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## Assessing the Political Approach to Risk Management

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A more balanced  
approach is essential.

**M**y topic today is risk – in particular the problems that have arisen as risk management decisions have been politicised and how those missteps might be corrected. Let me first note that in the risk reform debate, as in so many political debates, logic is often for losers. That point is illustrated by a story:

Smoking, as most of you know, is a serious risk factor, causing over 500,000 lung cancer deaths per year in the USA. You're also aware that driving in the US is risky; about 50,000 people die in highway-related incidents per year. But few of you, I imagine, are acquainted with the risks of shark attacks in the United States. Anyone out there? Hands? Well, the numbers are small – perhaps one or two per year in the US.

Yet, not too many years ago, if one were to stand on a dune on a beach in America and cry 'Shark! Shark!', almost everyone would rush from the water, some would light up a cigarette and most would soon drive home!

This illustrates well the all too human tendency to rate sensational risks more highly than the more prosaic risks that actually do us in. Fears motivate people and the political system is alert to such realities and panders to them – shamelessly.

### Modern Views on Risk

Politically inflamed fears are now common in America. To the late Aaron Wildavsky, this was a bit confusing. Here we are, the safest, healthiest, longest-living people in history, and we have become a society of paranoids, obsessed with risk, fearful of the water we drink, the food we eat, the air we breathe, ozone holes exposing us to mysterious rays from space, radon seeping up from the earth into our showers. Honestly, does this not sound just a wee bit crazy? Step back a bit and think about it. Alarmist fears are, after all, always present, but now they seem to gain a ready audience.

When I was a kid, people were convinced that evil forces were adding poisonous substances to the water supply – and people still believe that. But, in those earlier days, the villains were the Communists, the substance was fluoride, and the charges were brought by the John Birch Society. Today, these same fears exist, but the villains are American business and modern technology, the substances are 'toxic' chemicals, electro-magnetic fields (EMFs) and anything associated with radiation, and the charges are brought by the environmental establishment. The most significant difference,



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and recognise there are those miserly green-visored accountants in the business world who are all too eager to place a price tag on human life, all too willing to assign a dollar value to the destruction of a unique ecosystem. Our safety regulators know that these people have power and in our compromised world, they may prevail, but the Regulators are always granted the White Hat moral role. In a political system, this biased treatment of risks – all safety on one side, only money on the other – has but one outcome. When the economy is healthy, we regulate today. When the economy of that sector is in the tank, we defer till recovery, at which point the regulatory bloodletting recommences.

EPA's attempt to ban a product twice as safe as toothpicks had a happy ending – the agency was overturned in court. But a large number of regulatory sagas involving agencies and risk do not have happy endings.

EPA's regulation of plant pesticides, of radon, of dioxin, of lead and of a host of other products and processes has moved forward precisely because EPA has no reason to examine the risks its actions create.

In most cases, agencies are left free to pursue their obsessions – not to the bitter end, because there is no end really; after all, an agency that actually eliminates some risk puts itself out of a job. Instead, for the most part, these obsessions go on and on: reduce the levels of some substance to parts per million, and then a new 'risk' gets discovered at parts per *billion*; if mice tests find no risks, then test the substance on hamsters or aardvarks; if oral intake creates no problems, then what about direct injection. Under the 'Better safe than sorry' precautionary principle, *any* risk is a reason to regulate. In effect, our modern political approach to risk regulation has no obvious stopping rule.

Think about it! There is not a medicine in your bathroom cabinet that does not carry some risk – that is not deadly at some dosage. But medicines cure disease. Many of the cleaning supplies beneath your sink are 'toxic' if ingested; yet they make possible a cleaner home. The industrial revolution spawned a multitude of machines that could maim or kill their operators and innocent bystanders – exploding steam boilers on boats, malfunctioning factory machinery – yet the major improvements in productivity made possible by such equipment drastically reduced the exposure of workers to dangerous conditions. Moreover, the steam engine replaced other means of achieving the same ends –



"...what is it – 'road' or 'toothpick' deaths?"

horses, for example – a very dangerous source of power as anyone who has tried to insure a dude ranch knows well. The internal combustion engine made possible a hundred million cars that are on our roads this very minute, each capable of inflicting horrible injury; yet ambulances shorten the response time of emergency care. With electricity came electrocutions; with skyscrapers came building collapses and high-rise fires; with modern agriculture came vast expansion of supermarkets and traces of pesticides; with asbestos came...toothpicks? No, asbestosis. But through this all, *because* of this all, we have become healthier and wealthier.

The world is made safer by dangerous products and processes – that are less dangerous than the products and processes they replace. The world is made safer by greater wealth. A wealthier, more technologically progressive society is more resilient and can better ride out whatever adversities are created. Consider: the United States has storms. Bangladesh has storms. In America, few die; in Bangladesh, tens of thousands perish. It is not because nature is different in these two regions but rather because the wealth and technology of America make us more resilient in the face of such disasters.

And for that reason, the greatest danger of all is *stagnation* – the slowing down, the stopping, of new products and new technologies. We should – and we do – consider the risks of innovation, of economic growth and technological change. But we should also consider