



Quantifying Risk, Enabling Opportunity.

Public Interest in an Uncertain World

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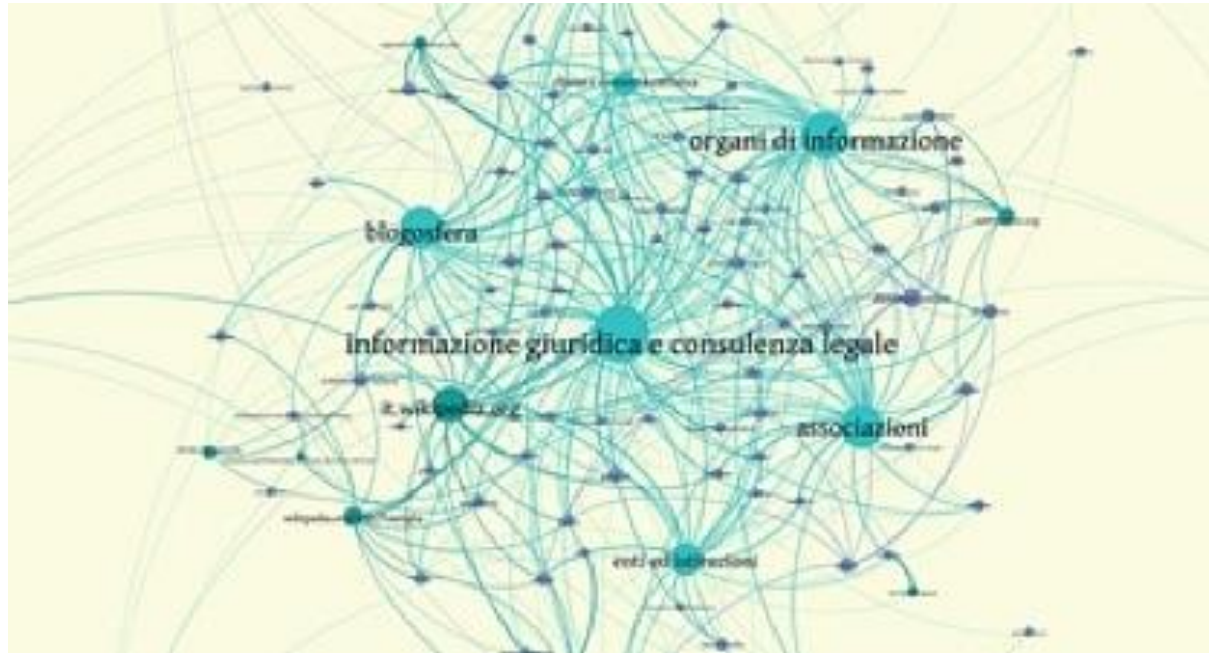
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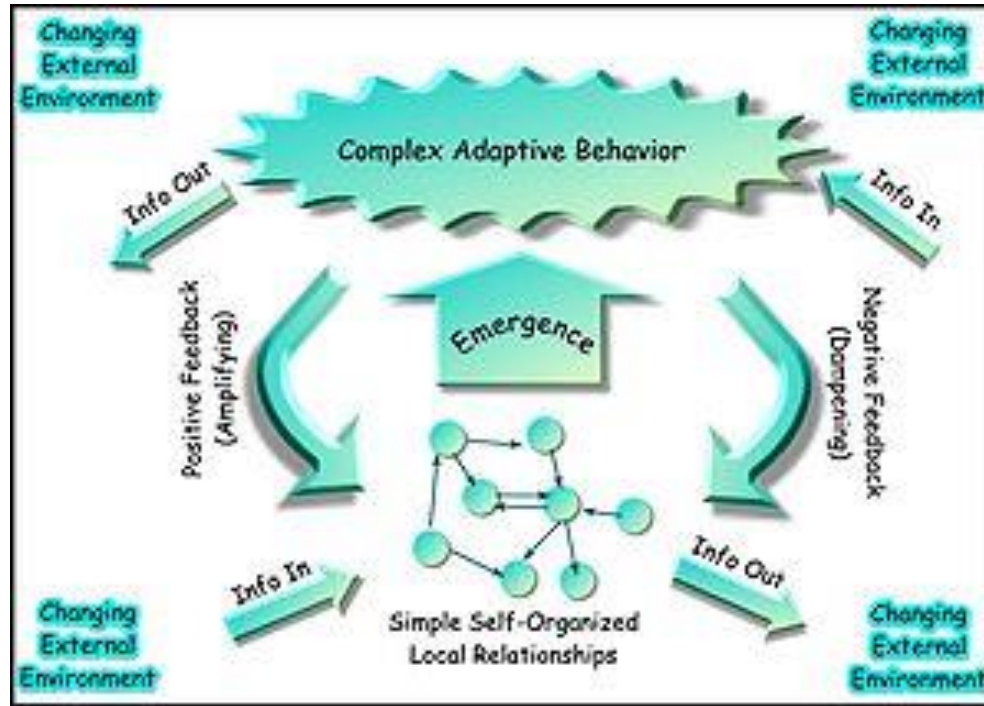
Decision-making in the world of uncertainty

