



Sustainability and the United Nations Sustainable Development Goals (SDGs)

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INTRODUCTION

What is sustainability? It is difficult to provide a simple answer, as it is such a multi-dimensional concept. Several meanings and applications have developed, depending on the context and objectives involved. The desire for continuation is common to most societies, families, and businesses. Regarding companies, for example, at what level of operation does it require? When applied to the environment, to what condition should it be maintained? Its application to a development strategy is that it should “meet the needs of the present without compromising the ability of future generations to meet their own needs.”¹ In any case, it depends on the objective(s) of the entity or object being assessed and the perspective of the stakeholder(s) assessing it.

The examples mentioned above can be used to provide further clarification:

- An insurance company. The financial ability and willingness to continue as an ongoing entity (i.e., not becoming insolvent or being wound up), while not actively selling new business or renewals, represents a minimum level of financial sustainability. Regarding its inforce policies or claims, this means that the promises made in the company’s contracts are kept, that is, there are sufficient financial resources to pay insurance benefits as scheduled or based on the criteria indicated in its insurance policies. If a given level of assurance cannot be achieved, the company would be considered insolvent. The needed level of assurance, often measured in terms of a required amount of capital to remain in operation, may be viewed by a

¹ World Commission on Environment and Development (1987). “Our Common Future”.

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regulator as being greater than if viewed by its owners or management. Remaining an active entity requires a stronger level of sustainability (or capital). The strongest level would enable the company to expand.

- The environment. Environmental sustainability focuses on preserving and protecting ecosystems and natural resources essential to maintaining a robust level of health of flora, fauna, and humans. Much of society and environmental activists may seek a far more protective environment than farmers, who usually focus on increasing the productivity of their land. Higher levels of sustainability could be used to promote the expansion of biodiversity or in some cases to constrain human development.

A series of questions can be raised concerning sustainability:

- What is being sustained and in what form should it be maintained?
- Who is responsible for determining which goals should be met and how they should be addressed?
- What resources are needed, from whom, and how should they be obtained?
- What is the appropriate timeframe to achieve the needed or desired sustainability?
- Who are the stakeholders involved and what are their short-term and long-term views?
- How does it affect relevant population segments and individuals? and
- How should its value be measured or assessed?

These may need to be addressed at every applicable level – each individual, household, local community, private sector entity, and national or local government. In some cases, incentives may be needed to motivate actions that support the needed actions.

Striving for sustainability is a process, similar to the approach used to conduct risk management. We're talking about sustainable, inclusive development that may cover cross-generational needs. Because of the likely complexities and uncertainties involved, as well as what may be inconsistent or even incompatible views of relevant stakeholders, a systems thinking approach may be warranted. These efforts need to leave the earth (or a company) in no worse condition than it was when the current generation began.

A range of actions or alternative trajectories can result in a given (acceptable) level of expected extent of sustainability (e.g., without breaking promises made or suffering food insecurity over a short or long-term future period), or at least to a minimum level. Often the objective is expressed in terms of "at least..." or "does not cause any deterioration in ...". In some cases, it may take the form of a conditional goal, such as, given certain constraints or subject to adaptive capacity.

The boundary between being sustainable and not being sustainable is not necessarily clear – just like perfection is not always achievable. Depending on the circumstances, if sustainability is not achieved, either the objective, assumption or the objective may be at fault.

Eighty or ninety percent achievement of the target may suffice, depending on the situation. There may be degrees of sustainability. The objective or indicator used could be expressed in terms of a confidence interval – which could be expressed in terms of a percentage or a subjective or qualitative assessment, such as very confident, somewhat confident, somewhat not confident, and not confident.

In deciding the extent of sustainability needed/desired, applicable externalities should be considered. For example, a given city might protect itself against a certain level of flooding, only to exacerbate another city's future floods. A holistic approach may be needed, or at least considered, in the planning process. Another example is that, though employment sustainability/growth is desirable, some consequential effects, such as inflation, may not be desirable.

Most human activity depletes or contributes to entropy, rather than replenishing, enhancing sustainability, or growth. Through new or enhanced technologies or changes in human behavior, natural tendencies can be overcome, although they may only buy time rather than guarantee sustainability.

Because an assessment of sustainability is usually prospective, it has to be remembered that many uncertainties may exist, any of which may interfere with achievement. As a result, contingency planning and risk management processes need to be incorporated into sustainability planning.

Those affected by actions taken to help achieve social or environmental sustainability may not be affected in the same way, and hardships from applicable stakeholder(s) may occur. For example, although many people would benefit over the long term from shutting down coal production and use, the family of coal miners may suffer in the short term. Governments, whose responsibility is to help ensure social security, may have to take appropriate action to help enhance equity or social justice, e.g., through training programs, at least a temporary social safety net, or a system of distribution or redistribution. If addressing a concern of a public nature, not addressing the concerns of all key stakeholders/groups may result in disagreements or a deterioration of a 'seemingly sustainable' solution.

