city as a settlement unit with a

rural municipality, the cumbersome concept of a *city without municipal status* (*vallasisene linn*) had to be introduced.

The first merger under the new act was carried out already in 1996, as the rural municipalities of Halinga and Pärnu-Jaagupi merged. The Act also allowed for mergers between elections. In 1998, this option was used by the rural municipalities of Abja and Abja-Paluoja.

In 1997, as ministers Jaak Leimann, Mart Opmann and Raivo Vare called attention in the press to the need for a more thorough overhaul of Estonia's state governance, more active discussions also began concerning the possible alteration or reform of the local government system, including the administrative-territorial organisation. Analyses were drawn up at both the national and the county level; for example, in Võrumaa and Viljandimaa. Several master's theses were written on the subject. The views of both experts and political actors on the possible solutions and methods for achieving them clearly became more and more polarised.

It was then that the different positions on municipal restructuring originated and essentially remained relevant for years to come.

The main positions of the different groups were as follows:

1) the Estonian administrative divisions need to be restructured through a reform – either radical or moderate – organised by the central government;
2) rather than adopt more complex solutions, the system of local government must be rearranged into 15 counties and five independent cities;
3) the small size of rural municipalities is not a problem and mergers must take place only on a voluntary basis; tighter cooperation and stronger county-level associations of local authorities can replace mergers;
4) a second tier of local government must be introduced in Estonia, in which case rural municipalities and cities would not need to be reorganised.

In reality, these different views, of course, were combined with one another but still caused enough controversy to hinder actual progress for a long time.

'The Administrative-Territorial Organisation of Estonia', a study commissioned by the Minister of Regional Affairs Peep Aru, was completed in early 1998. In that study, existing municipalities were assessed considering their size, completeness, coverage by the functional areas of the centres of neighbouring municipalities, as well as their historical and economic specificities. Possible and suitable solutions for territorial restructuring were prepared for all administrative divisions and a two-page description of restructuring plans was drawn up for each. These were based on a detailed analysis of maps and statistics as well as interviews with heads of local governments. In addition, a survey was conducted to identify the factors favouring or preventing administrative-territorial changes. The elementary unit for the purposes of the analysis was a locality (*kant*), defined as the smallest cohesive socio-territorial community (locality as the elementary unit of settlement was also used during the preparation of 2006 county spatial plans). Some of the specific visions of administrative restructuring proposed were more radical than others. The two most extreme versions proposed approximately 55 municipalities, which more or less corresponded to the districts of the 1950s, and 90 municipalities. As these options had not been thoroughly worked through and were too radical at the time, they were, however, left out of the final version of the study.

Taking into account both objective information and the views of local government leaders, the solution reached was 120 to 150 municipalities. This range broadly corresponded to the number of parishes and would not have resulted in a significant increase in distances to the centres. The map illustrating the study still featured 154 municipalities, as reaching an acceptable solution would have required additional analysis in some areas. The proposed changes included both the merging of entire rural municipalities and the division of rural municipalities between neighbouring municipalities.

The study proposed the following tactical views on rationalising the administrative-territorial organisation:

1) in regard to the administrative-territorial organisation of local government entities, the scope of the administrative reform concept should extend to the year 2002;
2) in view of the possibility of implementing a uniform and central administrative-territorial reform, such a reform should be carried out after 2002;
3) national measures should be taken to support and encourage as many municipalities as possible in implementing changes by the 1999 elections, provided that the municipalities are ready for the changes;
4) in addition to rewards, these national measures should include support instruments (targeted investments directly linked to the integration process, and state involvement in the implementation of specific changes as a consultant and arbitrator);
5) in certain cases, the state should initiate administrative-territorial changes already in 1999, in particular in specific problem areas where the small size or heterogeneous nature of a rural municipality directly impedes the fulfilment of local government functions, where management problems exist, and where a voluntary process at the local level is inconceivable in both the short and the long term.

