YUMA Pacific AIHA

Risk Concepts

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Benjamin Lee Whorf

The commonly held belief that the cognitive process of all human beings possesses a common logical structure which operates prior to and independent of communication through language is erroneous.

Whorf

Linguistic patterns determine what the individual perceives about the world... and therefore, what the individual thinks about the world. Since these patterns vary widely, modes of thinking and perceiving in those utilizing different linguistic systems results in different world views.

Whorf

We are thus introduced to a new principle of relativity which holds that all observers are not led by the same physical evidence to the same physical picture of the universe...unless their linguistic backgrounds are similar.

Whorf

We cut up and organize the spread and flow of events because, through our mother tongue, we are parties of an agreement to do so, not because nature itself is segmented in exactly what way for all to see.

Eskimo Words to Describe Snow

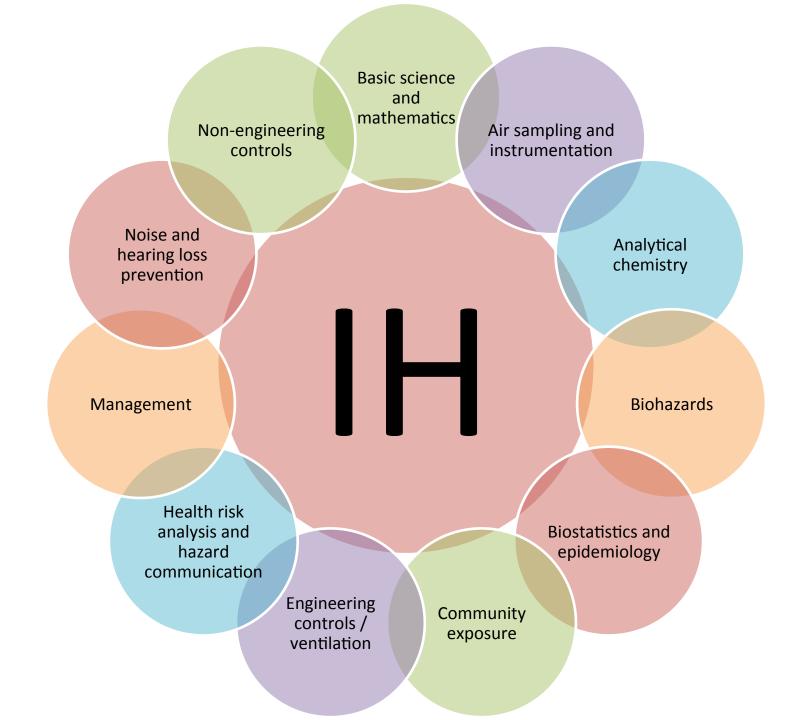
Powder	Partially melted	Snow bricks
Crusted	Slush	Marked by wolves
Drifting	Accumulating	Marked by Eskimos
Still	Snow vapor	Small flakes
Large wet flake	Ordinary	Sparkling
Melted and refrozen	Blinding	Melting
Blowing	Night snow	Death drift
Packed	Snow at dawn	Burning snow

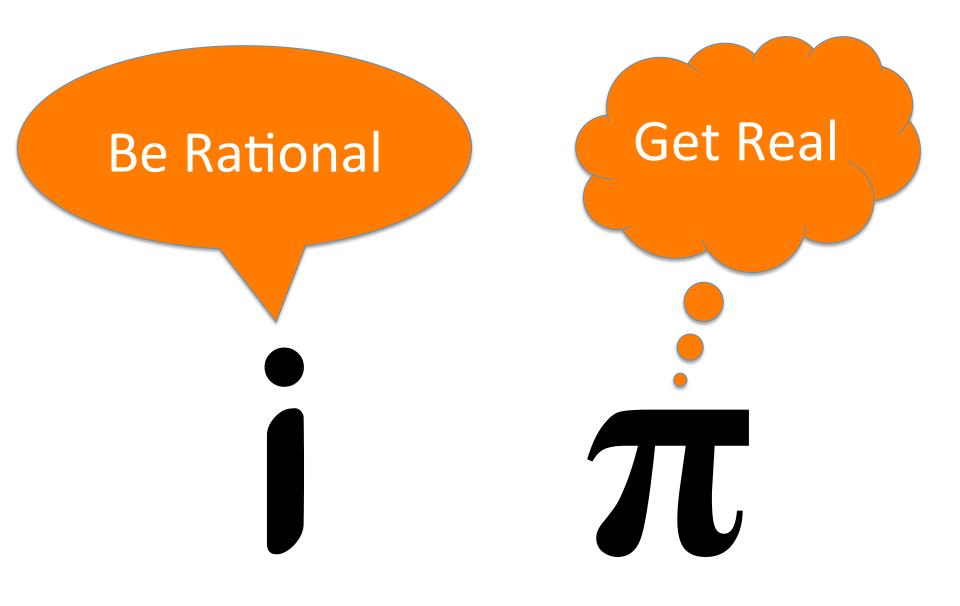
Indo-European (this is us)

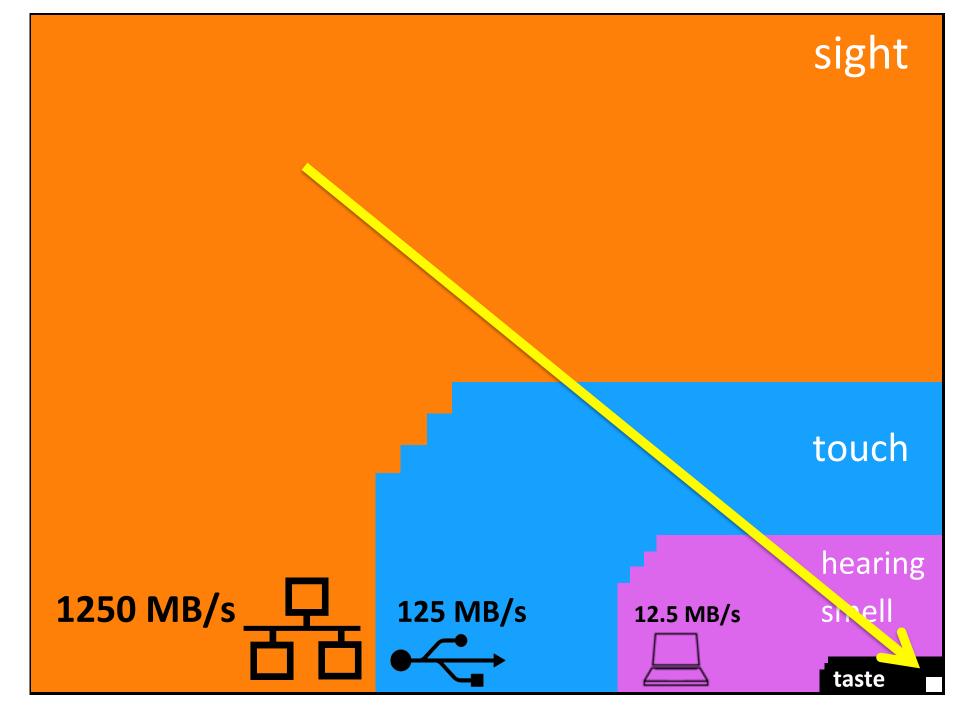
- Indo-European languages emphasize time.
 - Past, present, future
 - Keeping of records, mathematics, chronology
 - Time as used in physics
 - Interest in the past archaeology

