



From Crisis Management to Risk Governance: The institutional challenges

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Outline

- Background
- Challenges in risk governance
- The way forward

I. Background

- 10 years ago, the SARS event served as a wake-up call for China to re-examine its national emergency management system, which is:
 - weak in sense-making and slow to respond;
 - Lack of resources to respond to peak-demand;
 - Confusing/bad coordination among different localities and different parts of the system:
 - low transparency and sluggish information disclosure;
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- After SARS, China began to work hard to improve its National Emergence Management System (NEMS) and built a 2nd generation of EMS characterized by “one plan and three mechanisms”
 - Contingency plans
 - 1 National, 26 special, and 87 sectoral contingency plans;
 - local government, enterprises contingency plans;
 - Legal framework
 - On Nov.1, 2007, Law on Emergency Management went into effect;
 - Organizational arrangement
 - Emergency Management Office (EMO) were set up
 - Operational mechanisms

Progress

- Truly historical progress in building a new generation of EMS:
 - raised awareness of the importance of EMS;
 - built a national emergency management system
 - vastly improved the capabilities in responding to various emergencies;
 - Saved lives and reduced losses by various emergencies;

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II. Challenges in risk Governance

- Despite the progress made, China's NEMS has not made transition from a crisis management system to a risk governance system:
 - Lack of systematic understanding and consensus on what are the risks facing the society;
 - Lack of incentives for risk management
 - Lack of robust institutions to address risk issues
 - The “happiness tradition” makes it difficult to openly discuss risk issues in public.

A case study: what are the risk profiles in China viewed by experts and the public?

- Use open-ended questionnaire to elicit expert's judgment on the spectrum of the various risks facing China.
- Use close-ended questionnaire with the risk list obtained from expert elicitation to obtain risk profile in the public's eyes.

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- Expert's judgment on the spectrum of the various risks facing China
 - Experts were asked
 - to list environmental, health, safety and social risks confronting China currently.
 - to list 5 environmental, health, safety, and social risks that they are most concerned with currently.
 - to list environmental, health, safety and social risks that might confront China in 5-10 years.
 - to list 5 environmental, health, safety and social risks that they would be most concerned with in 5-10 years.

Risk profile in the public's eyes

- 40 risks were used

- Respondents were asked

- To estimate the degree to which their personal lives were affected.

- To estimate the degree of concern.

- To estimate the degree to which the government had invested to address the problem.

- To select 10 risks that they expected to be addressed with priority.

Methodology

- Expert samples: convenient sample=32/89
 - Researchers in crisis management around Tsinghua;
 - Experts from the Forum 50 on crisis management in China
 - Experts in risk/crisis management from the database of National Natural Science Foundation of China

- Sample of the public: the Internet
 - No. of valid samples: 780
 - Gender: female (29.6%); male (70.4%)
 - Age: 15-24 years (10.9%); 25-34 years (53.7%); 35-44 years (25.9%); 45-54 years (6.0%); 55-64 years (3.0%);

Results-Experts

□ Risk list (40 risks):

- Health risks (7)
- Safety (9)
- Environmental (7)
- Governance (5)
- Social risks (8)
- Economical risks (4)

	Health risks (7)
1	Infectious disease
2	Dreadful disease
3	Sub-health conditions
4	Psychological disorders
5	Food safety
6	Genetically modified food
7	Drug safety/medical safety

Safety (9)

8	Vehicle accidents
9	Rail transport (e.g., train, metro)
10	Natural disaster (e.g., earthquake, flood, drought, typhoon)
11	Fire
12	Reliability of infrastructure system
13	Information security/cyber security
14	Terrorist attack
15	Social safety
16	School bus safety

	Environmental risks (7)
17	Air pollution
18	Water pollution
19	Ecological degradation
20	Water shortage
21	Nuclear radiation/nuclear security
22	Global climate change
23	Problems associated with urbanization


Social risk (8)

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24	Moral decline
25	Disobeying social norms/loss of social trust
26	Anti-social behavior
27	Massive disturbance
28	Problems associated with migrate workers
29	Aging and pensions
30	Association of those in the bottom of the society
31	Inadequate social security

