Worst-Case Scenarios

Cass R. Sunstein
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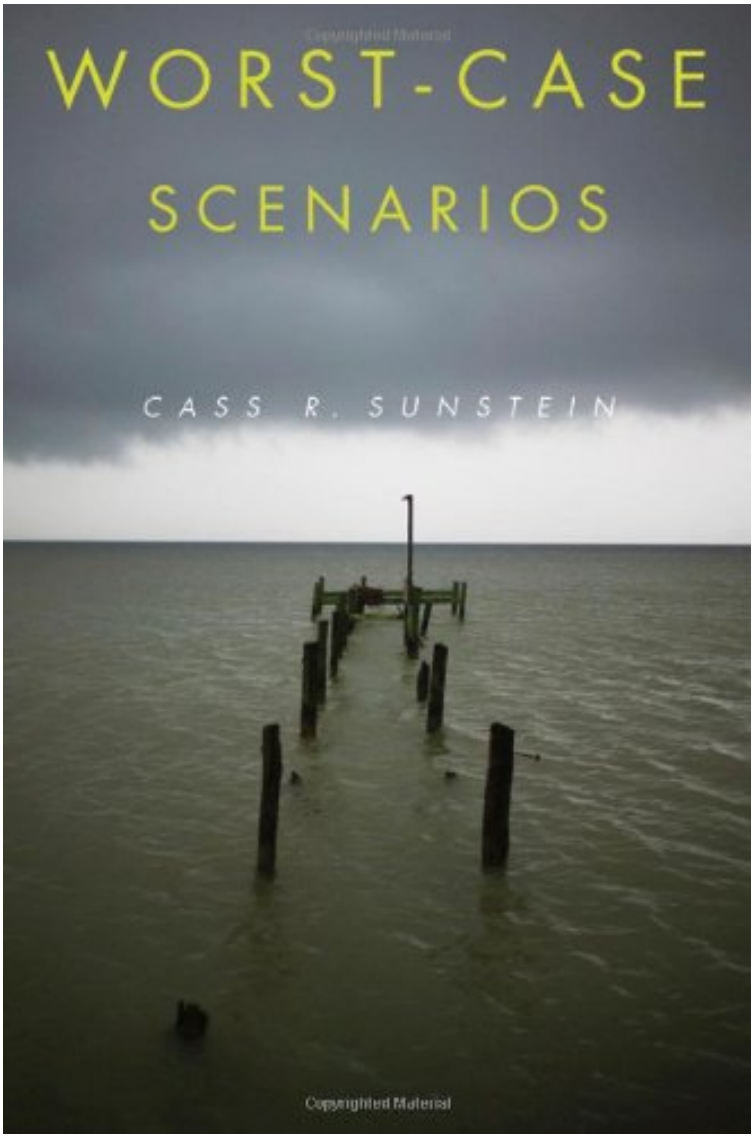

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Cass R. Sunstein : Worst-Case Scenarios before purchasing it in order to gage whether or not it would be worth my time, and all praised Worst-Case Scenarios:

5 of 7 people found the following review helpful. Superb discussion of cost benefit analysis applied to extreme situationsBy Kenneth AndersonCass Sunstein has written a superb analysis of how cost benefit analysis can usefully be applied to extreme situations - worst case scenarios. He takes up two - mostly climate change, but then compares it to counterterrorism. My comments below focus on the application of cost benefit analysis in responses to terrorism; I admire Sunstein's analysis, but think it has limitations in its application to terrorism.Regnant approaches to terrorism

