

The Merger Contracts Signed During the 2017 Administrative Reform

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As a result of the negotiations held during the voluntary stage of municipal mergers, local authorities prepared merger contracts concerning the affairs of the future municipalities for the next four years. First, the merger contracts set out the agreements reached on various legal issues and many of them contain no policy statements at all. The legal issues include technical questions arising from legislation: the validity

of legal acts and development plans, the transition of officials and so on. However, some legal matters also have significant policy implications that affect different aspects of local democracy or identity (size of the municipal council, the boundaries of constituencies, insignia, territorial structure and so on). Second, a merger contract is needed to provide input for the development and administrative strategies of the merged municipality. Merger contracts provide municipal councils with a framework within which to make decisions, ensuring that the strategic objectives of the former municipalities continue to be taken into account.

Article 9¹ of the Territory of Estonia Administrative Division Act states that a merger contract must cover the following:

- the name, type and insignia of the municipality;
- the amendment of statutes and other legal acts that result from any alteration of the administrative-territorial organisation; the validity of legislation (until new legislation enters into force, the current legislation will remain in force in the relevant territory);
- the validity of development plans;
- the issues related to the structure and staff of administrative agencies and their subordinate agencies;
- the settlement of potential issues of organisational, budgetary or other proprietary obligations and rights;
- the formation of a rural municipal district; or city district;
- the number of electoral districts to be formed;
- the number of members in the municipal council to be formed;
- and the expiry of the merger contract.

Based on the above, the topics covered by the merger contracts can be divided into four categories:

- 1) legal matters related to merging;
- 2) the identity of the merged municipality;
- 3) local democracy and management model;
- 4) the development of public services.



Chairs of the municipal councils of the city of Valga and the rural municipalities of Õru, Karula, Taheva and Tõlliste signing the merger contract establishing the municipality of Valga. Photograph: Arvo Meeks / Valgamaalane

Legal matters related to municipal mergers

Merger contracts were used to establish the legal principles for the merged municipalities. Generally, these matters did not cause disputes during the merger negotiations and were sometimes even considered too lightly to see the problems that might subsequently arise.

During merger negotiations, it would not have been possible or reasonable to discuss all the questions related to the validity and content of the legal acts adopted by local authorities, including documents on local development. As a result, the most common agreement was the following:

Until the new legal acts have entered into force, the current legal acts of the contracting parties will remain in force in the territory being established as long as they do not contradict the current agreement.

This principle ensures consistency of work for the merged municipality and is also in line with the Administrative Reform Act. After the mergers, the questions that most local authorities were concerned about was the municipal statutes. As municipal statutes regulate the municipal council procedures and local authorities can only have one set of statutes in effect, most municipalities agreed on using the statutes of one of the merging municipalities until the new statutes for the merged municipality were established.

However, the merger contract for the city of Haapsalu¹ was based on the following principle:

Until the amendment or entry into force of new statutes, the city will operate in accordance with the statutes that have been approved by all of merging municipal councils. The city statutes approved by the parties to the merger contract will enter into force on the date of announcement of the results of the municipal council election in 2017.

In reality, the local authorities did not establish joint statutes and after the elections were faced with a difficult situation where no common statutes or mutual agreement existed on which statutes to apply.

The merger contract between Häädemeeste and Tahkuranna rural municipalities had a somewhat peculiar provision. The agreement stated:

¹ The merger contract between the rural municipality of Ridala and the city of Haapsalu.

‘From 1 January 2018 until the establishment of new statutes, the municipality will operate according to Häädemeeste rural municipality statutes.’ The local authorities had forgotten that the rural municipality should also operate until 31 December 2017. This confusion was most likely caused by provisions of the Act that state that the **administrative agency** of a merged municipality will commence work from 1 January 2018.

The parties also tried to establish various guarantees in the statutes. One of the strongest guarantees was in the merger contract for Kehtna rural municipality² that contained provisions about the amendment of the statutes as follows:

Until the amendment or entry into force of new statutes, the rural municipality will operate in accordance with the statutes that were approved before the merger by the contracting parties of the municipal councils. The new statutes of the rural municipality approved by the parties to the merger contract will enter into force on the date of the announcement of the results of the municipal council election. The statutes can be amended only by the decision of a three-quarters majority vote of two consecutive municipal councils.

One can imagine what might happen when the local authorities need to introduce or change provisions on daily procedures or provisions that perhaps have little to do with the merger guarantees.

Local authorities used various approaches to determine procedures and the amount of compensation, in addition to what was required by law, for the public officials who were being released from service and would not continue in the merged municipality. For those public officials who would not continue in the merged municipality, most local authorities agreed on additional guarantees, such as awarding compensation payments that were higher than those required by law.