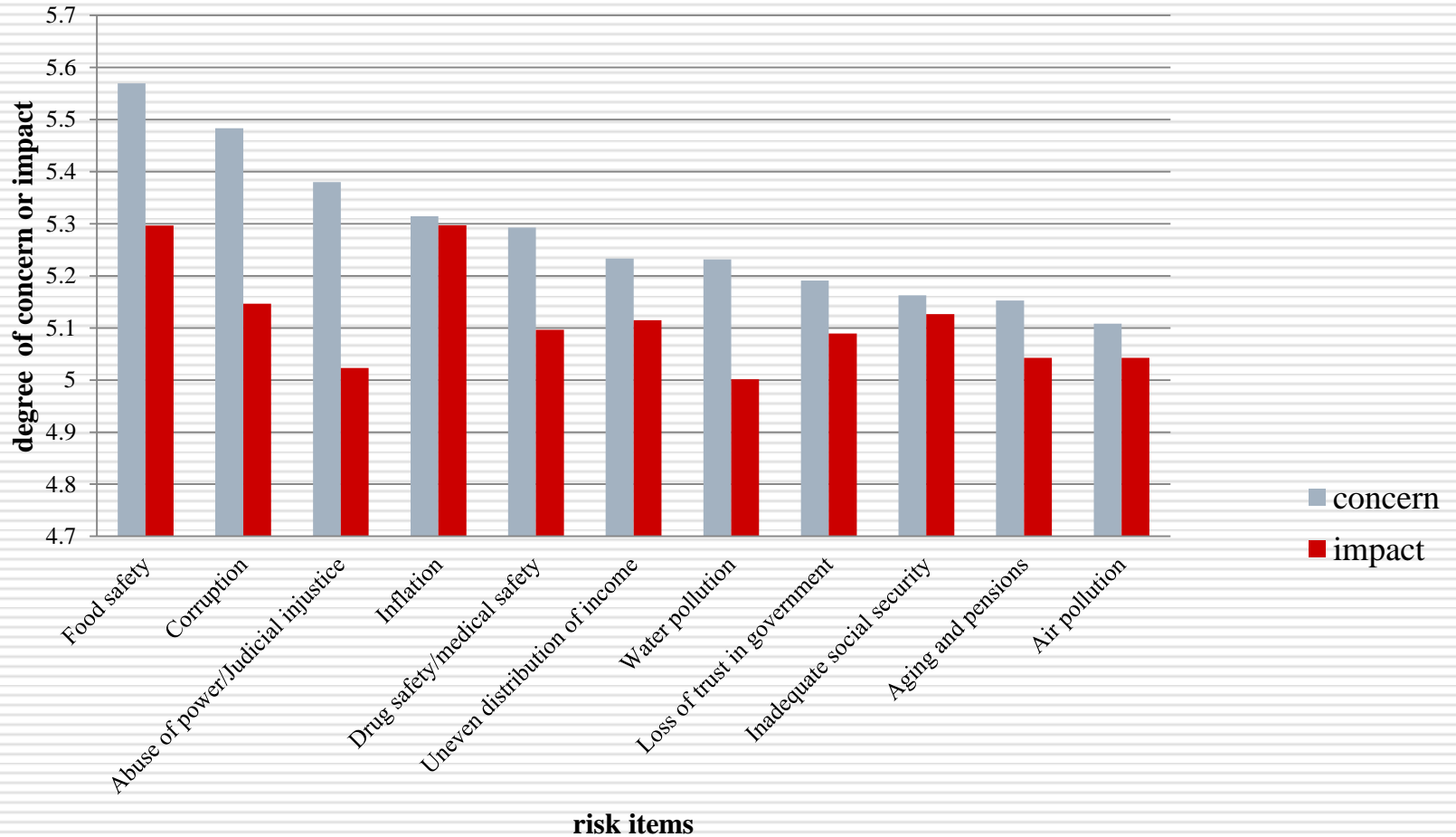
	Governance risks (5)
32	Loss of trust in government
33	Corruption
34	Abuse of power/Judicial injustice
35	Political instability
36	Conflict between ethnic minorities

	Economical risks (4)
37	Uneven distribution of income
38	High unemployment rate
39	Low-income
40	Inflation

Top 5 Mentioned Most by Experts

<u>Current risks</u>	<u>Frequency</u>	<u>Future risks</u>	<u>Frequency</u>
Governance	23	Governance	17
Food safety	21	Food safety	15
Social conflict	13	Conventional pollution	10
Conventional pollution	12	Social conflict	10
Moral/ ethical	8	Ecological degradation	9

Results -the public: Top 10 concerned



Results – Priority for Risk Management

Top 10	Priority for Risk Management	Degree of Concern	Degree of Impact
1	Food safety	1	2
2	Corruption	2	3
3	Uneven distribution of income	6	5
4	Inadequate social security	9	4
5	Drug safety/medical safety	5	6
6	Aging and pensions	10	9
7	Inflation	4	1
8	Abuse of power/Judicial injustice	3	10
9	Loss of trust in government	8	7
10	Water pollution	7	11

Results – Status in 5-10 years

Top 10	Getting worse or deteriorated	percentage
1	Uneven distribution of income	61.03
2	Aging and pensions	60.77
3	Corruption	60.64
4	Ecological degradation	57.18
5	Inflation	56.41
6	Global climate change	56.03
7	Water shortage	55.64
8	Air pollution	54.74
9	Water pollution	53.33
10	Abuse of power/Judicial injustice	52.95

Discussion

- Risks in public's eyes
 - Food safety draws more public attention
 - Risks of terrorist attack, nuclear radiation, massive disturbance, internal political conflict are judged low
 - The structure of the risks that the public's concern is changing
 - Present: social/political (related to fairness and individual living)
 - Future: environmental issues/emerging risks caused by technology development
- Similarities and difference between experts and the public:
 - Food safety and conventional pollution (water pollution and air pollution) concern both the experts and the public
 - Risks on governance are among the top risks concerned by the experts, but among the risks least concerned by the public.

III、 The way forward

- Changing the culture—from avoidance to open discussion;
- Changing the practice of crisis management—from passive response to preparedness:
 - combining emergency management with risk management for better resource allocation;
- Overcoming institutional failures
 - regular national and regional risk assessment;
 - Inclusion of risk governance in the scorecard of government officials.

Thanks !

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