

Media Release
Actuarial Society of South Africa
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Call for actuaries to collaborate with government to rid South Africa of “wicked problems”

As the world continues to grapple with the “wicked problems” created by the Covid-19 pandemic, governments able to efficiently mobilise their diverse talent pools appear to be presenting their citizens with better outcomes than those unable to do so, according to Lusani Mulaudzi, President of the Actuarial Society of South Africa.

Addressing the Society’s first ever virtual Convention earlier today, Mulaudzi points out that the Covid-19 pandemic has illustrated the critical importance of expert advisers in policymaking, especially when dealing with “wicked problems”. A wicked problem, a term introduced in 1973 by American theorists Horst Rittel and Melvin Webber, refers to unique social policy problems where solutions must be implemented with great care, because they are usually not reversible and will have far reaching consequences for ordinary citizens.

Mulaudzi says experts like Fauci and Ferguson have become household names almost overnight, illustrating the critical importance of the choice of expert advisors in policymaking. He adds that despite this, most governments still overlook the skills set available within the actuarial profession, even with the profession’s excellent reputation as a custodian of financial security systems.

“Insurance is the most well-known example of a financial security system and in this system actuaries fulfil the roles of designers, adaptors, problem solvers, risk estimators, innovators and technicians. Although government systems dealing with public welfare fit the definition of a financial security system, the involvement of actuaries in shaping these systems remains limited in the most countries with the exception of the UK, New Zealand, US and a handful of other jurisdictions.”

Mulaudzi points out that now, more than ever, there is a need for collective action. “We may not always like politicians, but it is now more important than ever to work with them and assist them to make the best possible policy decisions to address the risk of widening inequality.”

According to Mulaudzi, “wicked problems” tend to compound inequality, particularly in developing countries. Calling on his fellow actuaries to use their skills to help manage these problems, he points out that this is not something that can be achieved alone.

“Therefore our focus should be on creating a culture and institutional frameworks for collaboration with policymakers and other experts.”

Mulaudzi stresses that building a collaborative environment is a two-way street, which will require the actuarial profession to make a bigger effort to make itself heard at policymaker level.

He points out that the disconnect between science and policy is not unique to South Africa. In an effort to address this shortcoming in Europe, the Joint Research Centre (JRC), which is the European Commission's science and knowledge service, prepared a policy handbook that provides advice on how to bring science to the attention of policymakers.

“This effort is an acknowledgement that science and policy need to cooperate to address the ‘wicked problems’ of this age. The actuarial profession can take a leaf from this handbook to learn about the skills and practices for individual actuarial policy entrepreneurs as well as the institutional framework conducive for a collaborative relationship.”

Mulaudzi says the Society is committed to facilitating greater collaboration through pertinent research and public interest work.

“We will continue to invest in our research efforts as part of our drive to become global leaders in context-based solutions. Our public interest work is at the forefront of those efforts and soon we will be awarding research contracts to some of our members to conduct research in identified public policy challenges.”

Mulaudzi says he is confident that the “wicked problems” facing South Africa can be addressed, but only through collaboration by policymakers and other experts, including actuaries.

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The Actuarial Society of South Africa is the professional organisation for actuaries and actuarial students in South Africa. The vision of the Actuarial Society is an actuarial profession of substance and stature, serving, and valued by, our communities as a primary source of authoritative advice and thought leadership in the understanding, modelling and management of financial and other measurable risks.

