

# **The Impact of the European Union Regional Policy on Sub-National Mobilisation in a Unitary State: The Case of Estonia**

## **Abstract**

*The discussion of multilevel governance and sub-national mobilisation, because of its potential for circumventing national governments policy, has become a critical case for those concerned with the political and institutional consequences of European integration. The debate of multi-level governance and sub-national mobilisation has almost exclusively been discussed in relation to Europeanisation and more precisely in the context of EU regional policy. However, in each country the roles, functions and financial structures of sub-national administration are different – so is the impact of EU legislation at the local level. Evidence so far indicates that regional mobilisation does not empower regional and local governments in general, but only select subset of them. In order to conceptualise more the impact of the EU on decentralisation and devolution of political systems due to the attention given to the sub-national level by the Commission (especially by including the principle of partnership to the SF legislation as well as setting up the Committee of the Regions) a great deal more case-study testing needs to be carried out before multi-level government can be adopted as a general account of how EU operates. Therefore, the purpose of the paper is to explore the overall sub-national mobilisation in a small unitary new Member State Estonia due to Europeanisation through EU regional policy. As there is no regional level in Estonia, local governments remain in the centre of the study and the main research question explores to what extent has impact of the EU empowered Estonian sub-national level and why this kind of mobilisation has happened? The results of the study give ground to the analysis of the possible wider applicability of these manifestations to wider set of countries with similar territorial and political structures.*

# 1. Introduction

The discussion of the multilevel governance (MLG) and sub-national mobilisation, because of its potential for circumventing national governments policy, has become a critical case for those concerned with the political and institutional consequences of European integration (Smyrl 1997: 288). The debate of multilevel governance and sub-national mobilisation has almost exclusively been discussed in relation to Europeanisation and the most widely used policy context for this has been EU cohesion policy which is considered to be at the leading edge of MLG (Marks 1993: 401). The most evident notions to support this lie in the adoption of the partnership principle among EU cohesion policy which has led to greater decentralisation in many countries as well as brought a large number of sub-national actors (SNAs)<sup>1</sup> into the Brussels arena. Consequently, another way for SNAs to mobilise is to directly communicate with Brussels and collaborate with each other through formal representation channels like the Committee of the Regions (CoR), Council of Ministers, informal transnational networks and permanent representation offices of SNAs in Brussels.

The impact of Europeanisation on the emergence of MLG has been widely studied in EU15 and later also devolved to the Central and Eastern European countries (CEEC) which joined in 2004 and 2007. These countries undertook reforms of their domestic structures of local and regional governance during the period of their formal EU accession process which have been seen “Europeanised” at least to some extent (Bauer 2002, Baun 2002, Brusis 2002, Bruszt 2007, Grabbe 2001, 2003, Moore 2008, O’Dwyer 2006). Estonia was one of the ten states that entered to the EU in May 2004 meaning that the opportunities offered through the possible emergence of MLG also intensified for Estonian sub-national governments.

Following this, the purpose of the paper is to explore the overall sub-national mobilisation (leading to decentralisation and devolution in the political system) in Estonia due to Europeanisation through EU regional policy. As there is no regional level in Estonia, local governments remain in the centre of the study. Within the limits of the study the Estonian case is analysed in relation to similar developments across the EU as far as possible. Sub-national mobilisation is expected to occur by gaining more influence in planning and implementing EU regional policy (on the domestic level) through the implementation of the partnership principle as well as through sub-national authorities’ bottom-up process in mobilising in Brussels.

It has been acknowledged that in order to further conceptualise multilevel governance, it needs to be subject to a great deal more case-study testing before it can be adopted as a general account of how EU operates. Therefore, Estonia has been selected as an example of a small unitary new EU Member State to broaden the picture of the topic and enable further conceptualisation as well as comparative analysis in the Europeanisation impact on political processes and public administration within the Member States. The paper focuses mainly on the period after the accession of Estonia to the EU in 2004. Especially the empowerment of sub-national level through their ability to take part in the policy formulation process will be concentrated on. Moreover, the objective is also to open up more the reasons why this kind of

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<sup>1</sup> Encompassing all territorial definitions below the national state - regions, local, interlocal and interregional collectivities (Hooghe 1995: 175).

mobilisation has happened or not happened. Therefore, the main research question explores to what extent has impact of the EU empowered Estonian sub-national level and why this kind of mobilisation has happened? Most of the propositions which will be considered in the empirical analysis emanate from the literature review and the results of the study give ground to the analysis of the possible wider applicability of these manifestations to wider set of countries with similar territorial and political structures.

Estonian case largely confirms the overall pattern of the impact of the EU on sub-national mobilisation as evident from the studies of EU15 as well as of CEEC. Europeanisation linked to the lenses of historical path-dependency seems to be the prevailing explanation for rather weak sub-national empowerment in Estonia where in spite of some minor movement towards greater MLG the state still clearly stays in the gatekeeping role. Due to the weak *de facto* constitutional role (despite the intergovernmental system confers substantial *de jure* autonomy to local governments), especially in fiscal terms, local governments in Estonia have not been able to grasp EU opportunities through the introduction of the partnership principle which ultimately also hinders more powerful performance at the EU level. Europeanisation impact on the local level is most evident in increased learning from the experience of Europeanisation of other local and regional actors on the international level and in greater cooperation with each other and through transnational networks and Community initiatives in the international context. Estonian case also seems to support the notion of MLG as being “pluralist with an elitist bias” (Hooghe 1995: 179) meaning that only actors with valuable resources can participate as evident from the strategies of bigger and financially more capable municipalities in Estonia where European affairs are part of the everyday work.

The paper is based on several combined sources, being a qualitative study in its nature as well as having an independent empirical value. Main empirical data has been gathered through in-depth semi-structured interviews (which all lasted 1-1,5 h) conducted in 2008 with Estonian regional local government association representatives, representatives from Tallinn and Tartu city as two of the biggest cities in Estonia, two national associations of municipalities, Brussels representatives and officials from Ministry of Finance and Ministry of Internal Affairs. Totally 20 interviews has been conducted. As many of the interviewed local government association representatives were or had also been engaged in local governance as the head of the municipality, some of the conducted interviews in addition reflect a single local authority viewpoints in the topic.

The paper will be organised in three main parts. In the first part theoretical explanations of the EU impact on sub-national mobilisation, political processes and public administration are discussed and a short overview of the sufficient existent empirical findings in EU15 and CEEC given. The second part of the paper focuses on the findings from the empirical study bringing out main implications of sub-national mobilisation in Estonia and relating the findings to broader debate on the subject. The final part is the concluding section.

## 2. Literature review

### 2.1 Impact of Europeanisation on sub-national mobilisation in Europe

Traditionally, there has been a conception of the outcome of the impact of the European integration in the relevant debate varying along the dimension characterised by intergovernmentalism, placing Member States at the centre of EU policy-making (Hoffmann 1966, 1982, Moravcsik 1993, 1994, Pollack 1995), at one extreme and supranationalism, emphasising the increased role of supranational and domestic groups (Haas 1958, Lindberg 1963, Sandholtz and Zysman 1989), at the other. As Marks, Hooghe and Blank (1996: 327) argue, the character of the Euro-polity at any particular point in time is exactly the outcome of a tension between these contradicting pressures. In mid-1990s these descriptions were challenged by a third group of scholars describing the EU as a „system of multilevel governance” (Bache and Flinders 2004a: 2, Hooghe and Marks 2001, Marks 1993). This approach drew upon both previous debates (Bache 2008: 23, Hooghe 1995: 178) by not sharing the pure zero-sum game conceptions of intergovernmental and supranational theories. Its main advocate, Gary Marks, defines MLG as “a system of continuous negotiation among nested governments at several territorial tiers - supranational, national, regional, and local - as a result of the broad process of institutional creation and decisional reallocation that has pulled some previously centralised functions of the state up to the supranational level and some down to the local/regional level” (Marks 1993: 392). Today still debates about the EU policy-making within these broad models prevail and despite supranational “Europe of the Region” model is almost completely rejected (e.g. Bomberg and Peterson 1998, Bullmann 1996, Hooghe and Marks 2001, Keating and Jones 1995) the overall triumph of the intergovernmental model is at least to some extent weakened by the evidence of rather multilevel nature of European polity (see Ferry and McMaster 2005, Goldsmith 2003, Hooghe 1995, McAleavey and De Rynck 1997).