² The merger contract between the municipalities of Kehtna and Järvakandi.

But this contradicted the procedures laid out in the Civil Service Act that state that the variable salary (bonus) cannot exceed 20 per cent of the salary (basically an amount equal to two months' income) and this resulted in an amendment to the Local Government Organisation Act in the *Riigikogu* (Estonian Parliament) in summer 2017.

Article 53³ of the Local Government Organisation Act now states: *If the release from office of an official or employee working at an administrative agency of a rural municipality or city takes place in connection with the disestablishment of a post or position arising from the alteration of the administrative-territorial organisation, the official or employee may be paid, by a resolution of the council, a compensation or bonus upon release from office for long-term and exemplary performance of the service or employment duties in the amount of up to three months' salary if the person has worked as an official or employee at an administrative agency of a rural municipality or city for two to eight years, and in the amount of up to six months' salary if the person has worked as an official or employee for more than eight years.*

Despite this amendment, the local authorities of the newly formed Lääne-Nigula rural municipality had to change their merger contract before it entered into force.³ This was one of the situations where the merger negotiations and the signed merger agreements eventually led to the amendment of the Local Government Organisation Act in the *Riigikogu*.⁴

³ In addition to the compensation, the contract included a provision on bonus payments that was to be based on performance and length of service: three months' salary for one to five years of employment and six months' salary for over five years of service.

⁴ The Act Amending the Local Government Organisation Act and Other Acts Related to the Implementation of the Administrative Reform: <https://www.riigiteataja.ee/akt/104072017002>.

The identity of a merged municipality

The name of the municipalities, their insignia and type (city or municipality) are all emotional topics. And because they relate to local identity, these topics were also the cause for the most disputes during the merger negotiations. Often, the local authorities postponed making decisions about the insignia until after the merger, but they needed to reach an agreement on the name and type beforehand.

Although the Place Names Board helped make the choices by recommending names, some local authorities reached a compromise that did not correlate with these recommendations and in some places the name of the new municipality does not have some other reasoning (such as Mulgi, Kastre and Lääneranna rural municipalities). The recommendations of the Place Names Board were not taken into account when smaller municipalities did not want to name the merged municipality after the centre of the larger municipality (e.g. Lihula). Or when the name of the municipality would have covered an area that was too broad or too narrow and would have been misleading (e.g. Liivi rural municipality is on paper, but Mulgi rural municipality became the name of the municipality; Haanjamaa rural municipality became Rõuge rural municipality only by decision of the Government of the Republic).

The questions on what type of municipality should be applied caused the most disputes in historical cities. The result was municipalities named after cities that seem unfamiliar at first, and that were created after the merger of the city and a rural municipality (or rural municipalities) that have a large area with extensive low population density: Haapsalu, Pärnu, Paide, Narva-Jõesuu and others.

Many historical cities and county capitals became part of a larger rural municipality (e.g. Kuressaare, Valga, Jõgeva, Kärddla – the latter is an interesting case as Kärddla is both a city without municipal status and a rural municipal district).

However, the merger contract for Saaremaa rural municipality has provisions about some aspects of the identity of Kuressaare⁵:

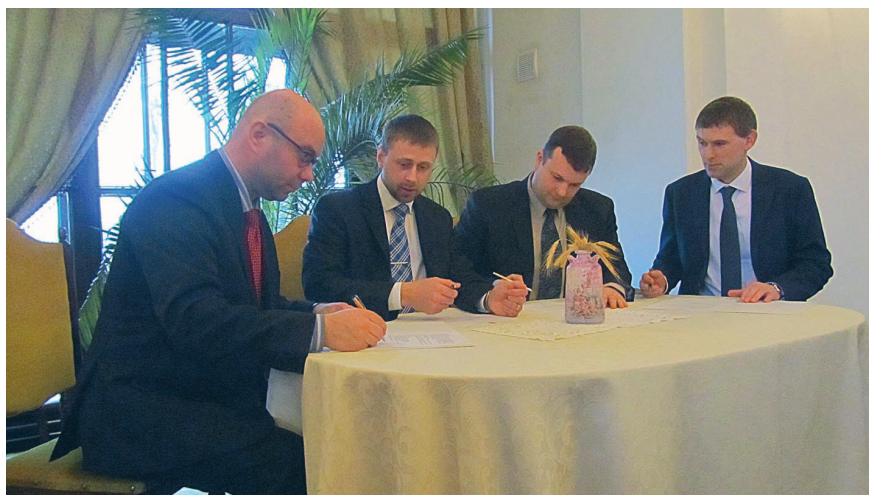
- 'The city of Kuressaare will maintain its insignia (coat of arms and flag) and the safekeeping and shaping of its identity will be promoted. This includes keeping the traditions of assigning honorary citizens and decorations, as well as celebrating the city's birthday.
- Kuressaare aims to further the urban living environment along with the design of the public space.
- The rural municipal mayor will perform the duties of the mayor of the city of Kuressaare. The procedure for the use of the mayor's chain and staff of office will be established by the municipal statutes, according to the current principles.'

