

1 Evolution of optimal Hill coefficients in nonlinear public goods games

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9 10 Abstract

11
12 In evolutionary game theory, the effect of public goods like diffusible molecules has been
13 modelled using linear, concave, sigmoid and step functions. The observation that biological
14 systems are often sigmoid input-output functions, as described by the Hill equation, suggests that
15 a sigmoid function is more realistic. The Michaelis-Menten model of enzyme kinetics, however,
16 predicts a concave function, and while mechanistic explanations of sigmoid kinetics exist, we lack
17 an adaptive explanation: what is the evolutionary advantage of a sigmoid benefit function? We
18 analyse public goods games in which the shape of the benefit function can evolve, in order to
19 determine the optimal and evolutionarily stable Hill coefficients. We find that, while the
20 dynamics depends on whether output is controlled at the level of the individual or the
21 population, intermediate or high Hill coefficients often evolve, leading to sigmoid input-output
22 functions that for some parameters are so steep to resemble a step function (an on-off switch).
23 Our results suggest that, even when the shape of the benefit function is unknown, models of
24 biological public goods should be modelled using a sigmoid or step function rather than a linear
25 or concave function.

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28 **Keywords:** Hill Equation; Michaelis-Menten; Enzyme Kinetics; Public Goods; Game Theory;
29 Mechanism Design; Cooperation.

1 Introduction

3 *Sigmoid benefits in evolutionary public goods games*

5 Situations in which individuals produce public goods that confer a collective benefit to a group
6 are widespread in biology. Beside human and animal societies, the production of public goods is
7 common in cellular interactions, where molecules that enhance fitness, like growth factors, can
8 diffuse between cells. Public goods games in evolutionary game theory must make assumptions
9 about the effect of such diffusible molecules, and hence of their resulting benefit: additive effects
10 make the benefit linear (the “N-person Prisoner’s Dilemma” [Hamburger 1973]). Synergistic
11 effects produce non-linear benefits, and models of non-linear games [reviewed by Archetti &
12 Scheuring 2012] include concave, sigmoid and step functions [Motro 1991, Hauert et al. 2006,
13 Frank 2010, Archetti & Scheuring 2011, Archetti et al. 2011, Deng & Chu 2011, Szathmary
14 2011, Cornforth et al. 2012]. Because these models have different dynamics and equilibria, it is
15 important to understand which of these functions is the most realistic approximation of
16 biological public goods.

17 Examples of sigmoid public goods are commonly found in both prokaryotes [e.g.:
18 Chuang et al. 2010, Cornforth et al. 2012] and eukaryotes [e.g.: Karey & Sirbasku 1988; Jourdan
19 et al 1995]. More in general, biological input-output systems often show a slow response at low
20 input levels, followed by a steep increase in response at intermediate levels and again a decreasing
21 sensitivity as input levels increases [Tyson et al 2003, Cornish-Bowden 2012, Zhang et al 2013,
22 Frank 2013]. In other words, the effect of a biological molecule is often a sigmoid function of its
23 concentration. This kinetics is often described by the Hill equation [Hill 1910; Cornish-Bowden
24 2012]. In many cases the switch from low to high output is so sudden (that is, the sigmoid
25 function is so steep) that the system has essentially a bistable response, switching between “off”
26 and “on” like a transistor in a circuit [Sarpeshkar 2010]. Public goods in biology could then
27 probably be modelled using a sigmoid function, or a step function as an approximation of a very
28 steep sigmoid function. A problem remains, however: why a sigmoid shape rather than a concave
29 shape?

31 *Why are sigmoid functions common?*

33 Why are biological systems often sigmoid (or step) functions? Saturation at high concentration is
34 not surprising, since maximum output is intrinsically limited. The commonly observed low
35 response at low input intensity followed by a steep increase at intermediate levels, however, is
36 puzzling [Frank 2013] because the fundamental Michaelis-Menten theory of enzyme kinetics
37 predicts a strong output sensitivity (nearly linear) at low input concentrations [Tyson et al 2003,
38 Cornish-Bowden 2012], followed by a reduced sensitivity, that is, a saturating effect leading to a
39 concave function. This linear sensitivity at low input predicted by the Michaelis-Menten kinetics
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1 is at odds with the weak logarithmic sensitivity at low input (that is, the sigmoid shape)
2 commonly observed in biological systems. The question is, therefore: why do biological systems
3 normally follow a sigmoid “Hill kinetics”, rather than a concave “Michaelis-Menten kinetics”?
4 Frank [2013] discusses the puzzle extensively.

5 There are various proximate explanations for the Hill equation. The most basic explanation
6 [Cornish-Bowden 2012] is *positive cooperative binding*: since, many proteins are oligomeric, and
7 ligands at one binding site can affect the binding affinity of the other subunits, if transforming a
8 single molecule to an active state requires simultaneous binding by multiple input signal
9 molecules (“positive cooperativity”) the resulting kinetics is a sigmoid curve. Other explanations
10 [Zhang et al 2013] include *titration of a repressor* (the initial reaction may inactivate the input
11 signal molecule or reduce sensitivity to low intensity input signals), and *opposing saturated forward
12 and back reactions* (a back reaction may return the active form produced by the initial reaction to
13 the inactive state, and if the back reaction saturates at low signal input intensity, then a
14 logarithmic output will result at low input intensity).

15 At a different level of explanation, however, the question remains unanswered: what is the
16 *adaptive value* of a sigmoid kinetics? We understand that positive cooperative binding, for
17 example, leads to high Hill coefficients (steep sigmoid curves), that is, we understand that
18 cooperative binding is a plausible *proximate* explanation; what is, however, its adaptive value?
19 Cooperative binding in principle can be positive (if ligand binding increases the affinity of
20 subsequent ligands) or negative (if ligand binding reduces the affinity of subsequent ligands).
21 Only positive cooperative binding generates a sigmoid curve. Our question is, therefore: why is
22 cooperative binding often positive rather than negative? The degree of cooperative binding (as
23 well as the degree of titration of repressors and the speed of forward and back reactions — and,
24 more in general, the complexity of signaling systems), are themselves under natural selection a d
25 can easily change from one to the other [Figure 1]. Why should they evolve to generate a
26 sigmoid shape rather than a concave shape? Does a sigmoid shape lead to higher fitness than a
27 concave shape?

