

Rundheersing Bheenick: Working in the interest of Mauritius – Central Banker of the Year 2012, Africa

Acceptance speech by Mr Rundheersing Bheenick, Governor of the Bank of Mauritius, on receiving the *Central Banker of the Year 2012, Africa* Award from The Banker Magazine, London, 25 February 2012.

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Thank you, *The Banker* Magazine; thank you, Mr Caplen, respected editor of *The Banker*; thank you, members of the panel for the generous acknowledgement of the Bank's achievements during these most troubled and testing times in living memory.

Thank you, Chairman of the Board of Investment, for hosting this event this evening and for your personal involvement in the organization of tonight's function.

I am deeply honoured to have been handpicked to receive this prestigious Award of *Central Banker of the Year 2012, Africa*, by *The Banker* Magazine. This is more, much more, than a personal honour. I see in it an accolade for my family, my friends, my teachers, my collaborators, my well-wishers and all those, including my critics, who have made me what I am; I also see this as an accolade for the institution which I lead, and for my country.

I am truly humbled, and deeply moved, that such a distinction is being conferred on a Central Bank Governor from a small island lost in the Indian Ocean. My country has a population of just 1.3 million, a tiny fraction of the one billion teeming on the African continent. Our economy is pocket-sized, with a GDP of US Dollars 11 billion, against Africa's US Dollars 4 trillion. These two metrics suffice to bring out the immensity and the extraordinary nature of this distinction – a first in our 45-year history of central banking. We are a gutsy nation; it is in our nature to punch above our weight. And we are the first ones to be surprised when we walk away with the prize.

As I stand before you tonight, I am lost for words. Just as I was dumbfounded and incredulous when my long-suffering *Chef de Cabinet* first announced it to me at the end of a regular daily morning one-on-one consultation which had not gone well and had become unusually heated. She had been saving it for the end as a piece of good news. The prospect of such an award was not even remotely on my radar and I really thought she was joking or being ironical to defuse the tension. It took quite some convincing before I thought it was genuine and could be persuaded to talk to the editor of *The Banker*. And my first questions to him were: "Why? Why us? What have we done to bring us to your attention?" The news was followed by an avalanche of congratulatory phone calls, emails, text messages, and letters from well-wishers the world over. I can tell you it is a moving and overwhelming experience. Lost for words, for once in my career as Governor. I thought I should share these feelings with you this evening.

I accept the Award. I accept it with great humility. I accept it on my own behalf. I accept it on behalf of my colleagues at the Bank of Mauritius, in particular my inner circle, my *garde rapprochée*, who put up with me (well, most of the time), who share my vision, and some of my convictions (and talk me out of others) – without their support, I would hardly have been effective, and would probably not have survived this long at the Bank. I accept the Award on behalf of my countrymen.

I accept it on behalf of those who placed their trust in me. Here I have a special thought for the Prime Minister, Dr Navinchandra Ramgoolam, who nominated me to the position after I had served as Minister in his first Government from 1995 to 2000. A staunch believer in the rule of law, he respects the autonomy and independence of the central bank. Can a Governor ask for more? I was lucky to get more. He stood by me and believed in me particularly when I was subjected to a concerted attack from all sides. I may very well be in

the top league of governors to have been most reviled during their tenure. Goethe had not got it quite right when he said “*Viel Feind, Viel Her*” – I was blessed with a plethora of enemies but found little honour in it.

More than anything, it is the unwavering support of my Prime Minister that enabled me to maintain an equally unwavering focus on the statutory mandate of the Bank.

This distinction is also a ray of hope for small jurisdictions like Mauritius. Let this be a source of inspiration for SIDS everywhere. Small Island Developing States, do not despair. We are not condemned to a life of me-tooism. We can plough our own furrow and seek salvation in our own different ways. Regardless of one’s size or location, we can all aspire to the premier league.

We have in our midst this evening my venerated tutors and mentors from my undergraduate days at Oxford and a bevy of dignitaries – indeed this is the kind of moment that you absolutely must share with family, friends, partners, colleagues from international institutions, and all those who walked part of the way with you in your life, personal, social, professional, or a mixture of all of them. I thank you all for your presence here to-night.

As I landed at Heathrow the other day, my mind drifted off to my first days in England when I was a carefree student, from a remote island colony, a rural country boy from a village with no electricity, no telephone, and little running water, who had never spent more than a couple of nights away from home, and who could read and write Latin and Greek better than his peers. I was more interested in satisfying my deep curiosity for all the novelties that I was discovering. I wasn’t really thinking of my future. In fact, I was wondering what to do with my life.

