

Indrajit Coomaraswamy: Inaugural speech

Inaugural speech by Dr Indrajit Coomaraswamy, Governor of the Central Bank of Sri Lanka, Colombo, 4 July 2016.

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Deputy Governors, Mrs. Ramanathan, Senior Management, colleagues, it is a great privilege and honour to be here with you as the Governor of the Central Bank of Sri Lanka.

The Central Bank of Sri Lanka is one of the great institutions in this country and I am acutely aware that a primary responsibility, arguably the primary responsibility of the Governor is to uphold its reputation and credibility. And I can assure you that I will do my utmost to do so at all times. Of course, I can't do this on my own. I need the cooperation of each and every one of you to maintain this as one of the great institutions in the country.

You know my parents went abroad when I was about eleven years old so I had much of my secondary and university education abroad. But as I was doing my degree and thinking of what I should do in the future – of course I had been abroad for many years, but I did come back every year for my summer holidays so I kept in touch with Sri Lanka – and there was no doubt in my mind as to what my career should be and that was to be as a staff member of the Central Bank of Sri Lanka. The Central Bank had such an awesome reputation. This was in the 70s. If you think of the iconic figures who have been on the Central Bank staff, they were legendary figures in this country. I don't want to mention any names because I might miss some out but you just look back through the history of the Central Bank and you see some great names, people who have made massive contributions to this country. So I wanted to be part of that narrative and so I came back and started life as a probationary staff officer of the Central Bank. And I must tell you, when I was working for the Commonwealth Secretariat, almost for twenty years as Dr. Nandalal said, obviously one travels around. There are 54 members of the Commonwealth and I have been to many countries. And invariably there are various occasions when you are introduced. I was always introduced by saying I started my career in the Central Bank of Sri Lanka and that was a great source of pride, to be able to say that I started my working life in this institution, and I continue to be enormously proud that I was part of this staff of this great institution for fifteen years. So in a way, it is coming the full cycle. It's like coming back home after a long absence. It is a great pleasure, privilege and an honour to be able to come back.

Of course, I am deeply indebted to His Excellency the President for appointing me as the Governor of the Central Bank of Sri Lanka. I am also indebted to the Hon. Prime Minister and the Hon. Finance Minister for supporting my appointment and I very much hope that I will be able to fulfill the trust they have reposed in me. When I met the President, he just told me one thing, he said "Do your work in a straight way and do not fear anybody in discharging your duties." Now my intention is to follow his direction.

When I met the Honourable Prime Minister, he laid out his vision for where he wants to take this country and there is a big role for the Central Bank. And in many ways, if we are not able to fulfill our functions in the way it should be fulfilled – in-terms of creating a platform for macroeconomic stability with strong macroeconomic fundamentals, having financial sector stability so there is confidence right through the system – nothing else is possible. That is the first step, to get strong macroeconomic fundamentals, to have the financial sector which is the lifeblood of the country stable, and people within the country and outside having confidence in it.

So that is our responsibility. And as I said, because I genuinely believe that nothing else will really take off, unless we are able to do our job well, to fulfill our functions well. So we have a big responsibility, and I look to all of you for assistance and cooperation in doing this. As the Deputy Governor mentioned, I did play a little bit of sport in my youth and one of the lessons

that I learnt, the key lesson probably, from playing sport, is that a captain is only as good as his team. You know, however smart or clever the captain is, unless his team has talent and there is teamwork, it's not going to work.

Having been through the process myself, I know how the Central Bank recruits its people. It is able to draw on the best people in the country. So in front of me I know there is enormous talent. And the important thing though, is that talent alone is not enough. We need to be absolutely together for that talent to bear fruit. To contribute to the development of this country, we need to work as one. We need to have common objectives.

Not all of us are going to be fond of each other. That is human nature. But we need to be professional enough to put those things aside and to achieve our common objectives. And now there are a number of important things that need to be done, which we, once I've spoken to the senior management – it is only forty eight hours since I knew about this appointment which was a bit of surprise as well – so I am not as well-prepared as would like to have been before I came before you, but I certainly will be talking to the Deputy Governors, the senior management and eventually to the Monetary Board to work out what we need to do. And then maybe at that point I will speak to you again, to share with you what we have to do in, say, the next three months, next year, the next three – five years, we need to think through, because as I said, the Central Bank has to really set the tone, to set the framework for everything else to happen.

I don't want to go on for too long and I just really want to leave three thoughts with you as to what the Central Bank, in my view, should be imbued with, what its culture should be. One is clearly, **integrity**. Two is **technical excellence** and three is **professionalism**. I would like those three concepts to be the guiding principles for all of us as we go forward.

And if any of you think that I'm not living up to those principles, please find a way of getting that message to the fifteenth floor, that I personally am not living up to those three principles. Because, that, in-terms of leadership, that is important. I need to be able to set an example, and I am going to do my best to do so and you have ever any shortcomings as I said, I would like to hear.

I want to encourage a culture of discussion, of debate, of openness, so please help me to do that. It should never be personal if somebody has a different opinion to you. We need to put our heads together. We will have different views, we need to throw it out in the open, discuss and then eventually, find the best way forward.

And you know there is always concern about the balance between politics and economics. In my view for much of our post independent years – I'm not putting this on one party or the other party, or one government or the other – but if you look back from 1948, for most of the time, politics has trumped economics. It is our job to convince our politicians that good economics is good politics. We need to, as a central bank, to get away from this cycle of stop – go policies, of creating artificial booms through misaligned policies. We need to set a good framework, as I said, for the economy. We have a representative democracy. The people elected by the people – the Government – of course have sovereignty reposed in them.

However, the Monetary Law Act sets about some very specific responsibilities for the Central Bank. And it is up to us to fulfill those responsibilities in a very technocratic, objective and free way. That is not to say that we should be criticizing the Government of the day. That is not our business. But there are channels through which we can give independent advice to the Government discretely. I am very keen and I have spoken to our leaders too about this, that the Central Bank does its work independently and in a technical way and discretely advises the Government about what we think is the best way forward for those segments of policy and practice for which the Central Bank has responsibility. So, I need your cooperation.

Thank you, thank you very much.