28 29 *A mechanism design question*

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31 Studies of public goods in evolutionary game theory usually analyse the dynamics of games with
32 a given benefit function and investigate how cooperation for the production of the public good is
33 maintained. The question is interesting because of the intrinsic inefficiency in the production of
34 public goods, due to the incentive to free-ride on the contribution of other group members. Here,
35 however, we address a different question: what is the best shape for the benefit function? We are
36 interested in the evolution of the game itself (more specifically, its benefit function), rather than
37 the dynamics and equilibria of a game with a given benefit function. Ours is, therefore, a
38 mechanism design (reverse game theory [Myerson 1998]) question: if the rules of the game itself
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1 (the input-output function) can evolve, what game will evolve? In our case the game is defined by
2 the shape of the benefit function.

3 Our scope is to test whether Darwinian selection would lead to the sigmoid shape we
4 usually observe in nature and, if this is the case, to understand why. A secondary question that
5 arises is: will the production of the molecule be maximised at this equilibrium? It is possible that
6 the *optimal* Hill coefficient from the point of view of the population is different from its
7 evolutionarily stable value. That is, it is possible that evolutionary dynamics leads to a benefit
8 function that is not optimal for the population.

11 Methods

13 *Determining the optimal Hill coefficients*

15 In biochemistry the fraction of macromolecule saturated by a ligand (that is, output) as a
16 function of the ligand concentration (input) is often described by the Hill equation [Hill 1910;
17 Cornish-Bowden 2012]:

$$19 \quad o(i) = i^s / [k^s + i^s] = 1 / [1 + (k/i)^s] \quad (1)$$

21 The “Hill coefficient” s controls the steepness of the input-output function [Figure 1]; k controls
22 its inflection point (this is sometimes described as the ligand concentration occupying half of the
23 binding sites, that is, concentration for which output is half the maximum); a Hill coefficient
24 greater than one means that the function is sigmoid, for instance because of positive cooperative
25 binding.

26 We analyse the problem of the evolution of Hill coefficients by studying systems in which
27 individual cells with mutations for Hill coefficients arise in a population of cells, and by analysing
28 whether these mutant cells can invade the population. Assuming that the input molecule has
29 some autocrine and paracrine beneficial effect (that is, a beneficial effect on both producer and
30 non-producer cells), and assuming large well-mixed populations in which groups of size n are
31 formed at random at every generation, the fitnesses of a producer cell (C) and of a non-producer
32 cell (D) are given by, respectively

$$35 \quad \pi_C(x) = \sum_{j=0}^{n-1} \binom{n-1}{j} x^j (1-x)^{n-1-j} \cdot b(j+1) - c \quad (2)$$

$$38 \quad \pi_D(x) = \sum_{j=0}^{n-1} \binom{n-1}{j} x^j (1-x)^{n-1-j} \cdot b(j) \quad (3)$$

1 where $c > 0$ is the cost paid by a producer cell for the production of the molecule; the benefit b is a
 2 function of the number (j) of cells that produce the molecule in a group of size n . We assume that
 3 this benefit $b(j)$ is a normalised version of the Hill equation (1), that is

$$4 \quad b(j) = o(j)/o(n) \quad (4)$$

6 (normalization has negligible effects for most values of s , and ensures that the maximum benefit
 7 is the same for all values of s) [Figure 1]. x is the fraction of producers in a polymorphic
 8 population or, in a monomorphic population, the probability of producing the molecule ($0 \leq x \leq 1$).
 9 It is also convenient to define $b = k/n$. The average fitness of the population is $x \cdot \pi_C + (1-x) \cdot \pi_D$. The
 10 evolutionary dynamics [Hofbauer & Sigmund 1998] of the system is given by the replicator
 11 equation:

$$12 \quad \dot{x} = x(1-x)[\beta(x) - c] \quad (5)$$

14 where the fitness difference $\pi_C(x) - \pi_D(x)$ is here written in the form $\beta(x) - c$, and

$$16 \quad \beta(x) = \sum_{j=0}^{n-1} \binom{n-1}{j} x^j (1-x)^{n-1-j} \cdot \Delta b_j \quad (6)$$

18 where $\Delta b_j = b(j+1) - b(j) > 0$ for $j=0, \dots, n-1$. The dynamics (5) has two trivial rest points $x=0$ and
 19 $x=1$; further possible interior rest points are given by the roots of the equations

$$21 \quad \beta(x) - c = 0 \quad (7)$$

23 These two interior rest points cannot be found analytically but it is known that for a sigmoid
 24 function there are at most two such points, and that the higher value corresponds to the stable
 25 point [Archetti & Scheuring 2011, 2012, Archetti 2013]. We determine the values of x and s that
 26 maximizes fitness, as well as their equilibrium values, by numerical simulations. Whether the
 27 relevant values are the equilibria or the maxima depends on what scenario we are analysing.

28 *Different scenarios*

29 There are three possible scenarios based on how the Hill coefficient (s) and the amount of
 30 producer cells (or the fraction of producers, x) are determined.
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- 1 - *Both s and x are determined centrally.* A multicellular individual can determine the value of x
2 and s of all its cells. The goal of our analysis in this case is simply to find the values of x and s
3 that maximise the average fitness of the cell population (the organism itself).
- 4 - *Only s is centrally determined, while x is determined individually.* This may be the case, for
5 example, in cancer development, where individual cells can mutate and change their
6 production of the molecule. In this case we must first find the equilibrium value of x for any
7 given s and we must then find the value of s the maximizes fitness given the equilibrium value
8 of x .
- 9 - *Both s and x are determined individually.* In a population of bacteria or unicellular eukaryotes, s
10 and x can be determined by each individual cell independently. Therefore in this case we must
11 find the evolutionarily stable values of both x and s . We assume that mutant cells with slightly
12 different values of s and x (that is, phenotypically close to the resident phenotype) arise in the
13 population and we determine whether these mutants invade the resident population. The
14 stable values are the ones that cannot be invaded by any mutant.

15
16 In principle one could also analyse the case in which x is centrally determined and s is
17 determined individually. Since x can evolve more rapidly than s (simply by different growth rates
18 of producers and non-producers, rather than by the accumulation of mutations that change the
19 Hill coefficient), this scenario is unlikely in a multicellular organism and this case can be
20 considered a special case of the third scenario (where both s and x are determined individually, in
21 unicellular organisms).

