BOOK REVIEWS

Searching for Safety, by Aaron Wildavsky. (Transaction Publishers for the Social Philosophy and Policy Center Bowling Green State University, 1988).

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Searching for Safety is a great case study in risk management, perhaps the most comprehensive case study ever written. It is doubtful that the author conceived of his book in exactly these terms. It is also doubtful that the practitioners in the book conceive themselves to be risk managers. Nevertheless, the book is the story of risk management run amok, of getting almost everything backwards and upside down, with unfortunate, perhaps disastrous, consequences. What makes all these observations important is the fact that *Searching for Safety* is the story of risk management by American society collectively.

The central theme of *Searching for Safety* is that in practicing risk management on a societal level, Americans have made their society a more dangerous place, rather than achieving their intended goal of making it a safer place. The unintended result is the consequence of misunderstanding the rules, or the application of the rules, of risk management.

For example, a simple and frequently applied risk management rule is "never risk a large sum to make a small gain." Wildavsky recasts this concept in a description of trial and error versus trial without error. The concept of trial without error translates into "conduct no trials unless no errors can be guaranteed in advance of the trial." Obviously, without trials and the possibility of errors, technological progress is stifled or ended. Unfortunately, as Wildavsky points out, in the areas of nuclear energy, genetic engineering, medicine (especially vaccine manufacture and development), and in many other areas (in large part attributable to tort law as practiced in America), we have reached a point where the price of errors, an inevitable part of the technological evolutionary process, is so overwhelming that many trials, including beneficial innovations, are ruled out. Thus, as American society perverts the aforementioned simple rule it becomes, "Never risk anything, even to make large gains."

A second risk management tenet violated by our societal risk management approach involves achieving a workable balance between loss reduction and loss prevention. Practicing risk managers recognize some losses are inevitable and arrangements must be in place in advance of losses to mitigate the effects. Mechanical devices, fire sprinklers, and financial devices such as insurance arrangements are examples of practical approaches to mitigating the effect of losses. American society has emphasized only loss prevention, and in so doing may have increased loss frequency. Wildavsky cites many compelling examples, one of which involves the setting of levels of "acceptable" amounts of pesticide residue in foods. When limits are set unattainably low, certain pesticides are eliminated from use. As a consequence, either new and untested products are used (products that may present carcinogenic or other undesirable surprises in a decade or two) or less effective agents are employed, with an accompanying decrease in production and increase in price. For example,

> . . . the natural pesticides from our ordinary daily food (the poison plants use to ward off predators) leave residues more than 10,000 times greater than those that derive from industry. Concentration on made-made substances in understandable. But if these are, in bulk, relatively trivial, the danger is that we will spend time, energy, and resources worrying about such comparatively less-important influences on health and safety.[1]

Searching for Safety is worthwhile reading for the points it makes about health care, energy production and our tort system. In each case Wildavsky contends the end result of our ceaseless quest for safety may be, and often is, counterproductive. (A classic example is adding redundant safety devices on nuclear facilities, which in turn can fail creating new risks. The Chernobyl disaster occurred during the testing of safety systems.)

The concluding chapters provide a thoughtful analysis of the factors leading to our current situation (Chapter 9, Why Less is More: A Taxonomy of Error), and what changes are necessary to reverse our headlong rush into stagnation or worse (Chapter 10, The Secret of Safety Lies in Danger).

Searching for Safety contains jargon familiar to insurance instructors and readers of this journal. Not all the usage is consistent with that found in standard risk management texts, but the concepts are the same, even if word usage is not. For example, the author introduces the concept of objective risk early in chapter one, defining the term as "both observable dangers and well as observable consequences of actions undertaken for the ostensible purpose of increasing safety."[2] Other definitions of "risk," "uncertainty," and "loss" appear throughout the book, and Journal readers in many cases must substitute the author's meaning for their own set of definitions.

Searching for Safety is provocative, well written, timely and should be of considerable interest to readers of the Journal. The author has a troubling message, one which insurance educators should be prepared to discuss with their students, and one which should be kept in mind in their work as consultants to industry and government, and in their contacts with the news media. The public needs to be more aware of the rational approach to risk management, an approach that weighs benefits and costs, that anticipates losses and prepares for them in advance, rather than relies strictly on loss prevention. Few people are in a better position to voice this message than risk management educators.

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[1] *Searching for Safety*, p. 49.
[2] *Searching for Safety*, p. 2.