The study also highlighted the fact that administrative-territorial changes would require significant intervention by the central government and government authorities, which should include the following:

- material incentives using earmarked means;
- investments to improve and create connections in transport and communications;
- drawing up a comprehensive rehabilitation programme for certain regions;
- the establishment of additional social benefits for local government officials and the partial funding of these from the state budget;

- the allocation of funds for research and development both before and after territorial reorganisation;
- state-commissioned development projects;
- the participation of government authorities in a consulting and arbitrating capacity and as a motivator for both residents and officials;
- the initiation of certain discussions by the government authorities if the voluntary change process has stalled for some reason;
- the initiation or deciding of restructuring by the central government, where the parties concerned have failed to reach agreement, including government-initiated processes at the request of one of the parties;
- amendments to legislative acts, regulations or administrative provisions that obstruct municipal restructuring or qualify it as 'discriminating' against the parties concerned;
- facilitating cooperation and integration that are prerequisites of or even serve as a replacement for restructuring;
- intervening in the restructuring process where a voluntary municipal merger unduly infringes on the interests or development prospects of certain localities or where the parties intend to resolve territorial problems only partially.

In the spring of 1998, discussions of the practicality and feasibility of possible administrative-territorial changes began in the counties. The results of the above study were also presented during these discussions. Although a cautious and sceptical attitude prevailed in many of the discussions as was to be expected, this was not always the case. One realisation, which has subsequently been confirmed, was that voluntary merging is a complex process that requires good administrative capacity which only the larger local authorities have.

In many cases, interviews with rural municipal mayors showed that they personally considered merging very natural and necessary, but because of widely held attitudes, felt unable to initiate voluntary

merging processes themselves and would rather support an initiative by the government.

In spring 1999, shortly before the parliamentary elections, the government approved a document titled 'Principles for the development of public administration', which describes the administrative-territorial organisation of cities and rural municipalities as follows:

1. Owing to the logic of the settlement system, in particular the placement of local commuting centres and the interests of municipalities with regard to socio-economic integrity, the number of municipalities will be substantially reduced, which will improve their capacity to perform socio-economic functions and provide public services.
2. The administrative-territorial reorganisation of local government will take place in two successive stages. The period of voluntary reorganisation will last until the regular local elections in 2002. The second stage of administrative-territorial reorganisation will be carried out at the initiative of the central government. In some municipalities, government-initiated administrative-territorial reorganisation may begin already before the second stage, if the small population size or heterogeneity of the municipalities is a direct obstacle to the performance of local government functions.
3. The central government will support voluntary administrative-territorial restructuring by actively participating in the local preparatory and organisational process (in particular through county governors) and by offering incentives, including partially covering the costs involved in restructuring. Necessary studies will be carried out before the reorganising of the administrative-territorial division.
4. The administrative-territorial reorganisation initiated by the government will require relevant studies to be carried out and the opinions of the municipalities to be heard, ensuring that local interests are taken into account.

In general terms, the preparations for the administrative-territorial reform were based on these principles from 2000.

In 1999, it was also decided that financial support from the Government of the Republic reserve fund would be granted to support voluntary merging (for various reasons, these funds were in fact not largely allocated until 2003). In 1998–1999, the position of a merger consultant was introduced in the Ministry of the Interior. For the 1999 elections, Otepää city and Pühajärve rural municipality, Antsla city and Antsla rural municipality, the rural municipalities of Vihula and Võsu, Lihula city and Lihula rural municipality, as well as the rural municipalities of Kuressaare and Kaarma were merged.

The government coalition of Pro Patria, Reform Party and Social Democrats formed in spring 1999 under Prime Minister Mart Laar decided on an extensive administrative reform, which was to include the regional and local administration. Jüri Mõis, who acted as Minister of the Interior until October, had the officials start preparing, among other things, a reform that would transfer all local government to the county level.

Tarmo Loodus, who succeeded Mõis in the autumn, set out to prepare a complex reform of local government, part of which would be the administrative-territorial reorganisation of local government. This time, the process would be based on principles already approved by the previous government at the beginning of the year.

The launching of the reform preparations at the start of the new millennium proved unintentionally controversial. Under orders from the minister, a map of possible future administrative divisions was drafted within a 24-hour period in January 2000 based on previous expert opinions. An unknown source immediately leaked an image of this map to the press. In a live interview for 'Aktuaalne kaamera' – the news programme on national television – a ministerial deputy secretary-general blurted out a phrase that caused a public outcry: 'When draining a pond, you do not ask the frogs.'