Hopi and Nootka (Vancouver Island)

- Distinction between past, present, and future does not exist.
- There are no distinction between tenses, but only an intonation of fact, memory, expectation or custom
- Timelessness time is not a concept understood











What is Risk

1 in a Million 1 in 10 Million Six Sigma 10 Sigma 6% Once in 100 years

Probability and Risk

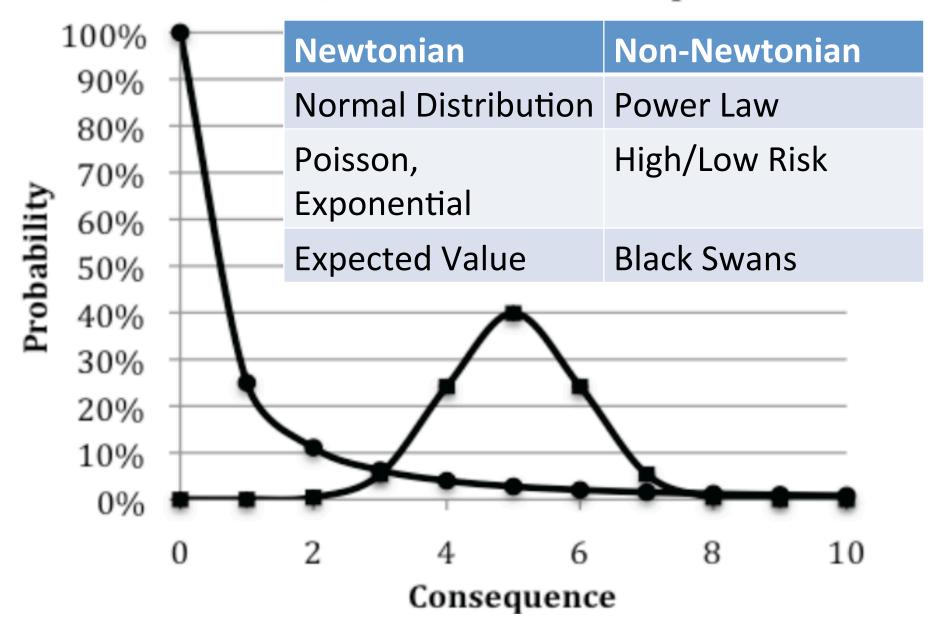
 This year, at least one of your family members will develop one of the most deadly diseases known to man.

Probability and Risk

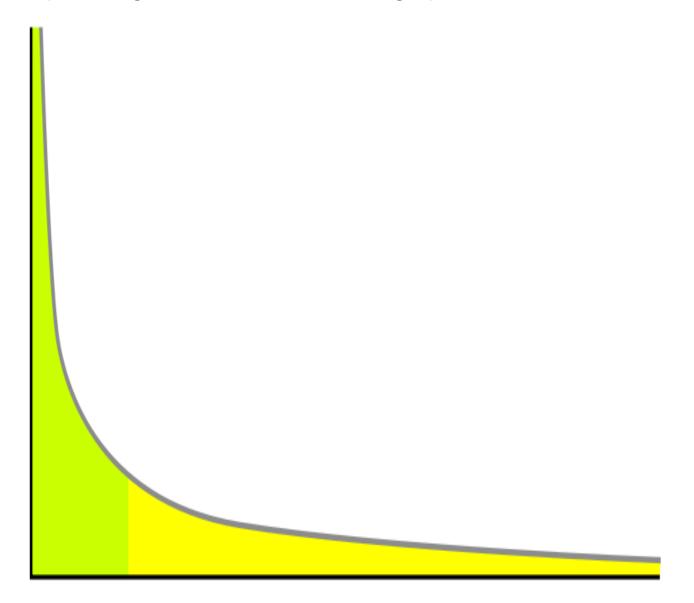
 This year, at least one of your family members will develop the flu.

Risk Score Calculation			RISK SCORE		
PROBABILITY (P)			PxFxS	RISK LEVEL	
0.5 ONLY REMOTELY POSSIBLE	1 VERY RARE	1 NEAR MISS	0 to 12	1	
1 VERY UNLIKELY	1.5 RARE	3 MINOR	13 to 84	II	
2 UNLIKELY	2 UNUSUAL	7 MODERATE	85 to 160	III	
4 UNUSUAL BUT POSSIBLE	3 OCCASIONAL	15 SERIOUS	161-600	IV	
6 QUITE POSSIBLE	4 DAILY	40 SEVERE	601 to 1600	V	
8 VERY LIKELY	6 REPETITIVE	100 CATASTROPHIC	1601 to 4800	VI	

Bell Curve, Power Law vs. Consequence



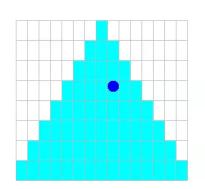
Earthquake magnitude distribution showing a power-law behavior over 6 decades.