The local authorities had more options when choosing the insignia. In my estimation, many historical (adopted already before the Second World War) flags and coats of arms were lost during the merger negotiations. Most voluntarily merged municipalities decided to compromise and have a public competition to create a new flag and coat of arms. For example, a common sentence from the merger contract⁶:

A public competition will be held for the design of insignia (coat of arms and flag) for the merged rural municipality. In order to have an applicable version of the insignia of the rural municipality by 1 September 2017, the committee for the competition will start working after the merger contract is signed and the contracting parties of the municipal councils pass the decision to change the administrative-territorial organisation of rural municipalities. Lääneranna municipal council will approve the insignia for the rural municipality no later than six months after the merger.

⁵ <https://www.riigiteataja.ee/aktilisa/4301/1201/6043/leping.pdf>.

⁶ The merger contract between Hanila, Koonga, Lihula and Varbla rural municipalities.



Merger contract being signed in the merging rural municipality of Otepää.
Photograph: Rivo Noorkõiv.

It is not unlikely that despite the public competition some places will still end up reusing the historical flags and coats of arms. Many merger contracts also allowed the use of the former insignia of the municipality in the future.

But some local authorities used the following solutions.

1. They announced the competition, but gave specific criteria for choosing the new flag and coat of arms. For example, the merger contract⁷ for Põhja-Pärnumaa rural municipality specified: 'The design of the new insignia for the rural municipality will incorporate the OAK tree, which symbolises Tootsi rural municipality, and the BEAR that characterises the regions of Vändra and Halinga. The main colour will be yellow.'

⁷ The merger contract between Vändra, Tootsi and Halinga rural municipalities and the town of Vändra.

2. The local authorities decided to use the flag from one rural municipality and the coat of arms from the other (once the department for insignia of the Riigikantselei (the Government Office of Estonia) approved it). Rakvere and Saarde rural municipality also opted for this version⁸.
3. The local authorities reached a compromise that after the merger the new municipality would use the flag and the coat of arms from one rural municipality. This option was quite uncommon; for example, it was used by Pärnu city, Vinni and Lääne-Nigula rural municipalities.

Another topic that was quite emotional, but not directly related to the above-mentioned matters, was the location of the municipal hall and the administrative centre of the new municipality.

I should emphasise that the term *valla keskus* (administrative centre of a rural municipality) is not used in the legislation and 'centre' is usually understood as a place where the administrative offices of the rural municipality are located and from which the rural municipal government and the municipal council operate. The address of the administrative offices of the rural municipality is also the legal address that will be entered into the database of the Centre of Registers and Information System.

This issue became highly topical in areas without a clear and dominant urban centre. That is one of the reasons why the location of the administrative centre of Mulgi municipality was not determined during the merger negotiations and the decision was left for the new municipal council.⁹ In Järva rural municipality, the dispute over the location of the urban centre was one of the reasons why Koeru municipality left the

⁸ The merger contract between Saarde and Surju rural municipalities.

⁹ The merger contract between the city of Mõisaküla and the rural municipalities of Abja, Halliste and Karksi. After the merger, Abja-Paluoja was named the administrative centre of Mulgi rural municipality by the decision of the new municipal council.

merger negotiations. Koeru and Järva municipalities were later merged by the central government.

Local democracy and management model

A topical concern for the local authorities during the merger negotiations was the protection and representation of the interests of smaller regions when introducing the politics of the new municipality. One of the biggest fears of the administrative reform was the fear of regional marginalisation and loss of local decision-making power, and so, it is understandable that there were many lively discussions on that topic.

Many discussions focused on these concerns during the merger negotiations.