I was barely out of my teens, not yet twenty. I had a prized seat at Merton College, one of the oldest – if not *the* oldest – at Oxford University. I was going to read Greats...but I was going through an existential crisis. I had successfully resisted my parents’ calls to pressure me to become a lawyer or a medical doctor, the prestigious occupations that attracted the six “laureates” of which I was one. I was quite aware that a University education was not vocational or professional training. But I could not help asking myself, was there much mileage left in the classics? I had just been reading some Maupassant short stories. The punch line of one of them was fresh on my mind: *le latin ne nourrit pas son homme!*

There used to be an outfit called Mauritius Students Unit, operating from a small office in Upper Montagu Street, off Baker Street, run by an energetic lady called Miss Rittner. She set up an interview for me at Merton. Peter Chellen, also with us tonight, used to work at the Unit. I found myself on the short train journey to Oxford – and soon wondering whether I had alighted at the wrong destination when the first sign I came across on leaving the station said in huge letters: “Welcome to Oxford, the Home of Pressed Steel.” Was this the ancient seat of learning I had been reading about? I was confronted by the formidable trio of PPE tutors: John Black for economics, John Lucas for philosophy and Dr Pelczynski for politics. I thank Dr Pelczynski and John Lucas, and also Vijay Joshi who took over from John Black later, for being with us tonight.

I do not remember much about the interview except for some vague recollection of having stirred some interest when I qualified Greats, the pride of Oxford, as being: “backward-looking.” Anyway, the upshot was that I was allowed to change over to Modern Greats, as the Honour School of Philosophy, Politics and Economics was known. But life is so full of surprises – your footsteps sometimes take you where you do not dream of going in the first place.

To cut a long story short, I was swimming against the tide when I returned to newly-independent Mauritius in 1968 after my studies. The flow was very much in the other direction, with people leaving in droves, searching for better prospects, as Mauritius was seen as a basket-case with no prospects whatever. My journey took me successively to the newly-established University of Mauritius, the equally recent Economic Planning Unit of the

Prime Minister's Office, the United Nations Industrial Development Organisation in Vienna, the Ministry of Economic Planning and Development, the Ministry of Finance, and the Bank of Mauritius. I am proud to have been associated with all these institutions and to have brought my modest contribution to the construction of the nation.

Every position brought its own unique challenges. When I became Governor of the Bank of Mauritius in 2007, I was entering new territory. I was a macro-economist and a policy analyst, but not a banker or regulator either by temperament or profession. The environment in which banks operated had become very complex and highly volatile – quite a challenge for a newly-minted Governor. I could build on the work of my immediate predecessors who had, in their own way, contributed to strengthen the banking sector.

I also thank the banking community – which is represented tonight by Ravin Dajee, Chairman of the Mauritius Bankers Association, and James Benoit, Vice Chairman of the Association, in their normal working life, CEO of Barclays Bank Mauritius and the CEO of Afrasia Bank, respectively. The relative success that Mauritius has achieved in economic and social development rests on the solid bedrock of regular public/private dialogue. At the core of this is the dialogue between the Bank and the CEO's of all banks in Mauritius – which is unmatched in its regularity, its frequency and its intensity – which has helped us enormously to shield our small open and vulnerable economy from the crisis.

The award is thus a tribute to the collective contribution of the Government, the Central Bank, the banking industry, and the Mauritian private sector. I would like to think of this distinction as a celebration of the progress of my country towards economic and social salvation.

The crisis throws up new and unexpected problems around the world everyday: uncertainty persists in financial markets; spillovers on the real economy leave in their wake negative sentiment, poor growth and tenacious unemployment levels; fiscal and debt sustainability concerns cause serious apprehension; and reduced incomes depress consumption and investment levels. Amidst such global mayhem, our resource-constrained country surprisingly fared quite well.

We have posted positive growth rates throughout the crisis, averaging 4 per cent per year or not far below trend levels. Unemployment is at 8 per cent, a far cry from the rising joblessness in some of our major markets. Inflation has come down. Reserves have gone up. Our banks are solid and well-capitalised. I can be forgiven for believing that smallness is no longer a liability. Quite the contrary: it can be a source of added adaptive advantage. It gives our policymakers a quick-response capacity and the flexibility to change gear quite rapidly to adapt to the constantly-changing environment that has become the new normal. And this is what has so far spared Mauritius from the worst effects of the crisis.