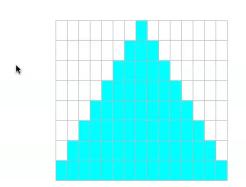


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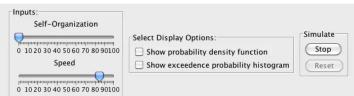
Galton-Watson Bean Machine 1.1



Galton-Watson Bean Machine 1.1

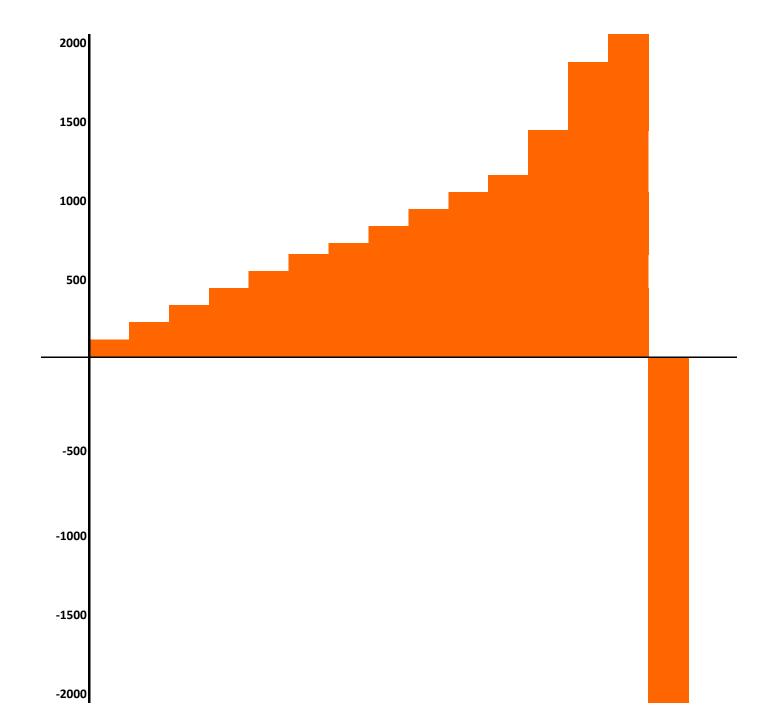


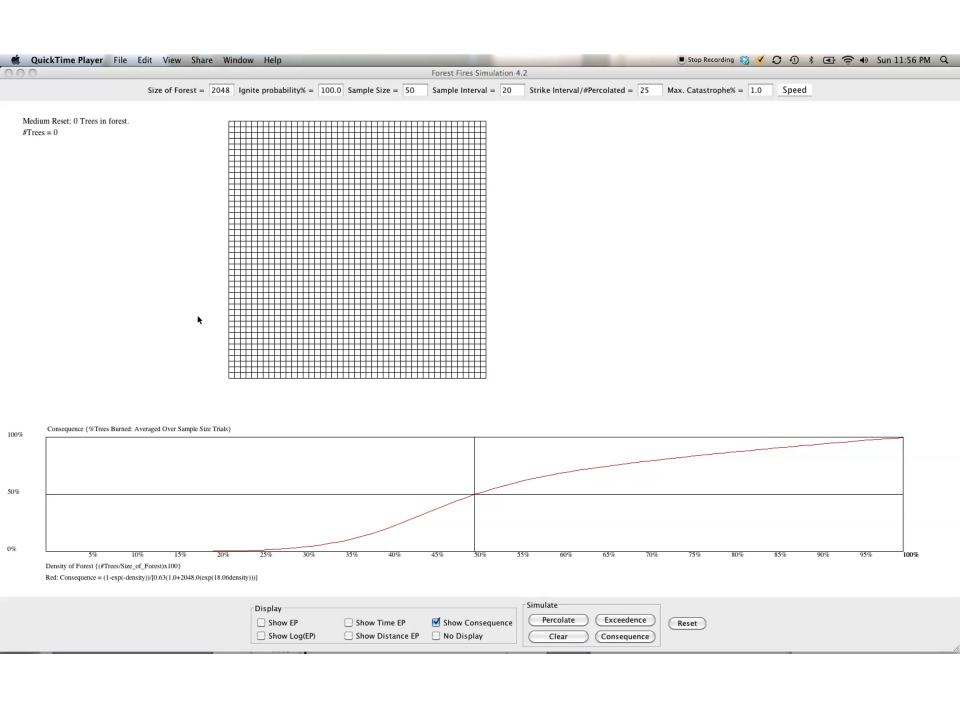
Newtonian	Non-Newtonian
Equi-likely events	Lop-sided events
Regression to mean	No mean value
Vanishing extremes	Non-zero extremes