The first question about the number of municipal council members and the assessment of the needs of constituencies, was already set by legislation. Other topics are listed in the guide on how to build the structure for a decentralised governance and management organisation (*'Soovituslikud juhised detsentraliseeritud valitsemis-ja juhtimiskorralduse mudeli ülesehitamiseks kohaliku omavalitsuse üksuses'*), issued by the Ministry of Finance, and include the following¹⁰:

- The provision of a permanent or temporary committee for the municipal council, its rights, obligations and responsibilities (Article 8(1)1 and Article 47 of the Local Government Organisation Act);
- the council for the rural municipal district (Chapter 8 of the Local Government Organisation Act);
- the community boards (Article 3(4) and Article 6(3)2 of the Local Government Organisation Act);
- the mayors of cities as administrative divisions with a local government and the elders of towns, small towns and villages (Article 58(3) of the Local Government Organisation Act);

¹⁰ haldusreform.fin.ee/static/sites/3/2016/07/detsentraliseeritud_juhtimismudelid_loplik_21.07.2016.pdf

- regional sub-units of administrative offices of municipalities (the service centres, the officials, the governor and the government of the rural municipal district); administrative offices and the location from which they operate (divisions).

The number of municipal council members and electoral districts

The local authorities did not have significant disputes during the merger negotiations on the number of members on a municipal council. However, merging municipalities tended to agree on having more members in the municipal council for the first election cycle than the number of residents of the municipality would require. This decision aimed to increase the likelihood that smaller regions would find representation in the municipal council.

The former is also connected to constituencies. As earlier experiences of merging have indicated, the tensions between former regions or municipalities will likely continue to remain in municipal councils that were created from separate electoral districts. That is why experts recommended creating a joint electoral district.¹¹ The smaller local authorities would particularly be interested in the municipal council seeing the regions as a single merged municipality that enables sustainable development in all regions.

The desire to establish separate electoral districts was curbed by the fact that, based on the Municipal Council Election Act, the municipal councils would become too big. For example, Rõuge rural municipal council created five electoral districts and ended up with a municipal council that has 27 members. Electoral districts were also established in Saarde, Häädemeeste and Hiiumaa rural municipalities and Pärnu city.

¹¹ R. Noorkõiv, M. Lõhmus, Haldusreform: ülevaade toimunust ja esimesed järeldused; http://www.stat.ee/valjaanne-2017_eeesti-statistika-kvartalikiri-3-17.

Municipal council committees

It was agreed in most merger contracts that municipal council committees would be established according to the principle of territoriality.

- The milder approach was to use this as a value-based principle, requiring, for example, that 'municipal council committees should be established to ensure where possible that the former rural municipalities are represented';¹²
- The strict approach introduced municipal committees via specifically determining the principle of the territorial establishment of committees in the merger contract. For example:
*In order to represent the regional interests of territories, a committee for regional development with at least nine members is established and consists of three representatives from each municipality. Other municipal council committees (budget committee, education and cultural affairs committee, social affairs and health committee, revision committee) have at least one representative from each merged municipality.*¹³

Rural municipal districts and city districts

One of the most disputed subjects during the preparations for the administrative reform was determining the responsibilities, the obligations and the rights of the rural municipal and city districts. In the end, the merger negotiators chose an option with enough flexibility to establish the future rural municipal or city district: local authorities must establish a representative council for the rural municipal or city district, and any other institution – governors of the rural municipal or city district and the rural municipal government – will be decided by each rural municipality themselves.

¹² The merger contract for Kanepi, Kõlleste and Valgjärve rural municipalities.

¹³ The merger contract between the city of Paide, and Paide and Roosna-Alliku rural municipalities.

Although this topic raised a public discussion during the preparations for the administrative reform, all things considered, there were not a huge number of rural municipal or city districts created. The local authority mergers established the following rural municipal districts:

- 1) in the city of Pärnu, the rural municipal districts of Paikuse, Audru and Tõstamaa;
- 2) in the rural municipality of Saaremaa, the rural municipal districts of Kihelkonna, Laimjala, Leisi, Orissaare, Põide, Salme, Pihtla, Torgu, Mustjala and Valjala;
- 3) in the rural municipality of Märjamaa, the rural municipal district of Vigala;
- 4) in the rural municipality of Lääne-Nigula, the rural municipal districts of Martna, Kullamaa, Nõva and Noarootsi;
- 5) in the rural municipality of Hiiumaa, the rural municipal districts of Emmaste, Pühalepa, Käina and Kõrgessaare;
- 6) in the rural municipality of Rapla, the rural municipal districts of Juuru and Kaiu;
- 7) in the rural municipality of Kehtna, the rural municipal district of Järvakandi;
- 8) and in the rural municipality of Mulgi, the city district of Mõisaküla.