Then systematic efforts began. By March 2000, a concept document, 'Administrative reform in local government', was prepared in cooperation with partners and experts. This covered the organisational, budgetary and administrative-territorial arrangement of local government.

The concept document defined the basic principles of the planned administrative-territorial reform as follows:

- the reform will be implemented in tandem with changes in the budgetary and organisational arrangement of local government;
- the reform will be based on existing municipalities, the territories of which will be merged or restructured;
- the reform will be based on common principles and agreed criteria;
- the reform will be implemented in two stages from 2000 to 2005;
- the reform will be implemented flexibly (taking into account the particularities of the specific regions) in cooperation between the central government and local authorities (combining the existing local experience with expert assistance organised by the central government);
- the administrative-territorial changes will enter into force with the regular elections in 2002 and 2005;
- as a result of the reform, there will be 110 to 150 municipalities in Estonia.

In the concept document, preliminary criteria for the size and integrity of municipalities, as well as the reasons that, in conjunction with each other, might justify exemption from these criteria were specified for the purpose of designing the new municipalities. The conformity of the proposed municipalities with these criteria would be assessed by a working group composed of experts on administrative reform. In revised form, the criteria set out in the concept document served as a basis for a Government of the Republic order of 4 July.

According to the concept document, the reform would be implemented in two stages:

- in the course of stage I (2000–2002), an administrative-territorial organisation scheme was to be developed and approved, and administrative-territorial changes were to be implemented in municipalities that were ready for such changes, where the administrative capacity of the local authorities had been low for a long time or where the demographic situation was extreme;
- stage II (2003–2005) would involve the larger and more complicated part of the changes, which were to be initiated, prepared and implemented largely on the initiative of the state.

The government coalition introduced two fundamental changes to the concept drawn up by the Ministry of the Interior, which made the proposed reform far more radical. **The minimum population size of a municipality was raised from 2,500 in the original concept document to 3,500. It was decided that the entire reform would be completed by autumn 2002 instead of the originally planned two stages.**

On 4 July 2000, the government approved a guidance document for the drafting of proposals for altering the administrative-territorial organisation of local government:

1) the generally required minimum population size of a municipality would be 3,500;
2) in peri-urban areas where most of the population is concentrated in satellite settlements, the generally required minimum population size would be 4,500;
3) an urban settlement of up to 10,000 residents would be merged into a single municipality with its immediate hinterland;
4) a municipality should be formed on the basis of a maximally integrated region with one or several tightly interconnected centres;
5) municipalities (irrespective of its population size) with parts that have closer ties with neighbouring municipalities than with each other should be amalgamated, either as a whole or in parts, with the appropriate neighbouring municipalities;

6) municipalities with more than 3,500 residents and one or more centres with their immediate hinterland overlapping with smaller neighbouring municipalities should be merged into a new municipality incorporating the entire functional area.

Deviations from the above criteria could be justified in cases where a combination of several of the following factors occurred:

1) the existing or proposed municipality constituted an integrated whole with its internal ties closer than those with neighbouring centres;
2) the existing or proposed municipality constituted a whole within historical boundaries (e.g. parish boundaries);
3) most public services are provided within the municipality or outside it but not in a neighbouring municipality;
4) over 50 per cent of the population of the municipality live more than 15 kilometres away (for municipalities with 2,000–3,500 residents) or 20 kilometres away from the centres of neighbouring municipalities (for municipalities with fewer than 2,000 residents);
5) the municipality has a large territory and low population density;
6) although the different areas of the municipality are connected with various centres outside the municipality, their close internal ties make it difficult to divide the municipality between neighbouring municipalities.

The concept document submitted in the spring had envisaged that the reform would be backed up by legislation – an administrative-territorial reform act. However, as the reform period was subsequently reduced to a single election cycle and there were disagreements within the government coalition, a political decision was made to give up this plan. The reform would be based on the government's authority to initiate administrative-territorial changes under the Territory of Estonia Administrative Division Act and appropriate amendments to the Act would be made.

