

Four elements required to form a wise crowd

Source: Wikipedia

Not all crowds (groups) are wise. Consider, for example, mobs or crazed investors in a [stock market bubble](#). According to Surowiecki, these key criteria separate wise crowds from irrational ones:

Diversity of [opinion](#)

Each person should have private information even if it's just an eccentric interpretation of the known facts.

Independence

People's opinions aren't determined by the opinions of those around them.

Decentralization

People are able to specialize and draw on local knowledge.

Aggregation

Some mechanism exists for turning private judgments into a collective [decision](#).