«Development» through Risk Coverage? Reinsurance and International Cooperation in West African Decolonisation

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This article aims to analyse the role reinsurance played in the context of international development initiatives and forms of international cooperation during the process of decolonisation in West Africa, focussing on the cases of Cameroon and Nigeria. It explores the role of the international community, international networks, especially UNCTAD (United Nations Conference for Trade and Development), the AfDB (African Development Bank), and the CICA (Conférence internationale de contrôle d'assurances) in the 1960s, as well as international companies, particularly reinsurers such as SwissRe and MunichRe.

The role of reinsurance in state-building and the development discourse has been largely ignored by economic and political history so far, in view of the dwindling size of the reinsurance business in West Africa in international comparison. However, West African insurance markets were a burgeoning field of interest for Western reinsurers and international organisations in the 1960s, and a number of international and regional initiatives targeting these markets sprang up during the period of decolonisation.

After assessing the state of research and existing approaches to the historiography of international reinsurance, and especially reinsurance in West Africa, the article presents the relevant sources and archives. Next, it discusses the role of Western insurers and reinsurers, their assessment of the reinsurance business in independent Cameroon and Nigeria, and their reactions to the advent of decolonisation. Finally, it analyses how international initiatives such as UNCTAD, the African Development Bank, and the CICA specifically targeted reinsurance in West Africa under their intellectual and political premises, and the role that the private sector played in these networks.

As put forward by Pearson et al., economic theory has commonly regarded the growth of insurance as a function of economic development and rising incomes.[1] The historical entanglement of economic development and the politicisation of insurance, reinsurance, and respective control mechanisms deserves deeper analysis in view of their continuing association.[2] Already in UNCTAD's first session in 1964, it called for developed countries to «give their full co-operation to the developing countries to encourage and strengthen their national insurance and reinsurance markets» and to «give their full support to all reasonable measures

1 Robin Pearson et al., Economic and Environmental Conditions for the Diffusion of Insurance in Three Non-Euro-American Regions During the Nineteenth and Twentieth centuries, in: Asia-Pacific Journal of Risk and Insurance 17/2 (2023), pp. 189–213.

2 See i.e. Francis Achampong, Insurance Regulation in Aid of Development, in: Journal of African Law 30/2 (1986), pp. 190–196; Jean François Outreville, The Economic Significance of Insurance in Developing Countries, in: The Journal of Risk and Insurance 57/3 (1990), pp. 487–498.

which are directed to this end and to the increase of their retention capacity».[3] This paper explores the conditions under which commercial reinsurance spread in the 1960s, how reinsurance was integrated into different development narratives, and how the West African reinsurance market became contested with decolonisation, focussing mainly on the examples of Cameroon and Nigeria. This choice was made in order to compare the British and French legacies on the respective reinsurance and insurance markets. Both countries had important trade centres, which fostered considerable insurance industries in the post-war years, as well as regional insurance and reinsurance cooperation. Nigeria and Cameroon hosted crucial institutions for the African insurance and reinsurance industries, such as the Chartered Institute Lagos, founded in 1959,[4] the International Insurance Institute Yaoundé (founded in 1972),[5] which was funded by France, the CICA, and UNDP, on the recommendation of UNCTAD.[6] Moreover, there were attempts to transfer the CICA office to Yaoundé in 1974 (instead it was moved to Libreville in 1976),[7] and Africa Re, founded in 1976 in Yaoundé, moved its headquarters to Lagos in 1977.[8] Finally, these countries developed different forms of state intervention and participation in the reinsurance market: Cameroon established a national reinsurance company in 1962 with the Caisse Nationale de Réassurance (CNR) and later participated in the Société camerounaise d'Assurances et de Réassurance (SOCAR),[9] while Nigeria established the Nigerian Reinsurance Corporation (Nigeria Re) in 1977 (NICON had already required all insurers to cede 10% of every policy since 1969).[10] In order to contain the scope of discussion, this article focuses on commercial reinsur-

3 United Nations, Proceedings of UNCTAD I in Geneva from 23.03.–16.6.1964, Final Act and Report, E/CONF.46/141, Vol. I, Recommendation A.IV.23, New York 1964, p. 55.

4 Funmi Adeyemi, The Nigerian Insurance Industry. Evolution, Growth and Development, in: J. O. Irukwu, Peter Monye (eds.), A Century of Insurance in Nigeria, Nigerian Insurers Association Lagos, n.p. 2001, p. 4.

5 UNCTAD secretariat, Invisibles Insurance. Review of Developments in the Field of Insurance in Developing Countries during the Period 1971–1972, TD/B/C.3/107, Geneva 1973, p. 10.

6 Centre des archives économiques et financières (CAEF), B0064198, CICA, Assurance et développement, Mai 1973, p. 14.

7 CAEF, B0064198, Letter by Charles Onana Awa to the secretary general of CICA, 7.5.1973: «À cet égard [le projet de réforme de la CICA], la République Unie de Cameroun serait honorée d'abriter, dans sa capitale, le secrétariat permanent de la Conférence et en fait la demande expresse à votre Assemblée Générale.»; CAEF, B0064213 Point XI Transfert du siège de la CICA, Procès-Verbal des travaux de la deuxième session de l'Assemblée Générale, Dakar, 25–30.11.1974, p. 14.

8 Cf. AfricaRe, History ad timeline: https://www.africa-re.com/history (8.8.2023).

9 CAEF, B0064221 Cameroun, protocole d'accord entre la république du Cameroun et les mutuelles du mans, 17.5.1973.

10 Chibuike Ugochukwu Uche, B.E Chikileze, Reinsurance in Nigeria. The Issue of Compulsory Legal Cession, in: The Geneva Papers on Risk and Insurance 26/3 (2001), pp. 494–495.

ance contracts and businesses, in other words, on the cession and insurers' own risk liability.[11]

Literature

The most important works on global reinsurance history address the sub-Saharan region with only a few pages, such as Niels Viggo-Haueter and Geoffrey Jones in 2017 or Borscheid in 2012.[12] However, the most substantial writings on reinsurance and insurance history in West Africa predominantly target specific insurance branches (life insurance legislation, motor insurance, etc.[13]) and address the topic from a legal and often national perspective, to the detriment of a more global approach, which would better reflect the market situation. The industry itself played a substantial role in the production of essential knowledge, via the writings of prominent practitioners such as J.O. Irukwu.[14] Therefore, there is an important gap to fill for African and international economic historians, not only regarding the development of the West African insurance and reinsurance markets in the first decades of independence, but also regarding the role of insurance and reinsurance in the processes of economic development, the North-South dialogue, and state-building. Development narratives, politics, and the socio-economic aspects of decolonisation in West Africa have attracted scholarly interest since the 1990s and continue to do so, with significant publications by White, Austin, Cooper, van den Berselaar, and Decker, among others.[15] Particularly Dimier and Stockwell's volume on the business of development un-

11 This limited scope should in no way discount the existence of a broad scope of other models of risk transfer in West Africa, for instance collective or informal saving practices such as *Tontines*.