1 Results

3 *Both s and x are determined centrally*

5 In this case we determine the values of x and s that maximize population fitness. The results
6 [Figure 2] can be divided in two classes:

- 8 - For high values of b/c (the bottom left part of the panels in Figure 2) the resulting benefit
9 function is a sigmoid or almost concave function (s is low), especially for low values of b , and
10 all cells produce the same amount of molecule ($x=1$).
- 11 - For low values of b/c the resulting benefit function is a step function, that is, an on/off switch (s
12 in the highest possible), and the population is a mixture of producers and non producers (or a
13 monomorphic population in which all cells produce the molecule with frequency $x<1$).

14
15 The reason why there are two classes of results is not intuitive but can be understood by
16 inspecting Figure 3. The average fitness for a steep function benefit declines with x if $x>b$,
17 whereas average fitness for a concave function always increases with x . They, however, do not
18 change (decrease and increase respectively) at the same rate with x . Therefore there are critical
19 values of x and b for which the optimum switches from one class to the other. More in general,
20 the rationale of this result is the following: if the benefit of a diffusible molecule is nonlinear, with
21 diminishing returns as the concentration of the molecule increases, and if producing the molecule
22 is costly, it is not efficient to have a population of cells in which all cells produce the molecule; the
23 fraction of producers necessary to achieve a given benefit (or equivalently, in a monomorphic
24 population, the production level of the molecule) and in this case, as we have seen in Figure 3,
25 because of the very nature of sigmoid benefit functions, the optimal shape is the steepest possible
26 function. If the cost is very low, instead, or the amount of molecule necessary (b) is high, all cells
27 must produce the molecule and in that case the optimal shape is a sigmoid function [Figure 3].

29 *Only s is centrally determined; x is determined individually.*

30
31 In this scenario x is not centrally determined, hence we must find its equilibrium value, given that
32 each cell has an incentive to maximize its own fitness. Once we have determined the
33 evolutionarily stable value of x for all possible values of s , we calculate fitness at that value of x
34 [Figure 4]. The next step is to find the value of s that leads to the maximum fitness value (given
35 that x evolves to its equilibrium value). The result is that the value of s that maximizes average
36 fitness is intermediate for low values of b (irrespective of c); for intermediate values of b it is the
37 highest possible when c is high, and low or intermediate when c is low; and it is again
38 intermediate for high values of b (irrespective of c) [Figure 5]. In summary, there are, again, two
39 classes of results [Figure 6]:

- 1 - For high values of h/c (the bottom left part of the panels in **Figure 5**) a sigmoid or almost
2 concave benefit function (low s), and all cells produce the same amount of molecule ($x=1$).
- 3 - For low values of h/c a step function, that is, an on/off switch (the highest possible s), and a
4 polymorphic population of producers and non producers (or a monomorphic population in
5 which all cells produce the molecule with frequency $x<1$). For very low values of h , however,
6 the optimal s is lower.

7
8 The reason why the Hill coefficient can evolve to be intermediate is not intuitive, but can be
9 understood by inspecting **Figure 7**: because of the very shape of the benefit function, the value of
10 s that maximizes the equilibrium value of x is often intermediate. This means that the output
11 (benefit) at the equilibrium value of x is also maximised at intermediate values of s . While the
12 same logic does not apply to our scenario, since we are looking at the s value that maximizes
13 fitness (which depends also on the cost of production), rather than x or output, it provides an
14 intuitive reason why intermediate Hill coefficients can improve fitness. Note also that at this
15 equilibrium values of x , fitness is generally lower than the maximum possible fitness; hence the
16 social dilemma that generally arises in collective action problems for the production of diffusible
17 molecules by selfish replicators

18
19 *Both x and s are individually determined.*

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21 Finally we analyse the scenario in which there is no central authority: both s and x are
22 determined individually at the level of the cell. In this case not only do we have to calculate the
23 equilibrium value of x and fitness at this value; we must also find the evolutionarily stable value of
24 s , that is, the value of s that cannot be invaded by local mutants [**Figure 8**]. **Figure 9** shows the
25 equilibrium values of s . Results are similar to the previous two scenarios, although in this case a
26 step functions evolves only for a very limited set of parameters:

- 27
28 - For high values of h/c (the bottom left part of the panels in **Figure 9**) a sigmoid or almost
29 concave benefit function (low s), and all cells produce the same amount of molecule ($x=1$).
- 30 - For low values of h/c a steeper function (high s), steeper for higher values of h , and a
31 polymorphic population of producers and non producers (or a monomorphic population in
32 which all cells produce the molecule with frequency $x<1$).

33
34 *Summary of the results*

35
36 In summary [**Figure 10**], the resulting system is a steep input-output sigmoid function
37 (essentially a bistable system that resembles an on/off switch) if the relative cost/benefit ratio of
38 the molecule is not negligible, or even if the cost is small and h is small (unless both s and x are
39 centrally determined); it is a less steep sigmoid function if h is high enough and the cost is
40 negligible; it is a concave function if both s and x are centrally determined and the cost is small.

1 Discussion

3 *Our results*

5 As we have seen, the results depend, in principle, on whether individual cells act to maximise
6 their own individual fitness (which may be the case in microbes and cancer cells) or the fitness of
7 the organism (which is the case in multicellular organisms), as the optimal value is the one that
8 would maximise population fitness, whereas the evolutionarily stable value is the one that natural
9 selection actually leads to (the two are not necessarily equivalent). Although the three scenarios
10 we have analysed could lead in principle to very different results, our results show a common
11 pattern.

12 For high values of b/c the Hill coefficient s evolves to a low or intermediate value, that is,
13 the effect of the molecule evolves to be an almost concave or slightly sigmoid function of its
14 concentration; the fraction of producers x evolves to 1, that is, all cells produce the molecule. For
15 low values of b/c , instead, the Hill coefficient s evolves to higher values, that is, the effect of the
16 molecule evolves to be a steeper sigmoid curve or even a step function (an on/off switch) [Figure
17 10]. Not surprisingly, fitness is higher (by up to 15%) when both x and s are determined at the
18 population level rather than at the individual level [Figure 11].

