

32 Plenary Session of the Congress of Local and Regional Authorities of the Council of Europe

Address by Mr Mihhail Korb, Minister of Public Administration

Mrs President, members of the Congress, ladies and gentlemen,

It is a great pleasure to stand here before you and give you our view on situation of local democracy in Estonia.

As you are well aware of, there are significant changes due in Estonian local governance, which will come to fruition in October of current year. We are on a home stretch. Lot has been done; most of local governments chose to merge voluntarily into larger, more capable local governments. As all capability and capacity of a LG is in some way transferable to numbers, the Parliament set the minimum criteria to at least 5 000 inhabitants in a LG with preferable size of 11 000 inhabitants or more.

The law was well scrutinised by the Supreme Court, which gave us assurance that the aim of the law is legitimate and lawful. Thus, present government has followed the law and we are well certain that the process will end as a great success.

In preparation of the reform, many studies were taken into account; working and consultation groups on many levels created and held; wide local consultations with LG-s and inhabitants held etc. In addition, of course, experience of other member states was also important part of process, as there is always good practises or ideas to gain from others.

Dear Ladies and Gentlemen

Although territorial amalgamation gives certain gains via economies of scale, better specialisation of officials etc, but it has much bigger effect when coupled with better financing and new tasks. Of course, new tasks come with sufficient funding. This is an important, key principle in our constitution and in Charter.

I'll stop on three key areas:

Firstly, we are increasing financing of local governments significantly in coming years. We will increase equalization fund and the share of personal income tax for LG-s.

Secondly, we will give new tasks to LG-s, foremost public transport, regional development planning etc. with sufficient funding.

Thirdly, as county governments will cease to exist on first of January 2018, we will give all local tasks fulfilled now by current counties to LG-s. The state will only be in charge of supervision of LG-s, spatial planning of current county or wider area and ending ownership reform.

Ladies and Gentlemen

More capable LG-s and their associations are better partners for the state but one can't overlook the significance of inhabitants collaborating with LG-s. As the LG-s will be significantly larger and fewer, there is much larger role for civil society. Engaging inhabitants into governance will provide better services, transparency and better leadership. Only then, when the LG capabilities and needs of inhabitants are in balance, we can have fully functional local governance with operational local democracy.

This can only be achieved via open dialogue between interested parties. This can happen in old-fashioned Vis a Vis method or using modern means to interact and provide services. Estonia has this far been champion of using e-solutions. As you are well aware of - one can safely file taxes in just few minutes, can take part of elections, use other state and local services and interact with state and LG over internet with minimum effort.

In past ten years, we have provided LG-s with tools to provide better services and governance. These solutions are Unified web portal for LG-s, Council Information System, Document management system, Platform for pre-filled public service requests and processes, etc. All these solutions are connected to Estonian state data exchange layer, connected to state registers; they are hosted by private companies and are based on freeware.

Ladies and Gentlemen

As Estonia is a country ^{currently} growing smaller in inhabitants, regional disparities broaden, there is a need to look at the broader picture and reduce not only bureaucratic hurdles but also make our public sector leaner and more efficient.

Focus on state level is on the structural reforms, which will lead to cost-efficiency, reduction of duplicated activities, achieving synergy and mutual co-operation. In order to become more efficient and leaner there is need for continuous development of IT services and e-solutions in public services and within public sector.

In addition, there is a need to balance capital area with the rest of Estonia. Thus, we are initiating moving public service jobs and structures outside of Tallinn to reduce regional disparities.

I'll provide you with short list of measures to be undertaken: County Government Reform; Initiation of the project "State one-stop-shop" in every current county; "0-bureaucracy" project; Continuous consolidation of state support services in State Shared Service Centre etc.

In conclusion: We are on the verge of great change. Our LG-s will be stronger and capable of providing more and better services for their citizens due successful reform. We iterate that Estonia is a state ruled by law, thus LG autonomy and democracy is well safeguarded.

Thank you for attention.