Our profession's role in decision-making

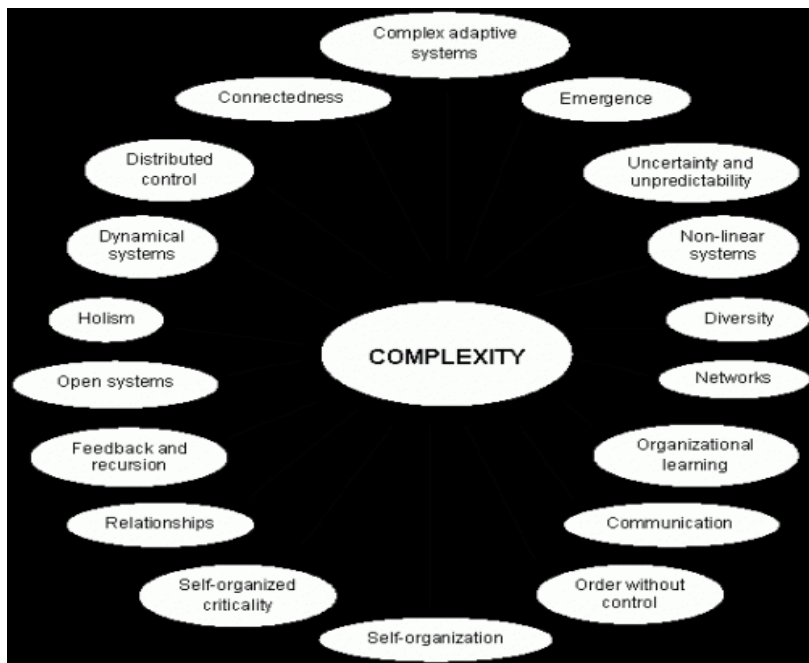
Complex Phenomena



Complex Phenomena



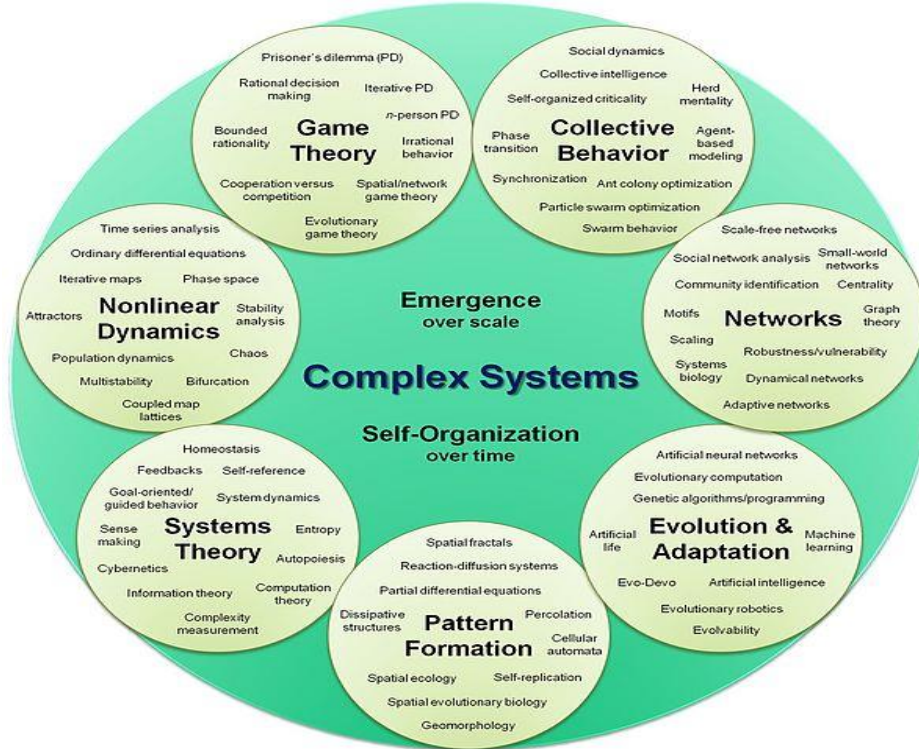
Complex Phenomena



Source: Theory of Complex Phenomena by F.A Hayek

“ the concept of “social justice” that was often [invoked](#) in defending the policies of the modern [welfare state](#) was without meaning because it focused on outcomes, rather than actions, and further that special interests are bound to manipulate such [moral](#) redistribution schemes to enrich themselves.”
FA Hayek

Complex Phenomena



How good are actuaries in understanding complex systems?

Actuarial Profession

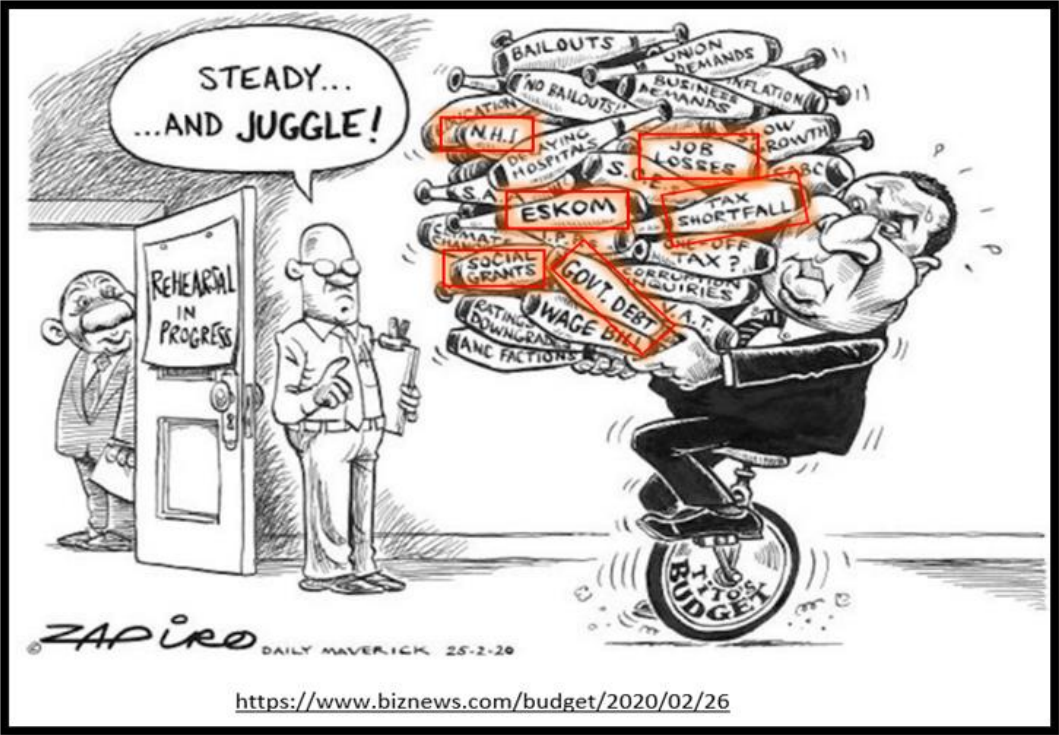
An **actuary** is a business professional who deals with the measurement and management of risk and uncertainty (BeAnActuary 2011a). The name of the corresponding field is actuarial science. These risks can affect both sides of the balance sheet and require asset management, liability management, and valuation skills (BeAnActuary 2011b). Actuaries provide assessments of financial security systems, with a focus on their complexity, their mathematics, and their mechanisms (Trowbridge 1989, p. 7).

Actuarial Profession

Actuaries of the 21st century require analytical skills, business knowledge, and an understanding of human behavior and information systems to design and manage programs that control risk ([BeAnActuary 2011c](#)).