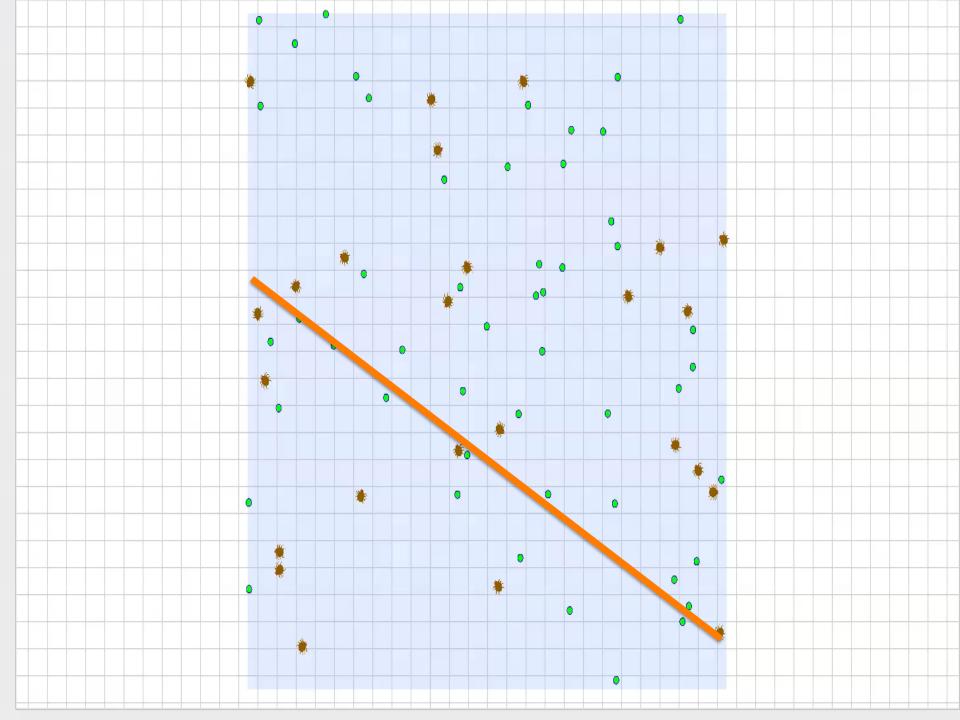


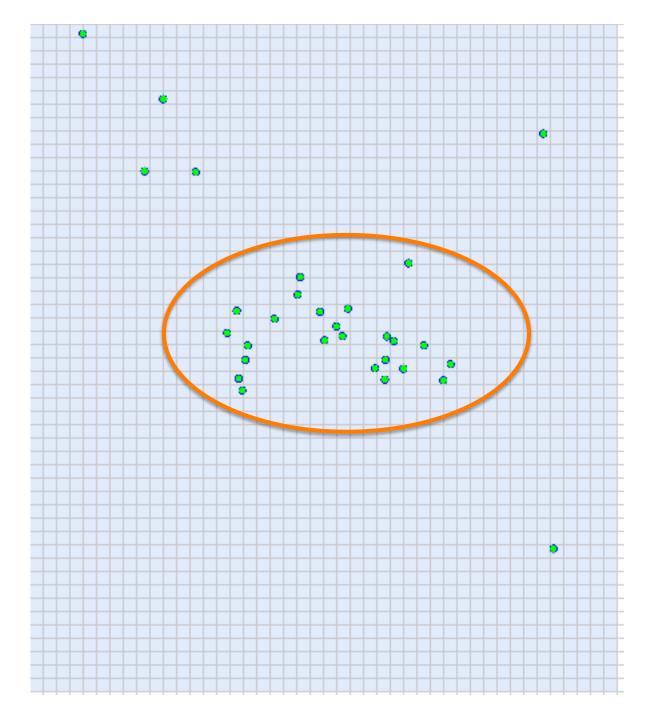


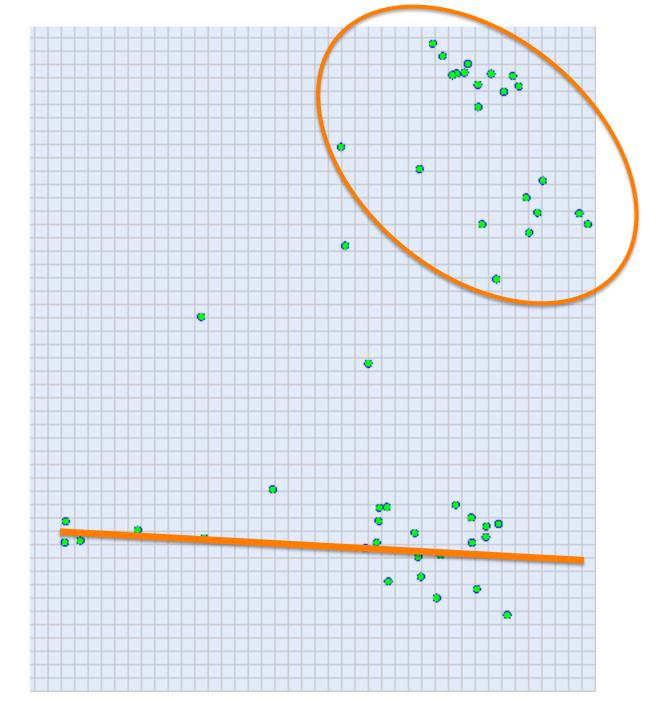


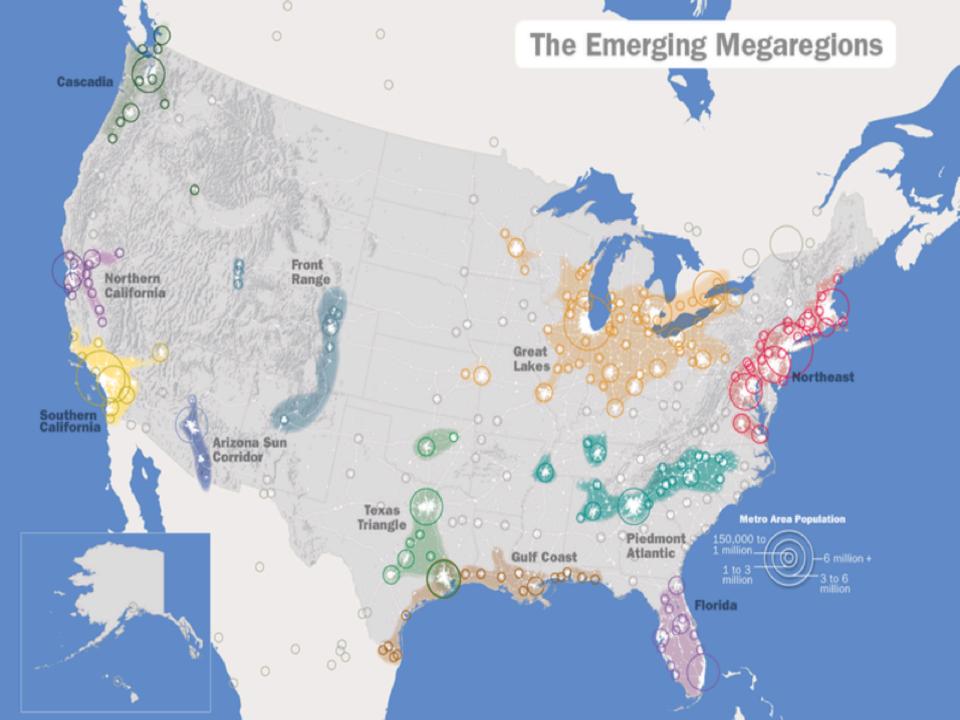








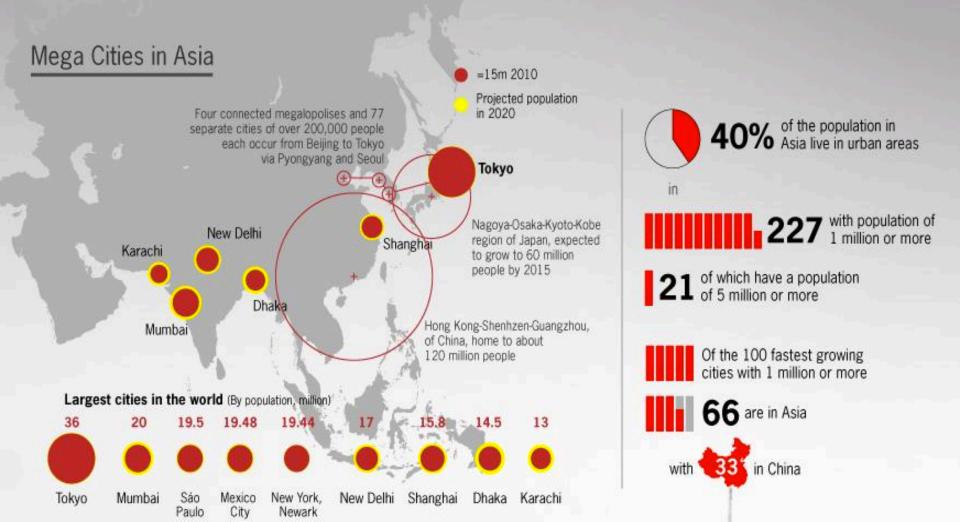






The rise of the Megaregion

As metropolitan cities continue to grow at incredible rates alongside each other across the globe, their boundaries start to blur. This has given rise to a new scale of geography known as "megaregions". These vastly populated settlements have interlocking economic systems, common natural resources and shared transportation links. But they also have shared problems...



2007

		Population (Thousands)	
1	Tokyo	35,676	