Besides tying the discussion of models of EU policy-making to the empowerment of sub-national levels, it is widely claimed that EU cohesion policy has been a major factor promoting growing identity and autonomy of sub-national levels as political actors within the transnational context in the EU (Baun 2002: 261). There have been subsequent reforms of SF (in 1988, 1992-93, 1998-99, 2006) which introduced and intensified four principles of programming, concentration, additionality and partnership (Bailey and De Propris 2002b: 409). The latter (European Council 1260/1999: Art. 8) is especially important being regarded as a key test of Europeanisation and MLG theses as evident from many relevant studies (e.g. Bache 1998, 2008, Benz and Eberlein 1999, Börzel 1999, 2002, John 2000, Kelleher, Batterbury and Stern 1999, Thielemann 2002). Since these developments the European Commission (EC) has continuously promoted the partnership principle which through the inclusion of SNAs and other social partners into drawing up Community actions mobilises local knowledge and contributes to the successful implementation of the EU cohesion policy (EC 2002-2005, 2006a, 2007, 2008a, 2008b: 16).

Moreover, the debate on cohesion policy has also explicitly focused on governance effects in relation to the concept of Europeanisation (Bache 2006: 240). In the literature, Europeanisation has been defined and studied in many ways, for instance comparing different dimensions across different states (e.g. Featherstone and Radaelli 2003) or within one state (e.g. Bache and Jordan 2006, Dyson and Goetz 2003) or considering the accession process of CEEC (e.g. Goetz 2005, Hughes, Sasse and Gordon 2004, Schimmelfennig and Sedelmeier

2005). Inspired by its manifold coverage, Vink and Graziano (2006: 7) conclude that very broadly Europeanisation can be understood as the domestic adaptation to European integration which has been modelled primarily in terms of the downward flow of effects (see also Bache 2008: 12, Börzel and Risse 2003). Further, the Europeanisation literature is mainly institutionalist by nature (Knill 2001, Börzel 1999, 2002) mediating between the „goodness of fit“ approach first developed by Risse, Caporaso and Green Cowles (2001) and later utilising more nuanced new institutionalist approaches of rationalist, sociological and historical strands (Bache 2008: 13, Börzel 2002, Börzel and Risse 2003, Hix and Goetz 2000), all in which “learning” is seen to be a feature of change (Bache 2008: 13, see also Paraskevopoulous 2006) but which nevertheless generate contrasting hypotheses in relation to the nature and extent of the transformation of governance at the domestic level.<sup>2</sup>

Drawing on these main analytical lenses the impact of Europeanisation in the MLG debate can also be seen in several slightly different ways. One is to treat Europeanisation as a “direct impact” on the regional and local policy-making arenas through which increased resources through redistribution and a new set of rules and procedures for the formulation and implementation of development policies are provided in the Member State (Leonardi and Paraskevopoulous 2004: 315). Indeed, in implementing EU policies SNAs are in many ways bound to the political values and principles behind EU legislation and, following the rational institutionalism, opportunities for municipalities to influence policy and promote their interests have increased as well. Focusing specifically on local government level, De Rooij (2004: 450) handles this new opportunity structure through the following developments at the EU level:

1. the EU SF which have formalised the principle of partnership;
2. a stronger formal position for local government in the EU due to the establishment of the CoR;
3. the rise of several associations of municipalities in the EU and their participation in an informal EU network through sub-national lobby offices in Brussels.

Therefore, the other way to treat the debate of MLG is through the “indirect impact” of Europeanisation which drives SNAs into closer relationships with the central state, each other and to lobby the EU (Leonardi and Paraskevopoulous 2004: 315). In that respect, the Europeanisation function may be considered as almost synonymous to „sub-national mobilisation” at the European level (Ibid., Hooghe 1995, John 2000).

However, in each country the roles, functions and financial structures of SNAs are different, so is the impact of EU legislation at the local level. The following will briefly analyse the impact of EU through these new EU opportunity structures on the sub-national government across the EU Member States.

### ***2.1.1 Implementation of the partnership principle across EU Member States***

The EU cohesion policy is apparently the most important EU policy for SNAs, playing an important role in the administrative restructuring and devolution processes within the Member States. It has still been found that the EU has had a very limited influence on the implementation of the partnership principle. The problems may arise as it is up to the

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<sup>2</sup> For a discussion of this see Börzel and Risse (2003).

Member States to decide exactly how the involvement of SNAs is provided for (Blom-hansen 2005, European Council 1260/1999: Art. 8, Kungla 2002: 19) and implementation procedures vary according to the institutional arrangements for regional and local governance in each Member State (see also Hughes, Sasse and Gordon 2002: 4).

Most comprehensive study about the impact of the partnership arrangements has been conducted by Hooghe (1996) who studied territorial restructuring within eight Member States. Her study found that cohesion policy has produced a highly uneven pattern of sub-national mobilisation across the EU (Hooghe 1996, Hooghe and Marks 1996: 78) the pre-existing balance of territorial relations as a key part of the explanation. Also other studies (e.g. Börzel 1999, 2002, Bache and Jones 2000, Keating and Hughes 2003, Keating and Jones 1995, Kelleher, Batterbury and Stern 1999, Le Galès and Lequesne 1998a) have shown that local and regional mobilisation effect induced by the EU is differentiated, “depending on the power resources of SNAs in the different national contexts of federal/regionalised or unitary Member States” (Brusis 2002: 534) or on the “existence of regional policy communities advocating an entrepreneurial approach of regional development” (Ibid., see also Bomberg and Peterson 1998, Zerbinati and Zouitaris 2005). Particularly, in those countries where regional tiers are only weakly equipped or absent (e.g. UK, Greece, Portugal, most of the CEEC) the national level has tried to act as gatekeeper by channelling contacts through central ministries and constraining the powers of SNAs.<sup>3</sup> However, over the years EU has still had an impact on sub-national mobilisation even in some traditionally very centralised unitary Member States as evidence from Ireland (Bache 2008: 58-59, Kelleher, Batterbury and Stern 1999, Mullaly 2004, Rees, Quinn and Connaughton 2004) shows, suggesting the role of learning among the participants from central and sub-national levels.

In addition, some studies have more precisely dealt with the local government level. Goldsmith and Klausen’s study (1997) shows that local authorities in Western-Europe have improved their involvement with the EU, but the response has been patchy and dependent on internal resources of SNAs. The largest categories of local authorities in their study are passive and reactive “suggesting that the impact of Europeanisation is usually limited to a few dynamic local authorities” (quoted John 2000: 883), confirming the claim that European integration has different consequences for municipalities in different Member States. Moreover, within Member States there are also differences between SNAs in the use of opportunities (Bache and Jones 2000, Goldsmith and Klausen 1997, Jeffery 2000) depending on the national constraints with which they are confronted and also on differences in SNAs’ resources like money, personnel, location or access to politicians or officials.<sup>4</sup> To conclude, existing studies show that the impact of EU cohesion policy on the territorial politics of Member States varies considerably and the application of the partnership principle has been substantially mediated and determined by national constitutional arrangements.