19 While we have not discussed the evolution of b and c , both are clearly under selection to
20 be as small as possible: c because reducing the cost of production increases fitness, and b because
21 the lower b is the higher the benefit is for a given amount of molecule. Arguably they are also,
22 however, constrained by intrinsic properties of the molecule, which prevent b and c from
23 becoming zero. Hence, we cannot predict whether evolution will tend to produce results of one
24 class or the other, let alone the exact values of b and c . We can argue, however, that there is
25 selection for reducing b and c .

26 If b is low enough, that is, if the molecules produced by one cell can induce a benefit in
27 many other surrounding cells, our results can be summarized, roughly, by saying that a sigmoid
28 function evolves if the cost of producing a molecule is not negligible. As a consequence, when the
29 production of a public good is costly, it seems generally reasonable to assume that the benefit is a
30 sigmoid function of the amount of public good.

32 *Further work*

34 Clearly there are limitations in our analysis. We have assumed, for instance, that there is no cost
35 for increasing s . However, while changing s is likely to involve some costs [Frank 2013], this
36 would arguably only shift the equilibrium value of s to a lower value than the ones reported in our
37 analysis.

38 A second simplification in our analysis is the assumption that there is no assortment and
39 no relatedness among cells. This is also unlikely, and adding assortment to our model would likely
40

1 lead to higher cooperation among cells. It would be interesting to study its effects on the
2 evolution of Hill coefficients. We have assumed that the results apply to both polymorphic
3 populations with two cell types (producers and non-producers) in which x defines the fraction of
4 producer cells, and to monomorphic populations with one type producing an amount x of
5 molecule per unit time (normalized between 0 and 1). The two cases may have different dynamics
6 if relatedness is included in the model.

7 Finally, our results were derived using a relatively low group size (n) for practical
8 computational reasons; the value of n in groups of cells is probably higher. We know, however,
9 that n affects the critical c value that makes the system bistable without affecting the dynamics, at
10 least qualitatively [Archetti & Scheuring 2011, 2012]. Therefore it seems reasonable that
11 increasing the value of n would only reduce the critical values of c we reported here.

12 *Importance of the Hill equation*

13
14 The Hill equation is widely used in biochemistry (where it describes many cases of enzyme
15 kinetics) [e.g.: Tyson et al 2003, Cornish-Bowden 2012, Zhang et al 2013], systems biology
16 (where the interest is focused on proximate explanations) [e.g.: Kolch et al. 2005, Kim & Ferrell
17 2007, Ferrell 2009, Cohen-Saidon et al. 2009, Goentoro & Kirschner 2009, Goentoro et al 2009]
18 and pharmacology (mainly for describing dose-response patterns) [e.g.: DeLean et al. 1978,
19 Hoffman & Goldberg 1994, Weiss 1997, Rang 2006]. As Frank [2013] points out, while the
20 discussion on the Hill equation is scattered through different fields, all seem to recognise it as an
21 important issue. Cornish-Bowden's [2012] provide a useful basic introduction, and Zhang et al.
22 [2013] review various proximate explanations. Frank [2013] discusses the different approaches,
23 and we refer the reader to his review for further references. Frank [2013] is also the first to
24 attempt a general explanation for the evolution of Hill coefficients, describing how aggregation,
25 measurement and scale can explain observed input-output relations.

26
27 In evolutionary game theory, in the study of the evolution of public goods, sigmoid
28 functions have been modelled mainly using the logistic equation to analyse the production of
29 non-linear public goods [Archetti & Scheuring 2011, Archetti et al. 2011, Deng & Chu 2011],
30 and it is known that concave functions [Motro 1991, Hauert et al. 2006, Frank 2010] lead to a
31 different type of dynamics [Archetti & Scheuring 2012]. It is interesting that sigmoid input-
32 output functions are not limited to interactions between cells and molecules [e.g.: Chuang et al.
33 2010, Cornforth et al. 2012, Karey & Sirbasku 1988; Jourdan et al 1995, Archetti et al. 2015], but
34 have been described for behavioural interactions in animal societies, where the benefit of social
35 interactions in a group are often non-linear (in some cases sigmoid) functions of the number of
36 cooperative members [Rabenold 1984, Bednarz 1988, Packer et al. 1990, Stander 1991, Creel
37 1997, Yip et al. 2008]. While our argument was essentially about enzyme kinetics, and therefore
38 we have assume that the individual players are individual cells and the population is a population
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1 of cells, our model applies beyond biochemistry, if we consider that the individuals are actual
2 individual organisms in a population (a society).

3 It is perhaps worth noting that the improved efficiency we showed for the first scenario
4 (central control of s and x), which applies to multicellular organisms, would be an additional
5 benefit of multicellularity, besides the efficient division of labor that is generally thought to be the
6 main advantage of multicellularity [Maynard Smith & Szathmáry 1995].
7

8 *Conclusion*

9

10 In spite of the importance of the Hill equation in different fields, and in spite of the existence of
11 many proximate explanations for sigmoid input-output functions, an adaptive explanation is still
12 lacking. Why does natural selection often promotes the evolution of sigmoid functions in input-
13 output systems? The puzzle [Frank 2013] arises from the fact that, as we have discussed, the
14 fundamental enzyme kinetics described by the Michaelis-Menten equation predicts a concave
15 function, rather than a sigmoid function. Our goal therefore was to determine whether natural
16 for optimal Hill coefficients would lead to the evolution of sigmoid input-output systems. The
17 results that emerge from our analysis seems robust to different assumptions on how the Hill
18 coefficient is determined, and apply to unicellular and multicellular organisms: a sigmoid input-
19 output kinetics is the most likely result of selection for mutant Hill coefficients. Our results add a
20 further level of explanation to current proximate explanations of the Hill kinetics (cooperative
21 binding, titration of repressors and opposing saturated forward and back reactions): the ultimate,
22 adaptive, explanation of the Hill kinetics often observed in biological input-output systems is
23 that a sigmoid shape of the benefit function, or even a step function, leads to higher fitness than a
24 concave function.
25