2	Mexico City	19,028	
3	New York-Newark	19,040	
4	São Paulo	18,845	
5	Mumbai	18,978	
6	Delhi	15,926	
7	Shanghai	14,987	
8	Kolkata	14,787	
9	Buenos Aires	12,795	
10	Dhaka	13,485	
11	Los Angeles-Long Beach-Santa Ana	12,500	
12	Karachi	12,130	
13	Rio de Janeiro	11,748	
14	Osaka-Kobe	11,294	Ì
15	Cairo	11,893	i
16	Beijing	11,106	
17	Manila	11,100	
18	Moscow	10,452	b
19	Istanbul	10,061	

: Cities located near a large water body (sea, river or delta)

Source: UN-HABITAT 2008

Data from UN Population Division, World Urbanization Prospects 2007.

Figures for 2025 are projections.

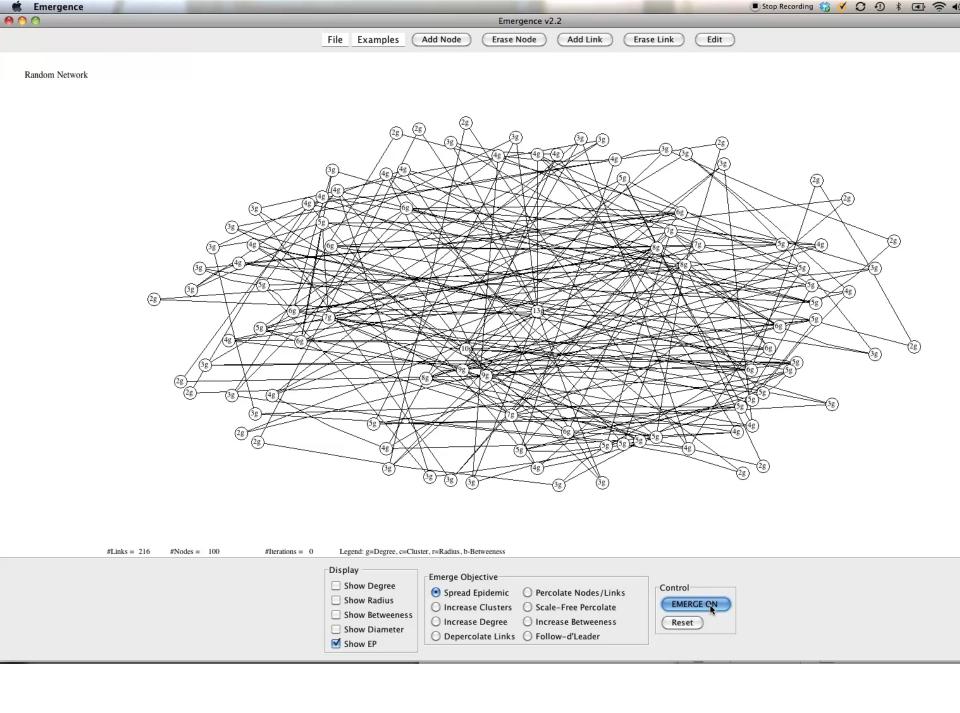
Note: Population figures are for urban agglomeration, not city proper.