### ***2.1.2 Sub-national mobilisation in Brussels***

Another implication of EU leading to new forms of MLG has been seen in so called channels to Europe activating the local and regional levels in response to EU developments. Over the years several transnational organisations have been established<sup>5</sup> bringing together regional

<sup>3</sup> For instance, see Bache (1998, 2004, 2008), Bache and Jordan (2006), Getimis and Demetropoulou (2004), Nanetti, Rato and Rodrigues (2004), Sturm and Dieringer 2005.

<sup>4</sup> See, for instance, De Rooij (2004) study on the Netherlands and Zerbinati (2004) on UK and Italy.

<sup>5</sup> See especially Hooghe 1995.

and local authorities from different Member States in order to promote and represent common interests at the EU level (Bullmann 1996: 14). Either initiated by the Commission like establishment of the CoR or by regional and local levels themselves like sub-national offices and transnational networks (e.g. the Council of European Municipalities and Regions) at the EU level, the aim of such sub-state activities in Europe is above all to lobby the EC and Parliament, to monitor EU regulations, and to support local interests and proposals in the Community political process (Bullmann 1996, Goldsmith 2003, Hooghe 1995, Hooghe and Marks 2001, Marks, Haesly and Mbaye 2002). Even Jeffery (2000: 6), being in overall quite sceptical about the true emergence of MLG, admits that „to these varying extents, SNAs have been able at least to challenge and in most cases to breach the monopoly of the central state over EU policy.”

However, it still remains for a question how influential this mobilisation has been in actual policy-making? Sub-national offices do not have formal competencies in the EU, so to the extent that they exercise influence, it will be soft (Marks, Haesly and Mbaye 2002: 15). Moreover, a body of evidence available on European lobbying by local authorities does not indicate a high degree of influence (McAteer and Mitchell 1996, quoted John and McAteer 1998: 108) and it is widely known that the CoR has actually failed to speak on behalf of Europe beneath the central state (Hooghe and Marks 2001: 90). Moreover, differential empowerment of SNAs through these channels (see Scherpereel 2007) echoes the outcomes and patterns of the studies indicating uneven implementation of the partnership principle across the Member States.

### ***2.1.3 The context of CEEC***

As the emergence of MLG thesis facilitated a decent amount of relevant studies in Western-Europe, since the end of 1990s it has been more and more adopted in the context of CEEC as well. Due to the centralised national traditions of all CEEC, sub-national entities in these states were nonexistent or lacked competencies and political power (Dieringer and Lindstrom 2001: 4) and EC's incentives to provide policy guidance for territorial reorganisation in order to meet the partnership requirements of receiving SF assistance were seen to be greater than in the cases of its incumbent Member States or previous enlargements (Bachtler and Downes 1999, Bailey and De Propriis 2002a, Baun 2002, Brusis 2002, Getimis 2003, O'Dwyer 2006, Sturm and Dieringer 2005). Therefore, Europeanisation „Eastern-style” stresses the hierarchical and impositional aspects of domestic adaptation, fostered by „conditionality” (Goetz 2005, Grabbe 2001, 2003). However, it is far from the agreement that this “distinct” situation of CEEC (Goetz 2005) for the Europeanisation pressures has facilitated a solid MLG system. In regional policy domain still a considerable lack of institutional detail tied to conditionality due to no basis for such an EU intervention in the Treaties (Brusis 2002: 31) actually constrained the impact of the EU (Bache 2008, Bailey and de Propriis 2006, Brusis 2002: 31, Bruszt 2005: 2, Leonardi 2005: 164, Sturm and Dieringer 2005). This gave ground to informal conditionality and influence of domestic historical institutional traditions which have affected the set-up of sub-national level in CEECs as well as brought along variances how these states complied with EU influence (see especially Hughes, Sasse and Gordon 2004, Bailey and de Propriis 2002a, 2006, Getimis 2003).

Similar differentiated patterns appear from CEEC sub-national empowerment through channels of representation to Brussels, most comprehensively studied by Scherpereel (2007) and Moore (2008). Drawing on Schimmelfennig and Sedelmeier (2004) framework of

conditionality, Moore (2008: 214) hypothesises that SNAs in the new Member States have been encouraged to establish regional offices in Brussels as a channel of engagement, by means of informal “lesson-drawing” model of rule transfer as regional offices never formed any part of EU accession conditions. Accordingly, SNAs from CEEC are rapidly integrating into the EU’s multilevel polity. However, this is not fundamentally threatening the pre-eminence of central state authority (Scherpereel 2007: 34) and available evidence indicates that generally these “new small, administratively strapped offices” (Ibid.: 36) are having little independent effect on decisions made in Brussels and that in CoR new members have not yet been fully absorbed (Ibid.: 37). However, like SNAs from EU15, SNAs from CEEC are also engaging with Europe in different ways where for instance Polish voivodships are acting on multiple fronts while others (i.e. many municipalities, numerous Czech and Slovak regions) are doing comparatively little (Scherpereel 2007, Moore 2008).

## **2.2 Theoretical implications for the case-study**

The previous discussion shows that the result of different EU activities and priorities in advocating MLG across Member States has been diffuse and ambiguous, however, having at least some effect on Member States. Jeffery (2000: 12) poses relevant hypotheses for explaining the differential emergence of sub-national mobilisation in the EU. He states that the constitutional situation of SNAs is the variable with the most predictive strength in pinpointing the level of influence SNAs have in European policy. For instance “a German Land will always have more scope for influence than an Irish local authority.” (Ibid.) However, other variables also intervene to modify the likely levels of influence exerted by SNAs both across and within particular constitutional orders (see also Bomberg and Peterson 1998: 234-235) which according to Jeffery (and with the relevance to the current study) are:

1. the quality of intergovernmental relations between SNAs and the central state;
2. the level of entrepreneurship applied in sub-national mobilisation, which Bomberg and Peterson (1998) elaborate as the need to build coalitions in order to influence EU decision making.

Moreover, Jeffery (2000: 2) argues that sub-national mobilisation in the EU has not led to significant access to Europe, but has rather served to undermine the capacity of central state institutions which is actually “a representation through rather than beyond the established structures of the Member State”. This means that the focus should rather shift to what Jeffery calls “European domestic policy processes” mostly focusing on collaboration with the central state in order to gain influence also at the EU level (see also Scherpereel 2007: 38).

To conclude, the picture about sub-national mobilisation in the EU is quite colourful and there seems no congruence in the political role of SNAs in the EU (see also Hooghe and Marks 1996, Marks et al. 1996). M. Keating (1998, quoted in Le Galès and Lequesne 1998b: 5), therefore, points out that as European integration legitimates such different forms of regional and local mobilisation, it does not actually allow any real theory of regional mobilisation (see also Bache and Flinders 2004a, Bailey and De Propriis 2006: 14). Following this, Schmidt (2006, quoted Bache 2008: 2) rather develops the analytical distinction between the „simple” and „compound” polities reflecting the division between more centralised (e.g. UK, France, Greece, Ireland) and decentralised or federal Member States (e.g. Italy, Spain,

Germany).<sup>6</sup> This distinction is definitely useful when trying to capture some elements of convergence/divergence of sub-national governance patterns across the EU and supports also previous attempts to generate some general conclusions about the Europeanisation impact on SNA empowerment (e.g. Börzel 1999, 2002).

