

H. Johannes Witteveen, IMF chief who navigated economic turbulence, dies at 97

By [Harrison Smith](#)

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H. Johannes Witteveen, a Dutch economist and politician who navigated a whirlwind of financial turbulence as the head of the International Monetary Fund from 1973 to 1978, all while enlarging the fund's role as a lender and manager of the global economy, died April 23. He was 97.

Dr. Witteveen (pronounced VIT-uh-vane) was a longtime practitioner and leader of Universal Sufism, a religious philosophy, and was known by fellow Sufis as Murshid Karimbakhsh Witteveen. His death was [announced](#) by the Sufi Movement of the Netherlands, which did not say where or how he died.

Dour and ascetic, with a reputation as a soft-spoken consensus-builder, Dr. Witteveen arrived at the IMF during a period in which some economists questioned its very existence. The fund had been established in large part to manage the world's system of fixed currency exchange rates. But that financial order collapsed after the United States floated the dollar in 1971, and the IMF seemed to become an organization without a mission.

In the aftermath of the 1973 Arab-Israeli War, oil prices exploded, eventually quadrupling — exacerbating a period of global recession and inflation dubbed “stagflation.” For the first time since the Depression, each of the world's major economies was in a recession at the same time.

As managing director of the IMF, Dr. Witteveen helped quiet the waters, engineering an \$8 billion relief measure in which oil-producing nations “recycled” revenue to poorer countries, in the form of IMF loans that were used to buy oil, address payment imbalances and prop up world trade. Countries were instructed to adopt belt-tightening “adjustment” measures in exchange for the loans.

“What Witteveen did was bring [the IMF] back to being relevant, in a world in which poor countries that didn't export oil were extremely vulnerable,” said [Harold James](#), a financial historian at Princeton University. “He reoriented the fund from thinking about a world in which there were fixed exchange rates, and where the bigger countries needed policing, to a world in which capital is moving and creating instability.”

Dr. Witteveen negotiated the loan packages himself, drawing on his political experience in the

Netherlands. A member of the socially liberal, pro-business People's Party for Freedom and Democracy, he was elected to both houses of his country's legislature, served two stints as minister of finance and was deputy prime minister from 1967 to 1971, under Piet de Jong.

Describing his Dutch political career, the Observer of London once called him a "velvet fist in an iron glove."

At the IMF, Dr. Witteveen stood firm against the Nixon and Ford administrations, which urged him to denounce OPEC after some members of the organization of oil-producing states issued an embargo against nations that supported Israel during the 1973 Arab-Israeli War. That aside, Dr. Witteveen was generally credited with repairing the relationship between the United States and the IMF, where his predecessor, [Pierre-Paul Schweitzer](#), had battled with the Nixon administration over floating the dollar.

Dr. Witteveen, compromising between nations that favored fixed rate and floating currency exchanges, negotiated an arrangement in which the fund could exercise "firm surveillance" over the exchange rate policies of its member countries.

In 1976, he signed off on a then-record \$3.9 billion emergency loan to Britain, where the pound had lost much of its value and inflation had risen above 25 percent. The bailout helped stabilize the country's finances and was part of a wave of loan packages that dramatically increased the fund's role as an international lender.

According to the New York Times, member countries were borrowing less than \$1 billion from the fund in 1973, when Dr. Witteveen took office; four years later, borrowing topped \$7 billion. In his final year as managing director, Dr. Witteveen collected \$10 billion from the fund's wealthy members to create a new loan program, dubbed the Witteveen Facility, for needy countries.

Upon his retirement, the Economist magazine likened the IMF to a phoenix, saying that it had "risen from the ashes of fixed exchange rates and quadrupled oil prices, with its claim intact to be the overseer of those parts of the world's monetary system that the world allows it to oversee."

"Over the next five years, under Mr. Jacques de Larosière, the IMF's path will be strewn with familiar rocks," the magazine continued, referring to Mr. Witteveen's successor. "Mr. Witteveen has done much to chart the best routes round them."

Hendrikus Johannes Witteveen was born in the town of Zeist, in the central Netherlands, on June 12, 1921. His father was an urban planner, and his grandfather was a socialist senator.

Dr. Witteveen studied at the Netherlands School of Economics (now Erasmus University Rotterdam) under [Jan Tinbergen](#), who was later awarded the first Nobel Prize in economics. He received a

doctorate in 1947 and worked as a government economist and a professor at his alma mater, launching his political career when he entered the Senate in 1958.

Although many of Dr. Witteveen's supporters assumed he would run for a second term as IMF managing director, he chose instead to retire, citing personal reasons that included the illness of one of his children.

He went on to become the first chairman of the Group of Thirty, a Washington-based nonprofit organization that researches international economic and monetary affairs, and also served on the boards of companies including Royal Dutch Petroleum and the asset management firm Robeco.

Dr. Witteveen's wife, Liesbeth de Vries Feijens, an oncology professor, died in 2006. They had four children, including Willem Witteveen, a Dutch politician who died in 2014 aboard Malaysia Airlines Flight 17. The plane was shot down over eastern Ukraine amid conflict between the government in Kiev and Russian-backed separatists; a Dutch inquiry [later concluded](#) that the aircraft was downed by a missile that came from the Russian military.

A complete list of survivors was not immediately available.

Dr. Witteveen was co-president of the International Sufi Movement, a Sufi organization that espouses universal harmony — the sort of peaceful coexistence of nations and people that Dr. Witteveen sought through his work at the IMF. Often, even at the height of his career, he seemed more interested in discussing the mysteries of the human soul than the intricacies of global finance.

“Western man has directed himself too much toward the external,” he said, according to a 1973 profile in the Times. “Too many fear the internal life. The mystical world is the most beautiful experience. It is a pure gift of God.”

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