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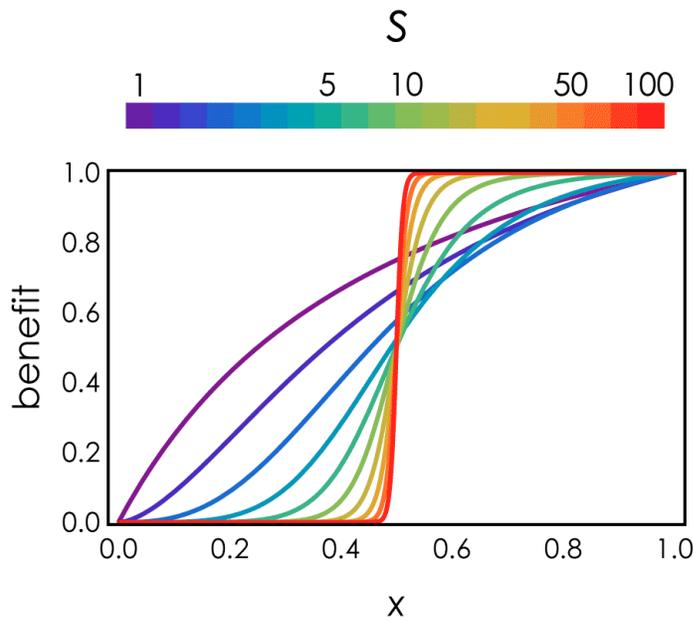
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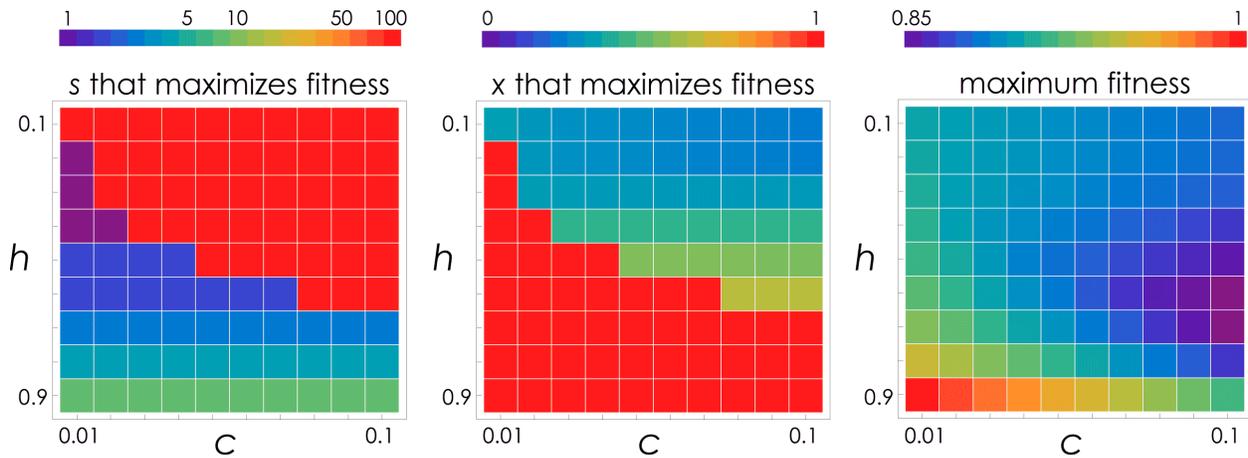
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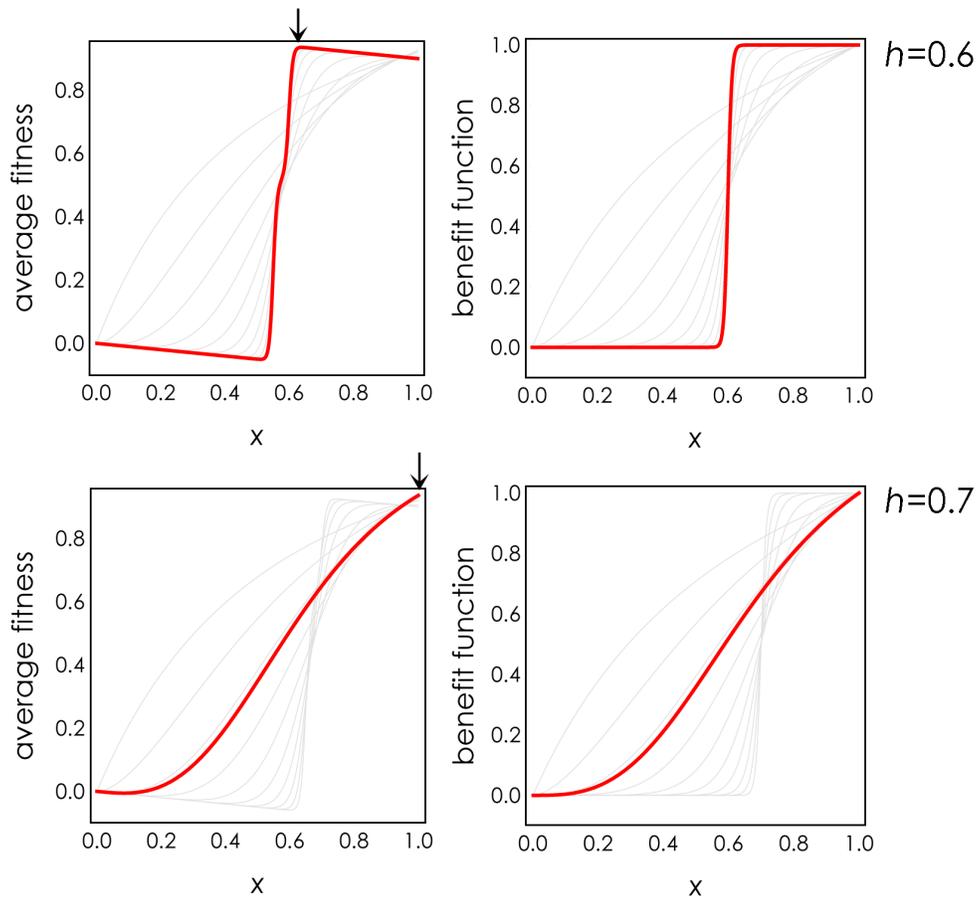
1 **Figure 1. Sigmoid input-output functions described by the Hill equation.** The benefit of a
2 diffusible molecule is plotted as a function of x (the level of production of the molecule), for
3 different values of the Hill coefficient s ; $b=0.5$ (the inflection point of the Hill equation); $n=20$.
4 While the Michaelis-Menten kinetics predict a Hill coefficient s close to 1, higher values are
5 commonly observed in biological systems.



