

The Psychology of Risk

Risk surrounds and envelops us. Without understanding it, we risk everything and without capitalising on it, we gain nothing. Since the first edition of *The Psychology of Risk* there have been enormous macro-economic and socio-political changes globally – the chaos in the world banking system and the financial crisis and recessions that it presaged; the Arab Spring and the revolutionary shifts in power in the Middle East with rippled consequences around the world; the development of ever-more sophisticated cyber-terrorism that can strike the private individual or the nation state with equal ease. Amidst these changes in the face of hazard, do the psychological models built to explain human reactions to risk still apply? Moreover, has the research over the last few years resulted in an improvement in our understanding of how people perceive and act in relation to risk? In this second edition Breakwell uses illustrations and current examples to address these questions and provide a totally up-to-the-minute review of what is known about the psychology of risk.

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Second Edition

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This book is dedicated to the memory of my father, Harold Breakwell (1925–2013), whose approach to risk was truly unpredictable and inspiring.

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Preface to the second edition

Risk surrounds us, it envelops us. It is our personal and societal preoccupation and our salvation. Without understanding it we risk everything, and without capitalising upon it we gain nothing. This book comprehensively explores the psychology of risk. This entails examining how individuals think, feel and act about risks but, as importantly, it includes analysis of institutional and societal assessments, rhetorics and reactions to risks.

The object of this book is to provide a detailed overview of the empirical research that has been conducted on the psychology of risk and to piece together the theoretical and practical implications of the data. It is not representing a single theoretical model or standpoint. It is designed to be critically inclusive – that is, to offer a review of the full variety of explanations that have been developed and to present their respective pros and cons. There is no theoretical monolith that can currently encompass all of the interesting questions concerning the psychology of risk. Perhaps there never will be since risk and its corollaries are so multi-faceted. However, there are many medium-range explanatory models and these are all considered here.

While no single analytical model is privileged in the book, it does have a metatheoretical perspective that underlies it. This is an approach to the development of psychological theory which is described in Chapter 1. It essentially calls for an approach to the creation of explanatory models in psychology that provides an integrated analysis at a variety of levels from the individual (in terms of cognition, emotion and action) through the interpersonal and institutional (in terms of structural and processual determinants of influence and control) to the societal (through physical and ideological contexts). This approach to the evaluation and development of psychological theory informs the evaluation offered of each of the medium-range models presented in the account of the psychology of risk contained in the book.

The book is organised into chapters that reflect major issues in the psychology of risk: hazard perception, individual and group differences in risk perceptions, decision-making about risks, risk and emotion, risk communication, errors, accidents and emergencies, risk and complex organisations, the social amplification and social representation of risk and, finally, changing risk responses. In some senses, the presentation is linear and cumulative (each chapter builds upon its

predecessors) in that, for instance, it is easier to understand issues concerning decision-making regarding risk if the groundwork on hazard perception is established. However, each chapter should provide a coherent analysis of its topic and be capable of standing alone, and it is possible to dip into the book selectively for specific topics. This is relevant because the book should be useful to different audiences, ranging from the student who wishes to understand the latest methods of risk analysis to the professional who wishes to know how better to manage risk or communicate about it. In order to help readers navigate selectively through the book, each chapter has a succinct preview that summarises its contents. Taken together, these previews offer a conceptual map of the book. Since models of the psychology of risk can sometimes be highly complex and formulated in abstract ways, the book uses illustrations and examples wherever possible to bring to life the significance of the research findings. Boxed information is presented to highlight important or interesting aspects of the arguments and illustrations.

Examination of the research on the psychology of risk proves that we are still very far from understanding all that we need to know about this topic. This book presents much of what is known. In doing so, it becomes only too clear that there are many fascinating questions still to be answered.

Since the first edition of *The Psychology of Risk* was published in 2007, the world has changed. The world is always changing but the years since 2007 have seen enormous macro-economic and socio-political changes globally – the chaos in the world banking system and the financial crisis and recessions that it presaged; the Arab Spring and the revolutionary shifts in power in the Middle East with rippled consequences around the world; the development of ever-more sophisticated cyber-terrorism that can strike the private individual or the nation state with equal ease. It is hard to believe that only six years have passed. The fundamentals of the risk associated with hazard may be constant (though this is open to debate). However, hazard and risk for most people might be said to be manifesting themselves in new guises now. The question then arises: amidst these changes in the face of hazard, do the psychological models earlier built to explain human reactions to risk still apply? Do they need to be modified? Moreover, has the research over the last few years resulted in an improvement in our understanding of how people perceive and act in relation to risk?

This second edition of *The Psychology of Risk* presents a general update of all chapters to reflect recent research findings and explains how theoretical models have been developing. In addition, the presentation style has been streamlined and examples have been refreshed to ensure greater contemporary relevance – dealing specifically with some of the macro-economic and political changes that have occurred recently.

A substantial revision of four chapters has been incorporated. In Chapter 4 on risk decision-making besides a more elaborated explanation of Cumulative Prospect Theory, there is a new section on financial decision-making and

a discussion of the ‘nudge’ approach to behavioural change. In Chapter 5, on risk and emotion, the burgeoning empirical studies of the ‘affect heuristic’ are summarised and the ‘dual processing’ model (one process embedded in an intuitive, experiential, affective base, the other embedded in formal propositional information-processing) leading to risk reactions is described. In Chapter 7, on errors and accidents, emergencies and disasters, and in Chapter 8, on risk management, examples from recent disasters (including the Fukushima Daiichi nuclear accident; the BP Deepwater Horizon explosion; and the 2008 Financial Crisis) have been used to highlight the way psychological models of individual action must be seen against the broader frameworks of models that deal with organisational or societal responses to risk in order to achieve a comprehensive understanding of the reactions that occur. Concepts like ‘Black Swan’ and ‘Perfect Storm’ are explained. The significance of developing models of risk response that include the potential role of adversaries is considered.

Like the earlier edition, this book attempts to be inclusive in coverage of the major models of the psychology of risk, portraying each accurately and without bias. There is, however, an undoubted preference in my own theorising for models that analyse the interaction between the individual and societal processes in shaping risk reactions. In particular, I believe Identity Process Theory (Jaspal and Breakwell, 2014) offers a good framework for analysing this dynamic link. I am convinced that the structure and processes of the individual’s identity are massively influential determiners of their responses to risk. I am equally convinced that these individual identity processes are developed and influence action in interaction with material and societal constraints. The implications of this proposition are highlighted at points throughout the book – more explicitly than in the first edition.

Glynis M. Breakwell

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