The councils of rural municipal districts

There were three different ways the councils of rural municipal districts were established in the merger contracts and statutes of the rural municipality:

- **councils formed on the basis of election results** and established from members of the municipal council who live in and are elected from the administrative territory of the rural municipality. When necessary, the council of the rural municipal district will also include people who ran for municipal council. This is conducted based on the number of votes the candidates received from the

residents in the population register for the rural municipal district. These types of rural municipal district councils exist in the city of Pärnu and in the rural municipalities of Kehtna, Märjamaa, Lääne-Nigula and Rapla, as well as in the rural municipality of Saaremaa, the rural municipal districts of Orissaare, Mustjala, Valjala, Pihkla, Torgu, Salme and Kihelkonna;

- **councils based on election results and the representation of villages / small towns** including the representatives of settlements (small towns and villages) and members of the municipal council who live in and are elected from the administrative territory of the rural municipality. These types of councils of rural municipal districts exist in the rural municipal districts of Leisi and Pöide in the rural municipality of Saaremaa;
- **councils based on election results and the representation of various stakeholders**¹⁴ and established from the representatives of stakeholders and members of the municipal council who live in and are elected from the administrative territory of the rural municipality. These types of rural municipal councils exist in the rural municipality of Hiiumaa and in the rural municipal district of Laimjala in the rural municipality of Saaremaa.

¹⁴ For example, the statutes of the rural municipal district of Laimjala states that the council of the rural municipal district includes representatives of the following stakeholders: (1) non-profit associations from the administrative territory of the rural municipal district; (2) settlements; (3) young people aged 16 to 26; (4) the elderly; (5) businesses operating in the administrative territory of the rural municipal district; (6) parents whose children study at the educational institutions that are located in the administrative territory of the rural municipal district; (7) heads of the administrative offices located within the administrative territory of the rural municipal district.

The councils of the rural municipal districts of Hiiumaa are composed of two council members who received the most votes from their constituency, a representative of businesses operating and registered in the district, a representative of the community associations and village elders operating and registered in the district, a representative of the board of trustees for educational institutions operating in the district, and a representative of young people living in the district.



Signing the merger contract in the rural municipality of Lääne-Nigula and establishing the rural municipal districts. Photograph: Rivo Noorkõiv.

Councils of rural municipal districts have three¹⁵ to fifteen members, but most commonly it is seven members.

The governors and governments of rural municipal districts

While the councils of rural municipal districts are obligatory bodies of local authority and only differ from one another in terms of how they are established, the question of establishing the governor and government of a rural municipal district is varies much more.

1. The rural municipalities of Hiiumaa, Lääne-Nigula and Vigala have introduced the office of governor of the rural municipal district and created governments for their rural municipal districts as the

¹⁵ One example of a council of a rural municipal district with three members is found in the statutes of Kehtna rural municipality.

regional sub-units of the rural municipal government. The rural municipal government will appoint the governor of each rural municipal district based on the proposal of the rural municipal mayor and the opinion of the council of the rural municipal district. In reality, the governments of rural municipal districts have been established according to very different principles.

2. The local authorities of the city of Pärnu did not appoint the governor of the rural municipal district or establish the government of the rural municipal district, but
in order for the rural municipal district to be able to organise as well as provide and manage accessible public services to its residents, Pärnu city government will introduce the rural municipal district centre as the structural unit of their administrative agency [...] and that will be managed by the head of the rural municipal district centre.
It is within the competency of the council of the rural municipal district to offer an opinion on the candidacy for the head of the rural municipal centre.
3. The same situation exists in the rural municipality of Saaremaa, where no governor or government has been established for the rural municipal district. But instead, local authorities have established service centres and the council of the rural municipal district has the competency 'to approve candidates for the head of the service centre in the administrative territory of that rural municipal district.' Quite similar principles exist in Rapla rural municipality.
4. The statutes of the rural municipality of Kehtna states the following:
The activities of the rural municipal district centre are managed by the assistant rural municipal mayor. This position is filled via public competition and the rural municipal government appoints and releases them from office based on a proposal from the rural municipal mayor after considering the opinion or suggestions of the council of the rural municipal district.

Therefore, even when local authorities introduce service centres as territorial structures, the leadership position or the legal status of the service centres (or rural municipal district centres) might not differ that much from the governor or government of a rural municipal district.