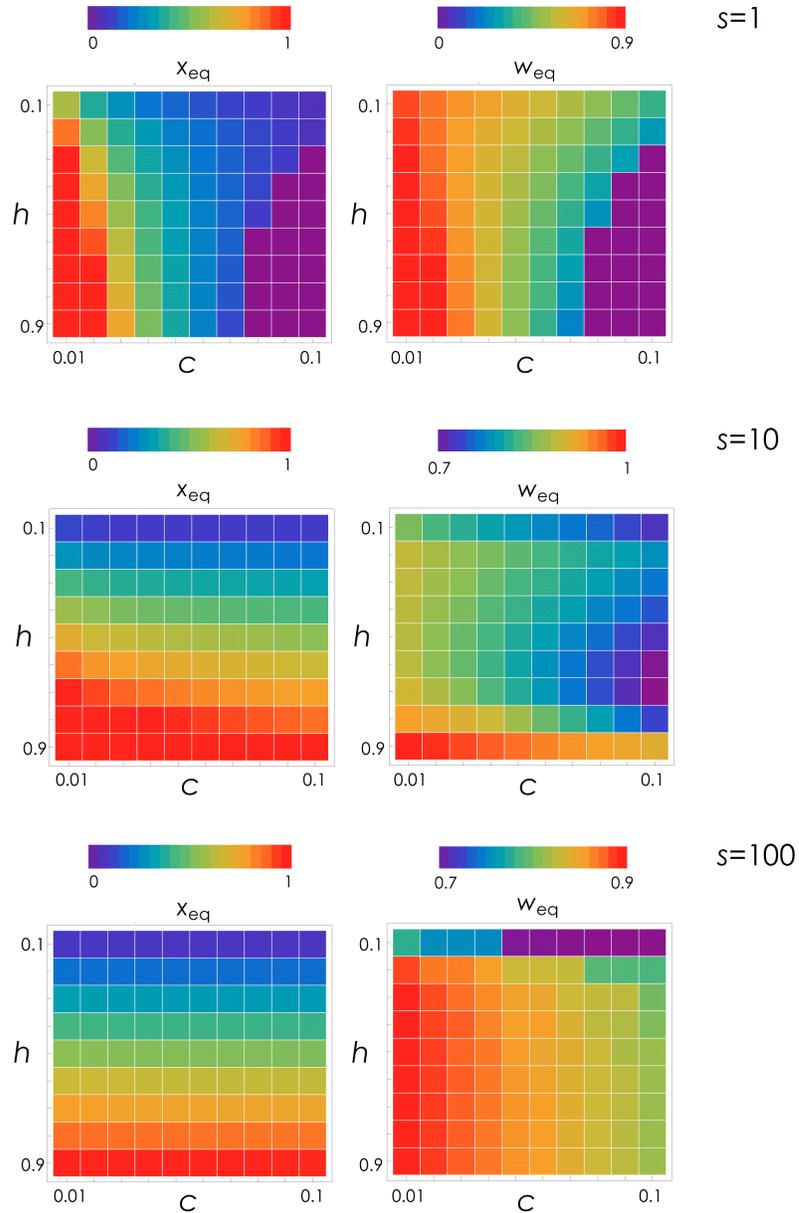
1 **Figure 2. Equilibria when s and x are centrally determined.** The values of s (the Hill coefficient)
 2 and x (the level of production of the molecule) that maximise fitness, and fitness at these values,
 3 as a function of h (the inflection point of the Hill equation) and c (the cost of producing the molecule); $n=20$.
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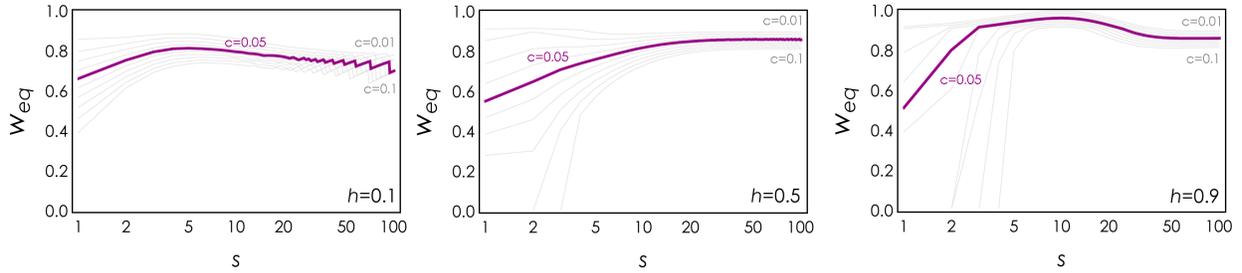
1 **Figure 3. Two classes of optimal Hill coefficients when s and x are centrally determined.** The
 2 thick red curves show (left) the average fitness function (as a function of x , the level of
 3 production of the molecule) for the value of s (the Hill coefficient) that maximizes average fitness
 4 (the arrow marks the value of x at which the maximum occurs) and (right) the input-output
 5 function with that s value. In this example, when $h=0.6$ fitness is maximised at an intermediate
 6 value of x . When h increases to 0.7 fitness is maximised at $x=1$. Two classes of results occur
 7 because when the highest fitness occurs at $x=1$, it does for low s values; when it occurs at
 8 intermediate x it does so for the highest s value. In both cases $c=0.1$, $n=20$.
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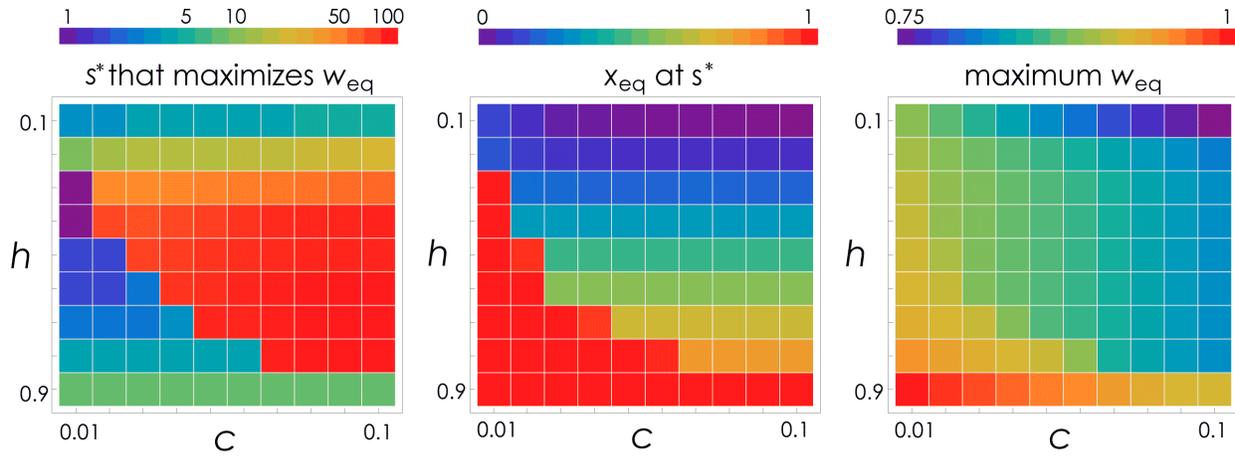
1 **Figure 4. The stable value of x and the corresponding average fitness when x is determined**
 2 **individually.** Each cell shows x_{eq} , the value of the stable equilibrium of x (the level of production
 3 of the molecule), and the corresponding average fitness (w_{eq}), as a function of h (the inflection
 4 point of the Hill equation) and c (the cost of producing the molecule), for different values of s
 5 (the Hill coefficient); $n=20$.



