

Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

Global Actuarial Research and Consulting Opportunities

The actuarial profession had its *a minimis incipere* moment in 1848 in London when a small group of individuals who were engaged in insurance met to discuss the need for a professional association and agreed to principles for the basis from which the Institute of Actuaries was developed, ultimately gaining formal recognition by the grant of a Royal Charter in 1884. Since then, the global actuarial profession has grown to include about a hundred member associations of the International Actuarial Association from around the world. Initially actuaries were employed in the narrow field of life insurance and annuities, and subsequently expanded into other wider fields. The term *wider field* was coined by Frederick Menzler, a British actuary, who was President of the Institute of Actuaries 1950-1952. He qualified as a Fellow of the Institute of Actuaries exactly one hundred years ago in 1919. Menzler advocated a much broader role for actuaries, including roles in industry and finance and investment. He envisioned the future actuary as a multi-faceted professional expert, including as a statistician, economist, public policy advocate, and investment manager. His career path was remarkably different from that of the typical actuary in the first half of the twentieth century. He held executive positions with London Transport and directed a number of projects involving operational research methods in areas such as the environment, urban planning, infrastructure development, decent work conditions, and health in industry. His 1925 paper *The Future of the Actuarial Profession* is noteworthy for its relevance today ninety-four years after Menzler originally presented it at the Institute of Actuaries. Since its founding, the actuarial profession has a history of progress and accomplishment in academic research and professional activities in an increasingly diverse range of practice areas. The April 2019 colloquium of the International Actuarial Association in Cape

Town, South Africa, provides an opportunity to reflect upon the accomplishments of actuaries over the last 170 years and to focus on issues that present challenges to be confronted by today's generation of actuaries. The International Association of Consulting Actuaries (IACA) is one of the groups participating in the international colloquium that has as its theme: *Challenge, Influence, and Lead*.

Many individual actuaries have contributed to the development of actuarial science and methods and have provided a platform on which today's generation of actuaries can build for the future by means of continuing research and development and the application of actuarial methodology and techniques. The United Nations Sustainable Development Goals (SDGs) and 2030 social and economic agenda present many of today's challenges that are amenable to research, analysis and policy development including: climate change and global warming; infrastructure development; depletion of the earth's natural resources; pollution control; development of alternative energy sources and technology; human longevity trends and the provision of income support for the elderly; medical research and the eradication of diseases; containment of epidemics; testing and improving efficacy of pharmaceuticals; infant mortality; provision of universal health care; ensuring the solvency and sustainability of social security systems; poverty and social and economic development; globalization and fair trade; global security and terrorism; global financial stability; financial institutions, governance, regulation and risk management; population migration; human rights; elimination of gender discrimination and provision of equal rights and opportunity for women.

The challenge for IACA members and others is how to participate in the efforts to address these issues. One of the key SDGs is a call for partnerships, involving

governments, the private sector, multilateral, regional and supranational organizations, academic research institutions and professional bodies. Specific consulting opportunities are frequently available with the United Nations Agencies, including the International Monetary Fund, the World Bank, the World Health Organization, the International Labour Organization, and the International Social Security Association. These organizations generally maintain a roster of expert consultants who are registered with details of their specialty and experience. For example, the International Monetary Fund states on its website: "The IMF draws on an extensive and carefully vetted roster of subject matter experts from around the world to undertake short-term assignments in its member countries. The Fund is constantly seeking to add to this roster of experienced senior professionals." A particularly good practical way in which consultants may contribute to achieving the UN Sustainable Development Goals is by participating with other professionals in a multi-discipline research study group for the purpose of addressing a particular issue and developing a number of potential policy solutions to be implemented. As an example of this approach, The National Academy of Social Insurance in Washington DC has convened a thirty-member study panel to examine the current healthcare system in the United States with a particular focus on possible changes to the Medicare eligibility age (currently age 65). One of the options to be explored by the study panel is whether and how "Medicare for All" might be achievable.

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