

Policy betting - the wisdom of crowds



"Why the many are smarter than the few" is the subtitle of James Surowiecki's excellent book, [The Wisdom of Crowds](#) ([buy](#)). The idea is that the accumulated wisdom of many people, each making of a small contribution of knowledge can give better results than the world's greatest expert - providing their knowledge can be aggregated and they have diverse perspectives, they act independently and are generally decentralised. Betting markets capture some of these ideas are establishing in [politics](#), [showbusiness](#), [technology](#), [global risks](#), [formation of a Palestinian state](#) and [Atlantic storms](#)... (see real time odds from [NewsFutures](#) below)

The idea was most famously tried by the Pentagon in a truly inspired effort to think about geopolitical futures in an uncertain world - but its [Policy Analysis Market](#) was [spiked by politicians](#) concerned about "betting on terrorism".

My favourite is the [Long Bets Foundation](#). This is not quite a betting market, but it does allow a bet on whether *"by 2020 bioterror or bioerror will lead to more than one million casualties in a single event"* (see [here](#)) or *"whether by 2050, we will receive intelligent signals from outside our solar system"* ([here](#)). There is a fascinating list of [predictions](#) and [predictions that have become bets](#).

I mention this by way of introduction to my [next post](#) - my own Long Bet on [Peak Oil](#).