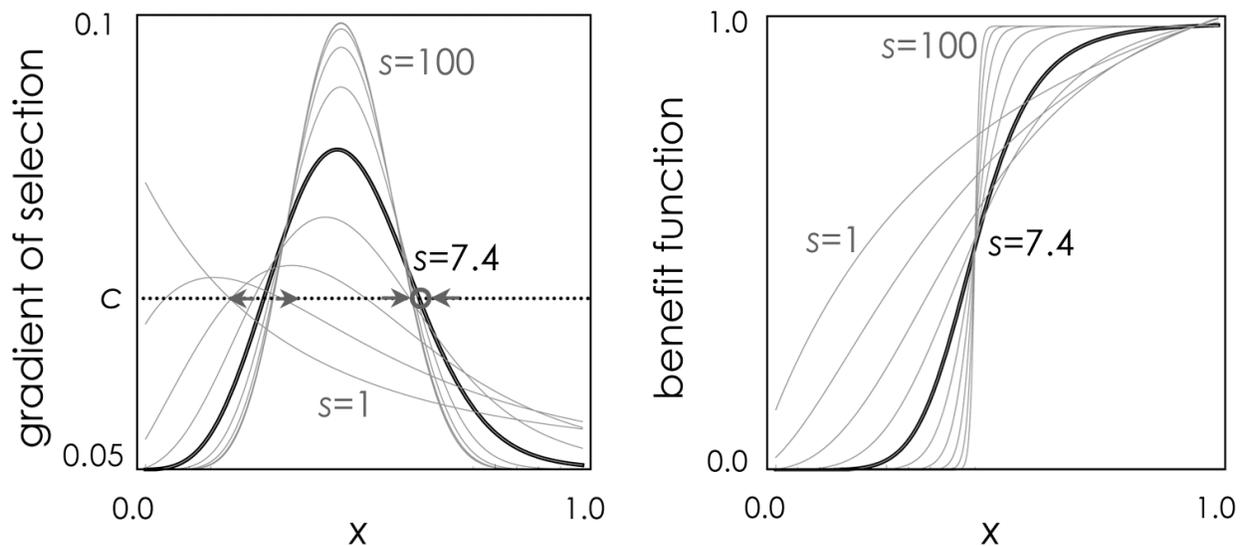
1 **Figure 5. Fitness at the equilibrium value of x when x is determined individually.** The
 2 equilibrium value of fitness (w_{eq}) as a function of s (the Hill coefficient), when x (the level of
 3 production of the molecule) is determined at the level of individual cells, for different values of h
 4 (the inflection point of the Hill equation) and c (the cost of producing the molecule — gray
 5 lines); $n=20$.



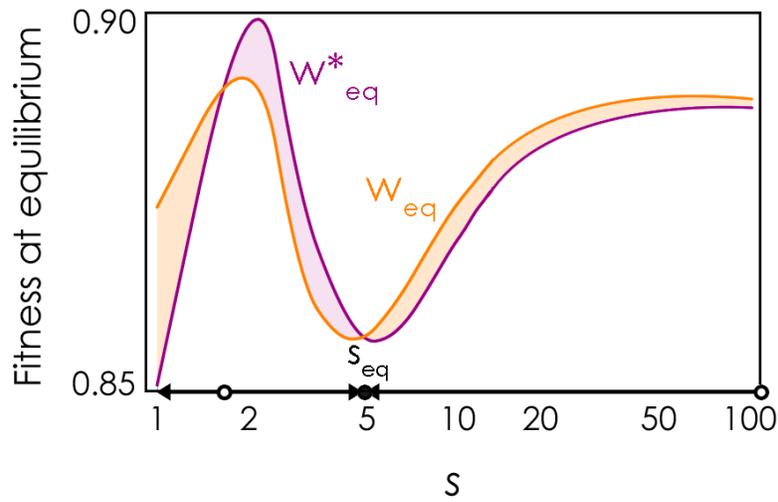
1 **Figure 6. Equilibria when x is determined individually.** The values of s (the Hill coefficient) that
 2 maximize the average fitness (w_{eq}) calculated when x (the level of production of the molecule)
 3 evolves to its equilibrium value (x_{eq}), x_{eq} at this value of s and w_{eq} at this value of s , as a function
 4 of h (the inflection point of the Hill equation) and c (the cost of producing the molecule); $n=20$.



