

18. Easley and Kleinberg 2010, Information cascades

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PHIL 1555, Rationality

“Herding”, or following the crowd, is a pervasive feature of human society.

What to wear, how to talk, who to listen to, where to eat, etc.

Why does this happen?
Social influence (“peer pressure”) vs.
direct-benefit effects vs.
informational influence.

Can be hard to tell apart! Hair styles; “look up” experiment.

Focus on pure informational case. **Marbles experiment.**

Features of cascades:

- 1) Can be wrong!
- 2) Individually optimal (rational) behavior can be bad for the group.
- 3) Very likely to happen as time goes on.
- 4) Even very long-running cascades can be *fragile*.

How likely that *everyone* wrong?

Independence vs. utilization.
Epistemic “tragedy of the commons.”

Q: How realistic/widespread do you think these features are?

→ Hiring committees?

→ Markets: fads, fashions, and trends?