

FAQs

1. What is the concept of risk?

Risk is a very important concept which is generally used in economics in the context of entrepreneurship. It is an obscure concept, and in real world we take some incentive sense of what it is. It can be reckoned as the chance of something bad happening. When we say that things are risky, we mean that some positive or favorable outcome is not always possible, the negative events, phenomenon and action where in loss is incurred or negative effect is realized is a situation of risk. Its relevance in environmental problems and policy is very pertinent.

2. What do you mean by voluntary risks?

Voluntary risks are those risks that are deliberately assumed at an individual level and it is a result of a conscious decision. Most voluntary risk are from personal activities, such as driving a car, plying an air plane or taking drug. These risks are self-imposed and individual can make decision to respond to them. They adjust their personal exposure level to underlying hazards.

3. What do you mean by involuntary risk?

Hazards beyond the control of people, when it is exposed then it is referred to involuntary risk. These risks do not arise from a willful decisions, e.g. likelihood of property damage and personal injury caused by a natural disaster. The risk of being harmed by natural calamity is not self imposed. Environmental hazards, such as air pollution or toxic waste sites, are another source of involuntary risk. All these risks and hazards are causing problems human health and ecology and they cannot be reduced to zero. Such risks are beyond the control of private individuals, they are the threats and a public problem and government intervenes to remove such risks.

4. Distinguish between voluntary and involuntary risks.

The distinction between voluntary and involuntary risks is that the voluntary risks turn in to involuntary. e.g. Smoking is a

voluntary risk but the bystander or the companion is adversely affected by it which he cannot control. The former is self-imposed while the latter is coming from external sources for involuntary risks government has to take some measures to avoid them by advertisement and by caution or by some incentives.

5. What is an environmental risk?

It is an involuntary risk of exposure to an environmental hazard. It appears in the form of pollutant emissions and toxic substances. The two elements, the hazard itself and the exposure to hazard determine the extent of environmental risk. (Hazard means a source of the environmental damage) It is a form of negative externality. Exposure refers to the pathways between the source of the damage and the affected population or resource. Both hazard and exposure define environmental risk, and each can independently affect the outcome.

6. What is meant by Risk Assessment?

Risk assessment refers to the qualitative and quantitative evaluation of the risk posed to health or the ecology by an environmental hazard. In practice, environmental risk assessment is conducted by scientists who gather, analyze and interpret data about a given contaminant.

7. What do you mean by hazard identification?

It is to determine whether a causal relationship exists between a pollutant and an increased incidence of adverse effects on human health and whether these effects are likely to arise. This determination is based on available data, using several scientific methods to gather evidence about any association between human health and exposure to a pollutant.

8. What is a "Dose - Response Assessment?"

It is a technique that shows the quantitative relationship between dose of contaminant and corresponding reactions. Once a substance has been identified as a hazard, scientists must investigate its potency by quantifying the human response to

various doses. This element of risk assessment determines the dose-response relationship. At the hazard identification stage, dose-response assessment attempts to develop a complete profile of the effects of an environmental pollutant.

9. What is Risk management?

It is a decision making process of evaluating and choosing from alternative responses to environmental risk. Its objective is to identify risk, and the goal is to respond to it. The risk management is concerned with evaluating and selecting from alternative policy instruments to reduce society's risk of a given hazard.

10. Explain the Risk Management Strategies.

Executing the two tasks namely; determining the "acceptable risk level, and choosing the appropriate policy instrument requires a systematic evolution of available options. From an economic perspective, the most important considerations are:

1. The level of risk established
2. The benefits that accrue to society from adopting the policy
3. The associated costs of implementing the policy