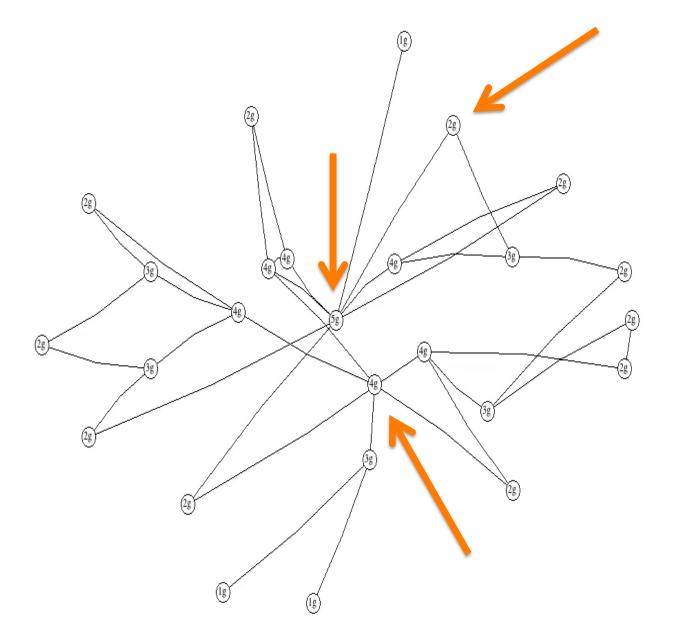
2025

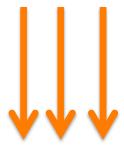
		Population (Thousands
1	Tokyo	36,40
2	Mumbai	26,38
3	Delhi	22,49
4	Dhaka	22,01
5	São Paulo	21,42
6	Mexico City	21,00
7	New York-Newark	20,62
8	Kolkata	20,56
9	Shanghai	19,41
10	Karachi	19,09
- 11	Kinshasa	16,76
12	Lagos	15,79
13	Cairo	15,56
14	Manila	14,80
15	Beijing	14,54
16	Buenos Aires	13,76
17	Los Angeles-Long Beach-Santa Ana	13,67
18	Rio de Janeiro	13,41
19	Jakarta	12,36
20	Istanbul	12,10
21	Guangzhou, Guangdong	11,83
22	Osaka-Kobe	11,36
23	Moscow	10,52
24	Lahore	10,51
25	Shenzhen	10,19
26	Chennai	10,12

	Asset/Sector	Consequence	Exponent
	S&P500	\$Volatility	3.1-2.7
	Large Fire in Cities	\$Loss	2.1
	Airline Accidents	Deaths	1.6
	Tornadoes	Deaths	1.4
ISK	Terrorism	Deaths	1.4
Low Risk	Floods	Deaths	1.35
Lov	Forest Fires in China	Land Area	1.25
	East/West Power Grid	Megawatts	1
	Earthquakes	Energy, Area	1
	Asteroids	Energy	1
	Pacific Hurricanes	Energy	1

	Asset/Sector	Consequence	Exponent
	Hurricanes	\$Loss	0.98
	Public Switched Telephone	Customer- Minutes	.91
	Forest Fires	Land Area	.5466
sk	Hurricanes	Deaths	.58
n Ri	Earthquakes	\$Loss	.41
High Risk	Earthquakes	Deaths	.41
	Wars	Deaths	.41
	Whooping Cough	Deaths	.26
	Measles	Deaths	.26
	Small Fires in Cities	\$Loss	.07









Eculture

Experience

Decision-making Language Risk Rehavior-Action Communication

Decision-Making

History 💆

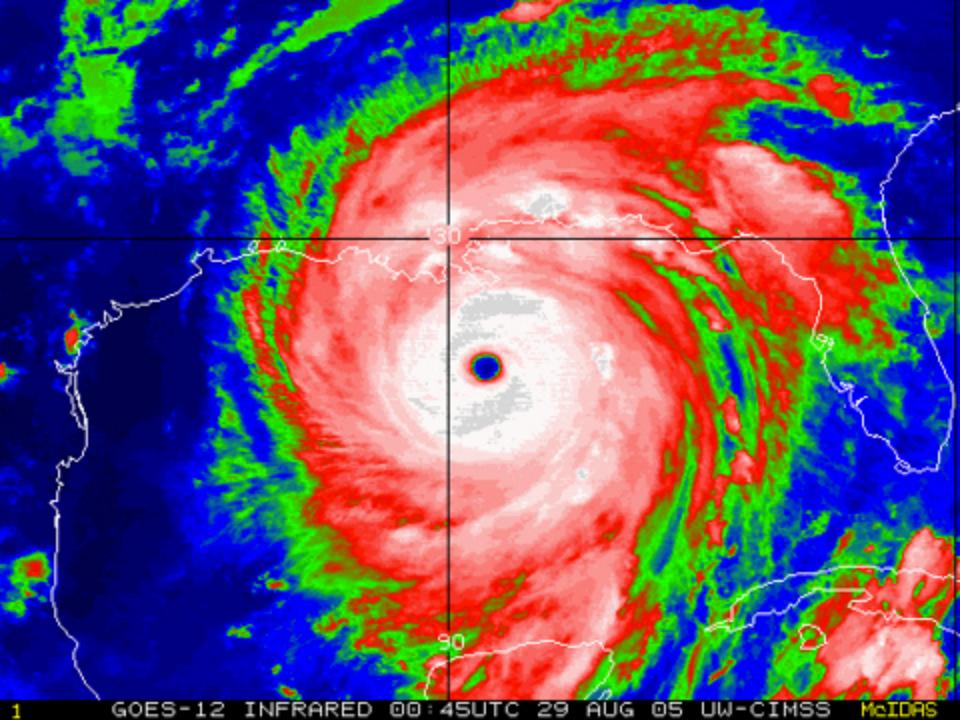
Education

Risk

- Probabilistic
- Historical
- Part of a broader human experience
- Not a fact
- Time-Based (Association Bias)
- Subject to anchoring
- Nonlinear and non-Newtonian

Probability

- Laplace
- Pascal
- Newton
- Particular problems with low probabilities
 - Little experience
 - Tend to think of low probability events as "rare"
 - 1 in 10,000,000
 - 1 in 17,600,000
 - 1 in 50,000,000
 - 1 in 100 Billion