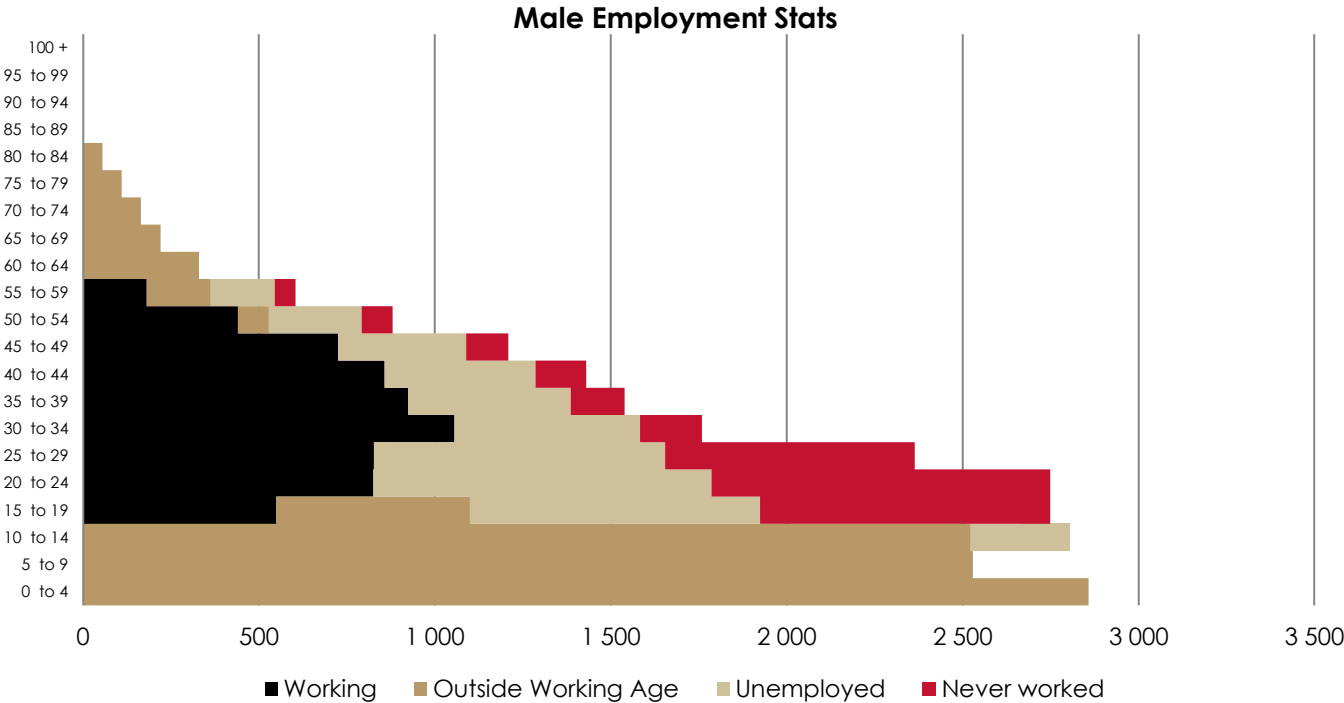
The understanding of human behaviour?