Finally, several propositions emanate from this discussion about the impact of EU on MLG in Estonian case. Firstly, following developments in CEEC, rather weak Europeanisation impact on sub-national empowerment (implementation of the partnership principle and bottom-up mobilisation) in Estonia is expected related to the common patterns found in countries belonging to the simple polities (see also Bullmann 1996: 12-13, Getimis 2003: 82, Getimis and Demetropoulou 2004). Secondly, this rather “multilevel participation”<sup>7</sup> effect is emanating from historical path-dependency, causing weak position in intergovernmental context for Estonian SNAs, and from great variations in local governments` resources hindering the entrepreneurial approach of the majority of them. Thirdly, the Europeanisation effect is eminent through the informal “lesson-drawing” which has opened up more cooperation with each other on domestic and international level and injected incentives to pursue for greater power in national and international policy-making also among Estonian SNAs.

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<sup>6</sup> For a discussion and examples of EU impact on local and regional levels in the Member States belonging to simple or compound polities, see Bache 2008: 55-87.

<sup>7</sup> The term signals greater involvement without effective influence for at least some types of new actors (Bache 1998, 2008: 31, Bache and Flinders 2004b: 204).

### **3. Impact of the EU on sub-national empowerment in Estonia**

#### **3.1 Local governments in the administrative system of Estonia – historical developments and path-dependency**

Estonia has had a long tradition of strong local government. Even before an independent Republic of Estonia was established in 1918 the country had a functioning system of local administration (Wrobel 2003: 278). Notwithstanding, Estonian local governments have faced several changes and walked a long way throughout the transition period. After occupation by the USSR in 1944 the Soviet administration's principles of overall centralisation effectively eliminated self-government at the local level. Since local government is a pillar of democracy and has a strong orientation to the citizen, it is exactly for this reason that local government is usually very quickly eliminated in totalitarian systems (Drechsler 2000). Therefore, the administrative system based on local government was abolished and the Estonian public administration system was attached and assimilated to the system of the Soviet Union, where local governments were directly under the control of the central administration, more precisely under the control of the communist party. The following politicisation of civil service led to selective implementation of legislation, low motivation for job performance and closed decision-making both on central and local levels (Tõnnisson 2006: 9).

After regaining its independence in 1991, Estonia had to transform itself very quickly from an occupied soviet republic to an independent European state. It meant transition from the communist past, systems and structures towards market economy principles and liberal democracy. As discussed by Tõnnisson (2006: 9), according to the World Bank, Estonia chose a clear strategy of the reform "to launch a rapid, all-out programme, undertaking as many reforms as possible in the shortest possible time". The market was considered as the only and reliable future and that is why economic reforms got most of the attention, as well as the expense of the development of public administration (Ibid.).

One crucial element of the market approach that also Estonia has followed through the transition is the decentralisation of policy-making and implementation (Peters 2001, quoted Tõnnisson 2006: 17). However, the advice to move into the decentralised administrative reform model could be an especially drastic mistake in transitional countries likewise in Estonian local governments, which often face quick and tough decisions in many life spheres. Implementing such a decentralised system assumes a remarkable administrative capacity, however this is exactly what is lacking in Estonia, especially at local government level, even now almost 18 years later since the transformation process began. For example, Tatar (2004) indicated very strong problems with the human resources in local governments. Turning to the EU funding, this is a direct hinder in applying for the regional development funds allocated through the EU regional policy which also plays an important role in the transition period in local governments. Participating in the regional policy that is largely shaped according to the EU regional policy requires for example the existence of long-term plans and strategies for the best possible usage of the resources. However, local governments do not often have enough skills and knowledge to develop them and to improve the existing state of affairs. There are studies showing that only nine per cent of Estonian local governments invest based on their long-term development principles and plans (Soiver 2004, quoted Tõnnisson 2006: 12). It has led to the situation where most municipalities deal with their own everyday problems when having no interest and resources to deal either with their long-term plans or Estonian public administration development in general.

Tõnnisson (2006: 11) attributes this to the fact that at the beginning of the transition period Estonian local governments could not learn from their own “past” which is why municipalities’ reform attempts have often been based on experimenting with new ideas and on trials. Within a short period of time, Estonian local governments had to create new organisations and new structures, which meant a quickly built-up process with frequently unpredictable results. Therefore, on the local government level the question was not about reforming, restructuring or downsizing municipalities, but rather of building the systems of local governments in the first place. Since there was almost no restoration of old knowledge and expertise possible among local administrators and politicians, they had to develop and gain new knowledge and in order to free themselves from the network of Soviet relationships and their inertia, local authorities started to employ new personnel (Lauristin and Vihalemm 1997). In addition to finding new people, municipalities needed to implement appropriate systems and principles (Tõnnisson 2006: 10). Still, Tõnnisson also shows that neither structural changes nor changes in managerial approaches have succeeded too much in developing new values and working practices among local administrators. This situation has been similarly described by Taagepera (2006: 80) who stated that Estonia tried to join Western world on the level of institutions but was reluctant to adopt the corresponding values and habits. While changes just in management principles do not lead to better outcomes unless they are supported by new incentives and capacities, Estonian local governments probably face major transformation in the future as well.

All these issues run through the current study on the impact of Europeanisation on the empowerment of the Estonian sub-national level. The picture that emerges from the study clearly strengthens the claim of weak position of local government in the governance system of Estonia, which starts with the problems of administrative capacity and ends with the strong fiscal centralisation which does not entirely correspond to *de jure* autonomy of the Estonian local governments. The problems lie not only in the central government’s approach trying to cling to the centralised system in order to lessen the possible impacts of low administrative and financial capacities of local governments, but also in the low activity, coordination and cooperation attempts of local governments themselves as conducted interviews confirm. This rather low level of cooperation actually appears paradoxical especially in the EU context where municipalities are responsible for implementing both national and EU regulations and legislations. Kettunen and Kungla (2005: 358) indicate that through the implementation of the principle of partnership and through providing additional financial resources, the EU has the potential to influence the power distribution between different levels of government by changing the opportunity structures of domestic actors. If local governments became more powerful, then this power shift might also foster participation on the local level.

This brief description of historical developments and path-dependency definitely provides necessary background information for analysing Estonian reality and the response to the Europeanisation pressures. Currently there are 33 cities and 194 rural municipalities in the local government system of Estonia (in accordance with the general principles of local government laid down in the Constitution of the Republic of Estonia - Art. 154 section 1 and Art. 155 section 1). In addition to the characteristics of the local government system described above, these 227 local governments vary to a great extent in their size, economical indicators and ability to fulfil their functions.<sup>8</sup> Because of the one-tier local government

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<sup>8</sup> For instance, half of the local authorities have less than 2000 inhabitants, around 1/3 of the Estonian population are situated in the capital city of Tallinn.

system there is no directly elected representation of people on regional level. Estonia is divided into 15 counties, governed by county governors, however they cannot be seen as administrative levels: as by law (Estonian Parliament 1995) they are subordinated to the central government. Therefore, in general terms, Estonia is a country with a centralised administration.