12 Niels Viggo Haueter, Geoffrey Jones (eds.), Managing Risk in Reinsurance, Oxford 2017, pp. 39–41; Tilmann J. Röder, From Gentlemen's Agreement to Judicial Instrument. The History of Contract Practice and Conflict Resolution in Reinsurance, in ibid., pp. 198–200; Peter Borscheid, Niels Viggo Haueter (eds.), World Insurance, Oxford 2012, pp. 311–323.

13 J.O. Irukwu, Accident and Motor Insurance in West Africa, Caldwell 1974; i.d., Insurance Management in Africa, Caldwell 1977; Olubunmi Okediji, The Regulation of the Nigerian Life Insurance Industry 1960–1982, Coventry 1992.

14 J.O. Irukwu, Reinsurance in the Third World, Livingstone 1982.

15 Frederick Cooper, Decolonization and African Society, Cambridge 1996; Nicholas J. White, The Business and the Politics of Decolonization, in: The Economic History Review 53/3 (2000), pp. 544–564; Stephanie Decker, Building up Goodwill. British Business, Development and Economic Nationalism in Ghana and Nigeria, 1945–1977, in: Enterprise & Society 9/4 (2008), pp. 602–613; Gareth Austin, African Economic Development and Colonial Legacies, in: International Development Policy / Revue internationale de politique de développement 3/1 (2010), pp. 11–32; Dmitri van den Bersselaar, Nigerian Recourse Wars and Economic Development in Historical Perspective, in: Egodi Uchendu (ed.), Nigeria's Resource Wars, Wilmington 2011, pp. 3–32.

derlines the entanglement of international companies and development aid,[16] and lays an important foundation for this article's investigation into business involvement in the field of international reinsurance cooperation.

Insights from writings on African economic history as well as historical studies of multinational business in West Africa are likewise a crucial point of reference for this research, not only in terms of its methodology and conceptual framework: Austin and Uche have published extensively on the history of financial institutions and their functioning in West Africa, providing important context for this study.[17] Moreover, Uche is one of the few historians who has addressed the issue of reinsurance and legal cession in Nigeria in recent years.[18]

The Archival Situation

Various scholars have pointed repeatedly to the problem of sources in African economic history and its difficult legacy for historians.[19] This «silence of the archives» affects this article in several ways: First of all, the private companies active in the respective region and time did not necessarily preserve their documentation, nor are they obliged to make it accessible to researchers and the public. Some insurers and reinsurers have made some of their material available at public archives, but these collections are very selective and do not include consistent market data from African business or branch offices. Obtaining public information on the insurance and reinsurance markets from the 1960s in Nigeria and Cameroon is likewise problematic: UNCTAD's Special Program on Insurance (SPI) has repeatedly problematized the lack of public information on insurance market development and encouraged governments to introduce a unified system of statistics, because the little data the unit received in response to its questionnaires could not be used comparatively.[20] Some international and regional organisations such as UNCTAD and the CICA (Conférence Internationale de Contrôle d'Assurances) have collected market information from authorities about the insurance and reinsurance business in West Africa and therefore provide important source material.[21] Yet some sources suggest that pri-

16 Véronique Dimier, Sarah Stockwell, Introduction. New Directions in the History of Business and Development in Post-Colonial Africa, in: Véronique Dimier, Sarah Stockwell (eds.), The Business of Development in Post-Colonial Africa, Basingstoke 2020, pp 1–35.

17 Gareth Austin, Chibuike Ugochukwu Uche, Collusion and Competition in Colonial Economies. Banking in British West Africa 1916–1960, in: Business History Review 81/1 (2007), pp. 1–26.

18 Uche, Chikileze, Reinsurance in Nigeria.

19 Stephanie Decker, The Silence of the Archives. Business History, Post-Colonialism and Archival Ethnography, in: Management & Organizational History 8/2 (2013), pp. 155–173.

20 UNCTAD, Establishment of a Unified International System of Insurance Statistics, TD/B/C3/85/Rev.1 Geneva 1971.

21 The CICA was established on 27. 7.1962 via a convention between thirteen African States – Benin, Burkina, Cameroon, Central African Republic, Congo, Ivory Coast, Gabon, Mali, Niger, Sene-

vate businesses were strategic and selective in what information they released to the authorities, who had little market oversight. For instance, the minutes of the West African Insurance Committee report a discussion amongst its members on 11.05.1962 on «what statistics might be made available to the Ministry of Finance in Lagos».[22] Verhoef has pointed out that too often, business historians writing on Africa have focussed on expatriate imperial enterprises operating in Africa, not on the enterprise and the entrepreneur.[23] This criticism is certainly legitimate and is also a concern for this article. A variety of sources and archives were consulted for this research: most documents stem from the SwissRe Archives, the London Metropolitan Archives, Kew National Archives, UNOG Archives and Library, NYPL, National Archives Yaoundé, National Archives Ibadan, and the French Economic Archives CAEF. These sources might suggest a strong focus on the perspectives of international insurers and reinsurers during the period of decolonisation. Nevertheless, the aim is to provide a more critical insight into the African reinsurance market during this period, a time of competition between international enterprise, local entrepreneurship, national governance, and development discourses, based on documents from business archives, governmental archives, and international organisations.

Western Insurers, Reinsurers, and Decolonisation in Cameroon and Nigeria: Business Strategies and Market Interests

Reinsurance is very much tied to the late spread of insurance in West Africa around the mid-20th century. Reinsurance contracts were written through insurance agents and insurance branch representatives.[24] Little is known about the agency system and the insurance business in the West African context. While it is already extremely difficult to find reliable or even comparable data on West African insurance markets from the 1950s to the 1960s, the same is even more true for the reinsurance market. The need to cede large risks certainly increased with the late-colonial infrastructure campaigns and their heritage in newly independent states. According to an African Development Bank report from 1974,

gal, Chad, Togo, and Madagascar – and France. The main objectives of the CICA were the coordination of national laws and regulations, of corporate controls, and of the training of African insurance executives. See also https://cima-afrique.org/historique/ (11.12.2023).

22 London Metropolitan Archives (LMA), CLC/B/017–25/MS 29.494, London West Africa Insurance Committee Minutes, 11.5.1962, p. 38 A.

23 Grietjie Verhoef, History of Business in Africa, Berlin 2017, p. 10.

24 Borscheid, Haueter, World Insurance, pp. 315–317.

«insurance and reinsurance activities in Africa were mainly in the hands of British, French and Swiss concerns» until the early 1950s.[25]

Haueter and Jones have stated that «another wave of state interest in reinsurance started with the decolonisation from the 1960s on» and that «in many cases, this happened at the expense of British companies, which were often victim to the anti-British sentiments in former colonies».[26] However, there is reason to believe that anti-colonial and anti-British sentiment harmed British insurers and reinsurers in Nigeria less in the early 1960s.

