Abstract

This report is a discussion of risk mitigation measures and their cost effectiveness. US data have shown a very large variation across hazards in this respect. We present eight case studies which confirm the suspicion that the situation is similar in Sweden. The eight cases illustrate a variation in life value in the range SEK 500–SEK 150 millions. We discuss risk perception and risk communication research; substantial issues as well as some methodological problems in risk perception and CV (contigent valuation) methodology. We point to the importance of criticism of CV, recently published in works by Kahneman and others, which has shown that CV responses seem to have properties in commom with attitude judgments and lack most of properties required by economic theory. The eight cases, finally, tentatively demonstrate the importance of moral aspects (whose fault is the risk?), of societal structure (some risks can only be regulated by a major social change), of the economic self-interest (i.e. the mitigation of some occupational risks would demand too much of firms) and of risk denial (people have a strong tendency to deny risks to themselves). The media have an obvious mediating role in all this but do not create the phenomenon of unbalanced risk mitigation.