

Commentary

THE BUFFIN FOUNDATION

SOCIAL AND ECONOMIC DEVELOPMENT ISSUES

The Modern Actuary: Challenge, Influence and Lead

The International Actuarial Association holds its 2019 colloquium in Cape Town, South Africa, in early April with about 500 expected delegates to attend from around the world. The organizers have selected as a theme for the colloquium “The Modern Actuary: Challenge, Influence and Lead”. The Washington DC-based Buffin Foundation is a sponsor of the colloquium and is an advocate for the colloquium theme in the context of social and economic development issues. The Buffin Foundation is actively engaged in research, philanthropy, and international diplomacy, in order to achieve global social and economic progress. The Foundation derives its mission and inspiration from the Charter of the United Nations, the Universal Declaration of Human Rights, and the United Nations Sustainable Development Goals.

The most important global social and economic development challenges for today’s world are presented in the United Nations Sustainable Development Goals (SDGs). The SDGs comprise seventeen specific goals for targets to be achieved by 2030 for several issues, including poverty, hunger, disease, inequality, education, health, decent work, climate change, water resources, land and forest resources, justice, and global cooperation. Eradicating poverty, hunger and disease are the greatest challenges facing humanity; too many people are struggling for the most basic human needs. Ending all forms of discrimination and reducing inequality are crucial to accelerating sustainable development. Education, good health and decent work have a multiplier effect, and drive economic growth and development across the board. Water scarcity affects more than 40 percent of people around the world and is projected to increase with the rise of global temperatures as a result of climate change; dwindling supplies of safe drinking water are a major problem impacting every con-

continent. The demand for cheap energy will escalate as the global population continues to increase. A global economy reliant on fossil fuels with increasing greenhouse gas emissions is creating drastic changes to the climate system. Investment in infrastructure and innovation are crucial drivers of economic growth and development. With over half the world population now living in cities, mass transport and renewable energy are becoming ever more important, as are the growth of new industries and information and communication technologies. Income inequality is on the rise, with the richest 10 percent earning up to 40 percent of total global income; the poorest 10 percent earn only a very small share of total global income. More than half of the world’s population now lives in urban areas. By 2050 that figure will have risen to 6.5 billion people, about two-thirds of all humanity. Sustainable development cannot be achieved without significantly transforming the way we build and manage our urban spaces. Achieving economic growth and sustainable development requires urgent measures to reduce the ecological impact of the way goods and resources are produced and consumed. Agriculture is the biggest user of water worldwide, and irrigation now claims close to 70 percent of all freshwater for human use. Virtually every country is experiencing first-hand the drastic effects of climate change. Greenhouse gas emissions continue to rise, and are now more than 50 percent higher than their 1990 level. Global warming is causing long-lasting changes to our climate system and threatening irreversible consequences if no action is taken. The world’s oceans drive global systems that make the Earth habitable for humankind. How we manage this vital resource is essential for humanity as a whole, and to counterbalance the effects of climate change. Human life depends on land and the oceans for sustenance and livelihoods. Plant life pro-

vides 80 percent of our human diet, and we rely on agriculture as an important economic resource and means of development. Forests account for 30 percent of the Earth’s surface, providing habitats for millions of species and important sources for clean air and water; as well as being crucial for combating climate change. We are living in a world that is increasingly divided. Some regions enjoy sustained levels of peace, security and prosperity, while others fall into cycles of conflict and violence. With peace, stability, human rights and effective governance, based on the rule of law, it is possible for sustainable development objectives to be achieved.

The global actuarial profession is well-positioned to address many of the SDG challenges and influence their outcome. The actuarial skill set, including risk assessment and risk mitigation, can be readily applied to addressing issues such as social protection, financial stability, poverty alleviation, mortality reduction, health-care provision, and capacity building for insurance and financial services, as well as climate change, economic inequality, workplace safety, and sustainable consumption. Leadership qualities are of paramount importance for the modern actuary and the future of the global actuarial profession. More needs to be done by the global actuarial community to engage with supranational organizations within the United Nations Agencies, such as the World Health Organization, the International Labour Organization, the World Bank and the International Monetary Fund.

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