While British insurers were certainly worried about Nigerian independence and anti-colonial sentiment, some British agents portrayed the market perspectives rather optimistically when visiting Nigeria in 1956: «There can be no doubt that the potentialities of Nigeria so far as insurance of all kinds is concerned are very great and the view was expressed to me by more than one person that the surface has only just been scratched».[27]

Sources from the CICA archives in Paris and the London Metropolitan Archives from insurers such as the Sun and the Royal Exchange do not show a decline, but rather a growth, of the insurance market in the 1960s in West Africa: In 1961, insurers in the CICA zone are documented to have augmented their technical reserves by about 25 % on average, and in Cameroon by 14.7 %.[28] This matches the wider national economic situation as described in the data gathered by the World Bank, such as the annual GDP growth of 2–3 % for Cameroon between 1962 and 1965.[29] The growth rate of the Nigerian GDP is even higher for this timespan, before both fell steeply in the late 1960s. This aligns with Pearson's observation that insurance growth, measured in terms of premium increase, typically corresponds to 5 to 6 times the volume of GDP growth in «developing countries».[30] Even with the aggravated national economic situation in 1970, CICA statistics show a growth rate of 19 % for Cameroon.[31]

Also, the market structure did not change significantly during this period: By 1961, there were still 140 foreign insurers registered in the CICA zone,[32] of which 86 were French (collecting 89 % of primes), 36 were British (9 % of

25 African Development Bank, African Reinsurance Corporation Preparatory Experts' Meeting, Final Report, Abidjan 7. 3. 1974, p. 9.

26 Haueter, Jones (eds.), Managing Risk, p. 37.

27 LMA, CLC/B/192/MS38894/034, Report on Nigeria by Mr. R.H.C. Jones, March 1956, p. 10.

28 CAEF, B0064198, CICA Secrétariat Permanent: Note de documentation relative aux opérations d'assurance effectuées dans les 12 républiques Africaines et Malgache adhérent à la CICA, Exercice 1961.

29 http://datacatalog.worldbank.org/dataset/world-development-indicators (25. 4. 2019).

30 Robin Pearson, Insuring the Industrial Revolution, London 2004, p. 6.

31 CAEF, B0054208, CICA Secrétariat Permanent: Documents Statistiques, Exercice 1970.

32 The CICA (Conférence internationale de contrôle d'assurance) was a postcolonial body created to regulate and control the insurance markets in the former French colonies, by this period Cameroon, Central African Republic, Congo, Ivory Coast, Dahomey, Gabon, Haute Volta, Mauretania, Malgache, Niger, Senegal, and Chad.

primes), and the rest were shared between seven Swiss, four Moroccan, three American, three Italian, and one Spanish insurers.[33] In 1964, the Cameroonian insurance market is documented by the CICA to have been shared amongst 30 French insurers (95.6% market share), 17 British insurers (2.7% market share), and two Swiss, two American, and two Moroccan insurance companies. Therefore, at least in areas formerly colonised by France, the «indigenisation» of the market had not even started by this decade, and anti-colonial sentiment was not reflected in the insurance market. This structure did not change significantly in the CICA's next market documentation on Cameroon's insurance industry from 1967, which recorded 25 French (95.6% market share), 15 British (2.6%), two Swiss (1.5%), two American, and two Moroccan societies.[34] The continuing participation of French companies in the Cameroonian insurance market after independence is also reflected in public-private societies such as SOCAR, which was established in 1973.[35] According to local experts, it was not until 1986 that the first Cameroonian insurance society without foreign capital was founded.[36] Furthermore, the CICA, and thereby insurance regulation in the former French colonies, was dominated by France and its interests, which led to crisis and reform of the organisation in the early 1970s.[37] Hence, the concept of «Franç-afrique» seems very applicable to the insurance sector.[38]

Lagos was a strategically important business hub for many British insurers. For example, in 1965 the Royal Exchange, which covered all classes of business, controlled its entire business in West Africa – in Nigeria, the Gold Coast, Sierra Leone, and Gambia – from Lagos.[39] In Nigeria, however, the so-called «indigenisation» or «Africanisation»[40] of the market started earlier, with the first

33 CAEF, B0064198, Note de Documentation relative aux opérations d'assurance effectuées dans les 12 républiques africaines et malgache adhérent à la C.I.C.A., exercice 1961.

34 CAEF, B0064221, Structure du marché de l'assurance dans la République Fédérale du Cameroun au 1.1.1967.

35 CAEF, B0064221, Cameroun, protocole d'accord entre la république du Cameroun et les mutuelles du mans, 17.5.1973.

36 Protais Ayangma Amang on Osidimbea regarding the creation of the Compagnie Nationale d'assurance CNA in 1986, see www.osidimbea.cm/hommes-et-femmes/ayangma-amang-protais/ (5.8.2023).

37 CAEF, B0064198, Réunion des Ministres des Finances africains et français, Réforme de la Conférence Internationale des Contrôles d'assurance des États Africaines, Français et Malgaches (CICA), septembre 1973.

38 See for example Deltombe et al., L'Empire qui ne veut pas mourir. Une histoire de la Franç-afrique, Montrouge 2021.

39 LMA, CLC/B/192/MS38894/034, Report on Nigeria by Mr. R.H.C. Jones, March 1956, p. 5.

40 The terms indigenisation and Africanisation are used exchangeably in this article and refer, as in the cited sources, to the increase of local participation and ownership. However, the term Africanisation is clearly more complex and is applied to very different contexts. For instance, Decker uses the term exclusively for the strategy of recruiting and promoting African staff within public and private organisations, see Stephanie Decker, Africanization in British Multinationals in Ghana and Nigeria 1945–1970, in: Business History Review 92/4 (2018), pp. 691–718. Yet the term is also used for the

Nigerian insurance companies being founded in the early 1950s (Africa Insurance Company in 1950, Nigerian General Insurance in 1951, and Lion of Africa Insurance in 1952). By 1960, four of the 25 insurance companies doing business in Nigeria were indigenous.[41] However, legislation remained favourable to foreign insurers until the late 1960s.[42] It was only via the Companies Decree of 1968, which required insurance companies to be incorporated in the country and established NICON (National Insurance Corporation of Nigeria, founded in 1969, which was entitled to 10 % of reinsurance cession from all insurers operating in Nigeria), that Nigeria sought to actively limit the foreign reinsurance market. Adeyemi has described the years from 1969 to 1985 as «the Golden Age of Insurance» in Nigeria, when the country became «the largest insurance market in Africa» in terms of practitioners, premium income, reserves, and retention capacity.[43] Uche has argued that the establishment of NICON «had little to do with any government attempt to halt the foreign domination of the insurance industry», but was instead intended to eradicate fraud in the insurance of government property, and that the government only tried to curb foreign domination of the insurance industry in 1972, via the Nigerian Enterprises Promotions Decree.[44]

