Department Seminars

The Coevolution of Patience and Collaboration

OMER MOAV
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ABSTRACT

We study the determinants of economic collaboration in an evolutionary model of inherited time preferences. The population consists of patient and impatient agents, with evolutionary fitness depending on income. Individuals choose between home production and going to the market, where they are randomly matched in pairs for collaboration in production. Collaboration has the potential for ongoing higher productivity but is vulnerable to defection. In equilibrium, at least some of the impatient agents go to the collaboration market but they always defect. Patient agents always go to the market and cooperate, even if their fraction of the population is arbitrarily small. In the nontrivial evolutionary steady state, a higher return to collaboration could increase or decrease collaboration in the economy. The provision of law and order, by punishing defectors, unambiguously increases collaboration. Thus, the model generates empirical predictions linking state history to current trust, collaboration, and wealth.

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