This left the whole reform process vulnerable to possible disagreements and policy changes within the government coalition.

Adhering to the work plan, the Ministry of the Interior began to prepare a strategy document, 'Administrative reform in local government', which was finalised in January 2001. A draft version of the strategy document included proposals for further necessary action and a timetable until the autumn of 2002. The document was never approved by the government.

In August 2000, work began in the counties to prepare the possible solutions for administrative-territorial changes. Committees were set up under the county governments, discussions were held with local government representatives, expert analyses were commissioned, and municipal councils were asked for opinions and submitted proposals on the initial solutions. Where the proposals involved potential changes to county boundaries, opinions were also requested from the relevant county government. The Ministry of the Interior had an advisory role in all this.

In autumn 2000, an expert work group was set up under the Ministry of the Interior to review the results received from the counties and, with the representatives of county governments, to prepare the central government's proposal for the alteration of the administrative-territorial organisation.

The county governments' proposals regarding administrative-territorial changes, accompanied by supporting materials and the opinions of local authorities, were submitted to the Ministry of the Interior by 1 December. On 1 December, the proposals were ceremonially handed over at the Ministry. Each county governor gave a five-minute presentation on the subject.

Based on the proposals of the county governors, generalisations could be made and further steps planned. Depending on the county, either one solution for new administrative-territorial organisation or up to three alternatives were submitted in the form of maps. Most counties also provided a thorough description and explanation for each new local

government unit proposed. Generally speaking, the work submitted by the counties was quite varied and required harmonisation at the beginning of 2001.

The table below shows the possible numbers of municipalities based on the proposals received from county governments. The proposed alternatives varied considerably. The table represents an attempt to place them on a scale (the first column is the most radical and the last represents continuing with the existing number). Two approximations of the possible total number of municipalities – 73 and 131 – emerged from the proposals.The conclusion drawn was that the final number of municipalities in the counties would probably be between these two approximations.

The proposals for administrative-territorial changes had also been discussed in most municipalities – 90 per cent of them had made their decisions.

If we take the softer version of the reform, then over 50 per cent of the municipalities agreed with the changes, either completely or with some reservations, or proposed their own alternatives. This figure does not include the municipalities that were large enough not to be affected by the changes or had good grounds for requesting exemption despite their size. About 20 per cent were against any changes. Some of them were what might be called initial opponents, arguing that they wanted to hear nothing about the alternatives before something had actually been done.

With the more radical alternatives, the share of opponents would have been much larger.

The options submitted by the county governments and the supporting materials allowed for a preliminary summary to be drawn up for each municipality. On the basis of this, it was possible to estimate how much further analysis was required and to separate those areas where the possible solutions require no specific analysis from those where an expert opinion or analysis was still necessary.

A generalisation based on the proposals from county governors on possible future municipalities

Harjumaa country	26		4			19			
Hiiumaa country	5	1							5
Ida-Virumaa country	23				11				
Jõgevamaa country	13			3		5	7		
Järvamaa country	16			4	5	6			
Läänemaa country	12			4		7	8		
Lääne-Virumaa country	18			6	9	11			
Põlvamaa country	15			4					
Pärnumaa country	23	2		8		11		19	
Raplamaa country	14				5	8	9		
Saaremaa country	16	1	2	3		6-8			
Tartumaa country	22	2		7		13			
Valgamaa country	13				5	6	8		
Viljandimaa country	18			4		9			
Võrumaa country	13			4		6	7		
Total	247			73		131			

Table 1. The proposals on possible alternatives for administrative-territorial changes submitted by the county governors to the Ministry of the Interior at the end of 2000.

In the more problematic areas, centrally organised public opinion polls were to be held after the government had presented its proposals. A poll would be carried out in an entire rural municipality or various parts of it if there were several options available for amalgamating the municipality, or parts of it, with another municipality. A public opinion poll was not required for a municipality to resolve the dilemma of whether it would join another municipality or continue in its present form.

The situation became a little uncomfortable in October 2000 as Minister of Regional Affairs Toivo Asmer appeared in the press with an appeal to build the Estonian municipal system around 15 counties and 5 independent cities, essentially copying the Soviet-era system. Although it caused some short-lived media attention, the appeal was soon forgotten. At the time, the Minister of Regional Affairs was a minister without portfolio and only had two advisers; the departments for regional affairs and local government policy were under the Minister of the Interior.