Hence state regulation and economic nationalism did not substantially harm the British insurance business in Nigeria immediately after independence. A visiting British insurance agent wrote:

> One or two British companies have withdrawn and most of the rest have closed some branches and revised underwriting arrangements to a greater or lesser degree. Notable exceptions are the Royal Exchange Assurance and Northern/Employers, whose share of the market was authoritatively suggested to be as much as 70 %.[45]

For instance, by the mid-1960s the Sun Insurance was still expanding its branch and actively pressing for more reinsurance business, which still appeared to be a rather safe market, compared to other insurance products and categories.[46] The above is even more accurate for the reinsurance sector: As Uche has analysed, the vast majority of both foreign and local insurance companies in Nigeria were reinsured outside the country.[47] In summary, the regional insurance markets in

expropriation of foreign firms, see Adebayo Adedeji, Comparative Strategies for Economic Decolonisation in Africa, in: Ali A. Mazrui et al. (eds.), Africa since 1935, Paris 1993, pp. 285–316.

41 Adeyemi, Growth and Development, p. 4.

42 LMA, CLC/B/192/MS38894/003, Niel G. Wilson's Reports, Nigeria, 1965, p. 6.

43 Adeyemi, Growth and Development, p. 5. However, it is unclear if Adeyemi includes South Africa in this comparison between African states.

44 Chibuike Ugochukwu Uche, Government Ownership of Insurance Companies in Nigeria. A Critique, in: The Geneva Papers on Risk and Insurance 24/2 (1999), p. 217.

45 Ibid., p. 4.

46 Ibid.

47 Uche, Chikileze, Reinsurance in Nigeria, p. 494.

Cameroon and Nigeria grew in the 1960s and relied largely on foreign retention capacity for reinsurance, which clearly offered potential for international reinsurers.

Insurance and Reinsurance Cooperation and the Notion of Development

International insurance and reinsurance companies developed strategies to cope with the new challenges in independent Nigeria and Cameroon, and to create legitimacy. These strategies included close interaction with policymakers to safeguard their interests. Economic growth and the Africanisation of entire economic sectors were explicit focal points of multiple post-independence governments in Africa, including in Nigeria and Cameroon.[48]

For instance, the London West Africa Insurance Committee was a crucial institution for the British insurance industry during decolonisation, representing their interests and maintaining close contact with local African administrations, particularly those of Nigeria and Ghana. This committee attempted to influence these countries' national development plans and other legislative bills concerning the insurance and reinsurance industry, such as exchange controls.[49]

Another strategy was the Africanisation of the staff and clientele. Decker has already described the strategy of Africanising especially lower- and mid-level staff by multinational companies in the face of decolonisation, in order to ensure local goodwill and to create pragmatic legitimacy.[50] In 1956, the Royal Exchange in Lagos was estimated to have 160 African and 12–15 European staff. Significantly, it was the high number of expatriate staff, not of local employees, which astonished a visiting Sun agent.[51]

Hiring local staff for their lower and middle ranks was also in the economic interest of British insurers, as expatriate staff was significantly more expensive and was only placed strategically – only market leaders could afford a large expatriate staff.[52] Another approach was strategic involvement in so-called development initiatives and business promotions through joint-ventures or by financing new local companies. A product of such an initiative was the Guinea Insurance, which was founded in the 1950s by the British West African Corporation, Norwich Union, and the Northern Region Development Corporation.

48 Musiwaro Ndakaripa, Indigenization and Black Economic Empowerment in Sub-Saharan Africa since the Late 1950s, in: African History, version from 20.09.2023. Online: https://oxfordre.com/africanhistory/display/10.1093/acrefore/9780190277734.001.0001/acrefore-9780190277734-e-1134.

49 LMA, CLC/B/017–25/MS 29.494, London West Africa Insurance Committee Minutes, pp. 6–54, covering the years 1959–1963.

50 Stephanie Decker, Africanization, pp. 691–718.

51 LMA, CLC/B/192/MS38894/034, Report on Nigeria by Mr. R.H.C. Jones, March 1956, p. 5.

52 LMA, CLC/B/192/MS38894/003, Niel G. Wilson's Reports, Nigeria, 1965, p. 4.

Of course, this understanding of development has to be analysed critically due to its colonial legacy and in light of the late-colonial development campaigns.[53] However, this discourse was not only applied and shaped by governmental bodies, but also by multinational companies. Alongside legitimisation strategies such as the Africanisation of staff, the so-called «development strategies» of international businesses included: 1. the exchange of expertise, for instance at professional events such as conferences or committees, 2. training initiatives, and 3. technical cooperation and investment in local companies. The terminology of so-called «development strategies» was applied to all of these approaches.

Some continental reinsurers applied development strategies more comprehensively in order to penetrate the newly independent markets. Therefore, British insurance and reinsurance businesses in independent Nigeria were far less threatened by «indigenisation» than by continental reinsurers, namely Swiss Re and Munich Re. These businesses backed local companies, such as the Great Nigeria, the Universal (Swiss Re), and the African Alliance (Munich Re). Representatives of British insurers visiting Nigeria in the early 1960s clearly emphasized the risk of losing business to Swiss reinsurers, especially through their support of local companies.[54] Therefore, what Stephanie Decker has described as foreign investor competition in Nigeria also seems to have taken place in the reinsurance market:

> The post-war boom and the desire of West Germany and the United States to establish themselves as significant international investors, coupled with Britain's attempts to retain some imperial and economic influence in the world, meant that even relatively minor investment locations were subject to significant intra-Western competition.[55]

Especially reinsurers from Switzerland and Germany competed in British-dominated markets in the 1950s and 1960s. They were not integrated into most of the representative interest groups of British insurers such as the West African Insurance Committee or the Nigerian Insurance Consultative Committee and were

53 Uma Kothari, From colonial Administration to Development Studies. A Post-Colonial Critique of the History of Development Studies, in: i.d. (ed.), A Radical History of Development Studies. Individuals, Institutions and Ideologies, Cape Town 2005, pp. 47–66.

54 LMA, CLC/B/144/MS 36274, E.R. Tagent's Visit to Nigeria, 1962, p. 14: «He [Mr Nestry from the Royal Exchange] feels confident that […] the Reinsurance treaties will fall back on the British market. I have no evidence to support this optimism. […] My discussions with Mr. Geiser of the Swiss Re were much more informative. The Swiss Re are the sole Reinsurers and sponsors of the Great Nigeria and the Universal. […] Mr. Geiser emphasised that he was giving me this information in the strictest confidence but that he was also anxious to have my reactions […]».