My five years as Governor coincide almost perfectly with the run of the crisis. As can be expected, they have certainly not been *de tout repos*. I initiated the practice of issuing an annual Letter to Stakeholders, where I highlight the activities of the central bank during the past year. I titled my last letter, issued two weeks ago, "Pummeled, Hammered, Buffeted...But Still on Course!". I was referring to the economy, but the title may also serve as a short-hand description of my own tenure as Governor. Pummeled, hammered, buffeted, I may have been but, through thick and thin, I have kept my eyes firmly focused on the best interest of the nation as I sought to live up to the trust placed in me to lead the Bank of Mauritius.

Governors have a very tough job in a crisis-ridden world. They are constantly the subject of public scrutiny. They are the butt of jokes, the target of criticism, the object of much invective, with their fitness – occasionally their very sanity – being publicly questioned. They walk a tight rope most of the time. They need to take bold and timely decisions that make them unpopular. If they shirk such decisions, they court disaster. It is a case of "damned if they do, and damned if they don't". Yet, they have to remain resolute, determined to do whatever their

job entails. If they are unlucky, they are terminated, with their gubernatorial life being – if I can borrow some words from Hobbes – “nasty, brutish and short.”

I have a long list of “Thank you’s” tonight. I could have kept it short and said simply: I thank my parents for making it possible – and family, friends, and colleagues for making it necessary. But that won’t do, will it? So, please bear with me for a few more minutes. Let me call a few to take a bow.

Zbigniew Pelczynski, Emeritus Fellow of Pembroke College, the Politics Tutor, I shared with Bill Clinton.

John Lucas, Fellow of the British Academy, Emeritus Fellow of Merton College, my tutor in Philosophy.

Vijay Joshi, Senior Research Fellow of St John’s College, Emeritus Fellow of Merton, and my tutor in Economics after John Black left Merton to take a chair in Exeter University.

I thank them for the guidance and advice that they gave me, a young country bumpkin, and helped to make me the man I am today. I am extremely grateful to them.

I would have wished to mention each and every teacher, family member, friend and collaborator by name for their contribution – I can assure you I am not lost for words when it comes to gratitude – but time constraints and your patience prevent me from doing that.

I thank my mother, my wife of 40 years, my son and my daughter for the sacrifices they have silently endured, while I was away from home – which was most of the time, since even when I was there physically, I was not really there – I am your proverbial absentee parent – absorbed by my other concerns and responsibilities. I thank my wider family who share my patronym for stoically accepting their lot when they have had to take part of the flak as I have never ceased being publicly lambasted and pilloried, and called all manner of names – some of which you cannot mention in polite company – since I traded the comfort and anonymity of the civil service mandarinat for the hurly-burly of politics and the unrelenting public spotlight in an unforgiving environment where fair comment has long lost the battle against outrageous libel and quasi-criminal defamation. Some, closely-related, regret the shared patronym and have been known to disown the connection. I understand. Lately, others – quite unrelated – claim a close relation. Such is life.

My professional career was much enriched by my interaction with colleagues from the World Bank, the IMF, the Commonwealth Secretariat, and elsewhere. I thank Michel Devaux and Paul Blay, both of the World Bank, and both here tonight, for the great support they gave in the dark days when Mauritius was a patient in intensive care, undergoing structural adjustment in the early 1980’s, and for their friendship ever since. I thank Bishnu Persaud for his support in equally-critical work on small island-states. I thank Percy Mistry for being a goading critic and a constant source of encouragement.

I thank Mihaela Smith, and through her, the entire network of the Commonwealth Partnership for Technology Management, for always pushing me in new directions at that critical interface where academia and technology intersect the world of politics. I thank Ian Downing for being such a great Master of Ceremonies tonight. I thank Maurice Lam and the Board of Investment for sponsoring this event. I thank *The Banker* for having provided the reason to bring us all together. And thank you very much, all of you, ladies and gentlemen, dear friends, for gracing the occasion with your valued presence.

Finally, beyond those I have mentioned and all of you present here tonight, I am also grateful to all those who, one way or another, extended some moral support to me in times of need. I am referring here, in the words of Luther King, to all those “people who make a successful journey possible – the known pilots and the unknown ground crew.”

Thank you for your attention.