In a government session on 30 January 2001, the Ministry of the Interior was assigned to prepare a draft order for the initiation of administrative-territorial alterations. The draft was to be drawn up for the government session on 5 May. In February and March 2001, separate working meetings were held with the representatives of all counties; in cooperation between the ministry, county governments and experts, the most suitable and acceptable solutions for all counties were worked out and the areas that required further analysis were identified. Intense discussions were held during which solutions were proposed. In April, the expert working group submitted a proposal for a new administrative division considering all the circumstances. The map of the main version of this proposal showed 110 municipalities.

However, due to political considerations, the number of municipalities proposed in the draft order to be submitted to the Government of the Republic was not allowed to exceed 100. Perhaps it was the Prime Minister's reasoning that a more radical draft order would give him additional room for negotiation with his coalition partners and then allow him to make concessions later.

Already in April, the coalition partners criticised Prime Minister Mart Laar for rushing the reform. The Prime Minister reminded them that they themselves had insisted a year before that the period of implementation of the reform be reduced to one election cycle (as opposed to implementing it in two stages by 2005 as per the original concept document).

Prime Minister Mart Laar (left) and Minister of the Interior Tarmo Loodus in Tartu in spring of 2001 discussing the administrative-territorial reform with the municipal leaders of Tartumaa county. At the time, the ministers still had reason to be hopeful about the reform going through. Source: Ove Maidla / *Postimees.*

The draft order discussed in the cabinet meeting on 29 May 2001 envisaged 98 municipalities. The Minister of the Interior was asked to further specify the explanatory memorandum to the draft order 'Initiation of the alteration of the administrative-territorial organisation' based on the comments made at the meeting and the provisions of Article 8(1) of the Territory of Estonia Administrative Division Act.

The draft order was submitted to the parliamentary groups of the *Riigikogu* for their opinion. The Social Democrats responded diplomatically, expressing their support in principle for the proposed reform, but considering some adjustments to the draft order necessary. The letter read as follows:

The Social Democratic parliamentary group wishes to reiterate that, rather than the number of municipalities, which ought to be decided in a

continuing dialogue with the local authorities and county governors, the priority is that the new administrative-territorial organisation be based on clear principles, ensuring a balance between community-based autonomy and efficiency derived from economies of scale. The purposeful observance of the principles of the 'Guidance document for proposals to alter the administrative-territorial organisation of local government', as approved by a decision of the Government of the Republic session on 4 July 2000, gives hope that the administrative-territorial reform will be completed by the 2002 local elections.

This implied that the parliamentary group would, in principle, support the earlier proposal of the expert working group.

In the course of the additional preparation of the draft order, comments from ministries and partners were taken into account, the explanatory memorandum accompanying the draft order was supplemented, and most importantly, the proposed number of new municipalities was increased to 108. Among other things, the more radical solutions that were in conflict with the principles of the guidance document of 4 July 2000 were taken out of the draft order.

The draft order was discussed in a government session on 19 June 2001. The following decisions were made regarding the initiation of the administrative-territorial reorganisation:

1) to agree with the draft order for the initiation of the alteration of the administrative-territorial organisation prepared by the Ministry of the Interior; to issue an additional Government of the Republic order drafted by the Ministry of the Interior based on the Territory of Estonia Administrative Division Act after the draft has passed a technical review;
2) to emphasise that what will be initiated is the alteration of the administrative-territorial organisation with respect to rural municipalities and cities, and that the changes will be implemented on a voluntary basis;

3) to note the objections submitted by Minister of Finance Siim Kallas and Ministry of the Environment Heiki Kranich against the issue of the order for the alteration of the administrative-territorial organisation claiming that the justification presented is not sufficient for the initiation of the alteration from a socio-economic aspect and that it has not been clearly established that the steps following the initiation will be voluntary.

Despite the dissent of two Reform Party ministers in the government session, the order was approved (at that time, the government still made decisions without consensus). The final setback came a few days later, just before Victory Day on 23 June.