55 Stephanie Decker, Less than an Empire and more than British, in: David Thackeray, Andre Thompson, Richard Toye (eds.), Imagining Britain's Economic Future, c. 1800–1975, London 2018, pp. 183–203. p. 28.

mistrusted by British insurers to a certain extent. A British visiting agent described the situation as follows:

> It is considered that in any respect the interests of those continental reinsurers are contrary to the interests of the direct writing offices here and it is felt that it would be most unwise to have disclosed all the confidential information for fear that it would reach the Reinsurers and be used against us.[56]

Swiss Re established the Swiss Insurance Training Centre (SITC) as a Foundation in 1960. The protocol from the founding meeting of the board of directors highlights the need for this institution to appear independent and the animosity expected from business competitors in the targeted countries:

> Die Hilfe an Entwicklungsländer kann nur dann erfolgreich sein, wenn der Stifterin nicht nachgewiesen werden kann, dass sie damit einen direkten Erwerbszweck verfolgt […] Gewisse Gesellschaften, die in den von uns anvisierten Ländern arbeiten, werden von unserer Initiative aus Konkurrenzgründen weniger begeistert sein. Aber dies darf für uns kein Grund sein, auf unsere Pläne zu verzichten.[57]

This means that the «help» given to so-called «developing countries» was not only an instrument used by states but also by international businesses. The quote underlines the vehemence with which the company dismissed the idea that economic interests were behind the initiative, though this was clearly perceived differently by competitors. When looking at the SwissRe corporate timeline, the establishment of the SITC in 1960, with its particular focus on emerging markets, coincides with a period of significant overseas expansion for the company, for instance into Canada, South Africa, Australia, and Asia.[58]

Therefore, state intervention in the reinsurance market in Nigeria must be understood in its economic and political complexity, not as a mere effect of anticolonial sentiment. Issues of capital retention and outflow of foreign exchange, also in view of the balance of payments, were brought up repeatedly by a number of «developing countries» and their representatives within UNCTAD.[59] However, the developments in the field of international reinsurance and insurance were not only shaped by local governments and multinational companies, but also by regional and multilateral organisations such as UNCTAD and the CICA, as the next section shows.

56 LMA, CLC/B/144/MS 36274, E.R. Tagent's Visit to Nigeria 1962, p. 13.

57 SwissRe Archives, SRCA 10.107 771, minutes from the meeting of the boards of directors (Verwaltungsratssitzung), 6. 9. 1960.

58 Niels Viggo Haueter, SwissRe. A History of Insurance, Zurich 2013, p. 33.

59 UNCTAD, Report of the Trade and Development Board, General Assembly, Suppl 14 A/6714 (1967), p. 18.

UNCTAD, Regional Cooperation, and State Intervention in West African Reinsurance Markets

British authorities became alert to requests from the insurance industry to protect British insurance business overseas from state intervention by the early 1970s. However, the example of a worst-case scenario for the British insurance industry was instead the nationalisation of life insurance in India.[60] State intervention in the field of insurance and reinsurance was viewed as a significant international trend amongst «developing regions», with particular reference to the Central American Reinsurance Company, the East Asian Insurance Pool, and similar projects in Africa and the Middle East.[61] UNCTAD was also considered especially notable in this regard: «There is no doubt that British interests are under fire from the developing countries both individually and indeed in UNCTAD where we are singled out for attack».[62]

Not only the private sector, but also international organisations were alert to this shift in the field of international reinsurance in independent, developing markets. As has already been pointed out, UNCTAD played a significant role as a platform for «developing countries» and their interests, as well as on an organisational level. While UNCTAD finds regular mention in publications on insurance and development, there have been no extensive studies of UNCTAD's impact in this regard.[63] UNCTAD was the only UN organisation to include insurance in its regular programme of work. The Special Program on Insurance (SPI) was created by the UNCTAD Committee on Invisibles and Financing related to Trade. The ideological foundation of its work was the belief that both «insurance and reinsurance activities require operation on an international basis» and that «a sound national insurance and reinsurance market is an essential characteristic of economic growth».[64] However, UNCTAD SPI's relationship with state intervention was not unproblematic. As Haueter and Jones have pointed out, differing views on whether or not national reinsurance operations should be state-run were not resolved in UNCTAD debates and subsequent recommendations.[65] While UNCTAD's SPI followed recent trends in «developing countries» and openly discussed different forms of insurance supervision, state participation, and state intervention in the insurance and reinsurance market, it

60 Kew National Archives, FCO 59/707, Note by Mr. Bottomley: Protection of British insurance interests overseas, 30.3.1972.

61 Ibid.

62 Ibid.

63 With a few exceptions, for example Michel Couroux, François Outreville, The Development of Insurance Markets in Developing Countries, in: The Geneva Papers on Risk and Insurance, 17/22 (1992), pp. 232–243.

64 UNCTAD Secretariat, Progress Report on the Programme of Work on Invisibles (1966) TB/B/C.3.29, Annex 1, p. 1.

65 Haueter, Jones (eds.), Managing Risk, p. 38.

did not clearly favour one.[66] In its report on insurance legislation from 1971, the expert group expressed the view that «the question whether insurance institutions should be public, private or semi-public was a matter for each country to decide, on the basis of its economic and social philosophy».[67]

The budget of UNCTAD's SPI was minor compared to that of other programmes, constituting an average of 1.5 % of the organisation's entire budget between 1964 and 1980.[68] The team was correspondingly small: the unit started out with one programme officer and grew to three expert positions in the 1970s. However, this should not call the institutional relevance of this programme into question. Wladek Malinowski, Raul Prebisch's advisor,[69] close associate, and friend, was not only a driving force behind the establishment of UNCTAD, but also the head of its division for invisibles. The SPI was part of this division, and administrative records reveal Malinowski's great engagement on behalf of this programme.[70]

The activities of the programme included three fields: the promotion of research and the exchange of expertise, technical cooperation, and human resources development and training. However, in its early years, it focused heavily on the production of expert knowledge and studies on insurance in the «developing world». This is reflected in the programme of work in the field of invisibles, which documented requests for improved statistics on insurance and reinsurance transactions, particularly in view of the balance of payments.[71] Foreign insurance and reinsurance business was considered a net debit in the balance of payments of «developing countries».[72]

Therefore, UNCTAD's special programme on insurance (SPI) devoted much of its early activities since its establishment in 1964 to the mid-1970s to the subject of reinsurance, resulting in the report of the expert group on reinsurance from October 19th 1966, the interregional seminar on insurance and reinsurance in Prague from October 20th to 30th 1969, and the report on reinsurance problems in developing countries of 1973. Also, in the division's regular reviews

66 For example UNCTAD Secretariat, Review of developments in the fields of insurance in developing countries during the period 1968–1970 (1971).