As there is no regional level local government in Estonia, the co-operation of local authorities is organised through regional associations (15) of municipalities (RAM) which are established on a voluntary basis (Estonian Parliament 2002). At national level there are also two associations that represent common interests of local authorities especially in intergovernmental relations: The Association of Estonian Cities (AEC) and the Association of Municipalities of Estonia (AME)<sup>9</sup> which in the context of relationship with the EU are with utmost importance for the local authorities in Estonia.

### **3.2 Implementation of the partnership principle**

The implementation of the partnership principle in Estonia started with the first wave of SF prior to 2004. As also marked by one representative of the Ministry of Finance (Interview 16) this was practically the first time when this kind of consultation process with social partners was actually carried out in planning nationally important strategic documentation. The second wave of consultations became active in planning and preparing the SF financing in National Strategic Reference Framework for the use of the EU SF 2007-2013 (NSRF). Estonia also incorporated specific operational programmes (OPs) of different sector policies to this planning process where OP for living environment – approximately 1/3 (i.e. 1,6 billion EUR) of total grant amount (i.e. 3,4 billion EUR) - is almost exclusively targeting local authorities (EC 2006b) and therefore most important document together with specific programme regulations in the current discussion. The discussions with the interviewees concentrated mainly on the preparation period of 2007-2013 SF funding, however some insights have been drawn from the first wave of SF preparations in Estonia.

As emphasised by the Ministry of Finance (Interview 15, 16) NSRF and OPs were drawn up with the involvement of relevant ministries and various social partner organisations in special working groups. A broader range of beneficiaries was involved prior to the final NSRF and OP drafts. The results concerning acceptance or rejection of the comments received during the consultation round were published on the web page of the Ministry of Finance. In addition, several information days to inform the public have been carried out throughout the preparation and implementation of SF in Estonia (NSRF: 8-9).

This procedure was also confirmed by the representatives of Ministry of Finance and Ministry of Internal Affairs as responsible for the local development measures during the conducted interviews. All interviewees emphasised that representatives of local governments through national associations of municipalities (NAM) were included and not only through the public consultation round but already in the beginning of composing the draft documents in the working groups. State representatives argued that ministries indeed followed the procedures of partnership principle with utmost dedication possible. Interviewed representatives from AEC and AME were also quite positive towards the formal partnership indicating that there were always one of their representative in the relevant working group

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<sup>9</sup> Ministry of Internal Affairs (2005).

and they did not feel to be absent from the process, especially in the planning period of SF 2007-2013.

However, the picture changes slightly considering the actual influence of these contributions on the final measures and policy objectives. Moreover, there are also differences on the opinions between NAM and RAM representatives. While the first were rather positive towards the implementation of the partnership principle by the central government, prevailing attitude was rather negative among the latter. None of the interviewed RAM representatives could assure that SNAs had been truly involved through the consultation procedure,<sup>10</sup> however, the information had been better during the second wave of SF planning process. The biggest criticism concerned insufficient time allowed for the comments and little room for manoeuvre through their contributions. As put by one interviewee: *“This is not partnership, but just informing us. Everything has been thought through to the end in the ministry, there is a little chance they will actually change their strategic positions.”* (Interview 11)

Indeed, when examining the table with partners` comments<sup>11</sup> one can notice that from the accepted ones the majority are technical in nature and a large amount was not accepted at all – a recognition that was admitted by both sides (representatives of central government as well as municipalities) of the interviewees as well. Seemingly, the final say in every regulation or policy document including SF priorities remains to the central government. Most colourful example from conducted interviews indicating the adversity of sub-national level in the negotiation process concerned the local government`s application to receive additional support from the state for co-financing EU infrastructure projects at the local level, especially concerning environmental infrastructure, which is most problematical already since the previous SF implementation period (Innopolis Consulting Ltd and SEB 2005, AEC Press Release) and also emphasised by the EC (2006b). However, *“in this case it was clear until to the end that all ministries keep to the common position in order to confront this demand from the local government side”* as put by one representative of the Ministry of Finance (Interview 15).

In response to the criticism of insufficient time allowed for commenting draft documents, central state representatives claimed that all relevant minimum requirements were fulfilled. Local government associations have direct access with active user rights to the official electronic law drafting system e-Law (e-Õigus) through which NSRF and OPs were communicated forward and which allows 5-30 days for comments. However, this leads back to the previous concern as documents that move through this system are almost ready drafts which usually allow little room for changes. Moreover, in some cases still a very quick response is needed (e.g. 5 days). *“I think I am not wrong by saying that in 98-99 per cent of these cases local authorities just will not respond”* as commented by one interviewee (Interview 10). This is even more of a problem considering the widely acknowledged low administrative capacity of Estonian sub-national level. Local governments just do not have enough knowledge, activeness and resources to participate in the national regional policy decision-making as also emphasised by many interviewees, which is fostered by the lack of overall participative culture from both levels of government (especially Interview 15).

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<sup>10</sup> Official partners were only NAMs, therefore information should have reached to RAM members mainly through these organisations.

<sup>11</sup> <http://www.fin.ee/?id=13896>

Along with the weak administrative capacity, missing (wider) strategic thinking was also brought out as one of the most important reason for the incapacity of local governments to influence the decision-making. *“To say that everybody wants to be included in the decision-making process is actually a myth. Everyone wants to get a good regulation but on the condition that do not bother me.”* (Interview 10) This was elaborated by the central government official (Interview 18): *“Even if we ask, they (local governments) will not react.”*

Further, along with the general participation in the decision-making, abilities for fruitful lobby were seen as crucial for the actual influence of this kind of participation. *„One thing is consultation part from the government, but if the organisation wishes that its interests would be really represented, close cooperation and skilful lobby is needed.”* (Interview 16) This actually raises further problems as indicated by one RAM representative (Interview 6): *„They call it lobby, we call it injustice.”* Indeed, EU regional policy as a classic example of rent seeking is widely stated (John 2000: 879, McAleavey and De Rynck 2001: 544-545). As also found by Zerbinati and Souitaris (2005: 48) success in initiating and driving the European funding process should involve pro-activeness, innovation, risk-taking, leadership and creativity, a combination of attributes associated with entrepreneurial behaviour. This kind of behaviour, however, seems to be missing in a quite remarkable amount of municipalities in Estonia (Tönnisson 2004, 2006) as became evident from the interviews as well. Many (especially NAMs) also admitted that there is a clear distinction in the activeness and willingness to participate in decision-making by those municipalities who have created an unit to deal with all EU related issues, especially by biggest cities of Tallinn and Tartu. Indeed, interviews with the representatives of these municipalities ensured that EU (funding) issues are scrutinised very carefully in order to represent municipality`s viewpoints in the matter. However, as also evident from the interviews (also identified by Tatar 2004) in over half of the local governments in Estonia this kind of organisational adaptation has not yet happened.

The experience of Estonia in implementing the SF principle of partnership largely supports some patterns discovered in EU15 and also in CEEC. For instance, Bailey and De Propriis (2002a) investigated the relevance of MLG in the Czech Republic, Estonia, Hungary, Poland and Slovenia and conclude that the national government “gatekeepers” remained “firmly in control” of SNAs, who were able to participate in but not significantly influence the policy process. As evident from the interviews and other documents dealing with the scrutiny of the partnership in decision-making procedures (e.g. EC 2006b) this has not changed and still the dominant “thinking-by-ministry” tendency implies in Estonia.

