

By Olivia Ward, Foreign Affairs Reporter

Toomas Hendrik Ilves spent summers at a camp in Ontario, decades before leading a Soviet-free Estonia and turning the country into an economic tiger.

When Toomas Hendrik Ilves was a teenager in an Estonian summer camp near Uxbridge, the last thing he expected was to lead a Soviet-free Estonia. Nor to turn the mouse of northern Europe into the economic tiger that roared, with growth levels that dwarfed those of his struggling southern neighbours.

Nor did the New Jersey-raised Estonian president expect to be the focal point of a bitter, high-stakes global debate over the path to economic recovery.

Ilves will be in Toronto Friday to speak to the Economic Club of Canada.

For conservative economists, Ilves is a name to be conjured with: the man who helped to pull the sputtering country out of its 2008 nosedive and spread the gospel of austerity through the eurozone and beyond. He has forged a reputation for his country as "E-stonia," one of the world's most electronically connected countries, ranked first in Internet freedom by Freedom House for three years running.

To critics on the left — such as Nobel laureate Paul Krugman — the success is overrated, and some see him as setting a dangerous precedent for debt-ridden countries struggling with economic ruin.

Last June Krugman, a New York Times columnist, blogged that far from being the "poster child for austerity defenders," Estonia had made an "incomplete recovery" from a "terrible Depression-era slump . . . better than no recovery at all, obviously — but this is what passes for economic triumph?"

Ilves's furious Twitter rebuttal sparked a brief social media sizzle: "Let's write about something we know nothing about & be smug, overbearing & patronizing."

Months later Krugman's remark still rankles. "He was insulting my country, so I would push back," Ilves said in a phone interview from the capital Tallinn. "This is not an ideological debate."

The sense of national pride is unsurprising. Growing up in Stockholm and New Jersey as a child of exiles, 60-year-old Ilves learned early to put his threatened Estonian heritage front and centre. He spent his teen summers at an Estonian camp at Udora, north of Toronto, and cultivated a keen interest in politics while winning a "highest achiever" citation in his high school class of '72.

With a master's degree in psychology, he moved to Canada in the early 1980s, taught at Simon Fraser University in Burnaby, B.C., then took a job in Munich at Radio Free Europe in 1984.

When the Soviet Union collapsed, Ilves joined newly independent Estonia's diplomatic service and became foreign minister, then an MP and member of the European parliament, during the early 2000s.

A social democrat, Ilves migrated to the centre and won the presidency as an independent in 2006. But it was the global financial meltdown that catapulted him to fame in international circles.

"When your country is in dire straits, it doesn't matter whether you're a social democrat or not," he said. "That's nice when you have money, but when companies are going bankrupt all around you, and nobody will lend you money at a reasonable rate, you don't have much choice."

When Ilves's anti-borrowing, anti-spending austerity plan went into effect, Estonia's economy had shrunk 18 per cent from 2008-09. Stunned Estonians accepted civil service pay cuts of 10

per cent (ministers took a bigger fall with 20 per cent). The pension age rose and job protections fell.

Even today, Estonia is the poorest country in the eurozone, with an average income of about \$1,200 a month. Nevertheless the austerity anger that shook southern Europe failed to materialize there — and Ilves was re-elected in 2011 in a record first-round win.

"We're stoic northern Europeans," he says. "It's part of the Nordic thing. And of course, we've seen worse."

Now Estonia's astonishing pushback from the recession — with peak growth rates of 8.6 per cent — has slowed to a current 3.6 per cent. Thousands have left the tiny country of 1.3 million to work on short-term contracts in Finland and abroad, and some have no plans to return. European media have pointed fingers at a worrying drug problem, and its connections with youthful despair.

But the flashing light at the end of the tunnel is the coveted high-tech sector, which has made Ilves an international "E-stonia" guru. Leading the country into the eurozone, and pushing for changes in what he calls "stagnantly rigid labour laws," paved the way for foreign investment.

The technology sector is Ilves's pride and joy.

After an apparent cyber attack from Russia inundated the websites of parliament, banks, ministries, TV and others in 2007, he pushed for a more sophisticated system to fend off future attacks. A year later, NATO opened a Cyber Defence Centre of Excellence in Tallinn.

The government now has a secure system that he aims to expand across Europe. And Estonia is also the home of internationally successful Skype.

For Ilves, there's no time to rest on laurels. There's an endless round of promotional travel, and

the looming uncertainty of Europe's economy. It leaves him little time with family in his rural home outside Tallinn. His youngest child, Kadri Keiu, is 10 and two others are in their 20s.

"Relax?" he says wryly, "never." The next speech is waiting to be written. And the next audience is eager to hear the tiger roar.

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