67 UNCTAD secretariat, Insurance legislation and supervision in developing countries (1971), TD/B/393, p. 19.

68 Respective volumes of the proposed biannual programme budget (Suppl. 6) of the official records of the UN General Assembly.

69 The Argentinian economist Raul Prebisch was Secretary General of UNCTAD from 1965 to 1969 and is primarily known for the Prebisch-Singer thesis and the dependency theory. Prebisch and Malinowski are usually the individuals considered most responsible for UNCTAD becoming a permanent UN organisation, rather than a conference, see also David Pollock, Joseph L. Love, Daniel Kerner, Prebisch at UNCTAD, in: Raul Prebisch. Power, Principle, and the Ethics of Development, New York 2006, pp. 37–64.

70 For example UNOG Archives, ARR 40/1882 056 455, Insurance Legislation and Supervision.

71 Report of the Committee on Invisibles and Financing to Trade, 6–22.12.1965, TD/B/42/Rev.1, 3.

72 Ibid.

of developments in the field of insurance in «developing countries», reinsurance remained an important focus.[73] This focus on reinsurance appears to have had two main impetuses: Firstly, «developing countries» requested more transparency and information on the international insurance and reinsurance business. Secondly, these countries wanted to augment their regional retention capacity in order to unburden their balance of payments and to secure foreign currency reserves and local investment of insurance income capital. As Haueter and Jones have argued: «reinsurance continued providing much-needed currency hedging for transition economies».[74]

In this light, it is not surprising that the US voted against the quoted UNCTAD recommendation A.IV.23, which asked developed countries to «give their full co-operation to the developing countries to encourage and strengthen their national insurance and reinsurance markets» and to «give their full support to all reasonable measures which are directed to this end and to the increase of their retention capacity». Furthermore, many of the western insurance-exporting countries abstained, such as Germany, Italy, Belgium, Switzerland, and South Africa.[75] Similarly, the resolution adopted by the conference during its third session on insurance and reinsurance extended this demand to developed countries, requesting their support of the insurance industry in «developing countries», especially via the local investment of technical reserves, which was opposed by the British delegation.[76]

However, UNCTAD's SPI and its activities were not solely shaped by state representatives with their own agenda, but also heavily and directly relied on the private sector in order to satisfy the demand for expertise and business intelligence. Market information in UNCTAD studies did not come directly from governments, which had a different degree of market oversight and delivered data which was not necessarily comparable, but also came from international reinsurers, especially Swiss Re and its research publication Sigma.[77]

Moreover, Western insurers and especially reinsurers played a crucial role in providing internationally acknowledged experts for UNCTAD expert groups. The following network maps illustrate that the western private sector, and particularly reinsurers, were very well represented in such bodies, compared for example to academia.

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73 This review was prepared every two years by the SPI (with the exception of 1979, when it covered the past three years). A text analysis of the first 6 issues with voyant tools shows that the term reinsurance appears 89.5 times on average per text, making it the third-most frequently occurring term in the entire corpus.

74 Haueter, Jones (eds.), Managing Risk, p. 41.

75 France, conversely, gave its vote, i.e.: Recommendation A.IV.23, Proceedings of UNCTAD Vol. 1, Final Act and Report 64.II.B.11, (1964) p. 55.

76 UNCTAD III1972 Report, Annex 1, TD/180, p. 54.

77 For example: UNCTAD Secretariat (1980) Third world insurance at the end of the 1970s, TD/B/C.3/169/Add.1/Rev.1, pp. 4–9.

These findings may relativise Haueter and Jones' argument that ironically, UNCTAD's promotion of national reinsurance operations actually prevented direct contact between experienced reinsurers and direct writing companies, which was detrimental to the technical quality and the interest of the policy owner.[78] Admittedly, insurance and reinsurance companies from «developing countries» had no representation or influence in UNCTAD bodies. Nevertheless, UNCTAD provided a platform for international reinsurance experts from Western industry to liaise with representatives from «developing countries» and to influence policy recommendations. Thereby, networks were created that did indeed sometimes lead to direct contact between Western reinsurers and the African insurance industry: For instance, Dr. Niquille of Swiss Re, who was a member of UNCTAD's expert group on the establishment of a unified system of insurance statistics in 1970, was also one of the two Swiss participants at the first African Insurance Congress in Mauritius in 1972.[79] The latter was organized with substantial support from UNCTAD's SPI.[80]

Moreover, these networks played a crucial role in the process of establishing regional reinsurance pools, such as African Re. The African Development Bank began working on the project of an African Insurance and Reinsurance Development Corporation in 1966, initiated by a study by the Egyptian insurance expert Dr. Raouf H. Makar.[81] UNCTAD became involved with the project in 1968, which finally resulted in the creation of African Re with the signatures of thirty-six members of the OAU in Cameroon in 1976. The UNCTAD expert José Ripoll met with Dr. R. H. Makar, the CICA deputy secretary, and an unnamed expert from Sudan under the AfDB's auspices in Abidjan in March 1968. The meeting produced the «Report of the Expert Group of Insurance and Reinsurance Business in Africa», which «strongly supported the idea of establishing the regional Corporation».[82] The name of an explicitly «Pan-African Institution» was present in the project drafts from 1973, but later disappeared.

This process was followed by another expert report and an «Enlarged Committee on Insurance and Reinsurance in African countries», again with the participation of UNCTAD, the CICA, the Federation of Afro-Asian Insurers and Reinsurers (FAIR), USAID, and the African Economic Commission.[83] This enlarged committee also included representatives from the insurance sector and insurance supervisory authorities from Cameroon, the Ivory Coast, Guinea,

78 Haueter, Jones (eds.), Managing Risk, p. 40.

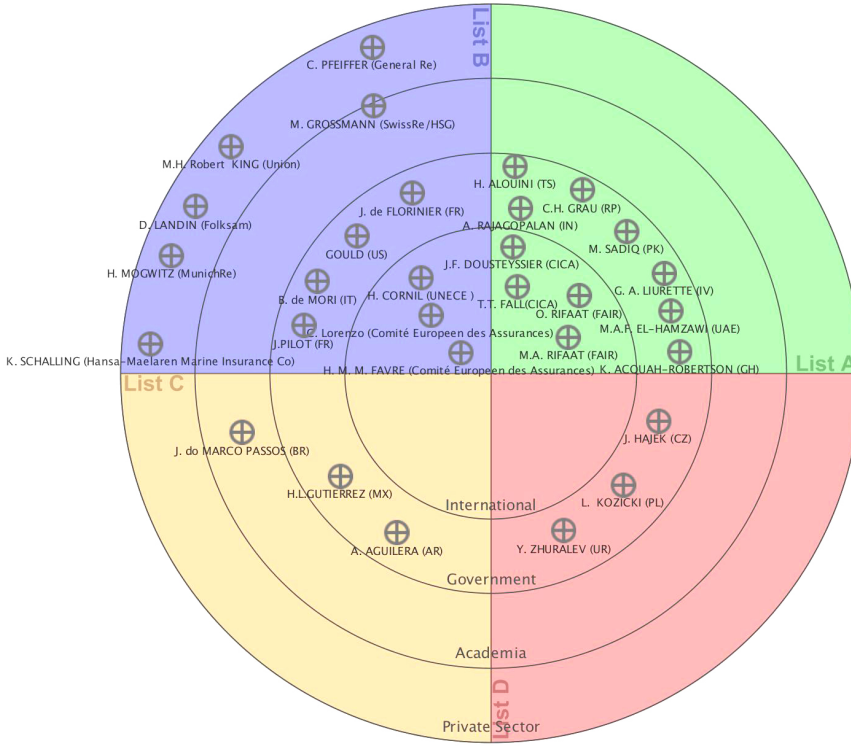
79 African Insurance Organisation, 25 Years of service to the African Insurance Industry, n. p. 1997, pp. 26–27.