According to Kettunen and Kungla (2005: 367) it is also obvious that Estonia has adopted a centralised mechanism that fulfils at best the minimal requirements of the principle of partnership assigning local actors only a subordinate role. The key explanation here, as also was emphasised in the interviews, lies on the institutional capacity to carry out the functions assigned to local authorities which is clearly very weak in most of the Estonian municipalities making them too dependent on central government decisions (Kungla 1999, 2002, Tönnisson 2004, 2006, Wrobel 2003). This is strongly related to the constitutional situation and the quality of intergovernmental relations between SNAs and the central state, supporting the variables for influential mobilisation presented above (Bomberg and Peterson 1998, Jeffery 2000). Local governments do not have their financial independence from the state, their role and tasks in the society are still unclear and the division of the tasks between the state and the municipalities still varies among cases (Kriz, Paulus and Staehr 2004, Parliament of Estonia

1993a, b, Tõnnisson 2004, 2006, Wrobel 2003). Altogether, this has caused the situation where the sub-national level is not an equal partner for the state.<sup>12</sup> Therefore, the influence of Europeanisation on sub-national mobilisation through greater partnership relations with the central state remains relatively weak in Estonia.

However, all interviewees admitted that there has been a significant learning experience which meant that all parties were more aware of the process and in 2007-2013 SF preparations social partners were still taken more considerably. Indeed, involving necessary interest groups to the decision-making process is generally not compulsory according to Estonian laws, except some specific fields (Lepa *et al.* 2004: 73), which has changed considerably with the introduction of the general Structural Fund regulation (European Council 1260/1999) in planning SF programmes. Moreover, despite still lacking strategic vision and stability in local governments' contributions through the partnership, the general opinion from the ministries in the second SF period admitted also a significant increase in partners' capability to produce contributions.

At the same time the capacity and willingness to take part in the process varies considerably among different Estonian counties, local governments and their associations, a phenomenon also found across EU Member States in general as seen above. This has motivated an ongoing discussion about a further rationalisation and reduction the number of counties and local governments in Estonia which so far, however, have been largely watered down due to central government politicians' fears of losing support in the localities concerned (Kettunen and Kungla 2005: 363). Lately, also the issue of strengthening regional cooperation and the role of the local government associations have been emphasised in relevant discussions (Lootsmann 05.05.2008, Nurm 21.05.2008, Roose 23.06.2008). According to some interviews (e.g. Interview 15) EC as well has emphasised the need to let Estonian regions/counties to have greater control over the SF money, an idea that was repeatedly welcomed by the representatives of RAMs during the conducted interviews (Interview 4, 5, 11, 14). This pronouncement, even though still very thin in essence, deserves encouragement as there is a doubt that the capacity of sub-national levels will ever increase, if they are kept away from the "leading steer". The case of some Scandinavian countries (e.g. Sweden, Denmark), also highlighted by many interviewed RAMs, indicates that sub-national level can be an effective partner for the state and the EU only when it has stronger position in the intergovernmental context which promotes greater learning and increased role of local governments as social partners. It seems that in Estonia the blockage of the idea of greater position of county levels, for instance through RAMs, by the state (e.g. also Interview 15) referring to weak administrative capacity of SNAs is partly an excuse to hold on to its gatekeeping powers, which is inevitably more convenient for the central government in fulfilling the SF monitoring requirements imposed by the EC. Therefore, one way forward would be to enhance exactly the role of RAMs by encouraging sort of the second tier of regional government which helps to lessen the current burden of relatively small local governments in Estonia through more formal cooperation at the regional level and would strengthen the currently weak representation of SNAs. NAMs are still not able to communicate on behalf of the interests of all local authorities and mainly the voice of the bigger and more capable ones like Tallinn and Tartu prevails dominant (as confirmed by NAM and RAM representatives), supporting the entrepreneurial approach thesis stated above.

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<sup>12</sup> Ministry of Finance considered local governments together with all other social partners in order to simplify the administrative procedure of the implementation of the partnership principle (Interview 16) which was constantly criticised by some RAM and NAM representatives (especially Interview 2, 11).

This situation asks for better cooperation between SNAs in communicating their interests and could be achieved through greater and formalised cooperation through RAMs.

To conclude, there is a trend towards greater domestic MLG in Estonia that has been encouraged and intensified by the EU cohesion policy and, therefore, there has still been Europeanisation influence on sub-national empowerment to some extent. Assumptions from the rationalist approach help to explain the differential mobilisation within Estonia providing some SNAs greater access to decision-making than others (also Tatar 2004). The “rule of the stronger hand” (Aarelaid-Tart and Tart 1995, quoted Tönnisson 2006: 19) is thereby clearly visible in the society which means that more resourceful social groups are much more able to further their interest than others.

Following sociological institutionalism assumptions there is evidence from the facilitated process of social learning due to the introduction of the partnership principle through the EU cohesion policy as admitted by all interviewed parties. However, most suitably historical insights prevail in explaining Europeanisation impact on SNAs in Estonia. As already stated in Hooghe (1996) study and repeatedly emphasised in Kelleher, Batterbury and Stern (1999) „the degree of decentralisation and the type of deconcentration occurring in the state inevitably shapes the relations between key actors within partnership and determines the competencies and composition of partnerships.” Having a weak SNA role in intergovernmental relations in general has reflected the implementation of the partnership principle in Estonia the most, supporting findings of small unitary and centralised countries with similar experience<sup>13</sup> and placing Estonia among simple polities on a Schmidt continuum, suggesting certain results for the future developments.

### **3.3 Engaging with Europe from the “bottom-up”**

Today, there are over 300 regional representations established in Brussels (Huysseune and Theo Jans 2008, Liaison Office). Particularly, in relation to the accession of ten new Member States in 2004, a large number of representations from local and regional authorities were set up in 2002 and 2003 (Ibid.). There are two representation offices from Estonia, one which commonly represents AEC and AME and the other being the Tallinn EU Office. The Brussels Office of NAMs was opened in 2005 to work pro-actively and promote the joint interests of Estonian local authorities in EU legislation, funding and policy as well as to provide a direct communication channel to EU institutions, organisations and networks (AECa). The office also coordinates the work of Estonian delegation for the CoR, organises meetings and seminars in Brussels for AEC or AME representatives and helps to build transnational partnerships for their members (Ibid.). Tallinn started the office in 1999 (AECb, AME). Moreover, Estonian local authorities are represented, via national associations, in the CoR (full membership since accession in 2004) through seven seats. The Congress of Local and Regional Authorities of Europe (CLRAE) and the Council of European Municipalities and Regions (CEMR) are also important international forums for Estonian local governments through their national associations (Ibid., Interview 2). Therefore, as the MLG concept suggests, Estonian local governments as well have tried to mobilise themselves in order to be part of the EU decision-making process as decisions made in Brussels influence more and

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<sup>13</sup> See also ch. 2.1.1, pp. 6.

more the everyday life of the sub-national level which requires new strategies to respond to these developments.

Conducted interviews revealed the main reasons for opening up the Brussels representation which was seen as a logical step forward as almost all other Member States already had such kind of representations.<sup>14</sup> Therefore, there was a practical need to go to Brussels „*as this is the place where decisions are made and if you are not there then practically you do not exist*” (Interview 2, also Interview 13, 20). Estonian SNAs` Brussels office is fully financed from the member fees of AEC and AME, therefore, the initiative has derived from local government level with encouragement from partner regions and not promoted by EC or national government, supporting the “bottom-up” mobilisation thesis (see also Jeffery 2000, Moore 2008: 212, Sapala). Indeed, as told by some interviewees, personal contacts and focused approach through Brussels representation is important, because at home many EU issues will be mixed with other domestic concerns and gain less attention. This means that important topics may be left out when there is yet a possibility for influencing the course (Interview 2, 3, 13, 16). Therefore, direct contact between Brussels offices and EU institutions is one output in the EU integration impact on local authorities which enables better and quicker information about EU policies and regulations affecting the sub-national level and helps to understand the processes and directions shaping the future actions of local governments.