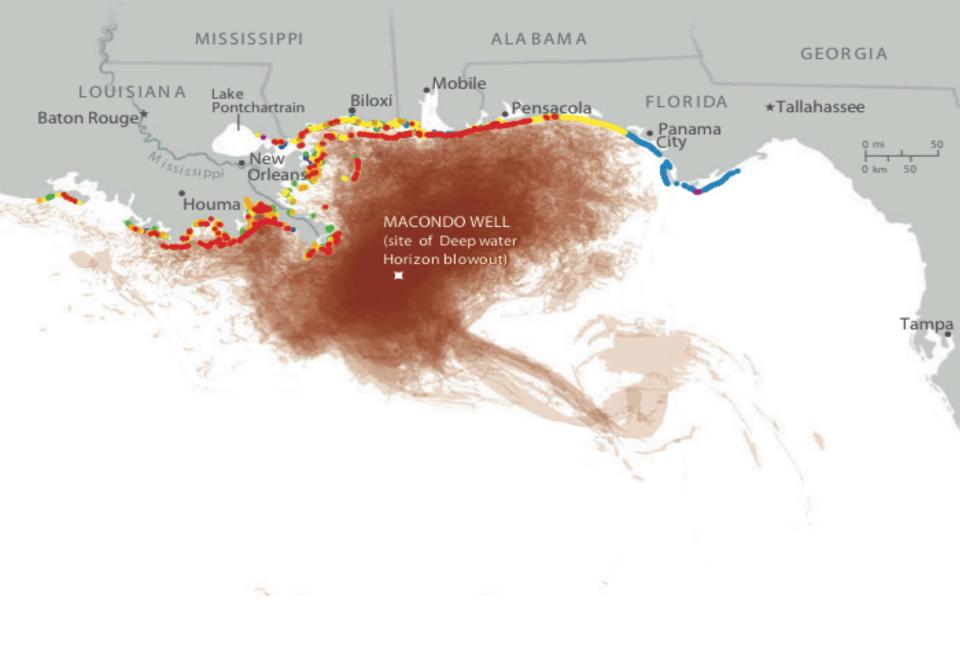


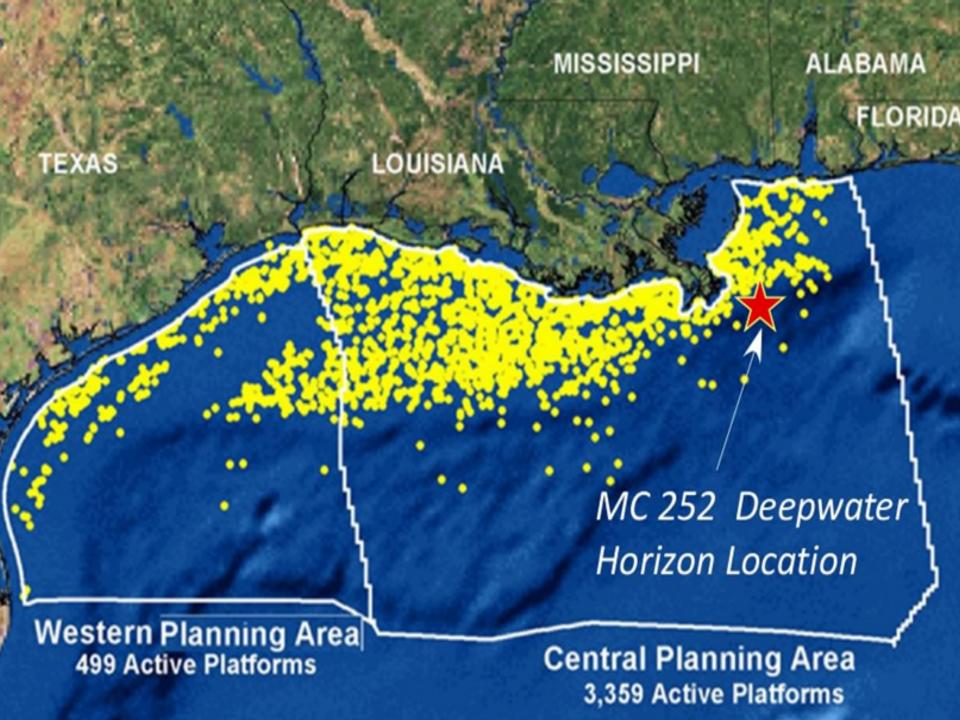




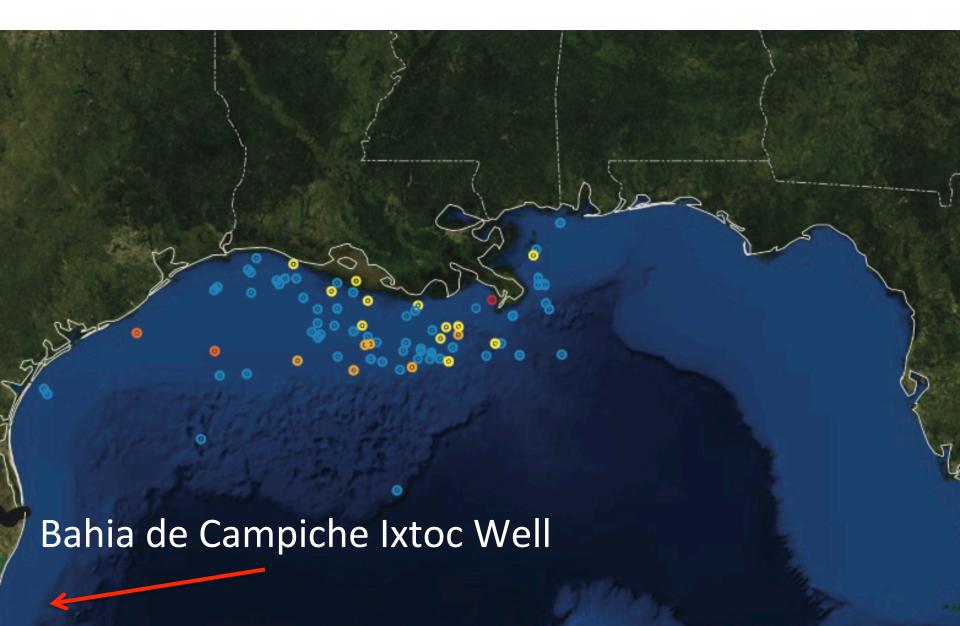








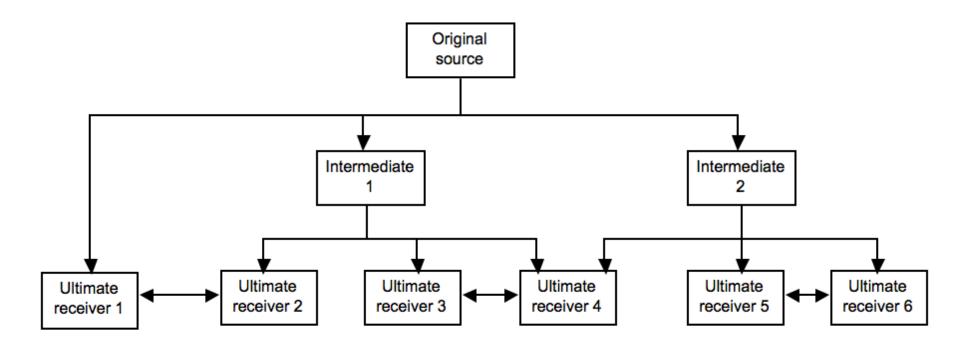
Well-Flow Control Incidents (1996-2009)



Consequence

- Injuries per year (time dependency)
- Deaths per year (time dependency)
- Loss of life expectancy (time dependency)
- Environmental damage (ecology network food chain)
- Loss of market share (business network)
- Damage to reputation (social networking)





Source: Lindell & Perry (2004).



