



Article from

International News

May 2018

Issue 74

Africa: A New Dispensation with New Opportunities for Problem Solvers

By Kudzai Chigiji

A NEW DISPENSATION

If you haven't noticed, Africa is going through some interesting changes. We are experiencing significant shifts in the political paradigm that has ruled for the bulk of our lives. It has been decades since we saw such shifts. And we are excited about the prospects.

In the past year, we have witnessed unprecedented resignations by national leaders, peaceful coups, increased active citizenship and a wave of elections across 21 countries, occurring at all levels of government. Our eyes are wide open as we consider the possibilities of this new era. The past few months have been an adventure, not so much because of the marching, coups (including the coups that are not coups), the resignation speeches or the late night cabinet reshuffles—but more so because of the many doors that have opened for us to define, build and discover an Africa we were not always sure we would witness in our lifetime.

The morning of Nov. 22, 2017, the phones in Zimbabwe were abuzz. The world wanted to know: "Are you open for business?" Moreover, the new dispensation in South Africa has given many global investors hope for the entire region. To say the least, this is an interesting, unparalleled time for the region.

A LAND OF NEW OPPORTUNITIES

I have long since touted the mantra: "Africa is the land of opportunity. The fields do not get any greener than this."

It is fascinating to see how the role of the actuary in Africa is often vastly different from what we witness in more developed financial markets. Ultimately, an actuary is a problem solver. As much as we respect professional titles what will matter ultimately is what you can fix. In Africa, the nature of the problem can change on a weekly or daily basis. We have many of them and almost everyone is keen to receive and implement good

ideas. Thus, if you are an actuary and you like solving problems, Africa is an incredible place to live and work, with unlimited opportunities.

The "brain drain" that developing and emerging countries have experienced for centuries has not left Africa unscathed. But I am an optimistic realist. So I decided that I would stay in Africa and work here. Why? I don't have to go looking for adventure if I just go to work every day. Adventures will find me if I am true to the actuary and business person in me. We are definitely open for business and our doors are always open for fellow problem-solvers with the continent's best interests at heart.

... if you are an actuary and you like solving problems, Africa is an incredible place to live and work, with unlimited opportunities.

Two of the key challenges that have been referred to in the past have been "political risk" and "lack of political will." There are many others, as in any market, but their impact on breeding fear within investors and discouraging innovation have been a significant hindrance to achieving progress. Hopefully, this will not be a problem much longer and Africa will continue to present unique opportunities to problem solving actuaries.

GETTING DOWN TO BUSINESS

In Africa, the most successful actuaries become business people. A business person is first and foremost a problem-solver. He or she has to be meeting a tangible need if the business is to grow and be sustainable. Insurance is a business. Healthcare is a business. Pensions is a business. Banking is a business . . . and so is mining, agriculture, energy, education, textiles. When problems are staring you in the face on a daily basis, actuaries are challenged to go beyond their professional title and specialty. They take charge and do their best to fix the issue at hand.

A lot of building and re-building needs to be done in the next few years if we, as actuaries, are going to capitalise on this new-found hope. The job cannot be left to politicians and NGOs alone. It also cannot be completely outsourced to supranational organizations with donor-funding. This is mostly a job for those of us on the ground.

To survive and to be seen to be worth more than our subscription fees, we have had to sharpen our business acumen and apply the



actuarial tool-box in as many problems as are possible. I've taken my actuarial tool-box into a wide range of situations during my career. It has served me well in traditional areas but it has served me perhaps even better in less traditional areas. Whether it is developing strategies to expand tertiary institutions across the continent; or building agricultural models for subsistence farming areas; or making healthcare supply chains more efficient, my actuarial education never fails me. The rigour, discipline, critical thinking and the keen desire to crack hard problems is a gift. And for that, I will always be grateful to the profession.

FUTURE OF THE ACTUARIAL PROFESSION IN AFRICA

More than 70 percent of the Sub-Saharan African population is under the age of 30.¹

Yes, 70 percent. This poses both challenges and opportunities, but the young energy embodied in the continent can be harnessed for growth and development. As actuaries in other parts of the world consider what to do with ageing populations, we are searching for how to best utilize the untapped resource that is the youth. Even as much as pensions and long-term health care are typical actuarial problems, so is a very young population.

It is no secret that we have an abundance of natural resources—land, minerals, oil, and gas. You name it, we probably have it. Between the very young human capital and the natural resources, there is no shortage of opportunities for those who are economically empowered.

Given the size of the opportunities, it is no longer good enough to simply adopt solutions from abroad, as has often been done historically. We are living in a time where we can finally imagine the Africa that we want and get onto the business of creating it. We can redefine what wealth looks like and create products that meet the needs of Africans. We can develop policies that speak to the needs of ordinary citizens. We can build organisations that we can call our own that have our best interests at heart. It will be challenging work—but after all, as actuaries, are we not well used to challenging works?

As the profession takes a more defined role in public policy and protecting the interests of the public good, it is worth zooming in on one of the most historically exploited continents as it is on the verge of its rebirth. Even as there are shifts in the political regimes, there must be shifts in (or complete rewrites of) the policies that have slowed progress for so long. We have already started seeing them come up for public comment and discussion in parliaments. This is an opportunity for actuaries working in Africa to evaluate the impact of proposed regulation and legislation; and to have a voice in shaping the future of the world's youngest population.

It is not good enough to simply have a great vision for the future and the values to ensure execution. As we build, we need to do so with virtue. We need to move past being efficient number-crunchers to architects of an Africa that benefits the general public and drives sustainable development.

Our hope as Africans is that this is the beginning of a story we can be proud of. We are not naïve to believe that everything will change overnight. We know there is a lot of work to be done. In Shona, there is a statement that goes “Iwe, neni, tine basa.” The direct English translation is that “You and I have work to do.” If nothing else, I appeal to my fellow problem-solvers to join me as we create and build the Africa that we imagine for ourselves.

Disclaimer: The views expressed in this article are those of the author and are not necessarily those of the Society of Actuaries or the International Section. ■



Kudzai Chigiji, FIA, FASSA, is the founder of AfricansThinking and a director of Abovax, both pan-African organisations operating across health care, agriculture and education. She is based in Johannesburg, South Africa and can be reached at kudzai.chigiji@africansthinking.com.

ENDNOTE

1 The World's Youngest Population, Euromonitor International 2012