are driven not just by narrow cost benefit analysis, but by a still narrower focus on something we might call "event-specific catastrophism": preventing the next attack. This is as true of the Bush administration as of its leading opponents. What has the Bush administration focused upon, in speech after speech to the public? The imminence of the next attack, and the need to prevent it. One hopes this is mobilizing rhetoric for larger policies against jihadist terrorism, but in considerable part, the uncertain next attack is the focus of policy - a long-term strategy, if one can call it that, even after seven years, of just trying to make it to the next day unscathed.Despite much discursive rhetoric about long-term policy and the war on terror, much US policy is what, in a strategically informed plan, might well be considered the very last defensive perimeters. Airport security, daily monitoring of cell phone traffic, internet analysis in hopes of seeing spikes that might indicate imminent terrorist action, watch lists, and many, many cement barriers. Presumably no one in Britain is reassured by the fact that the Glasgow attack was prevented not by perceptive police work, nimble intelligence agents, deep penetration of homegrown terrorist cells - but simply by a physical barrier at the airport. But perhaps people are comforted; the cement barrier worked, after all, effectively and cost-effectively, while the rest of the counterterrorism apparatus, at enormous absolute and relative cost, did not. Still, these are fundamentally defensive measures aimed at preventing the next attack, counterterrorism in a vital but stiflingly narrow sense. The cost benefit analysis underlying such planning, shaped toward event-specific catastrophism, is necessary and fruitful, but bears little resemblance to planning or conducting a "war" on terrorism or, really, any strategic conceptual response to jihad that goes beyond preventing particular events of uncertain probability and magnitude.Yet the Bush administration's legion critics ridicule US counterterrorism policy in great measure within the same narrow framework that the administration has used. Sometimes the cost benefit analysis would scarcely past muster in an undergraduate economics class - political scientist John Mueller, in his bestselling Overblown: How Politicians and the Terrorism Industry Inflate National Security Threats and Why We Believe Them, or journalist James Fallows, each breezily announcing that the chances of getting killed in a terrorist attack are less than getting struck by lightning, or that 9-11 killed 3,000 people but 40,000 Americans die a year in automobile accidents and, ergo, well what? Cost benefit comparison of opportunity costs makes sense only if comparing genuinely apposite, available opportunities.Serious cost benefit analyses are offered in criticism of US policy, and Sunstein's Worst Case Scenarios is the best of them. It calmly and restrainedly demolishes, for example, the so-called "One Percent Doctrine" - Vice-President Cheney's assertion that even a one percent chance of a catastrophic terrorist event requires a response as though it were a complete, 100% certainty.Worst-Case Scenarios is not primarily about terrorism; it is mostly a discussion of cost benefit analysis applied to climate change and the limitations of the `precautionary principle' (of which the One Percent Doctrine is a variety). Sunstein uses terrorism as a striking, but adjunct, case study in order to illustrate, among other things, what the behavioral economists call `salience' - the contrast between the Bush administration's all-in commitment against terror, even on a one-percent threat basis, but its unwillingness to adopt similarly drastic principles with respect to the possibility of another kind of catastrophe, one that is not, however, as immediately visible and `salient' to the general public.In using this splendid book here, in a discussion strictly limited to terrorism, I want to be clear that its arguments over the nature of cost benefit analysis, its critique of the precautionary principle, and its careful application of them to climate change bear close, repeated reading on their own terms and the intellectual ends to which Sunstein puts them. Solely with respect to countering terrorism, however, Worst-Case Scenarios correctly points out that not even `all the instruments of the national will' (what President Bush solemnly committed to the fight against terrorism after 9-11) are unlimited. They never are. Choices still have to be made and priorities established and, as Sunstein acutely observes, preventative actions bring risks of their own. Countering every one percent risk as though it were a 100% certainty creates many more one percent risks of their own, and countering all those one percent risks will preclude many, if not all, of the others. The One Percent Doctrine, and the precautionary principle which it instantiates, is finally "incoherent," as Sunstein says. It induces simultaneously a demand for actions of many contradictory kinds, and yet precludes them at the same time: paralysis in every direction, demands for action and inaction. It cannot serve as a universal basis for policy, and no one, to my knowledge, has made this argument better.Nonetheless, even sophisticated cost benefit analysis of the kind found in Worst Case Scenarios tends to take the prevention of particular events as the fundamental analytic objective. There is, to be sure, an important political reason for this. The American public has been gradually downgrading terrorism as a political priority, even while continuing to say (in the fine democratic tradition of wanting your cake and eating it too) that it supports serious measures against it.American elites, for their part, have been sliding to a dismissively contemptuous view that questions the whole idea of counterterrorism as a serious, large-scale necessity. The threat is downgraded, deploying cost benefit style arguments to call the administration's counterterrorism programs trumped up and exaggerated, and to suggest that the terrorist threat is quite capable of management without special military or intelligence measures. Leaving aside the frequent starting assumption that the Bush administration has illegitimately grabbed executive power and that this, rather than terrorism, is the primary thing against which to protect, the fundamental factual claim is that the probability of a successful attack has been seriously exaggerated.How to interpret, in other words, the fact that the US has not been hit on its territory since 9-11: evidence of the effectiveness of the anti-terrorism efforts, or evidence that it was always more chimerical than real? Ultimately that is what

