

Vice-Chancellor, I have the honour to present, for the award of the degree of Doctor of Economic Science, honoris causa, Tito Titus Mboweni.

The art of maintaining balance whilst walking along a thin wire or rope, usually at a great height, is called **funambulism**, or tightrope walking.

The three elements that are essential to carry out this act of balancing, high above the ground, are steadiness, flexibility, and focus. These same three elements are essential components of the balancing act that has characterised Tito Mboweni's contributions in three main areas. Firstly: as Minister of Labour from 1994 to 1999; secondly as Governor of the Reserve Bank from 1999 to 2009, and lastly, as a charismatic and charming person in the otherwise dull arena of central banking (Reuters, 2009).

When Tito Mboweni took on the post of Labour Minister in the new South African government in 1994, the task ahead of him seemed quite impossible. He was only 34; he had one of the most demanding portfolios and he was required to balance the interests of organised labour with those of business. Essentially, he took the existing system of how organised labour bargains with business, and with his Basic Conditions of Employment Act (1997) and a flurry of other legislative changes, managed to strike enough compromises to hold the disparate demands in equilibrium (Joyce, 1999). His flexibility was evident in the business-labour relationship that he helped broker through the National Economic Development and Labour Council (NEDLAC) (Niekerk and Ludman, 1999).

There were many sceptics in 1999, when Tito Mboweni was appointed governor of the South African Reserve Bank. Just as the crowd gapes at the tightrope walker and waits for a mistake, there was a sense of waiting to see how he would cope. He was still only 40, one of the youngest heads of any central bank (Parker, 1999), and he hadn't spent years steeped in either banking or monetary policy. The challenge was: could he handle the balance between the pressures from labour and the expectations from business?

As it turned out, it was probably one of the government's most inspired decisions (Stober and Ludman, 2004). Mboweni resigned all positions in the ANC and focussed on the task of "protecting the value of the currency"(Constitution of South Africa, 1996).

If you ask Tito Mboweni what are the highlights of his ten years as Reserve Bank Governor, then his answer is: two things: inflation targeting and building up the country's reserves. The holdings are currently just under \$40bn (Reuters, 2009).

Inflation targeting was a particularly difficult balancing act, especially given that there is only one tool available — the interest rate. Once again Mboweni had to satisfy two powerful constituencies: on the one hand COSATU, which argues that low interest rates drive growth and employment. On the other, business and global capital markets which argue that lowered interest rates are the equivalent of a "sugar buzz" (Borain, 2009).

The praise for Mboweni's approach centres on his ability to maintain his steadiness, to resist the pressures from markets and the press, and to proactively substantiate his decisions. He introduced the Monetary Policy Committee, which, for the first time, brought stability and transparency to interest rate decisions. He was also honoured internationally by becoming one of the World Economic Forum's Global Leaders of Tomorrow.

If Tito Mboweni is to be likened to a tightrope walker (funambulist) holding the tension between falling to the one side and falling to the other, then the balancing act of his jovial and personable style has to come into the picture (Reuters, 2009). Central bankers are mostly a pretty grey bunch, but Mboweni is colourful, charismatic and

idiosyncratic. At the same time, he has achieved the respect of the famously conservative banking industry for his superb management of South African monetary policy.

Vice-Chancellor, I have the honour to invite you to admit to the degree of Doctor of Economic Science, honoris causa, Tito Titus Mboweni.

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