80 Ibid.

81 African Development Bank, Proposal for the establishment of the African Insurance and Reinsurance Corporation, December 1973, pp. I–III.

82 Ibid.

83 Ibid.



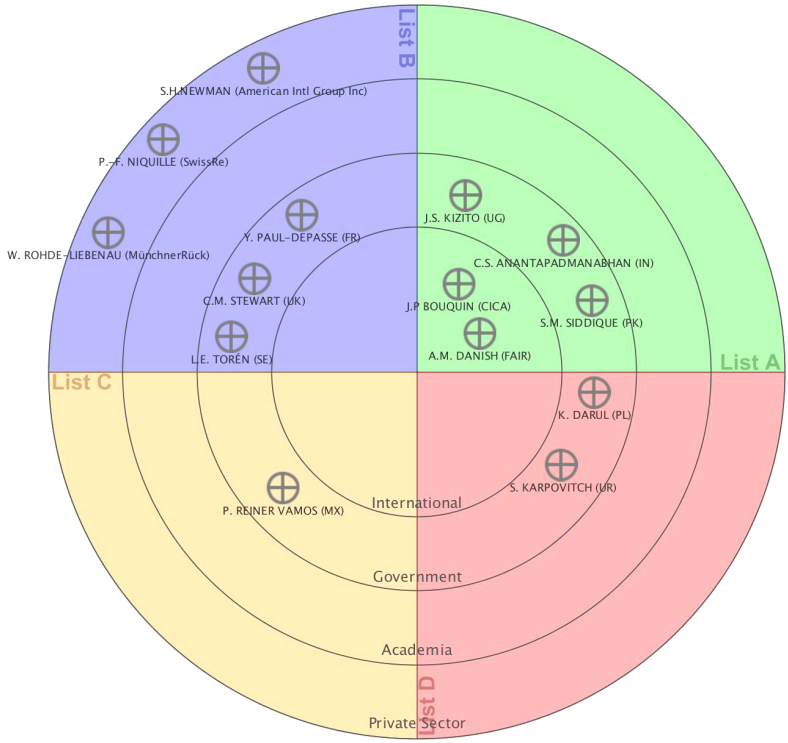
Network Map 1: UNCTAD Expert Group on Reinsurance, 1966

Kenya, Malaysia, Morocco, Nigeria, the United Arab Republic, Senegal, Sierra Leone, Tanzania, and Tunisia.[84] The feasibility study for the establishment of this corporation was completed by experts from UNCTAD and Swiss Re.[85]

Haueter and Jones have pointed out the fact that regional reinsurance pools were not only a risk to European reinsurers, but also a business opportunity, as most of these corporations relied heavily on retrocession.[86]

While UNCTAD was deeply involved in the field of international reinsurance, the organisation did not speak with one voice. In fact, UNCTAD was rather a platform, through which some countries and groups managed to articulate their concerns more successfully than others.[87] Economic concepts were often formulated generally and did not necessarily reflect the specific regional situa-

84 Ibid.
85 Ibid., p. V.
86 Haueter, Jones (eds.), Managing Risk, p. 41.
87 Kathryn C. Lavelle, Ideas within a Context of Power. The African Group in an Evolving UNCTAD, in: The Journal of Modern African Studies, 39/1 (2001), pp. 25–30.



Network Map 2: Expert group on the establishment of a unified system of insurance statistics, 1970

The four segements of the diagram refer to List A (Africa, Middle East, and Asia-Pacific), B (Western Industry), C (Eastern Europe), and D (Latin America and the Caribbean) UNCTAD countries, inner circles refer to professional groups (overlaps indicate double functions).

tion. Moreover, while there was some focus on Africa, especially West Africa, the list of examples of the programme's activities in the field of technical cooperation and training suggests instead a concentration on the Asian continent.[88]

The CICA, on the other hand, was an exclusively French-African organisation. Interestingly, CICA representatives were almost constantly involved in the process of establishing Africa Re, and its member countries were signatories of the 1976 agreement. However, the CICA already established its own pools in the 1970s, such as for aviation, marine, fire, and industrial risks, and then concen-

88 UNCTAD Secretariat, Insurance – The Role of UNCTAD, 1995, Annex I, pp. 17–26.

trated its efforts on the creation of its own reinsurance corporation, CICA Re.[89] Moreover, the CICA had great structural difficulties throughout the 1970s. In the same document in which the organisation praised itself for its achievements at UNCTAD III and for its ostensibly determining role in the success, against British interests, of the 1972 resolution regarding insurance, it admitted that it was in urgent need of reform.[90] The institution's character was perceived as neo-colonial by some of its member countries.[91] However, not only the role of France was contested, expansion was also on the table, with Mali and Zaire expressing interest in joining the organisation. The member countries had difficulty agreeing on the location of the new headquarters. While Cameroon was a strong candidate, it already hosted the International Insurance Institute in Yaoundé, which had been established with the help of UNCTAD. Funding was provided by the French government, the CICA, and UNDP on the recommendation of UNCTAD. After reforms in the early 1970s, France remained part of the organisation as an observer, and the new headquarters was established in Libreville.[92]

Until the 1970s, the retention capacity of most national African reinsurance companies remained small. This is why, according to the African Development Bank, they often acted merely as intermediaries between national markets and large international reinsurance corporations.[93] UNCTAD's SPI and the CICA certainly furthered the trend toward transnational risk pooling, but other organisations had already begun such projects: The first interregional pool with African participation was established in January 1974 by the Federation of Afro-Asian Insurers and Reinsurers (FAIR), managed by the Milli Reasürans of Istambul.[94] The Federation was established under the auspices of AFRASEC, the Afro-Asian Organisation for Economic Cooperation, founded in 1963, which followed an approach of sectorial cooperation as a «non-political and non-profit-making association of national federations of chambers of commerce, industry and agriculture and similar institutions in African and Asian countries».[95] FAIR was considered AFRASEC's first and most important accomplishment, «whose subsequent growth and influence in the world industry were», according to AFRASEC, «most gratifying».[96] While the relevance of FAIR in the African con-

89 African Development Bank, Proposal, p. 17; CAEF, B0064204, compte rendu des travaux du comité ad hoc sur la CICA RE, Mai 1979.