To elaborate on the motives behind “going to Brussels”, all interviewees, even those having less information about the Brussels office (e.g. RAMs), claimed that Brussels is not the place for fundraising but rather a lobby and information gathering point for the Estonian sub-national level. Therefore, supporting the general claim made by Marks et al. (1996: 56), Estonian representation office is also not an effective channel to influence EU spending as the allocation of money is still largely determined through hard bargaining among Member State executives (Interview 16). Rather, it serves as a “listening post” as shown to be one type of representation offices by Marks, Haesly and Mbaye (2002).

Estonian SNA office also works in close relationship with the delegation to the CoR, Estonian MEPs and DG Regio (Kettunen and Kull 2007). Work through other transnational networks like CEMR and CLRAE is also important (Interview 2). The interviews clearly indicated that coalition building within and across policy networks in order to influence the decisions made in Brussels is absolutely vital supporting Bomberg and Peterson`s (1998) thesis. There is no possibility to act alone considering also that for the Estonian representation there is no back office at place to increase its action capacity. The importance of coalition building was also brought out while considering the work of transnational networks. One interviewee (Interview 10) who had been a former delegate of CLRAE revealed: *“I realised only at the end of my mandate that I do not have to deal with everything, new cooperation outputs emerged with Danish and Finnish in an important issue for Estonia (in single bottomed tankers on the Baltic Sea). Therefore, only on my last year I actually learned how to act there.”* Again, the model of “lesson-drawing” would be an useful explanation here through which Europeanisation can have an impact on sub-national level activities` in a single Member State.

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<sup>14</sup> By now all CEEC have some kind of local or regional representation in Brussels (Liaison Office).

There are also serious weaknesses in the work of AME and AEC Brussels office and in SNA Brussels activities in general that were brought out during the interviews. The main difficulty for Estonian sub-national representation is certainly the already mentioned weak administrative capacity and that is why the actual performance of the office so far assures its main task as an intermediate position for information change without a possibility to actually shape any EU level decisions. Besides this widely argued weak power of most of the sub-national representations in Brussels (Bullmann 1996, Marks, Haesly and Mbaye 2002, Scherpereel 2007) it is also related to the fact that in the Estonian case one person has to represent very different members (by size, administrative and financial capacity) from AME and AEC which inevitably poses some problems.<sup>15</sup> Considering this, however, representative of Brussels office together with AEC and AME evaluated the performance in Brussels still as a success. For instance, together with the Estonian CoR delegation already two Opinions accepted by the CoR (about maritime and labour policy) have been presented which were considered as real accomplishments by the interviewed delegates (Interview 2, 17) considering that some countries like Latvia or Lithuania have so far not produced any Opinions (according to interviewees).

The importance of good intergovernmental relations between the central state and SNAs and strong constitutional position of local and regional levels reveals itself in the case of mobilisation through Brussels channels as well. Cooperation with the central state in preparing Estonian standpoints in EU policy-making was considered to be almost non-present (Interview 2).<sup>16</sup> *“Our success in Brussels depends on how much central government already here, at home, consults with us. In my work I see how states where local self-government has a stronger position have much greater negotiation and influence capacity.”* (Ibid.). Indeed, during many conducted interviews, experiences from Danish or Swedish delegates (either SNA or state) were raised as positive examples of influential representation (Interview 5, 16, 18).<sup>17</sup> However, the picture was considered to be slightly better in communicating with the Estonian permanent representative in regional policy in Brussels (apparent also from weekly reports, AECc) which in turn justifies the creation of SNA office as it is probably easier to find common discussion points with people in Brussels than with the officials at home who also have many other domestic issues at hand.

Further, there are different types of sub-national offices in Brussels (e.g. Macneill, Jeffery and Gibney 2007, Moore 2008) and also different strategies and aims they pursue. Therefore, the purpose of another Estonian office - Tallinn City Office - is also slightly different from the AME and AEC representation, considering still mainly lobby for favourable funds and cooperation projects and successful marketing of Tallinn (Interview 2, 3, 13). However, Brussels is not seen as the place to be “no matter what”. While Tallinn clearly justified their presence in Brussels (e.g. the development of European Green Capital Award<sup>18</sup> initiated largely by Tallinn through this networking was seen as a particular success story), the second biggest city in Estonia - Tartu (population 98 000) - does not see any need for this kind of office. Interviewed representatives of Tartu were certain that the information in the internet

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<sup>15</sup> AME – 155 members (rural municipalities), average population 2300 per member  
AEC – 48 members (33 city governments, 15 rural municipalities) covering 946 970 inhabitants of total population of Estonia (1,3 million). Including City of Tallinn with population ca 400 000.

<sup>16</sup> The claim was illustrated with the insufficient cooperation with the Ministry of Environment in commenting EU Waste Directive draft through CEMR.

<sup>17</sup> See also the study about regional offices in Brussels conducted by Kettunen and Kull (2007).

<sup>18</sup> [http://ec.europa.eu/environment/europeangreencapital/index\\_en.htm](http://ec.europa.eu/environment/europeangreencapital/index_en.htm)

was sufficient to deal with the EU issues and the hope was directed towards the work of AEC and AME representation, however, doubting seriously on the usefulness of this Brussels representation unit as well (Interview 7, 8).

The latter leads to another finding, namely that opinion from the side of those being present in Brussels and those whose interests they have to represent (i.e. local authorities) differs considerably. Almost none of the interviewed RAM representatives (as well as those representing a single local authority) knew about the topics dealt in Brussels by their representative. *“This information remains in the hands of those people in Brussels (meant also other delegates) and in their memos, if they bother to write some. Not all do that. Even if they do, the information reaches to certain local government only if it opens the webpage of AEC and takes time to read these.”*<sup>19</sup> (Interview 14) None of the interviewees were certain that local governments actually do it. This brings back to previously argued lack of wider strategic thinking among Estonian local governments as well as to their limited administrative capacity. The pattern again supports the differentiated mobilisation within the country dependent on the available resources and entrepreneurial behaviour from the leaders which in turn may result in feelings among others that only few interests are represented through the NAMs as the interviews also revealed (e.g. Interview 4, 5, 8, 14).

Overall, analysing sub-national mobilisation at the EU level in the Estonian case seems to confirm propositions emanating from the wider literature and presented in the beginning of the paper. The success of Estonian local authorities in mobilising their interests and being able to influence decisions made in Brussels through direct representation or transnational cooperation is largely dependent on their constitutional and historical legacies within intrastate relations. Collaboration with the central state in this kind of mobilisation channel is significantly more limited for SNAs than in implementation of the EU cohesion policy. Moreover, interviews with Brussels representatives from the central government, CoR and behalf of local governments assured that national governments show no signs of disappearing but are, on the contrary, still the most powerful actors in the system of European governance and that in general terms SNA representations at the European level, through the CoR or other transnational channels, still remains quite weak and marginal (Interview 16, 17). The Estonian case clearly intensifies this claim. Further, the discussed institutional reform of the CoR around the number of its members (Interview 2, 17) was seen as a serious threat to smaller Member States and for the overall efficiency of already heterogeneous and often divided CoR's work where conflicts between local and regional interests and regionalised and unitary Member States are quite common (e.g. Farrows and McCarthy 1997, Hooghe 1995: 180-181, Hooghe and Marks 2001, Interview 17).