Through its parliamentary group, the Reform Party expressed its fundamental opposition to continuing with the reform as proposed. This was completely unexpected to minister Tarmo Loodus and the others involved, as the Reform Party had expressed no views whatsoever on the draft order before the government session. The political situation at the time certainly played a significant role here: all three coalition parties had fundamental disagreements and the presidential elections, where all parties would have their own candidates, were right around the corner. The collapse of the government was thought to be just a matter of time.

On 25 June 2001, Prime Minister Mart Laar signed Government of the Republic Order No 437-k 'Initiation of the alteration of the administrative-territorial order in respect of cities and rural municipalities' (Haldusterritoriaalse korralduse muutmise algatamine valdade ja linnade osas). But this no longer made any difference. Proposals were still sent out to all municipal councils for them to submit opinions, but no one took these seriously. The preparations for the administrative-territorial reform had ground to a halt.

What should have happened next? By autumn, the municipal councils were supposed to submit their opinions on the government

proposals. At the same time, national public opinion polls were to be held in the disputed areas (in 17 entire rural municipalities and in parts of another 47 rural municipalities). This was to be followed by the preparation of the final solutions and advising the local authorities in preparing the alteration. The new administrative-territorial organisation was to be approved in the second quarter of 2002.

What could have happened next if the coalition parties had been able to agree on a more flexible way of continuing the reform process, perhaps even switching over to the two-stage option in the autumn?

Given the preliminary work already done and the opinions expressed by the municipal councils at the time, a dialogue between the state and the councils could have brought the number of municipalities down to around 130 following the 2002 elections (according to the personal assessments of Tarmo Loodus and the author), if the government had put moderate pressure on and offered comprehensive support to the local authorities.

By the end of 2001, the tripartite coalition government stepped down and with the forming of a new coalition a new government took office in early 2002. Anything related to administrative reform was off the agenda. Words like 'administrative reform' and 'map drawing' were taking on a pejorative meaning.

Several local authorities that were almost ready for a merger abandoned this idea, realising that they could expect no support (or pressure) from the government. Although merger grants were still formally available from the government reserve fund, local authorities remained sceptical, as even the grants for the 1999 mergers had not yet been paid out in full. It would not have been unfair to say that municipalities were merging not thanks to but despite the government.

Leading up to the 2002 local elections, voluntary mergers took place between Märjamaa rural municipality, the town of Märjamaa and Loodna rural municipality, the city of Rapla and the rural municipality of Rapla, the town of Kohila and the rural municipality of Kohila, Räpina

city and Räpina rural municipality, as well as Anija rural municipality and the city of Kehra.

Nor were administrative-territorial problems prioritised by the government that took office after the elections in spring of 2003. Nonetheless, outstanding grants were paid out in full to merged municipalities at the initiative of Minister of Regional Affairs Jaan Õunapuu. Mainly focusing on local government financing and strengthening the county level, the Minister of Regional Affairs – now the second minister in the Ministry of the Interior, with a separate administrative area – also considered it important to facilitate voluntary municipal mergers.

In 2004, the Promotion of Local Government Merger Act was adopted, establishing a legal basis for municipal merger grants and introducing additional financial benefits for the leaders of merging municipalities. An expert working group was set up to determine recommended merger areas for voluntary municipal mergers.

In 2004, the government issued a regulation listing municipalities by merger areas. The regulation was only indicative, being based on expert opinions and not submitted for public discussion locally. The government regulation outlined 65 merger areas. Including the municipalities that were not covered by the regulation, this would have resulted in 101 municipalities. The proposed solutions broadly coincided with earlier expert opinions and plans. The difference was that the regulation did not touch on the possible dividing up of the more problematic municipalities.

In autumn 2005 (as municipal councils were now elected for a four-year term instead of the earlier three years), the following municipalities went through with voluntary mergers: Saarde rural municipality, Kilingi-Nõmme city and Tali rural municipality; Suure-Jaani city, Suure-Jaani rural municipality, Olustvere rural municipality and Vastemõisa rural municipality; Kuusalu rural municipality and Loksa city; Tapa city, Saksi rural municipality and Lehtse rural municipality; Tamsalu city and Tamsalu rural municipality; the rural municipalities of Väike-Maarja and

Simuna; Türi city, Türi rural municipality, Oisu rural municipality and Kabala rural municipality; and Jõhvi city and Jõhvi rural municipality.

