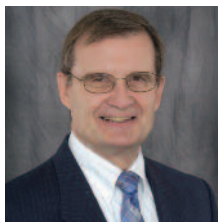


The Persistence of Risk



PHILIP R. SHARP
PRESIDENT

Risk and uncertainty will always pose a challenge for policy, obliging us not only to relearn the same lessons over and over, but to learn new ones as well. Grappling with these challenges requires continued research—theoretical advances, sophisticated policy analysis, and policy innovation. For over 50 years, scholars at Resources for the Future have undertaken this important work, and for 50 years, *Resources* has helped communicate that work to a broad audience.

Recently, as I looked over one of the early issues of *Resources*, I noticed a reference to a 1959 report coauthored by the late Gilbert White, who would go on to chair RFF's Board of Directors, on floodplain management. That study noted the failure of developers to account sufficiently for flood risk, and added that the forces influencing development in dangerous areas are "incapable of prolonged pessimism, even where catastrophic loss has been experienced."

Today, this issue remains a pressing one for policymakers. Roger Cooke and Carolyn Kousky address catastrophic events and show why they pose such a difficult challenge, with federal flood insurance providing a cogent example. They show that "fat tails," "microcorrelations," and "tail dependence" are statistical concepts that decisionmakers will ignore at their, and our, peril.

The White study also pointed out that the data available to policymakers on flood risk were "ill-related and confused." Data inadequacies continue to hinder the development of effective policy five decades later. Sandra Hoffmann's contribution reveals how data gaps bedevil our efforts to craft a better food safety system in the United States.

New challenges are emerging as well, such as "nanotech." Terry Davies' article provides a succinct overview of how the uncertainties and potential risks from these emerging technologies are testing the limits of our current regulatory structure. He argues that as the nature of the risks we face evolves, so must our approach to regulating them.

RFF launched *Resources* in 1959, which makes this year its 50th anniversary. It began as a simple newsletter to disseminate "findings and conjectures from recent research into resource and development use" and quickly gained popularity with readers. Over the years it has gone through many changes, but it remains our flagship publication. Today, it is mailed to over 14,000 subscribers in the United States and throughout the world. Many more read it online. Its durability is a testament to the power of RFF's mission—informing policy through the highest-quality research.



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