

1st GLOBAL PETER F. DRUCKER FORUM

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**Animal Spirits and Mass Movements -
New Dimensions of Management**

Social Innovation

*“No discovery of this century
has had greater impact than
the social innovation of mass movement.
Yet none is less understood.”*

Peter F. Ducker (1986)

Reading the Mind of the Crowd

**With public opinion ruling the world,
mass movements are undermining
the political decision process.**

**As a result
political actions increasingly have to be postponed
until there is a “crisis”, an “emergency”, a “catastrophe”.
Only under such a threat
does the single cause special-interest group lose its veto power.**

**Government seems to have lost
to do effective social innovation.
From being a political act
it has become a managerial task,
management's new dimension.**

Investor Sentiment

Financial news read like textbooks in crowd psychology including subjects such as speculative fever, market mania, temporal myopia, self-fulfilling speculative attacks, feedback loops, overoptimism, overconfidence, illusion of control, Investor's panic.

Self-reinforcing, but eventually self-defeating processes are endemic in financial markets.

Man is not just a Goal Driven Animal

**Man is rule-driven and herd-following too.
Man's actions are largely successful,
because they are adapted both
to the particular facts which he knows and
to the great many other facts he does not know.**

Friedrich von Hayek

*Intelligent beings may have laws of their own making;
But they also have some which they never made.*

Montesquieu, De l'Esprit des lois.

Peter Drucker's Wisdom

leads in some respects to conclusions so unwelcome that few are willing to follow it through the end.

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