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THE PURSUIT OF BLACK ACTUARIES

Empowered by apartheid-era money

Cyril Ramaphosa

I AM here to talk about the South African Actuaries Development Programme which started almost nine years ago. This is how it happened...

I call this programme extracting lemonade from a lemon. When you graduate, you become the lemonade that we have extracted from the lemon.

The lemon was our country which was going through a horrendous time. The year was 1976 and the propertied class of our country turned to the government of the day and said they were losing property and the insurance industry did not want to provide cover.

"We are losing our houses and we are losing our cars. All these young people are stoning and burning our property. So you, the apartheid government, must provide a solution."

The apartheid government then decided to set up Sasria - the South African Special Risks Insurance Association. This meant that the government became the insurer of last resort. So the insurance industry would then be able to provide cover to people who had cars, who had property, who had all the wonderful things. Nearly all of them were white. This was adding privilege on top of privilege, so that they could live peacefully knowing that they would not lose property, even if the young people of the 1976 class would be toyi-toying, throwing stones and protesting against being taught in Afrikaans.

So Sasria was born and in the intervening period it accumulated huge funds. They ran to almost R18 billion when the new government came into office.

Sasria was an association not for gain. Nobody owned Sasria. All this money that had accumulated was owned by no one. It was just there to safeguard against massive claims that could be made. For instance, the claim could well have been if Sandton City was bombed or burnt down, the money would kick in to ensure that Liberty Life [which] owned Sandton City would be paid off...

But as the new government saw this they said we are the insurer of last resort so in the end we are on

the hook. So we would like to do something with this money.

Trevor Manuel and Gill Marcus then asked me and Brian Molefe to join the board of Sasria and turn it around and essentially have it nationalised. Sasria was the most successful nationalisation initiative that the South African government ever embarked upon and it was below the radar screen.

The newspapers woke up one morning when the legislation had been passed in Parliament and they called me up and they said: "Hey, you have just nationalised a huge asset which the government did not own." I said: "Yes, it was nationalisation." So the government then took over and they became the shareholder. And having taken over they then said they would like to use the

money to repay national debt. As you know, this had ballooned during the apartheid years. So they got us as the board to declare a dividend to repay a portion of our national debt. We reduced our debt, which was a good thing to do.

I then asked a simple question, which was, "Do we have any black actuaries around?"

We only found only one - Themba Gamedze. He was the only black registered actuary.

Because we were in a transformational era from 1994, we said there is something really wrong. It cannot be that we should just have one black actuary.

We then started talking to the universities and said: "What do you see? Do you get young black kids coming to register?" They gave us all kinds of answers.

But one professor, who I shall not name, said: "Why do you need to train new black actuaries? We have 525 actuaries in South Africa. They have reached saturation level and we don't need more, because if they are qualified, what are they going to do? Where are they going to get jobs? They will leave the country and have no jobs and so forth."

I was rather shocked and taken aback by the statement of this professor. I asked him: "Are you saying that we should continue accepting this totally unacceptable situation, where we do not have black actuar-

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ies in a democratic South Africa?" He couldn't answer me.

We then conceived this programme. We went to National Treasury, to Trevor Manuel, and said: "This is the situation. This is the lay of the land. We need to start developing black actuaries."

We were advised: "The best thing to do ... is to start with the teaching of maths and science at school level. Improve that delivery of maths and science at school level, let the young kids become more and more au fait with maths and science and when they get to university level, they will just fly through. They will opt for actuarial science and they will just pass and they will be the greatest actuaries you will ever get."

I looked at this and I said: "That is a generational task. That is going to take us a good 15 to 20 years." I said: "No, we need quick wins." We then opted for a programme like the one we have.

During that time we had met Nokwanda Mkhize (the current executive director of SAADP), who had been doing a similar programme for accounting students at the University of Natal. We recruited her to come and help us start this programme. We wanted quick wins. We said: "Do it the way that you have been doing it. Go and recruit young kids. In schools and villages and townships wherever you find them. Headhunt them."

She went around the country to more than 300 schools and she started headhunting these young people that we started the programme with.

The request to National Treasury was: "Allow us to use 1 percent of Sasria's profit after tax money to start this programme."

Trevor, to his credit, and Gill Marcus allowed us to do that and Sasria has been funding this ever since we started. Nine years later, we now have nine qualified black actuaries. By black I mean coloured, Indian and African. You could say one a year. Could we have had that if we didn't have the SAADP programme? My answer is: No. It has been a phenomenal success.

In addition we have got 91 graduates. We also have 264 young people who have gone and are going through this programme. It has been a hugely successful programme and we have got a commitment from Sasria that

they will continue funding this. It is government that is funding this.

I haven't done the actuarial calculations. By the way, so you know, I am also an actuary.

But you see my actuarial qualification, I didn't have to study or read for - it was given to me for free. The Actuarial Society of South Africa decided that this guy will never make it so let us give it to him. They gave me one for free. I have already arrived where you want to get to.

We calculated that we have spent more than R30 million or so and we

spent R82 000 on each one of the 91 students who have qualified and obtained their degrees.

UCT was really at the forefront of getting this programme started. Then Wits came along. Now we have got another entrant, which is the University of Pretoria. The population of young people that we are putting through this programme is growing by leaps and bounds.

The good South African story in all this is that some of the young people that we find live in the rural areas. One young fellow had never seen a computer in his entire life. He had a cardboard box in some rural town in KZN that he practised with and he had turned into a keyboard. That was his keyboard and he had never seen a computer. We plucked him out of that rural area. We brought him into university. He studied. He passed with flying colours and today he is an actuary.

Some of the people have passed, qualified and have gone overseas to learn new experiences and they will come back. This programme has been so empowering that is one of those programmes that I believe is leading the way. Many other professions are beginning to look closely at what we do and how we have done it over the past few years.

This South Africa that we all so love requires all hands on deck, particularly the hands of those who have already been given so much. Not many of our people are as fortunate as all of us sitting here - I don't want to say are the chosen ones, for there are no chosen ones in the world, we are the few who have been given real privileges, who have been given real opportunities.

The challenge for us as a body of people is how we should find a way of giving back to the society that has made us what we are today. We are

what we are because of this society that has helped us, that has buoyed us, that has supported us to get where we are.

● *Ramaphosa is deputy chairman of the National Planning Commission. This is an edited version of a speech at the University of Cape Town's South African Actuaries Development Programme (SAADP) year-end function last week.*