



SOUTH AFRICAN RESERVE BANK

**Tribute by Lesetja Kganyago,
Governor of the South African Reserve Bank,
at the Memorial Service of the late former Finance
Minister and Governor Tito Mboweni
7 November 2024**

Today we paying tribute to a man who had such a profound impact on the lives of the South Africans

It has been a tough time mourning my dear friend and carrying out my duties as Governor of the South African Reserve Bank (SARB) – an institution he held so dear as our famous Governor no. 8. Today we are here to celebrate a life well lived.

Let me once again, on behalf of the SARB, thank the Mboweni family for sharing Tito with us. He had so much love for you and cherished you dearly. We will miss him dearly.

When our paths first crossed in 1990, we were laying the foundations to transform our country into one that would finally be home to all its people.

Tito, who had recently returned from exile, understood that true economic reform and transformation would be vital to this project – and that, if it did not have people at its centre, we would fail.

He carried this conviction through his many roles at the SARB, in government and the private sector. I was fortunate enough to have my career run parallel to Tito's across so many years and watched as he lived out this ideal, shaping policy to build the South Africa we all longed for.

He convinced me to do the same, starting from when he nudged me to quit accounting to pursue economics and play my part.

Twenty four years after our first meeting, I stepped into the role he held from 1999 to 2009 – a job which might have looked very different had he not taken the mantle of the first black Governor of the SARB.

When Tito became Governor, the country was already five years into its young democracy. But the SARB, like other state institutions, was very much shackled to our country's past.

Its head office in Pretoria was viewed as one of the remaining outposts of white nationalism – and for good reason. About 88% of the SARB's management was white, male and Afrikaans.¹ Many meetings were unashamedly held only in Afrikaans.

This lack of transformation irked Tito tremendously. In his first months on the 32nd floor he set his sights on reshaping the SARB's management, in the hope that the upper echelons of the central bank would be 50% black by 2005.

This would be easier said than done and Tito publicly decried the institution's struggle to retain black talent.

But his work ultimately did pay off. By the end of his second term, 60% of SARB employees were black. Today this stands at over 84% and 63% of the SARB's senior leadership is black and female.

Tito's time at the SARB was very much an extension of his broader ambition for South Africa's economy – a sense of purpose that was nurtured over many years and which he poured into his policy work.

On a number of occasions I have spoken of the loss of Tito's beautiful policy brain. He has left a deep void in our personal lives, and the country as a whole. But we must take comfort in the fact that his legacy is felt across so many aspects of our economy, and more recently, in the kitchen.

At the SARB, Tito fought fiercely to keep inflation from ravaging workers' wages and the spending power of pensioners and the unemployed.

He did so by championing inflation targeting, which the SARB adopted a year into his tenure as Governor. This policy has ensured that double-digit inflation prints are relegated to history.

Early in his first term, Tito also negotiated a memorandum of understanding (MoU) between the SARB and National Treasury, then led by Trevor Manuel as Finance Minister. This MoU entrenched the coordination of macroeconomic policy and has remained in place to this day – outlasting the tenures of these two titans of policy.

Tito's work as Governor extended beyond South Africa's borders.

¹ See

<https://omalley.nelsonmandela.org/index.php/site/q/03lv00017/04lv00344/05lv01258/06lv01351.htm>

When he assumed the role, he, like other central bankers at the time, was concerned about the effects of globalisation, which had left emerging markets vulnerable to financial turmoil.²

To maximise the benefits of building multilateral institutions, Tito sought to create greater economic integration within the South African Development Community (SADC) and to insulate the region's central banks against political interference.

He was a staunch proponent of central bank independence, even before it was written into South Africa's Constitution.

He created greater central bank transparency and accountability, establishing the Monetary Policy Committee (MPC) and the monetary policy forums to enhance public engagement and accountability.

These efforts have gone a long way in bringing together policymakers and the people whose lives their decisions impact. His legacy lives on, and today we still meet South Africans across the country to explain our decisions and account for the work we do as enshrined in the Constitution.

This is one of the lessons Tito impressed on me: Policy is about people. And when it comes to enacting policy, there is little room for errors – there is cause and effect. If you make the wrong policy decision, by the time you get an opportunity to reverse it, the cost may already have been massive.

In the statement he delivered during his inauguration as Governor back in 1999, Tito assured the country that he and the SARB would not follow Icarus by flying too close to the sun.

It was a fitting metaphor for the time. South Africa had entered the next phase of its democracy and there was a feeling that the optimism that characterised the previous years would need to be followed through with prudent governance.

While he shared the ambition of his ANC comrades of building an inclusive economy, Tito understood that many victories in this regard would be won by the narrowest of margins. In the context of lean resources, there would always be trade-offs.

This approach made him quite unpopular in certain circles, especially among those who believed he was toeing an old line.

His predecessor, Chris Stals, had warned him that this was a hazard of the job before he hung up his hat, saying: If a Governor becomes popular in his own country, it may be time to retire.³

² See <https://www.bis.org/review/r990812c.pdf>

³ See <https://www.resbank.co.za/en/home/publications/publication-detail-pages/speeches/speeches-by-governors/1999/229>

It is true that monetary policy is about discipline – about forcing the country to live within its means, as Chris put it.

And in some ways, Tito had to be more hard-nosed than many would have wanted him to be.

After all, by the time he arrived at the 32nd floor, the rand was in turmoil and borrowing costs were painfully high. Tito had to be a rock in a storm – and, as a policymaker, he faced wilder tempests than most.

Another great test came when he was appointed Finance Minister. In this position he was confronted with the country's dire economic predicament, made worse by a decade of recklessness.

To the dismay of many, he was unyielding in his application of fiscal prudence, adding to his unpopularity in some quarters.

When he delivered his first budget speech as minister, Tito famously brought with him an aloe ferox, noting the plant's resilience in harsh conditions.

He quipped that one of his predecessors – his friend, Trevor – handed out plums to Members of Parliament in 2003, a symbol of an economy that was bearing fruit. "We must take the bitter with the sweet," Tito said in his 2019 speech.⁴

And he was not afraid to administer bitter medicine, to make the tough calls that would carry the country through the crisis that arrived on our shores in March 2020.

While his doggedness put him at odds with some his colleagues, Tito did not shy away from differences of opinion. He revelled in debate and would often draw his friends into heated conversations about policy.

The last time we met to break bread was shortly after the election. The question that hung over the dinner table was what the new government would look like.

Tito kept on coming back to the same issue: What would this new government actually mean for the future trajectory of policy – what would it mean for the South African economy and its people? Tito remained resolute that the people of this country should always trump political expediency – a trait he lived by throughout his life.

As we confront the challenges of this new season of our democracy, our decisions and actions must be firmly rooted in the everyday lives of South Africans, a deeply held pursuit by Tito.

⁴ See <https://www.treasury.gov.za/documents/national%20budget/2019/speech/speech.pdf>

We must hold ourselves and others accountable to putting humanity first as we endeavour to strengthen our country and its economy. That is what my friend, Tito, would have wanted.

Rest in peace, Governor no. 8.