

Title	Research Report 035: Taking Account Of Societal Concerns About Risk - Framing The Problem.
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Executive Summary	<p>1. THREE FRAMING DEVICES</p> <ul style="list-style-type: none"> • It is important to understand the type of risk one is seeking to manage. There are three types of risk that can helpfully be distinguished: directly perceptible, perceived with the help of science, and virtual – risks about which scientists disagree or confess ignorance. These three types of risk can be further subdivided into risks that are voluntary and those that are imposed. • Risk management is a balancing act in which the potential rewards of getting it right are weighed against the potential costs of getting it wrong. Risk management that pursues only the objective of reducing the costs of getting it wrong will be oblivious to significant opportunity costs. • The rewards and costs of risk taking are viewed through perceptual filters. A typology of filters is presented: individualist, egalitarian, fatalist and hierarchist. The HSE is characterised as a statutory hierarchist and cautioned, in the exercise of its duties, against excluding the other three perspectives from its deliberations. <p>2. ROBUST RISK MANAGEMENT</p> <ul style="list-style-type: none"> • An insightful institutional risk manager will seek to take into account, to the maximum extent possible, the perspectives of all the stakeholders concerned with the risk he seeks to manage. • The process by which this is done should be integral to the management process, and not merely bolted on to traditional forms of risk management. • This will involve the adoption of constructivism and the abandonment of objectivism. • This will rule out the use of single-metric methods such as cost-benefit analysis and require the adoption of typology-based discourse analysis. • If it is to take account of societal concerns about risk the HSE must transform itself into a “clumsy institution” – i.e. one that abandons the goal of optimality (which can serve only one perspective at the cost of excluding and alienating the others) and listens intently to all the stakeholders. <p>3. THEREFORE – the HSE should</p> <ul style="list-style-type: none"> • be clear about the nature of the risks it seeks to manage • hesitate to seek to manage voluntary risks taken by adults • avoid the costs of excessive risk aversion • eschew optimising, single-metric methods; they cannot embrace all stakeholders • Be aware of, and seek to accommodate, diverse societal concerns about risk.

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