However, the case also revealed that despite this rather modest experience of Estonian SNAs in engaging with Europe, there has still been an influence on the local government level in Estonia as well. All interviewed local government representatives found that their routines and activities have been more or less influenced by the EU – mainly through implementation of EU regional policy but also through opening up new cooperation channels through other EU programmes and Community initiatives like INTERREG (European Territorial Co-operation Objective in 2007-2013). It was clear from the interviews that there has been extensive exchange of experience, distribution of best practice, and considerable cooperation amongst sub-national units. As stated by one interviewee: *“This operation without borders*

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<sup>19</sup> Estonian Local Government portal administered by AEC.

*changes our world view, gives us experience to improve the management of our communities and encourages our decision-making initiatives.”* (Interview 20) Indeed, during the interviews many brought out positive examples from other countries (especially from Scandinavia) as possible models for Estonia to aim for. EU experience has to some extent also increased the capacity for strategic planning (Interview 4, 5, 8, 10, 11) as existing strategic development plans are compulsory for the local government to be eligible to apply for EU funds at the first place. Therefore, one can conclude that the awareness due to wider cooperation between municipalities, either through large infrastructure projects or on international level, has increased. There has been Europeanisation impact to some extent, starting from reorganising organisational structure in many local governments and ending with twinning, operation in transnational policy networks and learning from other counterparts in Europe. Even though these patterns are slow to emerge and ultimately change norms and behaviours at the domestic level towards greater power sharing, it is still essential to hold on to still yet rather weak channel for Estonian SNAs – Brussels office – which, nevertheless, helps to keep Estonia and its sub-national level on the picture.

## 4. Conclusion

By now, it is evident that the changing system of European governance, especially since the end of 1980s has had an impact on the role of sub-national levels and on their position in the European political system, which has been illustrated by the establishment of CoR, broadened debate about partnership and subsidiarity and growing local and regional activity in the international arena. For local authorities within the Member States this has also had an impact as Europeanisation has expanded the range of influences upon local policy-making, meaning SNAs need to gather information and to make contacts in order to be able to influence decisions made in Brussels. However, sub-national mobilisation has not happened everywhere and about the same amount, as the powers of SNAs vary immensely across the Member States, from financially, politically and organisationally entrenched strong regions to weak and poor sub-national governments, which ultimately determines how effectively and uniformly MLG can reveal in the EU.

The purpose of this paper was to explore the impact of Europeanisation on sub-national mobilisation through the implementation of the SF partnership principle and growing activities at the Brussels level in a small unitary and centralised new Member State - Estonia - in order to contribute to further theoretical development of MLG and Europeanisation theses. The case study confirms most of the patterns already developed in the context of these mobilisation channels in EU15 and also in CEEC, especially intrinsic to states belonging to simple polities on a Schmidt continuum which have introduced rather weak Europeanisation effect on the empowerment of sub-national level. Even though Europeanisation in terms of greater pluralism in power relationships through the EU cohesion policy and bottom-up mobilisation on the initiative of AEC and AME towards the international arena has strengthened the recognition given to sub-national actors in Estonia, local development issues have still remained comparatively weak areas of policy. The clear evidence of the study shows that the partnership principle of the EU regional policy is only followed formally and the possibilities to move beyond the nation state directly to Brussels is hindered by the low capacity of Estonian local government level which is also the result of lacking leadership, coordination and diversity of values still existent in different Estonian counties and municipalities.

Moreover, the SNA empowerment so far, as it has had an ability to develop at all, has had a differentiated pattern of local level activation within Estonia where stronger municipalities like Tallinn and Tartu have considerably more achieved in this road. Main reasons for this patchy and rather weak Europeanisation effect on sub-national empowerment emanate mostly from the path-dependent political norms and constitutional position (strong *de jure* autonomy but *de facto* restricted) of local authorities which has caused the situation where local governments are not strong partners for the state and have no resources to improve the existing state of affairs. The municipalities' feeling of being "left alone" in important matters by the state is clearly existent. It means that municipalities themselves have to overcome all difficulties and to find resources to fulfil their duties imposed on them by the state. It has given additional input to the quite common current attitude in the Estonian municipalities, where the public administrators fail to see themselves as part of a greater whole - the Estonian society. Often the division of "we" e.g. local governments and "they" e.g. central government is too strong (Tönnisson 2006: 13). In this context Jeffery's (2000) statement about the sub-national empowerment in the name of undermining the capacity of central state rather than accessing significantly to Europe is at place in Estonia where the first and utmost

objective of SNAs is to gain access to policy-making in the EU through the central structures, not “beyond”. This requires leadership, lobby and cooperation as the dependency on the latter determines the success of SNA mobilisation (as also interviews with SNA Brussels representatives indicated). In order to be able to take advantage of the opportunities from the EU especially through the EU regional policy, local governments in Estonia should gain capacity to make appropriate policy responses to these environmental changes in the first place.

In this light the way forward has to be administrative (territorial) reform of the Estonian local government level which, however, should concentrate more not to reducing the number of local government units at any price but raising the administrative capacity (quality of human resources) of the units through fostering the cooperation between local governments and increasing the role of RAMs in organising public policies at the local level together with the thorough reconsideration of the local government fiscal system. Still, most political forces have, since the restoration of the Estonian local government system, seen the main problem as the “size problem” (State Chancellery, 2004, quoted Tönnisson 2006: 11), even though there are studies showing that there is no ideal size for Estonian local government units and equating a larger unit with increased efficiency is not in conformity with available knowledge and experience (Drechler 2000). What has to be changed is the value system of both levels of the state – central and sub-national - to foster more cooperative and participative culture in the policy-making. Hence, promoting partnership programmes between the state and the local governments would be highly beneficial (see also Kährlik *et. al.* 2003). On the contrary, forceful downsizing of municipalities may even more distort the current fragile base for this participative policy-making which has been partly developed also with the help of Europeanisation pressures and opportunities. It is also clear, that the necessary capacity of SNAs through administrative (territorial) reform cannot be achieved rapidly as some political forces seem to prefer in Estonia and thorough analysis is needed before taking the necessary steps and changing the laws.

To conclude, Europeanisation pressures beyond “conditionality” have not really empowered sub-national level, positioning Estonian SNAs rather into Goldsmith and Klausen`s passive group of local governments, confirming the central state`s gatekeeping powers and supporting rather the intergovernmentalist view of Europe. The reasons of this continuously emanate from the historical path-dependency of the position of local governments in the governance system of Estonia. Nevertheless, Europeanisation has had some effects on local government routines through widened cooperation with each other in EU funded projects, enhanced strategic planning and lesson-drawing on the international arena. Probably, it is also too early to expect some deeper EU impact in Estonia as seen from the Ireland case which joined already in 1973, however, in which only recent studies (since the end of 1990s) show the movement towards the compound polity end on the Schmidt continuum. At the end, local governments in Estonia still are increasingly “aware of doing different things” as put by Goldsmith (2003: 129) and hope for greater partnership and MLG patterns in the future still prevails among the SNA-s. In this, Europeanisation inevitably has played and will play a crucial role helping to place more emphasis on changing the existent (non-cooperative) value system of the Estonian governance.

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## Interviews

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- Interview 18: Representative of Ministry of Internal Affairs, 07 July 2008.
- Interview 19: Representative of Ministry of Internal Affairs, 07 July 2008.
- Interview 20: Representative of Association of Municipalities of Estonia (AME), 14 July 2008.