

The Administration of Anxiety

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Responses to the specter and experience of extreme events sometimes reveal the latent, submerged conflict in capitalist societies between the passions and rational interest calculations. The fear of disruption in life plans or the threat to one's own life can provoke behavior that might be more ritualistic than rational – herdlike behaviors that are comforting, if not necessarily effective in preventing or mitigating outcomes. That at least seems to be a lesson of my own experiences in dealing with threats of terrorism and natural disaster. So, despite the risk of half-truths based on anecdote and introspection, my views on risk management for extreme events are refracted through these experiences and focus on the social meaning of risk management practices and proposals.

Terrorism

A scene in a recent documentary on Israeli and Palestinian children in the mid-1990s, strikes a particularly resonant chord for me. Two Israeli twins discuss the relative safety of Jerusalem bus lines and decide to avoid the bus line I regularly used in 1992 and 1993. Although that line was bombed around the time I started riding it, I apparently decided the added risks did not outweigh the costs of taking a less convenient, less bombed one. I might have decided that the recency and saliency of the bombing would distort my judgement, so, unless I had all the safety-relevant data for the lines, there was no point in making a comparison. More probably, I was just following my Israeli neighbors' refusal (at the time) to change behavior or obvious choices in the face of terrorist acts. This was backed by the slippery slope argument that any changes would be surrender to terrorism and so encourage more of it, until there was nothing left to surrender.

I was more bothered that my efforts at another level to manage terrorist risks in Jerusalem had not succeeded very well. For two decades I had worked with organizations that advocated a two-state solution to the Israeli-Palestinian conflict and believed that the achievement of this vision would reduce violence between Israelis and Palestinians. The first Intifada – right at my bus stop – made it clear how far we were from putting the belief to a test. Arguably, without such groups on both the Israeli and Palestinian sides, there would have been more acts of violence and terror. A group's criticism that its own side's escalations were likely to weaken the influence of moderates on the other side may have restrained some would-be terrorists. However, the bombers and their handlers obviously were not restrained; they might have rejected compromise, believed it was unattainable or just enjoyed blowing people up. In any case, the bombing and other violence (by both sides) were indicators and elements of a worsening situation one tended to take as a given.

Earthquakes

From 1995 through 2001, I was the absentee owner of house on the San Andreas fault in California, and, until the last year, I paid a steep premium for earthquake insurance. Neither the house nor its contents suffered any damage during this period, although the occasional news of an earthquake in the area would catch my attention and prompt my telephoning a neighbor out there for details. Indeed, I was so existentially distant from earthquakes that when one occurred, while I was at the house for a few days, I first thought a subway train was rumbling by, until I sheepishly remembered there were no subways in the area. So only after spending a few

* Whether the use of terror indicates a group's commitment to maximalist goals or is a weapon of a weak party willing to bargain is a question just beyond the scope of the present remarks. Had the bombers thought terror would increase Israeli willingness to compromise choosing my bus line would have been a tactical blunder, since it ran between the most secular Jewish neighborhood in Jerusalem and the Hebrew University, two agitations of doves who were likely to become less dovish after the bombing.

months at the house could I decide to cancel the earthquake insurance. Those months provided some lived experience against which to assess the incidence of earthquakes. I also saw more clearly that the insurance was too costly, regardless of my risk estimates, since it was based on an exaggerated evaluation of the house and had a 15% exemption. But I was most convinced to cancel by my neighbors' practice. None of them, I discovered, bought the insurance; they all thought it too costly – although they had not calculated the potential benefits. One neighbor explained that in the extreme case of an earthquake destroying his house, he would rebuild with a low interest government loan.

Common Threads

Despite my acquaintance with risk assessment methodologies, my responses in both cases, like my neighbors', depended more on a community standard that was not grounded in any formal risk assessment. In retrospect, our behaviors look like (collective) denial, a defense mechanism and means of coping with fear. It resembles the phenomenon of group think that psychologist Irving Janis years ago blamed for many miscalculations by government decision-makers and their dismissing alternative conclusions drawn from the same information, e.g., U.S. analysis of Japanese intentions before Pearl Harbor, US commitments to South Vietnam before Tet. On Janis's view, decision-makers when dealing with large moral dilemmas are likely to feel overwhelmed; so they will seek support from one another and value consensus over potentially divergent rational analysis.

Second, my Jerusalem neighbors and I responded to terrorism like we would to potential natural disasters – treating it as random, blind threats, possibly prevented by police measures (compare to preventing floods by damming rivers), and with risks that might be reduced (say by riding another bus), diverted or mitigated. Our discourse constructed the terrorist as a force of nature, e.g., the religious fanatic beyond recall. This characterization could be the conclusion of a long, hard look, but it is interesting how soon we make it and to what end. In so redrawing the boundaries of humanity, are we not reducing social facts to natural ones? That approach, I believe, removes terrorism from its context of an ongoing struggle between political communities, where terrorist acts may reflect the intensity of the struggle and the weakness of the forces that seek a political solution. By decontextualizing the terrorism directed at it, a community can deflect examinations of its own actions that led up to the events and unambivalently pursue its response to the acts. Ironically, the characterization of natural disasters as “natural disasters” similarly decontextualizes those extreme events; it erases the prehistory during which economic and social development of an area increases the vulnerabilities and values at risk. After all, houses, developed towns and fragile infrastructures do not arise by themselves next to major earthquake faults.

