



## Prominent economists voice their support

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Responding to the debate between Paul Krugman and Estonian President Toomas Hendrik Ilves, several prominent economists have voiced their support to Estonia's economic policies, writes ERR.

Anders Aslund who works in the Peterson Institute in Washington and knows Estonian economy, said: „Krugman does not differentiate between small and big countries.. It's an argument for the US that the US can have the budget deficit for some time and reduce it later when stimulus is no longer required. Very few countries have that luxury. For example, Spain thought they had that luxury, but they did not. Cyprus thought they had this luxury, and they did not. Both those countries are now in serious financial crisis. But Baltic countries did the opposite and they are now in strong shape,” said Aslund.

Dan Mitchell from Cato Institute wrote under the headline „Estonia and Austerity: Another Exploding Cigar for Paul Krugman” that Krugman is guilty of cherry picking data.

„Krugman makes Estonia seem stagnant by looking only at data starting in 2007. But Estonia's long-run economic performance is quite exemplary. It has doubled its economic output in just 15 years according to the International Monetary Fund. Over that entire period – including the recent downturn, it has enjoyed one of the fastest growth rates in Europe.”

In Estonia, another person to take the president's side was Peeter Koppel, a private banking strategist for SEB, who called Krugman's blog post “absurdly superficial” and said it was time that someone bring the economist “back to earth.”