Much of modern African philosophy may arguably be construed in terms of its response to the effects of colonialism in general and, in South Africa and the former front-line states, of apartheid in particular (Thomson, 2003a). For human values in Africa, colonialism was a refining fire. We are still suffering from its effects. But we have not only survived colonialism, we have overcome it. And in the process of surviving and overcoming, we have sharpened our understanding of what it means to be African. The responses have been articulated in terms of African nationalism, pan-Africanism, black consciousness (e.g. Biko, 1987), African socialism and African humanism (e.g. Kaunda, 1966). The particulars of these responses differ. In fact it is more appropriate to talk of ‘African philosophies’ than of ‘African philosophy’. Nevertheless, they have a number of common themes. Amongst these is the communitarian spirit of Africa, which expresses itself in solidarity.

According to Mphahlele (2002), “Africans say that their purpose is to … live strongly. The violation of this life by any means is an outrage to the ancestors, to the natural order and the Supreme Being.” The African world view is organic and holistic. Analytic or dualistic thinking is foreign. “Individualism,” he says, “is an alien condition. It has brought into our midst a whole baggage of drives … for things that are not enduring … Compassion is one of [the] pillars of [African humanism].”

Because of its western origins, actuarial science assumes that competition in a free-enterprise market is the best distributor of wealth, and that individuals make decisions so as to optimise the utility of the outcomes to themselves. This is quite at variance with African philosophies. It is also arguably at variance with the experience of African people. Without critical reflection, we are in danger of bringing colonial solutions to African questions. As actuaries practising in Africa, we need to recontextualise our understanding of the public interest. In particular, the public must be seen not as a set of individuals, but as an integrated whole. By the same token, we cannot separate the political from the professional or from business.

It should be noted that the discussion of values in African philosophies is more nuanced than the ubuntu line that is frequently trotted out by liberal business people. To expand a single proverb into an entire philosophy is arguably at best a superficial exercise in self-deception and at worst a project with an ulterior motive. The proverb in itself is a traditional one, which is not informed by the issues addressed by modern African philosophies.

It should also be noted that African people, whether black or white, may at times act in a manner that is at odds with the norms informed by the values of their society. This does not negate those norms, it merely serves to underscore their necessity in censuring deviant behaviour.

The question whether the values that inform African philosophies are better or worse in any sense than other values is one that cannot be conclusively answered: criteria for the
judgement of values can only be informed by the values of the judge. It must be recognised, however, that the values of African philosophies are those that inform the milieu in which South African actuaries practise. They must at least be respected. It is arguable, in fact, that the South African actuary who fails to embrace them is perpetuating colonialism in Africa, a value that runs directly contrary to those of African philosophies.

On the other hand, it should be appreciated that Africa is in flux. Writers such as Senghor (1975) and Mphahlele (2002) tend to emphasise the need for a healthy eclecticism that will avoid any tendency to tie Africa with romantic cords to an imaginary utopia of the past. As Senghor explains:

Our revised negritude is humanistic … it welcomes the complementary values of Europe and the white man, and indeed, of all other races and continents. But it welcomes them in order to fertilise and reinvigorate its own values, which it then offers for the construction of a civilisation which shall embrace all [humankind].

Discussion of philosophical issues is not generally within the education, training and experience of the individual actuary. Nevertheless, “an actuary who is only an actuary is not an actuary” (Redington, 1968). To the extent that the issues addressed by philosophy are of importance to actuarial practice, that discipline becomes a subject with which actuaries need to become familiar. This may be achieved by asking experts in the field, by ensuring that some actuaries have sufficient exposure to the field to inform the professional body or by incorporating some exposure to the field in the education and training of actuaries.

Actuaries practising and doing research in Africa need to recontextualise their understanding of the profession. In particular, the publics served directly or indirectly by actuaries, and the publics considered in actuarial research—be they consumers, beneficiaries, clients or the general public—must be seen not as sets of individuals, but as an integrated whole. The application of individualistic decision theories such as expected-utility theory to the choice of investment channels in defined-contribution retirement funds (e.g. Thomson, 2003b) must be questioned.

The distinction between mutuality and solidarity drawn by Wilkie (1997) and highlighted by McLeod (2005) in this issue and by Taylor & Burns (2005)¹, is of particular relevance. As noted by Andrew (unpublished), the principle of solidarity (or ‘collectivism’ as he called it) is not new to actuaries—not even to those practising in the private sector. Wilkie’s definition of solidarity would include a defined-benefit retirement fund. While he states that “[a] defined benefit scheme … has many features of solidarity in it,” he seems to demur at accepting it as fully fledged solidarity. Yet it has the features he specifies: benefits are defined according to need, contribution rates are equal (thus linking contributions to ability to pay) and membership is compulsory. Similar features apply to compulsory group life and funeral insurance business. Perhaps his

¹ See Articles in Other Journals below.
demurral is due to the fact that need is defined by pre-retirement salary. Perhaps more clarity is required about the distinction. But if South Africa is moving from mutuality to solidarity, the move from defined benefits (DB) to defined contributions (DC) has been an odd way to go, an irony to which Andrew (op. cit.) draws attention.

Kerrigan (1991) discusses in detail the reasons for the move in the South African context. Andrew (op. cit.) and Lowther (2004) both discuss the move from DC to DB funds in the context of the international trend towards individualism. The latter suggests that “[‘solidarity’] could be interpreted as the extent to which benefits are provided ‘to each according to their needs’.” He argues that, in South African retirement benefit provision, “the state old-age pension gives the most solidarity, followed by … DB funds, … DC funds and individual retirement annuities.”

On the subject of solidarity, Thomson & Posel (2002) provides an insight from burial societies. That article argues that “[the] most fundamental risk faced by a burial society is the failure of reciprocity on which its operation depends.” While large, formal burial societies achieve reciprocity through the maintenance of financial soundness, smaller societies may do so through relaxing the limitation of their members’ liabilities. Is the idea of reciprocity, expressed in the proverb “Izandla ziyagezana” (One hand washes the other), not perhaps an even more fundamental one in the context of financial risk management in Africa than that of solidarity?

By the same token, the political cannot be separated from the professional or from business. The work that actuaries do is informed by political considerations (such as the acceptance of global capitalism), may be politically interpreted (as benefiting the class interests of actuaries) and may have political effects (such as the controversy over surpluses remaining in DB retirement funds after transfers). During the apartheid years, actuarial research was remarkably silent about the effects of that system on the financial risks faced by the public. In retrospect, it becomes clear that the absence of such criticism may be construed as a political statement by default.

In summary, organic, holistic thinking is required of the African actuary of the future, thinking that will take seriously the principles of solidarity and reciprocity. On the other hand, a healthy eclecticism is needed. There may be room for compromise or eclecticism between specifically African values and the values of liberal cultures. While that may mean quite ironic deviations from what might be perceived as African values, it does not mean business as usual. It calls for openness to the challenges of Africa.

ACKNOWLEDGEMENT
Criticism by the Public Interest Task Group of the Actuarial Society of South Africa of earlier versions of this editorial is acknowledged.
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