Sunstein's very fine book, at least as applied to terrorism, seeks to answer and to say, in the absence of being able definitively to answer, how to respond. Still, this is ever a relentlessly tactical approach, and the most important criticism of it is that over the long term, we seek something more comprehensive. Even when not event-specific - even when it takes, for example, "Islamist terrorism" as the whole scenario for consideration - it is by its very nature reactive. Cost benefit analysis does not propose solutions; it evaluates proposed solutions offered by other processes. It is not finally a strategic form of thinking. And that is a problem.6 of 19 people found the following review helpful. Good read, good insights, but makes leaps of faith that fall shortBy aaronI recommend reading this book. Dr. Sunstein considers many modes of thought and the book should get you thinking.Throughout the book Dr. Sunstein uses two main narratives to examine how people react to uncertainty, Terrorism and Global Warming. He provides a very PC perspective, probably to better reach a broad audience and get them thinking about how we deal with what we don't know. The book is an exercise to get the lay person thinking about uncertainty rather than an objective analysis of how to deal uncertainties. It should get the reader to consider how we over and under react and how costly it is.Sunstein makes the very good point that people have over-reacted to the historic risk level of terrorism (with much unnecessary cost in life and resources) and explores why. He also makes the point that probabilities alone are not enough to make decisions. Context is also important. That said, he possibly over emphasizes the fact that people over-react to more highly salient risks and he fails to thoroughly consider why people react strongly to risks involving justice and intent (especially that there is also a signaling component).While most of us make the mistake of over-reacting to highly salient risks, Sunstein does the opposite. He makes the mistake of greatly exaggerating the risks of Global Warming. For the sake of argument, he makes up numbers. But the numbers are absurdly high, even when considering them as the likelihood that a risk will increase rather than the likelihood of an actual event happening or not.When dealing with the uncertainty created by human actions, Sunstein also neglects uncertainty that already exists. The human component of global warming is small (and the greenhouse gas component of that is less than half). A large amount of uncertainty exists whether we reduce CO2 emissions or not. Building a particle accelerator creates a small, immeasurable risk of catastrophe. But Earth is surrounded by many particle accelerators which bombard the Earth and even produce collisions. Building one doesn't significantly affect the level of risk we face (and may provide us with knowledge that will help us avoid other risks).The biggest qualm I have is that Sunstein advocates a policy of generational neutrality. He makes a good rhetorical argument, but logic is not on his side. He notes the consensus among economists that future lives should be discounted is unraveling. And unraveling is an apt term. The principle was long considered obvious to economists for the reason that it is obvious. When Sunstein asks whether the life a 10 year old today is worth more than the life of a 10 year in 2040, he quickly answers, as many would like to, "No." But he fails to consider the obvious; that a 10 year old now will have 10 year olds of his own in 2040.

Listen to a short interview with Cass SunsteinHost: Chris Gondek | Producer: Heron CraneNuclear bombs in suitcases, anthrax bacilli in ventilators, tsunamis and meteors, avian flu, scorchingly hot temperatures: nightmares that were once the plot of Hollywood movies are now frighteningly real possibilities. How can we steer a path between willful inaction and reckless overreaction?Cass Sunstein explores these and other worst-case scenarios and how we might best prevent them in this vivid, illuminating, and highly original analysis. Singling out the problems of terrorism and climate change, Sunstein explores our susceptibility to two opposite and unhelpful reactions: panic and utter neglect. He shows how private individuals and public officials might best respond to low-probability risks of disaster--emphasizing the need to know what we will lose from precautions as well as from inaction. Finally, he offers an understanding of the uses and limits of cost-benefit analysis, especially when current generations are imposing risks on future generations.Throughout, Sunstein uses climate change as a defining case, because it dramatically illustrates the underlying principles. But he also discusses terrorism, depletion of the ozone layer, genetic modification of food, hurricanes, and worst-case scenarios faced in our ordinary lives. Sunstein concludes that if we can avoid the twin dangers of over-reaction and apathy, we will be able to ameliorate if not avoid future catastrophes, retaining our sanity as well as scarce resources that can be devoted to more constructive ends.