1 **Figure 7. An intermediate Hill coefficient may lead to the highest possible output.** When only s
 2 (the Hill coefficient) is centrally determined, the equilibrium value of x (the level of production
 3 of the molecule) occurs where the gradient of selection (left panel — the benefit difference
 4 between producers and non-producers) equals the cost of production c , changing from positive to
 5 negative (shown by a circle; arrows show the direction of the dynamics). As a consequence, the
 6 value of s that maximises the equilibrium value of x can be intermediate. In this case ($c=0.05$,
 7 $n=20$), the value of s that leads to the maximum equilibrium value of x is 7.4 (the corresponding
 8 functions are shown as thick black curves), which leads to a sigmoid input-output shape (right
 9 panel).



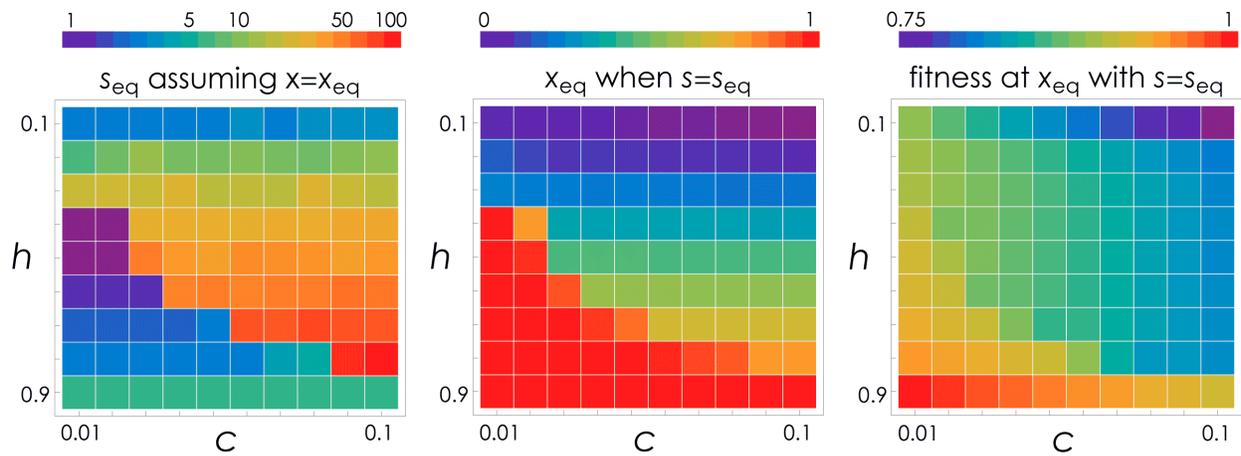
1 **Figure 8. Evolutionary dynamics of the Hill coefficient.** The stable value s of the Hill coefficient
 2 s_{eq} is found where the equilibrium fitness (calculated at the equilibrium value of x , x_{eq}) of the
 3 mutant (with a higher value of s) w_{eq}^* changes from being higher to being lower than the
 4 equilibrium fitness (at x_{eq}) of the resident phenotype (w_{eq}). Here $c=0.02$; $h=0.5$; $s^*=s*1.2$; $n=20$.
 5 Arrows show the direction of the dynamics.



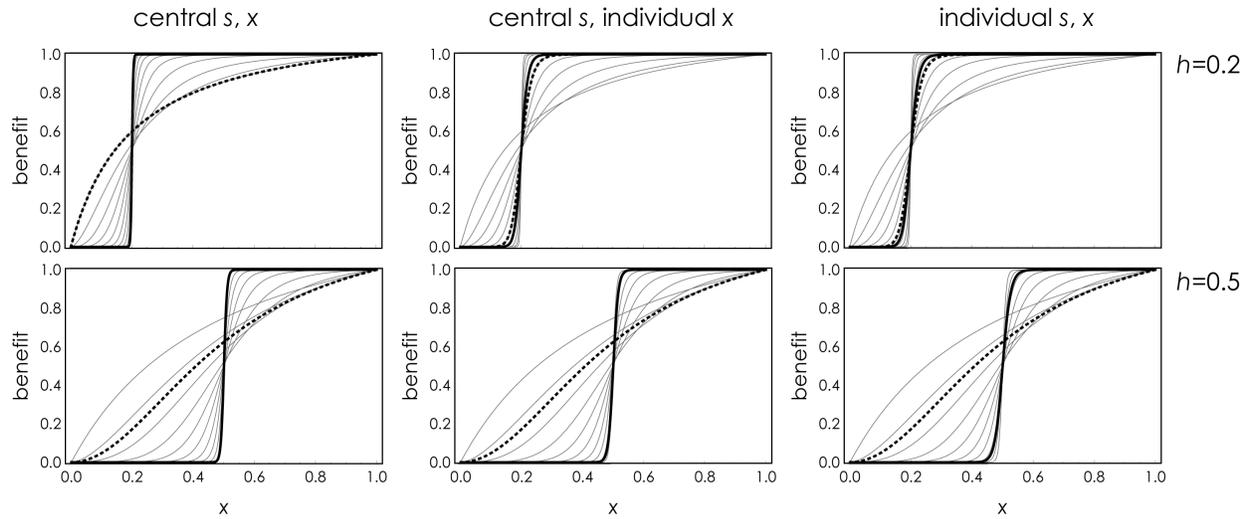
1 **Figure 9. Evolutionary equilibria of input-output dynamics when s and x are individually**
 2 **determined.** The equilibrium value of s as a function of h (the inflection point of the Hill

3 equation) and c (the cost of producing the molecule), given that both s (the Hill coefficient) and x

4 (the level of production of the molecule) evolve to their equilibrium value; $n=20$.



1 **Figure 10.** Shape of the input-output function evolving under the three scenarios. The input-
 2 output (benefit) function resulting from the stable Hill coefficient (s) under the three scenarios
 3 for $h=0.2$ and $h=0.5$, and for $c=0.01$ (dotted curve) and $c=0.1$ (solid curve); for reference, gray
 4 curves show the function for values of s ranging from 1 (concave function) to 100 (approaching a
 5 step function); $n=20$



1 **Figure 11. When control depends on individual cells, inefficiency increases.** The difference in
 2 fitness (at the equilibrium value of s) between the case in which control of x and s is centralised
 3 at the level of the population (W_1 , from Figure 2) and the case in which both x and s are decided
 4 at the level of the individual (W_2 , from Figure 9). The left panel is a detail of the right panel for
 5 low values of c ; $n=20$.

