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“Multi-Project Collaborations”

Abstract: We analyze collaborative experimentation across multiple independent domains. Each domain contains infinitely many potential projects with asymmetric benefits. In each period and domain, two players can idle, jointly explore a new project, or jointly exploit a known one, with voluntary transfers. For intermediate discount factors, treating domains as independent during experimentation is suboptimal. The optimal experimentation policy exhibits common features of collaborative experimentation: lengthy exploration, temporary project exploitation, recall of past projects, and inefficient initial or terminal idling within certain domains. We connect these findings to research on buyer-supplier dynamics and persistent productivity differences.

Link: <https://drive.google.com/file/d/1fZMoHpcQVHt0JaiVyc75zwJ-Q9wl6uOw/view>