Community board

The guide on the organisation of the structure of municipalities suggests the use of community boards as alternatives to rural municipal districts and councils of rural municipal districts. The community boards have a similar role to the council of a rural municipal district as they are representative bodies established based on regional principles. The topic of community boards is included in the merger contracts for Lääne-Nigula¹⁶, Jõgeva¹⁷, Mustvee¹⁸, Türi¹⁹, Alutaguse²⁰, Röpina²¹ and Saaremaa rural municipalities. The merger contract for Türi rural municipality had the most comprehensive summary of the topic of community boards:

Regional advisory boards are established (Väätša and Käru community boards) and include the members of the municipal council, local candidates who are residents and representatives of regional target groups. The members and competency of the community board are described in the municipal statutes of a rural municipality. The community boards advise on the priorities of regional road reconstruction, on the need for local investments, on organising cultural and sporting events, suggest representatives for the committees of the municipal

¹⁶ The merger contract between Kullamaa, Lääne-Nigula, Martna, Noarootsi and Nõva rural municipalities.

¹⁷ The merger contract between the city of Jõgeva, and Jõgeva, Palamuse and Torma rural municipalities.

¹⁸ The merger contract between Avinurme, Kasepää, Lohusuu and Saare rural municipalities, and the city of Mustvee.

¹⁹ The merger contract between Türi, Väätša and Käru municipalities.

²⁰ The merger contract between Alajõe, Iisaku, Illuka, Mäetaguse and Tudulinna rural municipalities.

²¹ The merger contract between Meeksi, Röpina and Veriora rural municipalities.

council and so on. The rural municipal government establishes the community boards. The community board elects their representative and if necessary, appoints and changes the members of its board.

The terms 'regional board', found in the merger contract of Elva,²² and 'regional advisory board', in the merger contract for Viljandi rural municipality,²³ essentially mean the same thing as community board. The working practices of local authorities will indicate how the community boards will exercise their role in the municipalities, but this type of institution has found a place within the landscape of local government.

Regional sub-units of rural municipal governments

While the topic of establishing rural municipal districts remained fairly uncommon, the merger negotiations included more disputes about matters related to the structure of the rural municipal government as an administrative authority. Generally, the local authorities did not agree on a detailed description of the structure of administrative authorities during the merger negotiations. Instead, they kept to a more generalised plan that was based on areas (but of course, there were exceptions). The logic behind this approach was that the new rural municipal mayor has to have the right to establish the principles that guide his team because the administrative structure usually reflects the vision of both the rural municipal government and the rural municipal mayor. With this in mind, there are two types of exceptions: (1) many local authorities established regional principles for creating the rural municipality or city government (as executive body) in the merger contracts; (2) local authorities determined the regional service centres (in the contracts referred to as 'administrative centre', 'administrative service centre', 'service point',

²² The merger contract between the city of Elva, and Konguta, Palupera, Puhja, Rannu and Rõngu rural municipalities.

²³ The merger contract between Kolga-Jaani, Tarvastu and Viljandi rural municipalities.

and 'the government of the rural municipality district' also belongs in the list) as well as their role and place within the structure of the administration of a city or rural municipality.

The territorial structure of rural municipal (or city) government is simple and is based on the prerequisite that there must be one representative from each rural municipality in the executive body for the merged municipality. However, in the merger contracts most local authorities did not specify how this would unfold legally.

In my estimation, the territorial structure of the rural municipal government as the administrative authority was one of the most important topics of discussion during the merger negotiations. One of the main concerns about the administrative reform was that the elimination of the local administration (the public officials) would mean residents would need to travel somewhere further away to conduct their business. And so, the need to create local representation for the rural municipal government developed into an expression of local identity. As mentioned, most of the local authorities avoided establishing a rural municipal district.

The main focus of the disputes tended to be on determining the structure of the local administrative authorities of the rural municipal government and on the services that needed to be ensured either in the former administrative centres of the rural municipality or in the region more broadly. Many merger contracts contained the following principle:

The management of the rural municipality will be based on a multi-faceted framework. The administrative centre of the rural municipality will provide strategic management and knowledge-based services, and any matters related to the immediate community of that region will be solved in close proximity to the resident, entrepreneur or relevant civil community.²⁴

²⁴ The merger contract for Sangaste and Otepää rural municipalities.

Descriptions specifying the roles and responsibilities of service centres varied in the merger contracts. Some local authorities did not define the responsibilities of regional service centres in the merger contracts, but instead kept to establishing some general principles:

*The service centres will provide services that are reasonable to offer residents in close proximity to them. The amount of services provided at service centres will depend on the size and nature of the service area.*²⁵

Another type of merger contract established the extent of competency that the service centres needed to ensure, but did not specify in what capacity the public officials would be employed:

*At a minimum, regional service centres will ensure the following competencies and services: accepting applications and providing first contact consultation, accepting payments, facilitating development in the region, providing first contact social care, providing services regarding the population register.*²⁶

In addition to the above, the responsibilities of the service centre included administrative supervision and assistance in resolving the economic affairs of the rural municipal assets (trustee services) and so on.