Social Media Landscape

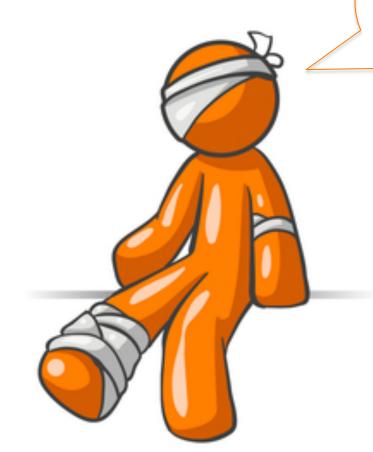


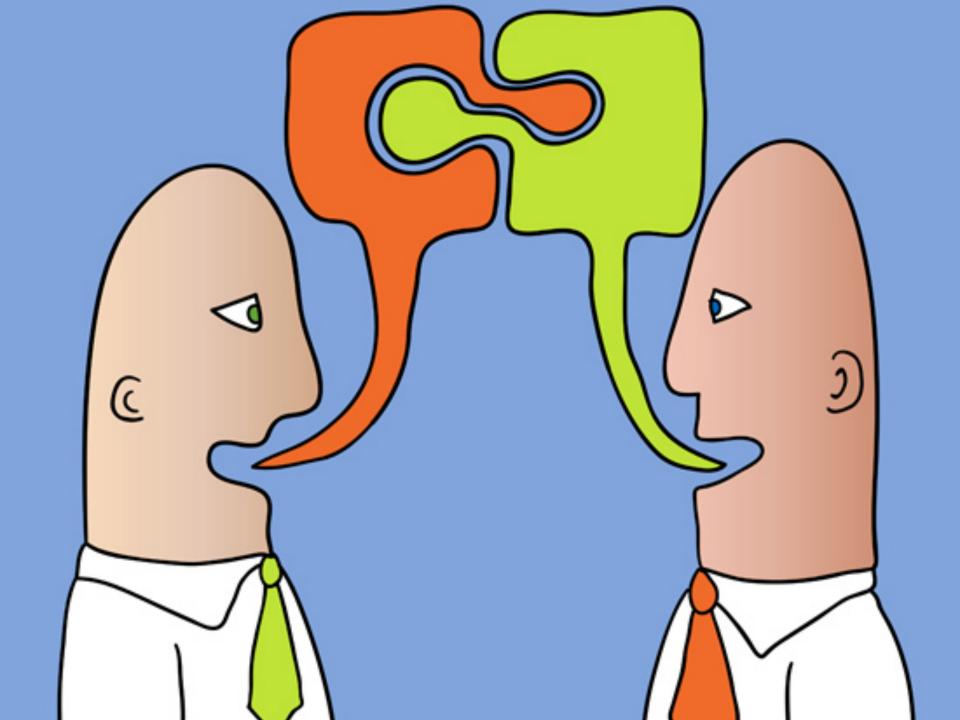


Signal Intelligence

I knew that would happen someday.

They just didn't listen.



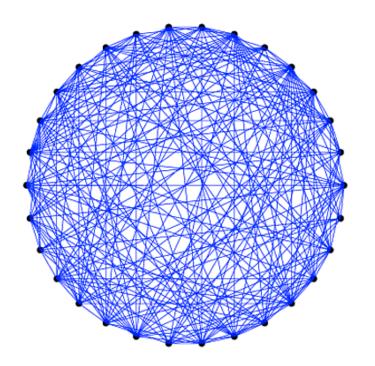


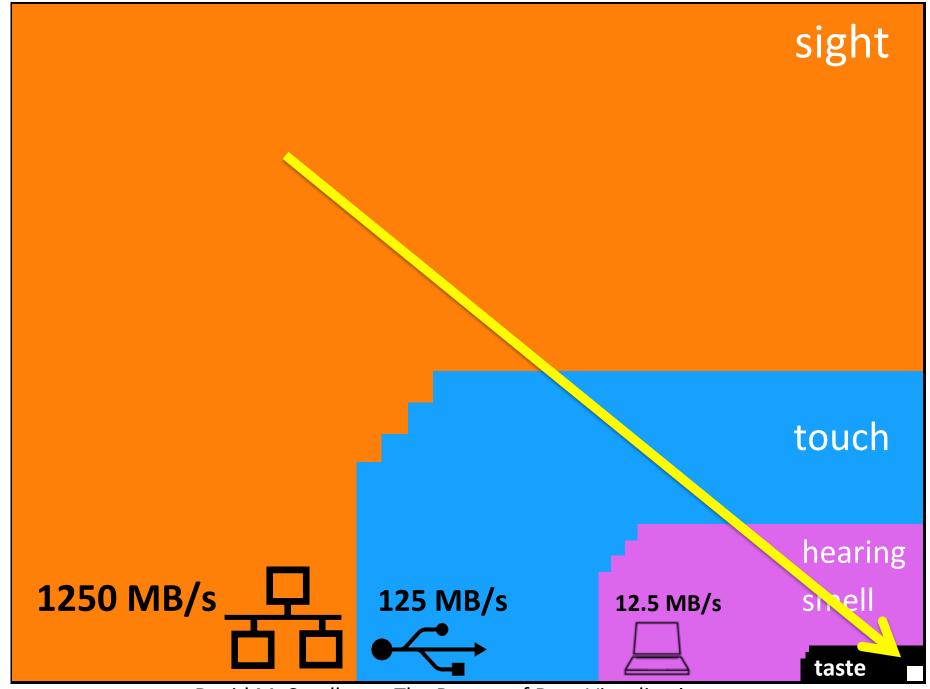
Communication

- Understand networked risk
- Be present
- Be sincere
- Listen
- Be interdisciplinary
- Identify preferential magnets
- Speak the same language
- Have a conversation



Preparation is the key





David McCandless – The Beauty of Data Visualization