While the public's impression of the period discussed in this article may have been that the officials only engaged in changing municipal borders – redrawing the geographical map, as it were – the actual work was much more wide-ranging. During the preparation of the proposals for administrative reform, extensive material was analysed, revealing the importance of achieving integration between the centres and their hinterland in the new municipalities based on both historical and newly developed socio-economic spatial relationships in the municipalities. The issue of amalgamating or dividing territories was raised repeatedly during the later stages of the administrative reform and the earlier knowledge would certainly have helped when agreeing on the boundaries of the merging municipalities. Everything new tends to be the well-forgotten old.

The administrative divisions of Estonian as of 1 January 2006

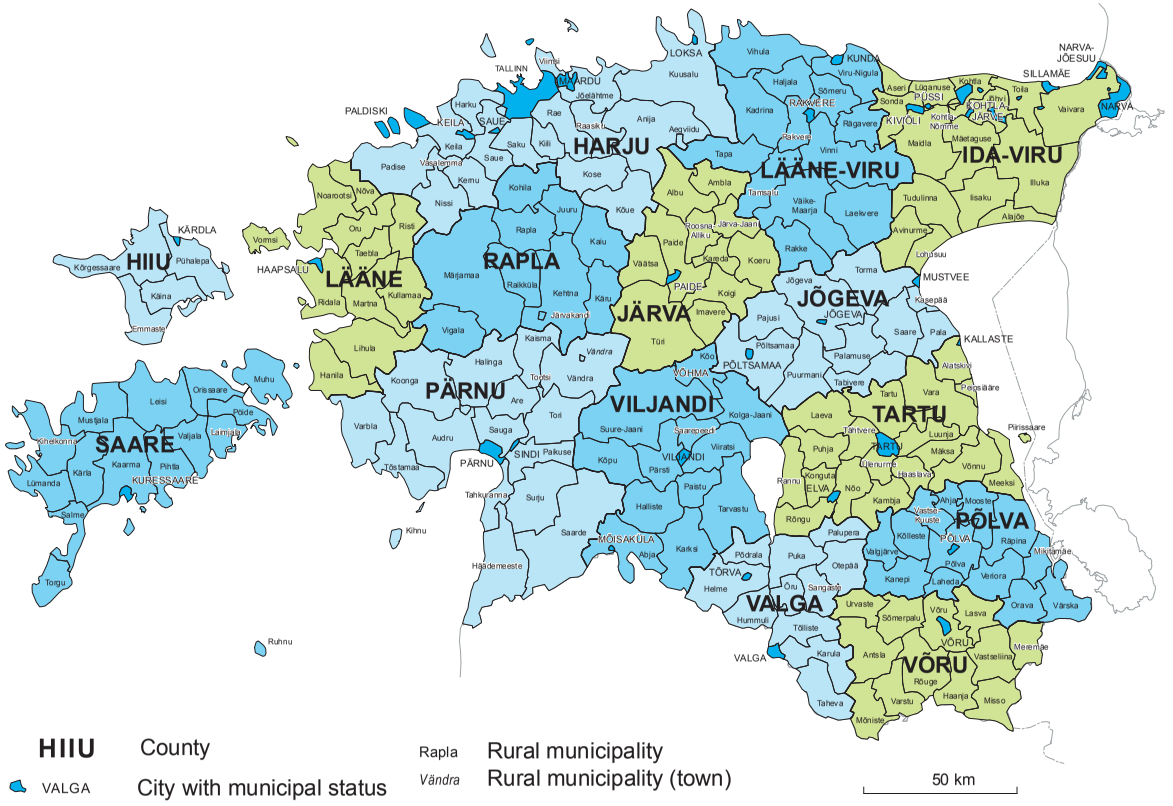

Figure. This is what the Estonian administrative map looked like as of 1 January 2006. There had been a few municipal mergers, but the completion of the administrative reform was still more than a decade away.