From Publishers WeeklySunstein, a University of Chicago law professor, often writes about government regulation. Here he focuses specifically on cost-benefit analysis (CBA) of actions that governments (as well as the private sector and individuals) can take to ward off potential crises. CBA has been used, most famously by George W. Bush's administration, to guide national policy; Bush critics believe the numbers are often fudged to get the results the White House wants. Oddly, Sunstein fails to investigate the science and politics of the Bush administration's chief cost-benefit guru, John D. Graham, but he does explore the uses and potential misuses of CBA, often in sufficient detail to challenge readers not well grounded in economics and statistics. Global warming serves as the narrative thread throughout the book, but Sunstein also looks at appropriate reactions to terrorist threats, genetic modification of food, hurricanes and avian flu, among other issues. Within the complex explanations, Sunstein does a reasonable job of achieving his three goals: to understand individual responses to worst-case scenarios (usually to plan far too much [or] far too little); to suggest more sensible public policy regarding low-probability risks of disaster; and to dispassionately

evaluate CBA as a tool, especially as it pertains to policy making in the future (Nov.) Worst-Case Scenarios is a powerful intellectual treatment about the most difficult problems facing society. The book makes it clear that these problems do not have easy answers. Sunstein's analysis also makes it clear that we would be better off if societal decision makers fully understood the insights he brings to these problems. (Max Bazerman, Harvard Business School)Sunstein cuts through a great deal of confusion that is preventing the development of coherent and rational public policies. The issues raised by low-probability, high-consequence events are becoming more important as the world is more interconnected. Governments and citizens are not prepared to deal with these issues. This book will help. (Jonathan Baron, University of Pennsylvania)Professor Sunstein provides cogent advice about how people should respond to low probabilities of catastrophe. He strikes a thoughtful middle ground, showing how we should be careful without being paranoid. While the applications to terrorism and climate change are insightful, his intellectual approach offers guidance for all sorts of possible catastrophes. The book is a must for leaders of business and government throughout the world. (John Graham, Dean, Pardee RAND Graduate School)Worst-Case Scenarios is a rich analysis, both explanatory and normative, of societal responses to catastrophic risks such as terrorism and global warming. Sunstein occupies the fertile middle ground between the proponents of traditional rational-actor models and cost-benefit analysis, and those who reject these approaches entirely. (Matthew D. Adler, University of Pennsylvania Law School)Worst-Case Scenarios is an important and timely book. (Glenn C. Altschuler Baltimore Sun 2007-12-30)Sunstein's book is best when he discusses how we weigh up the costs of protecting ourselves against the benefits of doing so. Many object to cost-benefit analysis, regarding it as cold and mechanical, particularly the placing of monetary value on human lives. Sunstein accepts it is a rough instrument, but he argues that many of us implicitly use it. (Michael Skapinker Financial Times 2008-02-02)Sunstein writes engagingly, though in a way that scolds us a little for our irrational foibles; and he can illuminate very complex areas of rational choice theory--controversies about future discounting, for example (most of us prefer the certainty of $10,000 now to the certainty of a larger sum ten years hence, even adjusted for inflation), and commensurability (the assessment of such diverse consequences as monetary loss, moral loss and the loss of a zoological species in some common currency of analysis)--so that intelligent thought about decision-making in conditions of uncertainty is brought within reach of the sort of non-specialist reader who is likely to have a practical or political interest in these matters...Sunstein illuminates a whole array of difficult and technical issues: the logic of irreversibility, the basis of low-level probabilistic calculations, the "social amplification" of large single-event losses, different ways of taking into account effects on future generations and ways of thinking about the monetisation of disparate costs and benefits. (Jeremy Waldron London of Books 2008-04-10)From the Inside FlapNuclear bombs in suitcases, anthrax bacilli in ventilators, tsunamis, meteors hitting the earth: nightmares that were once the subjects of Hollywood movies are now frighteningly real possibilities. But how real are they--how should we assess their risks, and, if need be, take costly and risky measures to avoid them? How can we steer a path between being paralyzed by fear and and overreacting recklessly? Cass Sunstein assesses these scenarios and what legal and policy measures might be taken to counter them in this calm, carefully reasoned, and sensible primer. He first explores people's responses to worst-case scenarios and their susceptibility to two opposite behaviors: overreaction and neglect. These behaviors affect persons and governments alike. He then examines how private individuals and public officials might best respond to low-probability risks of disaster. Finally, he offers an understanding of the role of cost-benefit analysis, especially when we are facing harms that will not come to fruition in the near future. Throughout he uses climate change as a defining case, because of its significance and because it clearly illustrates underlying principles. But he also discusses terrorism, depletion of the ozone layer, genetic modification of food, hurricanes, and the avian flu. At the end, Sunstein concludes, we can drive ourselves crazy obsessing about these scenarios. On the other hand, if we spend some time thinking about them, keeping in mind a few simple principles and not acting precipitately, we can lead longer, safer, and happier lives. Cass R. Sunstein is Karl Llewellyn Professor of Law and Jurisprudence, The University of Chicago.