



Economic Theory, Decision Theory and Experimental Economics
Seminar

Collective Dynamic Choice: The Necessity of Time Inconsistency

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Abstract

We study collective decisions by time-discounting individuals choosing a common consumption stream. We show that with any heterogeneity in time preferences, every Pareto efficient and non-dictatorial method of aggregating utility functions must be time inconsistent. We also show that decisions made via non-dictatorial voting methods are intransitive.