Our South African Context

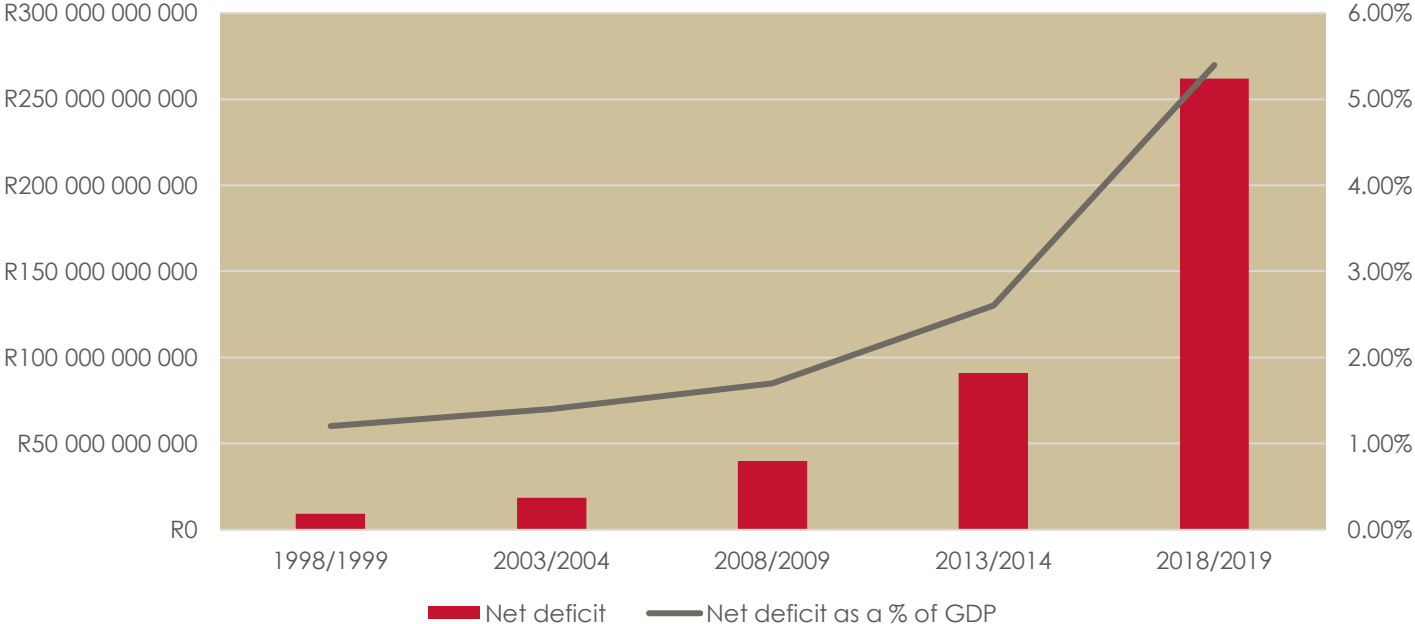


<https://www.biznews.com/budget/2020/02/26>

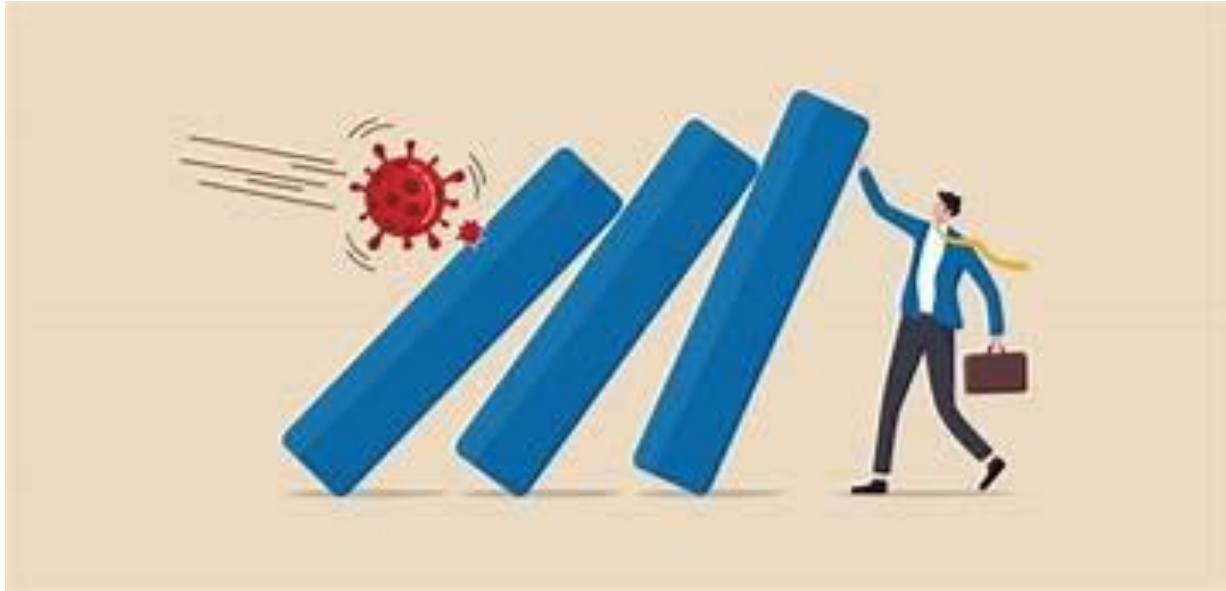
Our South African Context



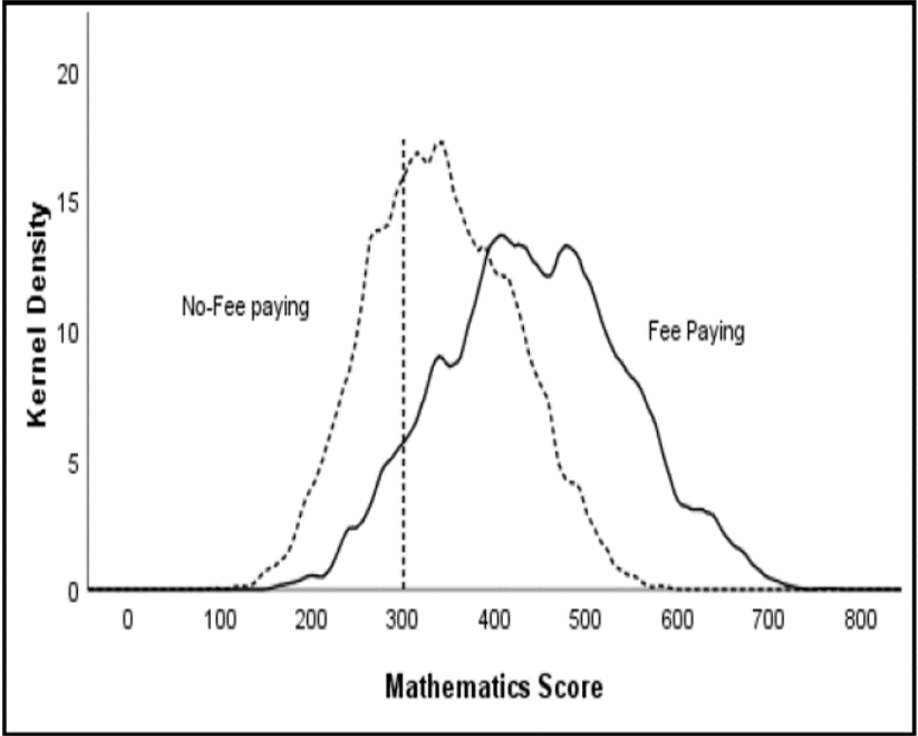
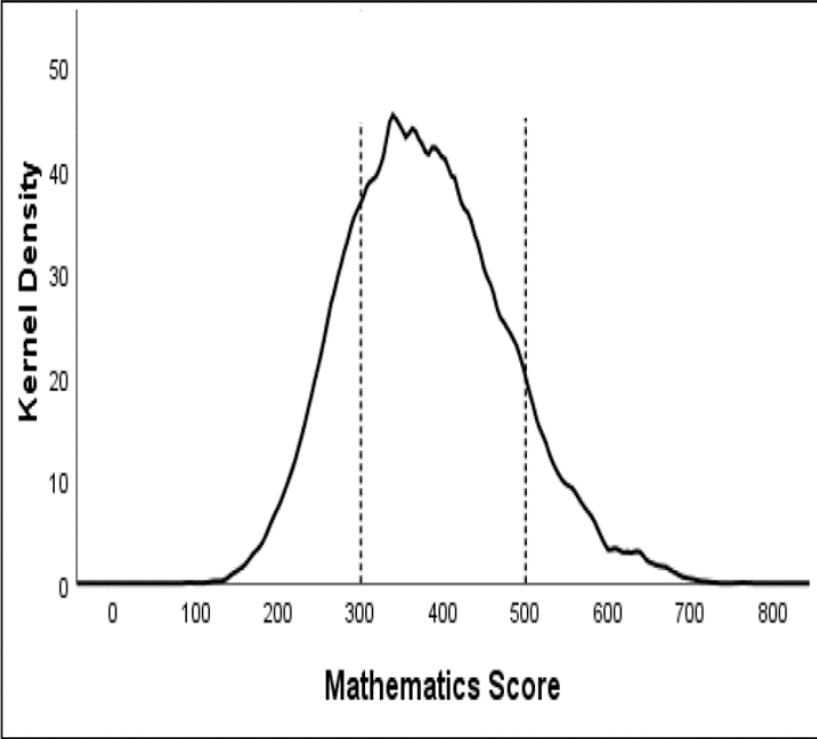
Our South African Context – RAF Liability



Our South African Context – COVID-19 Impact



Our South African Context – Education Inequality



Our South African Context – Education Inequality



Decision-making in the world of uncertainty

Our profession's role in decision-making

Private consulting vs Public activism

Decision-making in the world of uncertainty

Private consulting

- Contractual agreement
- Defined mandate
- Templates

Public Interest activism

- No direct client except Public
- Select and define mandate
- Develop template

Public Interest Activism

Public Interest activism

- Influencing legislative changes
- Influencing Public opinion
- Delivery of public benefit (or constitutional) programs

