

Risk Abatement

Setting Safety Standards. Regulation in the Public and Private Sectors. ROSS E. CHEIT. University of California Press, Berkeley, CA, 1990. xiv, 297 pp. \$35.

Largely unnoticed, safety standards for products pervade our daily lives. Nearly 17,000 of these standards have been devised by engineers in the private sector to ensure performance of products ranging from boilers to toasters. Unfortunately, there has been little study of the private standard-setting process, in part because of the relatively closed proceedings and the confidential or proprietary nature of information underlying the process.

Ross E. Cheit's *Setting Safety Standards* begins to rectify this omission. The core of the book is a set of four paired studies of instances in which both the private and the public sectors developed safety standards: grain elevators, aviation fire safety, wood stoves, and unvented gas-fired space heaters. Using cases in which both sectors focused on the same safety concern allows the author to compare the background, process, and outcomes of standard-setting in the two arenas. In all cases, the private sector had already developed standards before the federal government became involved, reflecting a strong industrial concern about safety and quality. Cheit argues that four of the standards—two public and two private—reflect a reasonable degree of stringency, while three, including one privately developed standard, are too strict and one private standard is too lax. He also compares the standards on a range of other criteria, including technical know-how, sensitivity to real-world conditions, procedural adequacy, and how the problem is defined. In general, Cheit argues, there is less difference between the two sectors' standards than might be expected, although there are clearly differences of style and emphasis.

One of the most important differences between public and private standards derives from the different worldviews of their developers. Private standard-setting engineers are reluctant to take human foibles into account, while public regulators are more willing and able to do so. Thus the private standard for wood stoves does not

consider creosote buildup, a result of infrequent cleaning that may cause an explosion. At the same time, private standards tend to be much more responsive to technological constraints and possibilities, while lawyer-regulators in federal agencies often do not hesitate to promulgate technology-forcing standards. For example, the Federal Aviation Agency required smoke alarms in aircraft, although existing fire alarms were not designed to withstand the strenuous vibrations and air currents typical of airplanes.

Cheit makes the most of his four case studies; he provides us both with valuable details of standards-setting and with useful but cautious generalizations and recommendations. For example, he suggests that an "interactive" strategy be developed, in which government regulators participate more actively in development of private standards while focusing their own efforts on areas of special public importance, such as problems created by poor consumer product use practices, problems industry is unwilling or unable to address, and provision of comparative safety information. In short, each arena should concentrate on its strengths: the private sector on narrow technical standards for which it has unique expertise and the government on broader approaches to aspects of safety that constitute public goods.

Looming over all aspects of safety standards is concern about product liability. Industry may be reluctant to accept new private standards for fear of an implication that earlier products might be "defective." Certainly private standards' failure to try to take consumer misuse into account can be attributed in part to concern about liability. Cheit offers several suggestions for reforming liability law that would increase the effectiveness of both public and private standard-setting. Another theme explored throughout the book is cost-benefit analysis and the differing ways the two sectors estimate both the nature and the magnitude of costs and benefits. Again, the public focus on social benefits and the private focus on individual costs suggest important roles for each sector in a combined standard-setting process.

Although carefully researched and clearly

written, this book suffers from a pedestrian organization—introduction, case studies, analysis, policy implications—that forces the reader to remember a lot of detail in order to appreciate the later analysis and seems to inhibit the author from construing his findings widely. More important, the book seems pervaded by a subtle antigovernment bias. This attitude is especially evident in the author's sensitivity to the constraints placed on the private actors by broader institutional and societal concerns (the implicit worry about liability, for example) but not to similar constraints on governmental actors. Although the book is not overtly critical of all public regulatory activity, the net effect is to make private actors appear more rational and reasonable than public ones.

The book has tantalizing references to broader issues that would have benefitted from fuller exploration. One is the relationship between technical and legal standard-setters. By characterizing the private as primarily a technical and the public as primarily a legal process, Cheit has missed an opportunity to help the reader explore and understand how the two can work together. Another is the American public's ambivalence toward product-imposed risks, an attitude characterized on the one hand by willingness to assume some high risks in return for benefits and on the other by intolerance of many relatively slight risks. Public standard-setters in particular must walk a tightrope in an effort to please political masters who reflect these ambivalences.

The fundamental question raised by this book concerns the proper roles of government and the private sector in an increasingly technological age, when people cannot be expected to understand and assess risks without assistance. Cheit apparently believes that public education about safety hazards is not a useful means for reducing risks. In this case, safety standards become especially important. But the private sector's inability to alienate members by conducting cost-benefit analysis may mean that inappropriately unsafe products are available, perhaps at reduced cost, to be purchased by those unable or unwilling to learn about the risks. Conversely, government standards may push off the market products that consumers could easily learn to use safely. These important issues will continue to be the subject of public debate and concern, and Cheit's thought-provoking book provides an excellent introduction to a pervasive but all too unfamiliar component of our present policies.

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