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**The Economists' Economist:
A tribute to Savenaca Siwatibau**

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In the most untimely demise of Mr. Savenaca Siwatibau, the Pacific Island countries have lost a great personality: a statesman - economist.

A man of great vision, he rose above cultural and ethnic differences.

There were many milestones of superlative achievements: As an outstanding citizen, central banker and a scholar of Fiji, he became economic adviser to the Asia-Pacific region and finally, an educationist of great integrity, commanding highest respect amongst all and adoration from academic economists

Following his stint in the civil service in Fiji in the 1970s, he was appointed the Chairman of the Central Monetary Authority of Fiji, which later became the Reserve Bank of Fiji, with Siwatibau as the first Governor. Siwa discharged his responsibilities with great distinction.

A Citizen of the World

The political events of the second half of the 1980s took him to Vanuatu. He was appointed by the United Nations to head the newly created Pacific Operations Office of UN Economic and Social Commission of Asia and the Pacific (UNESCAP)

As its Director, he endeared himself to all the governments of the island countries with his sagacious advice on economic matters. The UN knew structural reforms and economic adjustment measures were all bitter medicines. Though the UN is not a funding agency, its role as an adviser was highly valued by member governments.

In Siwatibau, the United Nations had a visionary ambassador of great admiration. International funding agencies including the World Bank and Asian Development Bank (ADB) often sought Siwatibau's advice. He was instrumental in providing the much-needed 'human face' to the harsh conditionalities which were always built into the loan and technical assistance projects of the multilateral institutions.

I was a staff member in the ADB's regional office in Port Vila for six years. I fondly remember those years when I used to accompany the visiting missions from the ADB headquarters in Manila to seek audience with Siwatibau. It was a big learning experience for me. I overgrew from the initial years of 'big money pusher' burdening the island nations with loans, to a 'kinder and gentler banker'.

I am deeply indebted to him for this metamorphosis. Siwa's advice was always frank and to the point. He was against ambitious projects and huge loans. He was against a big bang approach. Step by step, known as incremental assistance was his favourite line of thinking. He was aware of the limitations to the absorptive capacity of the island nations.

A doctor on call

Every island nation in the Pacific knew Siwa's healing touch. He took trips to far off island nations at short notice to attend to their urgent economic problems. The UNESCAP at Bangkok was so proud of Siwa's contributions.

I remember the time he spent hours at the Reserve Bank of Vanuatu in working out a rescue plan he put in place when the national currency, vatu, was under siege. There was a run on National Provident Fund preceded by a banking crisis of the public sector bank, the National Bank of Vanuatu. \

Added to these ills, there was another emergency as well: the poor performance of the Vanuatu Development Bank, leading ultimately to its closure. At a late night meeting organized at Reserve Bank of Vanuatu attended by staff from ADB and ministry of finance officials, I asked Siwa humorously, "Since when did you become the Governor of Reserve Bank of Vanuatu?". He smiled at me and said, "A central banker is always a central banker".

Siwatibau, the economist

His writings on economic matters, including structural reforms and policy dialogue were of outstanding quality. They have stood the test of time. Though a mathematician at heart, having studied economics for his master's degree and with years of experience as a central banker, he knew mathematics was just a tool and not an end in itself. He valued modeling but his advice was always simple and direct.

I vividly remember his masterly presentation of a paper on "Macroeconomic Management in the Small Open Economies" at a Seminar in 1992 at Griffith University, Brisbane, jointly organized by UN Asia and Pacific Development Centre and Australian National University's (ANU) National Centre for Development Studies. It was without any jargon or frills of a hardcore economist. It was listened to with rapt attention by academics drawn from several Australian Universities and representatives from the island governments along with staff from ADB, IMF and World Bank.

His paper, included in the *Future of Asia Pacific Economies: Pacific Islands at Crossroads?*, which was published by ANU in 1994, will remain a classic for students of Pacific island economies for a long time to come

Siwa wrote on policy issues relevant to the Pacific region. All of them appeared in home grown journals, thereby enhancing their reputation. His pieces on "Policy Discipline from Outside", "National Bank of Fiji" and "Macroeconomic Policies in Adverse Conditions: The Case of Fiji", following the 1987 coup, all appeared in the regional journal, *Economic Bulletin*. They are all masterpieces, which will remain green forever.

Siwatibau's Forewords to books published by regional academics are a delight to read. He encouraged researchers by every means. He used to spend hours on discussing intricate

matters. I was much benefited when I prepared a paper on single currency for Pacific Islands for presentation at a conference in Brazil in 2001. This was well before the proposal floated by the Australian Prime Minister John Howard at the recent (2003) Pacific Islands Forum Meeting in Auckland.

It is often said: “when two economists meet, there are always three conflicting views!” But when such a meeting was attended by Siwatibau, there used to be only one view: and it was full of wisdom