

Address at the gala dinner of The Association of South African Black Actuarial Professionals

Sandton Sun, 7 March 2008

Programme Director,

President of ASABA, Themba Gamedze,
Secretary-General of ASABA, Ranti Mothapo,
Distinguished Guests,
Ladies and Gentlemen:

I thank you most sincerely for inviting me to this important event of the Association of South African Black Actuarial Professionals (ASABA).

History tells us that human life, trade and commerce have since ancient times been as precarious and at risk as they are today. The ancient Egyptians and later the ancient Greeks and Romans, regularly faced robbery, banditry, piracy and uncertainty to their personal and business fortunes.

Therefore, there has always been a need among human societies to hedge one's bets, to try to predict, and as a result plan for and minimise risks to one's life and property.

Indeed the basis of the insurance industry as well as actuarial science, of trying to figure out what resources are needed to cope with the uncertainties of life dates back to ancient times.

In this regard, the people of ancient Rome made necessary financial arrangements so that each member could regularly pay for the funerary services of their family in case of death and this served as an insurance prototype. Even our own stokvels and burial societies, which evolved with the introduction of the money-economy among our people, were themselves, embryonic forms of insurance.

Necessarily, in these situations, the need arose for the development of some systematic manner in which each member had to pay specific amounts to ensure that these types of co-operatives are sustainable and able to meet their financial obligations. This scenario served as some inchoate form of the insurance industry which has today developed into a complex system in keeping with the intricacies of modern society.

Today no country can reach the status of a developed nation without reliance on actuarial science. This is so because the importance of actuarial science has spread beyond its traditional confines of insurance to envelope key economic areas such as analysing the risk-reward potential of a massive number of new investment processes and being called upon to develop 'a deep understanding of financial security systems, their reasons for being, their complexity, their mathematics, and the way they work'. (Trowbridge 1989, p. 7: quoted in Wikipedia <http://en.wikipedia.org/wiki/Actuary>).

Mr President,

I am informed that The Association of South African Black Actuarial Professionals ("ASABA") was established in March 2005 to address the severe lack of actuarial and quantitative skills among our black communities.

In this regard, we should thank ASABA for this initiative because, in reality, even today few people know what actuarial science is. I am certain that many in this room attended schools and colleges where there was never any mention of this profession.

I would also like to thank the Actuarial Society of South Africa (ASSA) for its series of initiatives aimed at ensuring that as many young people as possible join the ranks of this important profession and that much more should be done to encourage, nurture and mentor these young people so that our country can benefit from the skills that they would acquire.

Indeed, we should all address the four challenges identified by ASSA in 2000 as the main factors responsible for the shortage of black actuaries which are:

- the high standard of mathematical achievement required for admission into the actuarial science programme;
- the very small number of black high school students who take higher grade mathematics at the matriculation level;
- the very high dropout and failure rate in the university and post-university actuarial science programmes; and,
- the fact that the profession is still unknown in black communities.

Clearly, these challenges inform our Government's concern and response to the critically important issue of skills development. I would therefore like to appeal to this profession to collaborate more with Government, with the education authorities, with teacher and student organisations and all other stakeholders in education to enable all of us to design programmes that address these challenges effectively.

This is necessary to ensure that we increase the numbers of those who master mathematics and science, as well as conduct a successful awareness campaign in our communities where your profession is unknown.

As we have said before, to transform our country in a manner consonant with the vision of a non-racial, non-sexist and prosperous society, education and skills development, must be central to all our efforts.

The acquisition of skills by the masses of our people is the only certain way to a better future in which we would defeat unemployment and ignorance, and liberate many South Africans from a life of indignity defined by poverty and powerlessness.

The partnerships to which I have referred should be part of our Joint Initiative of Priority Skills Acquisition (JIPSA), a component of Accelerated and Shared Growth Initiative of South Africa (Asgi-SA), because the shortage of skills in this particular profession also adds to the binding constraints to the acceleration of the growth and development of our economy.

Given our plethora of challenges relating to reconstruction, development, economic growth and shared prosperity, our country can ill-afford to neglect to develop the strategic actuarial science that assists with future planning and projections on the basis of current socio-economic realities.

In this connection, efforts to increase the number of black actuarial professionals is critical because among others, there are still few professional practitioners in the field of actuarial science, and, as in many other scientific fields, people from disadvantaged background are grossly under-represented in this field of study and profession.

The website of the University of Cape Town Faculty Of Commerce states that: 'There are currently some 700 actuaries practising in South Africa, while there are probably fewer than 50 actuaries practicing in the rest of Africa, most of them being expatriates.'

Clearly, this miniscule number of qualified actuaries in the country and continent is also a challenge to our vision and programmes focused on the regeneration of Africa. So, as we meet to plot our way forward

tonight let us also expand our vision and begin to think about this challenge even beyond our own borders.

I am certain that there are many of our African compatriots who, given the necessary support and mentoring would also help to swell the numbers of this important and strategic profession.

We all know that the process of qualification in this field is long, arduous and demanding. We also know that for most of learners from the disadvantaged communities, staying long in tertiary institutions before graduating is difficult because of the pressure to earn an income as quickly as possible.

There are many instances when students have one foot in an institution of learning and the other one at home, thinking about graduating soon so as to help with the economic upkeep of the homestead.

For this reason, coupled with the lure of other quicker paths to financial rewards, such students tend to choose what seem to be easier options - careers which, in their minds may prove fulfilling in the shortest possible period, but which, as we know, may not be very central to our economic challenges.

Accordingly, for these reasons, we must indeed emphasise that we need to put more effort into cultivating learners' interest, at school level, in such strategic subjects as mathematics and science, which are critical for the field of actuarial science.

I was pleased to hear that ASABA is currently attempting to respond to these challenges through the implementation of a number of programmes. These include addressing the matter of lack of role models in the field of maths and science, and attending to the mentorship programme, where students are paired with a qualified or student actuary, who serves as a guide around challenges the student faces, both technically and personally.

Equally, it is very encouraging that ASABA is addressing the challenge of coping with the workplace through the vacation work programme.

Even more important, we must laud the partnership between ASABA and its corporate partners for placing students within companies during the vacation work period, thus providing them with an invaluable opportunity to apply their knowledge to actual life situations.

Perhaps more than in any other period in our country's history we need ASABA's vision, to develop a critical mass of black actuaries to serve the nation.

As government we would encourage more stakeholders to help build ASABA so that it continues to play a meaningful role in the development, reconstruction, growth and prosperity of the country we are all proud to call home.

Indeed, all us, government, business, workers and civil society, need to embrace this inspiring theme of ASABA - The Quest for Sustainable Transformation. This is exactly what our country needs. I wish you success in all your future work.

Thank you.