

# HUMAN CROWD DYNAMICS AND ECONOMICAL BEHAVIORAL SHIFTS

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## **Abstract**

*One of the major trend that change human society in this century is migration to urban places.*

*Congestion has become a scourge that turns deep human behavior and forces him to alter thinking and adaptation.*

*Demographic explosion by multiplying number of individuals in a few geographical spaces and their migration to places where quality of life is higher will create a large number of conflicts that the states will try to keep under some control. The tendency will be in generating new rules more restrictive and a strong application.*

*The effect will be a major behavioral change: people will pass through a social dilemma: an inner conflict between acting selfishly individualistic or to cooperate.*

*In terms of economic effects will be in a fast increase of the consumptions, in an accelerated development of services, but also in labor productivity, training and education of staff.*

*What happens in reality is contrary to the model we used for decades - Economic Man - that individual who is logical and take decisions in his own interest in order to reduce costs and maximize value and profit. This intelligent, creature with a strong analytical and adaptive capacity is the model of evolution and developmental points of Civilization. In reality we see that in crowded conditions people tend to take irrational behaviors compared to their interest.*

*This paper is trying to foresee some of the changes which is affecting economical behaviour in the new conditions of human crowding.*

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## **1. General conditions in economical behaviour**

The world in which we leave today is a social world, a highly complex and dynamic environment.

We are facing all this time deep changes that will influence the evolution of human society in the next century.

On the horizon already are a number of challenges that provoke us in:

- our adaptation to climate change;
- increasing the marginal costs we pay for resources needed to develop future human society;

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- human migrations in urban areas;
- the explosion of illegal immigration;
- ethnic and religious conflicts.

All these challenges folds on a number of technological and medical changes that will redesign the geography we have become accustomed in the last decades of last century. One thing is certain in all this avalanches of changes difficult to anticipate: technological and information revolution will continue. Will move at the same infernal pace adding another revolution to it - one in medicine (in which the treatment and eradication of diseases will lead in extending the life expectancy).

If in the last two decades of the last century and the first decade of this millennium we have witnessed an informational explosion wich connected the entire globe, in the coming period humanity seems to have learned their lesson after the recession in 2008 and focuse more on technological changes such as energy (explosion renewable and alternative distribution) in real network integration of related technologies in border solutions for agriculture, nanotechnology, transport based on alternative sources.

The avalanche is so fast that we forgot to ask when Moore was wrong when he issued that law of progress limitation.

All these developments transform human society, changing profound his geometry and force to adapt to new conditions.

There are risks of course that can completely jeopardise the future developments and growth: fighting for cheap resources will lead to political blocs that may end in conflicts in Europe or in other parts of the world.

Or evolution much faster development in the West versus slower opening to new technology of the Muslim world may create confrontations.

New type of governments will tend to increase control over individuals and sometimes in its sole discretion will try to set their own priorities of the groups in power. Big Brother has just started and is far from reducing its engines. What we have noticed in recent years has become a clear dominance that we have witnessed, the shift from self-interest of the individual to the state's own interest.

Democracy is about to turn into a meritocracy, based on the interests of those groups temporarily acceding to power. But if the succession of power and technological progress is made quickly and bring tangible improvements risk of social revolutions will be reduced.

Social revolution occurred when is increasing the individuals lack of hopes in societies changes and they are ready to take major risks to force change.

All these changes will influence not only our perceptions on environment, but will force us to undertake new unprecedented actions.

These social and economic evolutions in behavior modify our perception against the others, about consumption, about dependence on financial, about work, about education, about leisure or about how we relate among us.

Ability to influence human behavior is essential in government policy or in the economic and financial activities. The rule stated that in order to have an effective shift on influencing behavior, you have to influence the way of thinking, through information and incentivation. But there were also cases in which the emphasis was on measures of coercion against the individuals leading unfortunately on a long-term to social unrest.

Changing contexts by influencing the environment in which people act will have significant effects on their behavior.

## **2. Entropy is increasing ....**

One of the trends that human society is reshaping is migration to urban agglomerations.

Congestion has become the scourge that turns deep human behavior.

Demographic explosion by multiplying individuals and their migration in places with higher quality of life will create a large number of conflicts and the Governments will try to keep them under some control. The tendency will be to generate new rules more restrictive and apply them more strictly.

The effect will be a major behavioral change: people will go through a social dilemma, an inner conflict between acting selfish and individualistic versus to cooperate.

In terms of economic effect we will find an increasing of consumption, increasing of labor productivity, new activities and services which will improve the human condition.

Many of us follow the series Game of Thrones. The film gives us an extraordinary landscape of nature and behavior of individuals in a society that slowly destroys itself. This game of trust and betrayal begins with a series of strange facts and anomalies in the normal judgment which can not be explained and understood.

Individuals even if they know that what they do to themselves is not good continue to make wrongdoing. They are always moved by hatred, selfishness and an exacerbated desire of destruction and social mutilation .

The fiction is not very far from the reality in which we currently live. And in our day many individuals know that an unhealthy lifestyle leads to major health problems but they continue to self-destruct.

What happens in reality is contrary to the model used for decades - Economic Man - that individual which is using logic and reasoning take decisions in his own interest and reduce costs and maximize value and profit. This intelligent creature, with a strong analytical and adaptive capacity is the model of evolution of Civilization. In reality we see that in crowded conditions people tend to take irrational behaviors compared to their interest.

For example, even a business entrepreneur which in fact is the basis of progress requires to have a lot of resilience and resources, often have a self

destructive behaviour. Decisions taken at the beginning degrade over time and ability to understand economical challenges in real life decreases.

Economic behavior (Economic Behaviour) is a scientific discipline that studies the psychological and economic point of view in which people make decisions. Discipline has experienced a boom over the last 25 years particularly when globalization and the increasing complexity of social and economic systems has forced the company to understand and predict future evolution. At first, thousands of studies have been done and managed largely to quantify social dynamics. Once they do they become reference and considered that the results will remain unchanged for a long period of time.

But when the analysis was retaken over a period of two decades was found that every 10 years human society facing changes in the economic environment forcing in upgrading and understanding of the informations.

Let's take an example: how is our risk perception differs from currently three decades ago. There for only watching how the fundamental tension between current benefit which can be obtain compared with the patience of getting in the near future (work of Professor David Laibson) tells us much about the effects of accelerated evolution agglomerations of individuals and our attention enhanced in the present by comparison with future. Such benefits are preferred today by an increasingly number of individuals versus to the benefits they can obtain in the future.

The effect leads to an immediate decisions to opportunities. In many cases the result is irrational. Automatically we will have an increase of competition between individuals and more social tensions, which draws intolerance and social aggression.

McDougall's Theory is stated that "the intensification of emotion in a crowd and the lowering of intellectual level, as follows: The former is due to the principle of direct induction of emotion by way of 'primitive sympathetic response'".

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