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The Future of Risk Analysis

Risk Management and the benefits side of the risk equation

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What is the socially agreed level of risk? How do we get the balance right?

Overview

1. Innovation, scientific uncertainty and risk
2. Risk/risk, trade offs between alternatives
3. Ex-post risk / benefit assessment
4. Lisbon treaty, comitology change – the consequences

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Innovation and scientific uncertainty

- Innovation is essential for growth, quality of life, progress
- Cultural attitudes and incentives change (ageing society)
- Risk of technologies or products? E.g. GMOs – food or health?
- Are there choices? In food yes, in health no.
- Better to control products (e.g. nano: products not processes)
- Scientific evolution unpredictable – lasers for music? Petroleum as fuel?
- Public risk perception / acceptance evolving

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Scientific uncertainty and precaution

- Known unknowns and unknown unknowns
- Scientists never say never – nothing is 100% sure
- The Precautionary Principle or approach – what if potential risk is too great compared to the benefit?
- Examples in medicine – side effects acceptable if the benefit is sufficient
- Precaution is temporary, awaiting more scientific certainty – review and technical progress, proportionate measures
- How much evidence do you need? Paralysis by analysis and risk of ideology

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Risk / Risk Trade off

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Risk / Risk Trade off (Graham/Wiener, 1995)

- Managing one risk triggers other, potentially bigger risks
- Risk and hazard – concept of exposure and probability
- Risk and values – what is worse, global warming or nuclear waste?
- Biofuels or food? 30% US corn into ethanol – world food prices and the poor;
  Effects of stunted growth – also hereditary.
- Water safety – Cl2 or cholera? In Peru 3000 died
- Animal health and new zooisms/ Anti-biotics
- Variety for fungicides, risk of resistance

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Ex-post evaluation and review

- Behavioral economics and unintended consequences – tenant protection, MRI
- “What is measured is managed” ; explicit assumptions
- Compromise and clarity of objectives
- Multiple objectives - risks of meeting none (Biofuels?)
- Revision is common, e.g. clinical trials directive, novel food directive
- Ex-post closes policy cycle, but cycle often starts from a review

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Ex-post inhibitions

- Internalization of constraints, new job dependence, stake in status quo
- “Opening Pandora’s Box” – can get worse
- Unintended consequences
- Measuring cumulative effects / singling out specific factors
- Stigmatization and irreversible effects – products/companies no longer exist
- Distribution effects – impacts on the poor, e.g. fresh fruit safety, balanced diets
- Benchmarks, cost per life saved (see OSHA)
- Roles and responsibilities – those regulating also carrying out reviews?

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Policy Perspectives

- EC commitment to evidence-based approach, agencies, Impact Assessment Board
- Revision when needed: novel foods, clinical trials etc.
- Innovation, personalized medicine
- More mature authority of the EU agencies – EFSA and aspartame, no evidence provided
- Risk communication and food scares
- Greater transparency post Lisbon delegated acts, less risk of hijacking
- New powers of the EP
- Problems remain: Measuring what cannot be easily monetized, social equity

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Conclusions

- Great progress is being made at EU level
- The EU is getting better at risk assessment
- Risk management is still potentially politicized – danger of excess caution
- Risk communication improving through agencies
- Next steps?
- Better ex-post evaluation and getting greater benefits from regulation (regulators are not free)
- Greater transparency should improve quality of debates on need
- Commitment to scientific progress and innovation and growth is an overarching feature of the 2020 policy
- The chief scientist is on the organigramme of BEPA. But where is he?

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Thank you for your attention!