

BLACK HATS, ECONOMISTS AND SOCIETAL RISK ASSESSMENT

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Appearing before this organization reminds me of three pieces of immortal advice from Winston Churchill: "never try to walk up a wall that's leaning toward you...never try to kiss a person that's leaning away from you...and never speak to a group that knows more about a subject than you do."

I've done very well with the first two precepts, but I may be in danger of violating the third one today. As I discuss public policy, economics, and risk analysis, I'll try not to stray too far into your territory, if I can help it.

I would like to begin, though, by congratulating this organization on the remarkable impact it's recently had on regulation and policy-setting. All of you deserve tremendous credit for your ground-breaking and immensely important work.

"IMMORAL" ECONOMISTS?

Since at least the time of Malthus, economics has been called the "dismal science" and economists have been roundly condemned for having a callous attitudes toward issues that affect public health and safety.

Our attempts to quantify some of the benefits and costs associated with public health and safety initiatives have been criticized as tasteless at best and downright immoral at worst. We are told that it is wrong to place a monetary value--or in fact any finite value--on human life and health. It even seems to some that the mere linking of the words "acceptable risk" is a contradiction, like "criminal justice" or "jumbo shrimp"--an oxymoron that violates Judeo-Christian moral precepts, which hold human life to be absolutely sacred.

I admit that we economists can get carried away with number-crunching...that we sometimes ignore-at our peril-the qualitative, human aspects associated with health and safety issues. So it's little wonder that in the public eye, we're so often the ones in the black hats.

That reminds me of the popular distinction between a dead dog on a highway and a dead economist: there are skid marks in front of a dog! I trust that everyone here brakes for economists.