Risk Assessment and Management

In the abstract, the practice of risk assessment and management, viz., prevention, mitigation, insurance, supports public trust, individual initiative and new enterprise formation in the face of the otherwise unknown. It is part of a collective mentality with a more optimistic, more resourceful way of dealing with the future than one that thinks human sacrifice will propitiate angry gods. I call such mentality (itself part of the domination of nature project) the *illusion* of control, because the assurance that it provides often exceeds what is warranted by our present state of knowledge and resources. Extreme events reveal these limits, not just with respect to their unpredictability – any New Englander knows about, but can live with, fallible weather reports. Rather the lack of control is evident in the cost of these events and more importantly in the suspicion that some of

* Janis's *Victims of Groupthink: Psychological Studies of Decisions and Fiascoes* (1st ed. Boston: 1972) was a period piece, directed primarily against US involvement in Vietnam, reflecting the Freudian bias in political psychology and the Kohlberg moral dilemma studies. Decision theorists have criticized Janis on grounds that the miscalculations he cites can alternatively be attributed to the poor human capabilities for statistical processing and inference, for which there is strong experimental evidence (as opposed to the voluminous anecdotal evidence for Janis). Nevertheless, the group dynamics that Janis describes and the frequent repetitions of them in the next thirty years support an emotion based explanation.

their extremeness is endogenous to socio-economic development. The damage to infrastructure caused in the first instance by an earthquake may become part of a cascade of events that multiplies the damage. Globalization processes provide larger targets for disruptive attacks on economic and information networks, while at the same time giving greater motives and means to mount these attacks.

The idea that socio-economic development might be sowing the seeds of extreme events raises in turn for me questions of social equity in how their risks are assessed, managed and insured. I assume that most contemporary economic policy in the capitalist world, especially in the United States, is based on trickle down in one form or another. While income and wealth disparities grow, business leaders are celebrated for creating new opportunities for the masses as either workers or consumers. The lesson is the system can benefit everyone, although it benefits some more than others. However, as recent debacles show, most notably Enron with respect to both its handling of pension funds and its input into the Cheney energy program, a feature of the system is the privatization of gains and the socialization of risks. This feature is easily ignored when a) people are forced by economic necessity to live in places most vulnerable to natural disasters, e.g., flood plains, substandard housing, and b) efforts to reduce or divert risks of natural disasters uproot the communities of the poorest and least politically effective. Will it become more noted when people believe they might be random targets of a terrorism that is aimed at a global capitalist system increasingly detached from any one nation's interests? I think so, even though there has been little controversy over using the 9-11 victim's income as the basis of federal government payment to her survivors.

Enter the State

Traditional institutions and instruments for risk management have reduced some need for a night-watchman state to stabilize markets, but they have typically relied on the state to reduce the costs of covering extreme events. States have a wide repertoire of means for this: ability to organize large scale civil engineering projects that deflect damage, authority to create and enforce regulations that reduce damage, personnel to respond to disaster, capital for reconstruction, military, police and intelligence capabilities for apprehending or deterring terrorists. Indeed the state is expected to perform such tasks; when it does not and public anxiety or suffering persists, it is seen as ineffective, inefficient or uncaring and loses legitimacy. As demonstrated by the fall of the Somoza regime following its failure to respond to an earthquake in Nicaragua, this is not a trivial matter. So, if 9-11 has introduced a new dimension of risks which make reinsurers reluctant to cover new projects in crowded urban centers, the entry of national governments as insurers of the last resort would in a sense just extend the relationship of state and private capital.

Yet, more risk management by the federal government could make private capital anxious. Note, according to the Bible, Joseph's famine insurance program led to the Pharaoh owning all the land in his kingdom. Note also the problem of pricing the insurance might introduce a more far reaching public discussion of the distribution of risks, burdens and benefits in our society. Should the price reflect the probability of terrorist damage to the insured or also include some assessment for the reduction of that probability through military and police actions against (potential) terrorists? For the time being, the general public has accepted that we are equally at risk with respect to our lives and our freedom (of movement, for example), but it is also apparent that where some people work or what they do puts them at greater risk. Yes, a surcharge on airline tickets to cover added costs of airport security reflects some consideration of the problem, but also decontextualizes it.

One last anxiety: if terrorism puts us all at risks for our lives and life plans and if the democratic state is a principal risk manager, then do we not all have equal claims on how it should manage the risks? Might not the current situation require the creation of something resembling sociologist Jurgen Habermas's "ideal speech community" where anyone can voice her claims and a collective decision is reached through the force of logic alone? If such a forum could be

implemented, the output would be legitimate (universally acceptable), but, as Habermas acknowledges, not necessarily efficient.

* Jurgen Habermas, *Legitimation Crisis* (Boston: 1975), more than a period piece and less than a classic, was a response to Nicholas Luhmann's functionalist theory of society. Habermas argues that questions of "right" or "justice" transcend the functional autonomy, justified by their efficiency, of the various spheres of modern society. His notion of the "ideal speech community" has strong connections to John Rawls's "original position"