Time frame is an important consideration. The steps needed to achieve a long-term objective, such as becoming the largest insurer in a country or developing a long-term sustainable energy policy, may involve compromises, at least temporarily, to satisfy a country's current energy needs. Other aspirational social objectives, such as the elimination of poverty or hunger, may not be possible or affordable, even in the long term. This inability will prove frustrating to some and create inappropriate incentives.

In some cases, public decisions may be made within the context of reelection (or period of control), especially if a political policymaker is involved, even when sustainability is more appropriately measured in terms of one or more decades. This points to the need for the applicable political or management system to address both short and long-term objectives.

Once achieved, sustainability has to be maintained, sometimes over a long period. Events and changes in conditions can, in some cases suddenly, emerge to threaten the current level of sustainability, requiring effective planning, flexibility, and attention to the future.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

United Nations Sustainable Development Goals

A good example of a set of sustainability goals is the United Nations Sustainable Goals (SDGs)² adopted in 2017 to be reached on a global level by 2030. It seems appropriate that, about halfway through the period covered by these global objectives, a few observations regarding them are appropriate.

At first glance, each of the UN's 17 SDGs addresses reasonable-sounding and important objectives that address fundamental aspects of the human condition. They are primarily common sense that everyone should be able to agree on and strive to achieve. But some of them may be like New Year's Eve aspirational goals, especially when discussed in general terms. They may sound great but can be difficult to achieve and represent a real challenge to maintain momentum toward. Over the years when they were developed, some simply represented a point on a historical trend line. Although most will be quite difficult to fully achieve, they do serve as a great set of aspirational goals.

² They are: eradication of poverty; no more hunger; good health and well-being; quality education; gender equality; clean water and sanitation; affordable and clean energy; decent work and economic growth; industry, information and infrastructure; reduced inequality; sustainable cities and communities; responsible consumption and production; climate action; life below water; life on land; peace, justice and strong institutions; and partnerships for the goals. Indicators for each can be found at <https://unstats.un.org/sdgs/metadata/>.

SO, HOW IS THE WORLD DOING?

Despite going into reverse on more than 30 percent of the SDGs, it's not too late to "turn the tide". António Guterres, the UN's Secretary General, on May 23, 2023, said that among the 'fundamental goals' heading in the wrong direction, was that of reducing poverty and hunger. "Progress on another 50 percent is weak and insufficient". So, despite their near-universal acceptance in 2017, overall, we're not doing so well so far.

Of course, to be fair, the development of the targets did not anticipate a global pandemic or major conflicts in such countries as Ukraine or Ethiopia. And climate crises and existing and new natural and manmade disasters will continue to impose massive economic and other damages, generating humanitarian crises in many countries. Possibly revised indicator targets reflecting significant interferences or timeframes might be considered, as adverse events will inevitably affect the achievement of the goals as originally established.

In most cases, funds used to close these gaps need to be assessed as investments, rather than expenses. When it has come to funding the SDGs, Guterres indicated that necessary investments have fallen short. He indicated that many developing countries simply cannot afford to invest in the effort to reach the SDGs because they face a financing abyss.

Making progress on some of these SDGs can be expensive. That is, for many of them there has to be sufficient financing in areas that have historically been chronically underfunded, with all kinds of worthy competing demands for available funds. Chronic funding gaps remain – the OECD estimated them to be \$2.5 trillion before COVID-19, and now are \$4.2 trillion. That's a lot of money, especially for countries that cannot afford them, having already accumulated huge debts.

Attempts to meet some of these sustainable goals may require sacrificing other objectives, e.g., freedom, property rights, and economic growth. That is, there will be tradeoffs, usually difficult ones. Becoming more sustainable may sacrifice other objectives, e.g., freedom, property rights, jobs, and economic growth, that societies are not willing to sacrifice.

To make substantial progress, overall economic growth must be achieved and maintained. Meeting the targets for even a high percentage of some of the SDGs will be expensive. I applaud the establishment of a set of global targets in addition to the broad objectives, with about 250 specific and measurable indicators of success, even if some of them have turned out to be aspirational. As it has been said, what cannot be measured, cannot be managed. Nevertheless, progress is needed to keep up their momentum.

CONCLUSIONS

In summary, the concept and implementation of sustainability can involve complex issues and considerations and can depend upon the needs and desires of the stakeholders, the degree of certainty desired, and the time frames over which those needs and desires are to be achieved. Well-thought-out and effectively communicated plans are necessary. Understanding the goals and limitations of sustainability is useful and indeed necessary, even if aspirational. The costs needed to achieve its indicators, whether in terms of the amount of capital held or the extent of mitigation and adaptation actions needed to reduce the effects of climate change, should be considered. Because 'stuff happens', alternative actions and contingency planning may be needed to avoid falling short of achievement.



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