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The Attractiveness of Risk

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Risk is not always nasty. Risk can be the cost of opportunity, of course; but sometimes risk is regarded not as a cost at all, but as a close attendant of pleasure. Many things that people invest considerable time and resources in would not be pursued at all if not for the attendant risk.

Attempting to offer clarification of the role that risk plays in human affairs is thus itself a risky business. People largely want to avoid unnecessary risk except when they deliberately seek it out. One might be tempted to say that people are funny that way.

In what follows, I shall attempt to undermine the temptation to say this. I shall argue that there is nothing at all odd or funny about the fact that people are sometimes drawn to and sometimes repelled by risk. I would contend, further, that a clear understanding of the way value enters human affairs not only allows but requires this.

Risk is not the opposite of opportunity. In both direct and indirect ways, risk and phantasms of risk may well attract us. Michael Thompson has called attention to the interesting story of the Sherpas of the Himalayas:

The Sherpas of Khumbu, the high valley below Mount Everest, have long engaged in the risky business of Himalayan trade, and indeed they actually moved into this previously uninhabited region in order to take advantage of the trading possibilities that it offered. They have carried on this business in an adventurous and individualistic way, and in recent years they have extended these same social techniques to the opportunities offered by the development of mountaineering and tourism . . . there is . . . [a] . . . cheerful acceptance of appalling risk. The chances of being killed in high standard Himalayan mountaineering are currently around one in six per year, which is nine times more dangerous, according to the tables so assiduously compiled by occidental students of the subject, than being president of the United States.

(from "To Hell with the Turkeys! A Diatribe Directed at the Pernicious Trepidation of the Current Intellectual Debate on Risk," in Douglas MacLean (ed.), *Values at Risk* (Totowa, New Jersey: Rowman and Allanheld, 1986), pp. 113-35; p. 116).

The Sherpas have plainly made themselves specialists in seizing economic opportunity from extremely risky situations. But lest the impression be left that the

Sherpas are somehow alien in this cheerful acceptance of risk, it is important to note the centrality of risk acceptance (and social rewards for risk acceptance) in every society that has ever existed. In our own, risk acceptance has become so fully incorporated and stylized into the normal workings of society that it is often not noticed. But anyone who goes into business for himself or herself, anyone who invests in the market, is undertaking risk. Where such investment leads to the production of goods and services deemed valuable by consumers, the risk-taking is rewarded. As is well known, there are many more business failures than successes. But knowledge of this has not stemmed the flow of investors. They keep coming, not like lemmings, but like Sherpas.

The risk takers in our own society are not limited, of course, to players on the market. For better and for worse, risk-taking pervades all parts of our society. Where goods and services have been deemed unacceptable, and have been banned, the stakes of providing those services are thereby raised. It becomes more risky to be a prostitute or to sell drugs, for example. As these practices become more risky, and if the goods and services in question continue to be demanded, the social rewards attached to their provision go up—the goods and services become more expensive, and thus serve as temptations to those who are prepared to take the associated risks.

It has become commonplace to distinguish between risk-takers, on the one hand, and the risk-averse, on the other. But we are all risk-takers to one degree or another, not only in our willingness to take risks in order to achieve further ends, but also in our attraction to risk as such. Some of us are sky-divers, while some of us wouldn't even think of undertaking such a plainly risky activity. But even among those who don't even feel comfortable flying in airplanes, there are those who like roller coasters, those who like horror films, those who, in short, enjoy playing with small phantasms of risk. As far as personal motivation is concerned, it is extremely implausible to contend that risk is embraced only for the instrumental production of something else. People often embrace risk for the same reasons they eat ice cream: they enjoy it. So, while it may be true to say that even the sky divers are engaging in risk only because it produces pleasure, it is quite unhelpful to say this. Risk is, in such circumstances, in the same company with all positively regarded activities.

There may very well be a biological or social explanation for the general attractiveness of risk, but that would support, rather than detract from, my thesis: There

is nothing at all odd about the fact that people are sometimes drawn to risk. This is because risky situations often offer opportunities for the achievement of ends that could not otherwise be achieved. Entrepreneurs, whether in the Himalayas, in Southy, or on Wall Street know this,

which is why they engage in risk; successful societies at least implicitly know this, which is why they encourage and reward risk-taking; and it may be that biology "knows" this, which would account for the fact that risk holds some degree of attraction for us all.