The third type of merger contracts established the number of public officials for the service centre:

²⁵ The merger contract for Kanepi, Kõlleste and Valgjärve rural municipalities. See also the merger contract between Haanja, Misso, Mõniste, Rõuge and Varstu rural municipalities: 'The service centres that are established in the village of Haanja, the small town of Misso, the village of Mõniste and the small town of Varstu will offer those services that are reasonable to provide for residents in close proximity.' More generally, the merger agreement for Laeva, Piirissaare and Tartu rural municipalities: 'In order to provide public services in the municipality, the rural municipal government will establish service centres in the administrative centre of the rural municipality. These administrative authorities will provide residents with access to necessary services.' Service centres in Piirissaare and Laeva rural municipalities and Kõrveküla small town. In addition, there will be a service centre in the city of Tartu.

²⁶ The merger contract between Kullamaa, Lääne-Nigula, Martna, Noarootsi and Nõva rural municipalities.

Typically, there are three public officials at the service centre: a social worker, a secretary-registrar and a development official with the proficiency of a project manager. When necessary, the service centres ensure the availability of a construction advisor, who will have consultation hours once a week. Unless the need for these services changes, the service centres operate for at least four years.²⁷

In many areas, local authorities agreed on positions for regional managers, whose role is essentially the same as that of governors of a rural municipal districts and heads of service centres. The city of Paide, and the rural municipalities of Viljandi and Põhja-Sakala established the roles of regional managers in their merger contract.

The development of public services

By law, local authorities were not required to establish development strategies for the municipalities, set long-term strategic goals for the merged municipalities or introduce public services in the merger contracts. But in reality, the topic of developing public services turned into important discussions during the merger negotiations and they formed a significant part in the merger contracts.

One of the most common types of sentences in the merger contracts was something like: 'The existing network of schools will be

²⁷ The merger contract between Hanila, Koonga, Lihula and Varbla rural municipalities. See also the merger contract for Saaremaa rural municipality. 'The strategic management of the RURAL MUNICIPALITY will be conducted from the administrative centre of the RURAL MUNICIPALITY which is in Kuressaare. There will be two to four public officials and employees, who will work at the service centres to be established in the former rural municipality centres as well as in the village of Lümända and the small town of Kärä. The second centre of the RURAL MUNICIPALITY will be Orissaare service centre that will employ ten public officials and employees.' The merger contract for Antsla rural municipality: 'The rural municipality of Antsla will provide services to residents in the service centres located in the city of Antsla and the village of Kuldre. The following services and public officials will continue to be available for assistance – a youth worker, a social worker, in-home carer, a secretary, a specialist to assist with economic affairs, and the centre will ensure the reception hours of a family physician.'

maintained.’ This means that most questions related to the development of public services focused on giving guarantees and assurances that nothing would change for the residents. Strategically, it is understandable that these guarantees became a prerequisite, at least on paper, for signing the merger contracts. But even with these assurances, we can distinguish many other versions of guarantees, ranging from the more general to very specific.

- The first type of guarantees did not focus on retaining specific administrative authorities, but instead assurances were given through values. One example of this type of guarantee can be found in the merger contract for Põhja-Sakala rural municipality:²⁸

The first level of education will be ensured as close to home as possible, the second and third level will depend on whether there is a viable number of students, and upper secondary school education in the region will depend on the number of students, the feasibility of the education institutional network and support from the state financing model. The municipality will support students in obtaining upper secondary school education outside their home municipality.

- Other types of guarantees were given in the manner already mentioned – ‘the existing network of schools will be maintained’ – while not listing the specific public institutions.
- The third type of guarantees did mention specific public institutions that would continue to operate. These guarantees are found in many merger contracts,²⁹ one such example is from Antsla rural municipality:

The new rural municipality of Antsla will include the upper secondary school in Antsla, the secondary school in the village of Kuldre, the kindergarten in both Antsla rural municipality and the village of Kuldre

²⁸ The merger contract for Kõo, Kõpu and Suure-Jaani rural municipalities, and the city of Võhma.

²⁹ The merger contract between Antsla and Urvaste rural municipalities.

along with the music school. The municipality will provide primary, basic, secondary and upper secondary schooling as well as hobby education and adult education (continuing education).