90 CAEF, B0064198, Réunion des Ministres des Finances africains et français, septembre 1973: Réforme de la Conférence Internationale des Contrôles d'assurance des États Africaines, Français et Malgaches (CICA).

91 Ibid.

92 https://cima-afrique.org/historique-2/ (14. 1. 2024).

93 African Development Bank, Proposal, p. 12.

94 UNCTAD Secretariat, Insurance in developing countries, developments in 1975–1976 (1977), p. 23.

95 Kew National Archives, FCO 39/351, Memorandum by AFRASEC, Cairo June 1st (1968), p. 2.

96 Ibid., 4.

text seems to have diminished gradually throughout the 1970s,[97] particularly due to the establishment of the African Insurance organisation, the role of South-South cooperation should not be neglected when looking at reinsurance cooperation during the decolonisation period.

The ways in which independent African states regulated, oversaw, and intervened in local reinsurance markets in this period differed greatly. UNCTAD's SPI classified these groups as monopolistic, pluralistic, or liberal. While the pluralist group had the fewest members, these states – Ghana, Kenya, Nigeria, Sierra Leone, and Cameroon – all showed considerable growth in the insurance industry.[98] According to the AfDB, by 1972 Africa had seven local reinsurance companies and seven companies conducting mixed insurance and reinsurance activities. Nine of these were public and two were at least 50 % government-owned.[99]

However, the forms of state intervention varied and sometimes changed drastically within a few years: After its independence, Cameroon was one of the earliest African states to establish a state reinsurer, namely the Caisse Nationale de Reassurance (CNR). However, the draft project of the CNR followed a very different argumentation from UNCTAD publications. The project description of the CNR promoted a governmental reinsurance institution in the fast-growing motor sector, due to the considerable increase in road accidents and the fact that, despite the large infrastructure investments made in the 1950s, the road network had not grown proportionally to the number of vehicles.[100] Moreover, the argumentation focused heavily on the security of the policy owner and the economic development of the young nation in order to justify this project.[101] The project particularly stressed the need for governmental authorities to understand the insurance market and for existing insurance institutions to adapt their structures and practices to the economic evolution of the independent nation state.[102] State reinsurance was therefore understood as an instrument of governance. Accordingly, it focussed on risks, which were not very profitable and therefore not attractive to foreign reinsurers.[103] Furthermore, the text never mentioned the

97 The FAIR conferences in the 1970s were all in North Africa and the Middle East, with the exception of the Congress in Zaire in 1974, see UNOG Archives, ARR 40/1882 054 453.

98 UNCTAD Secretariat, Third World Insurance at the End of the 1970s (1980), pp. 6–7.

99 African Development Bank, Proposal for the Establishment of the African Insurance and Reinsurance Corporation, December 1973, p. 11.

100 National Archives Cameroon, Projet CNR. Exposé des motifs du projet de loi portant création d'une caisse de réassurance (1961), p. 1.

101 Ibid., p. 2.

102 Ibid. («Or cette protection, pour qu'elle soit efficace, exige que l'État connaisse le marché d'assurance»).

103 For example, the Niel G. Wilson Report from Nigeria (1965) mentioned how problematic the motor sector was and stated that fire and marine businesses were significantly more attractive. The CICA statistics for the motor business of 1969 and 1971 are more relevant here, which document a very difficult situation in many member countries, CAEF, Dossier Marchés Automobiles B0064202.

balance of payments, sectorial indigenisation, or foreign insurance companies. Rather, it addressed the problem of the rapidly growing motor market with high-damage risks, which was often unprofitable and not attractive for foreign insurers.

The formation of domestic companies with foreign participation was likewise practised in Cameroon, where three leading French insurance companies, in association with Swiss and German reinsurers, set up the SOCAR (Société Camerounaise d'Assurance et Reassurance) in 1973, in conjunction with Cameroonian interests, which held a 55 % share.

Neither the CNR nor the SOCAR can truly be compared to the Nigeria Reinsurance Corporation, which was set up in 1977 under Decree Number 1977. In conclusion, it seems that full-fledged protectionist interventions in the reinsurance market such as the establishment of NICON and obligatory legal cession (first 10 %, later 20 %) only gained influence in the mid-1970s, after significant political shifts. As Uche has described, the government thereby practiced a foreign-exchange control regime and attempted to protect the first indigenous entrant into the Nigerian reinsurance market.[104] Yet, as Uche has showed, the nationalisation of reinsurance was not only driven by the balance of payments argument but also, in the case of Nigeria, by the goal of fraud prevention in a poorly regulated market.[105] Due to the existence of the supranational insurance and reinsurance regulation organisation CICA and the dominant role of France, many former French colonies and CICA members such as Cameroon were less independent in their regulation of their insurance and reinsurance markets in the 1960s and early 1970s.

Conclusion

While the West African insurance business was a minor market compared with that of Europe, these markets were growing in 1960s, as was the reinsurance business in Nigeria and Cameroon. Foreign insurers from the former colonial powers remained the market leaders in the 1960s and 1970s, and reinsurance contracts remained attractive for foreign companies. Cameroon developed a local insurance market more slowly than Nigeria, and the CNR (1962) was initially more tied to the late-colonial infrastructure campaigns than a protective instrument for the nationalisation of reinsurance. In comparison with the Nigerian markets, the structure of the CICA seems to have delayed the Africanisation of the insurance business in the formerly French colonial African territories. The market position of French and British insurers and their reinsurance businesses were not only contested by economic nationalism, but also by the entrance of

104 Uche, Chikileze, Reinsurance in Nigeria, p. 496.
105 Ibid., p. 499.

new market players, especially German and Swiss reinsurers. The latter shaped the reinsurance markets through direct participation in the local insurance business and through insurance cooperation in the field of training. Hence these companies, via their representatives, played key roles in the post-colonial reinsurance expert networks focussing on West Africa. Moreover, European reinsurers were significantly involved in expert discussions on the international level within UNCTAD activities and publications, including in a feasibility study for the project of an African Reinsurance Corporation for the AfDB. UNCTAD's SPI did not necessarily advocate absolute state interventionism or the nationalisation of reinsurance, but rather regional pooling of risks, which resulted in support for the projects African Re and Asia Re. This idea was not only inspired and influenced by western examples, but also by forms of South-South cooperation such as AFRASEC's FAIR pool. Therefore, this article argues that the different forms of state intervention in the field of reinsurance have to be discussed in their particular contexts and cannot be generalised as the product of anti-colonial, respectively anti-British or anti-French, sentiment.

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