

Types of crowd wisdom

Source: Wikipedia

Surowiecki breaks down the advantages he sees in disorganized decisions into three main types, which he classifies as:

Cognition

[Market](#) judgment, which he argues can be *much* faster, more reliable, and less subject to political forces than the deliberations of experts or expert committees.

Coordination

Coordination of behavior includes optimizing the utilization of a popular bar and not colliding in moving traffic flows. The book is replete with examples from [experimental economics](#), but this section relies more on [naturally occurring experiments](#) such as pedestrians optimizing the [pavement](#) flow or the extent of crowding in popular restaurants. He examines how *common understanding* within a culture allows remarkably accurate judgments about specific reactions of other members of the [culture](#).

Cooperation

How groups of people can form networks of [trust](#) without a central system controlling their behavior or directly enforcing their compliance. This section is especially pro [free market](#).