Public Activism – Context within ASSA

Attract and retain the best talent

Enhance student engagement

Position ASSA as a global leader in **context-based solutions**

Continue to improve the standards of professionalism in the organization

Public Activism – Context within ASSA

Technology

Trust

Competing professions

Business models

Public Activism – Context within ASSA

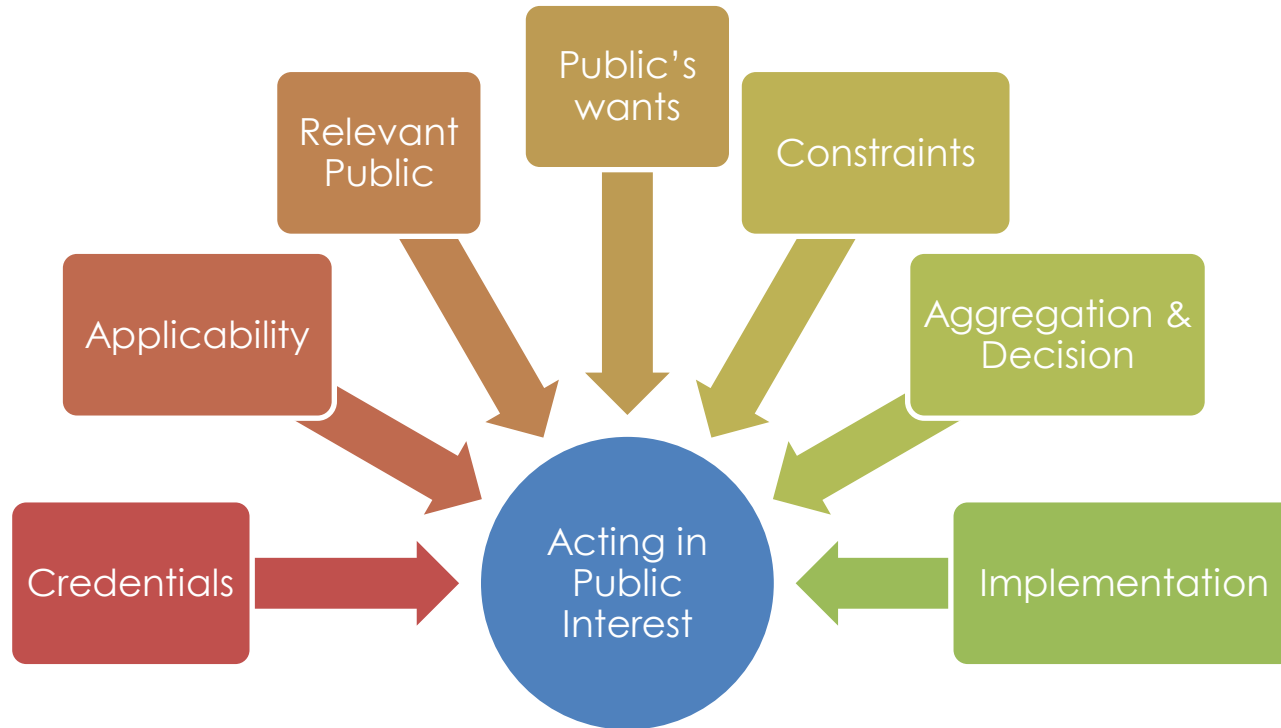
Significantly increase research output

Significantly increase multi-disciplinary engagements

Significantly increase participation in wide variety of relevant conferences

Engage publicly on relevant issues

The License to Act in Public Interest



Where do we go from here?

Better coordinated response to social challenges

Remove SOAG means test

Greater preservation of savings

Clear need for informal worker solution

- Protect vulnerable
- Greater flexibility
- Technology an enabler
- 4IR

Consider support for 19 – 59 yrs

Where do we go from here?

Having implemented the Covid-19 grant in 2020, is a Basic Income Grant of R350 sustainable in future?

Where do we go from here?

Investing more in alternative investments?

Where do we go from here?

1. How good are actuaries in understanding complex systems?
2. If not good, what needs to be done to address this?
3. Are we sufficiently qualified to act in the public interest?
4. If not, what do we need to do address this?
5. What should we be doing more of in the public interest?
6. What are the non-negotiables for actuaries involved in public interest activism?