Although local authorities usually avoided referring to potential reorganisations when making decisions about the network of institutions, there were merger contracts that also specifically described the changes. The following examples are from the merger contracts for Vinni rural municipality³⁰ and Türi rural municipality:³¹

- 'Põlula School will continue as the early childhood education and care institution as well as the basic school at least until the end of the 2019/2020 school year. If there are less than 35 students in the 2019/2020 school year, the school will be restructured to operate as a primary school (first four grades).'
- 'The existing cultural and community centres will be merged with Türi Kultuurikeskus to form one institution, Käru and Väätsa libraries will merge with Türi library after two years, all existing sites, their operations and funding, including supplying the libraries with different formats of resources, will be preserved in the same capacity for the following four years.'

The merger contracts also contained progressive and innovative topics for the merging local authorities, such as:

- 'The rural municipality will create a network of digital workplaces that will encompass the entire rural municipality. This will be used to provide services and make targeted suggestions about creating employment opportunities to state authorities and private enterprise.'³²

³⁰ The merger contract between Rägavere, Laekvere and Vinni rural municipalities.

³¹ The merger contract between Türi, Väätsa and Käru rural municipalities.

³² The merger contract between Haanja, Misso, Mõniste, Rõuge and Varstu rural municipalities.

- 'Implementation of educational stipends.' 'The development of the procedure for the student and teacher recognition system.'³³
- 'The development of a joint procedure for the rural municipal support system for entrepreneurs.'
- 'A rural municipal style guide will be developed to establish a framework for the corporate identity of the rural municipality. This guide will determine the general principles surrounding the procedures and legal rights covering the use of insignia, elements of style, slogans and visual advertising for the rural municipality.'³⁴

The development of public services was an area that brought a lot of dead weight into the merger contracts; that is, points that either carry no real meaning or address matters that the local authorities deal with on a daily basis anyway. What to think about the following points (without mentioning the merger contract)?

- The reconstruction and maintenance of roads will be continued.
- Continuous analysis of changes in demand and when necessary implementing adjustments.
- Contributions will be made to the development of different opportunities and the quality of extra-curricular education.
- Support for the development of a diverse range of entrepreneurship depending on the availability of means.
- Participation in the development of the public transport system.
- Furthering activities connected to sport and leisure.
- It is important to create appropriate conditions for the promotion of health and for advocating healthy lifestyles.

³³ The merger contract between Kullamaa, Lääne-Nigula, Martna, Noarootsi and Nõva rural municipalities.

³⁴ The merger contract between Kaiu, Raikküla and Rapla rural municipalities.

The merger contracts included points that had essentially already been established when the contract entered into force. This indicates that life moves quickly and we cannot predict everything. For example, some merger contracts describe the salary of kindergarten teachers:

*The earnings of kindergarten teachers will be harmonised. By 2020, the minimum wage of kindergarten teachers will be at least 85 per cent of the minimum wage for school teachers, which is fixed by the state; the minimum wage for assistant kindergarten teachers will be at least 65 per cent of the minimum wage of school teachers, which is fixed by the state. The minimum salary of support specialists (speech therapists, social pedagogical specialists, psychologists, special needs education teachers and so on) will equal the minimum salary for teachers, which is fixed by the state.*³⁵

By now, the state wage subsidy for kindergarten teachers has entered into force and those local authorities who included this point in their merger contract also follow that subsidy system. According to the conditions of the state wage subsidy system, by 2018, the salary of kindergarten teachers has to already be 85 per cent of the minimum wage of school teachers.

In general, we must admit that the local authorities adopted very different approaches to the topic of developing public services. The question of the extent to which the development plans should be prescribed to the merged municipalities is in itself a sensitive topic.

We can certainly agree with the criticism by some experts that local authorities lacked long-term vision and comprehension³⁶ when establishing the new municipalities, but the merging municipalities cannot

³⁵ The merger contract between Põhja-Sakala and Põltsamaa rural municipality contains a practically identical point.

³⁶ R. Noorkõiv, M. Lõhmus, Haldusreform: ülevaade toimunud ja esimesed järeldused; http://www.stat.ee/valjaanne-2017_eesti-statistika-kvartalikiri-3-17.

be solely responsible for this. It was specifically the local authorities of smaller municipalities who focused on agreeing on guarantees and their contracts established principles according to which they had reached a consensus or a compromise. And for this reason, many merger contracts (but not all) were quite general and unspecific. For researchers, this might suggest that disagreements existed between the negotiators and the use of general phrasing in the contract was the only way to reach a compromise.

One topic for future research could be the extent to which different local authorities followed one another's negotiations and were examples for each other in the process of writing the principles. I noticed several phrases that I wrote as an expert for specific local authorities cropping up in a number of other merger contracts. Similarly, some of the principles on the operation of rural municipal districts and their statutes indicated that local authorities were keen to find examples from one other. But this already falls under the topic of merger negotiations, which are analysed elsewhere.