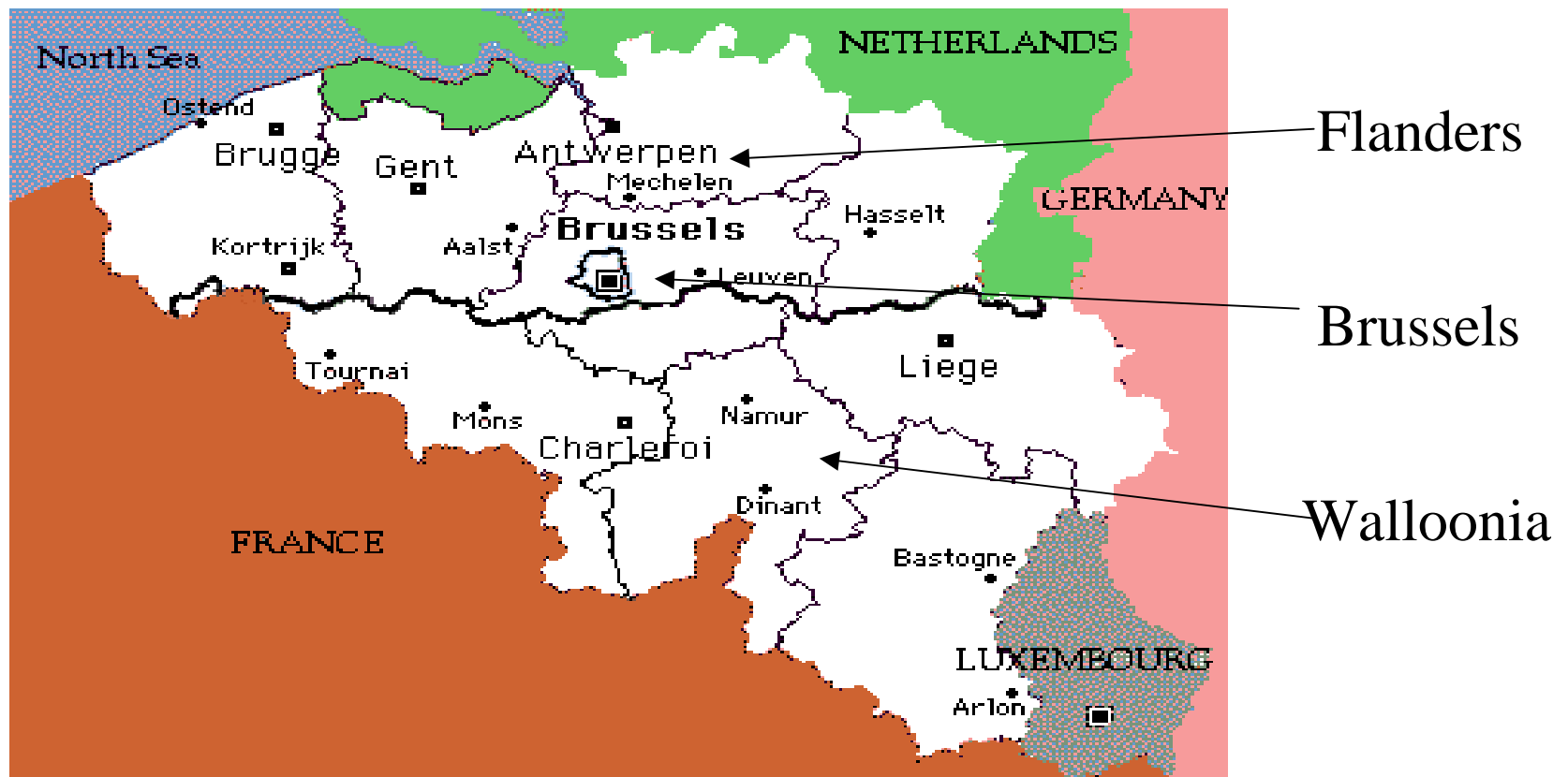


Strategic Behavior

“Sophisticated” voting and the
manipulation of agendas

Its Thursday, so this must be Belgium...



The Pay-Raise Game

- Three legislators (members of the Chamber of Deputies) have to decide by majority rule whether to give themselves a raise.
- They must vote (yea, nay) on a proposal to raise legislator salaries.
- Herr de Clercq (Flanders) Ms. Meyers (Belgium); M.Moureaux (Wallonia)
- Despite their diverse backgrounds, they share they see the world the same way...

Preferences:

Pass and vote nay P_i

Pass and vote yea P_i

Fail and vote nay P_i

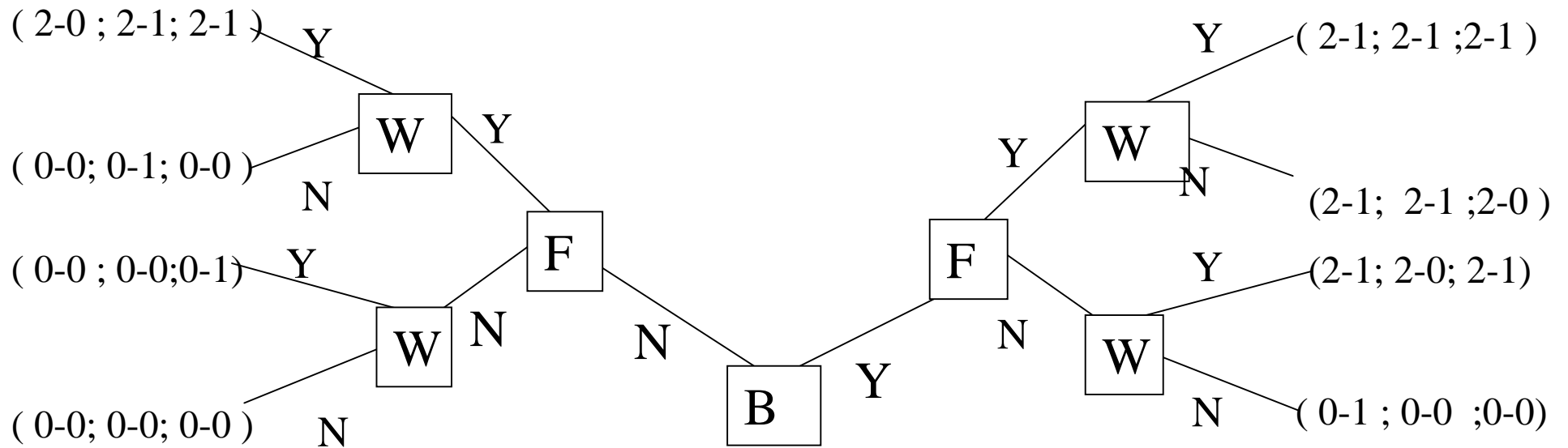
Fail and vote yea

What would *YOU* do if you were
Ms. Meyers?

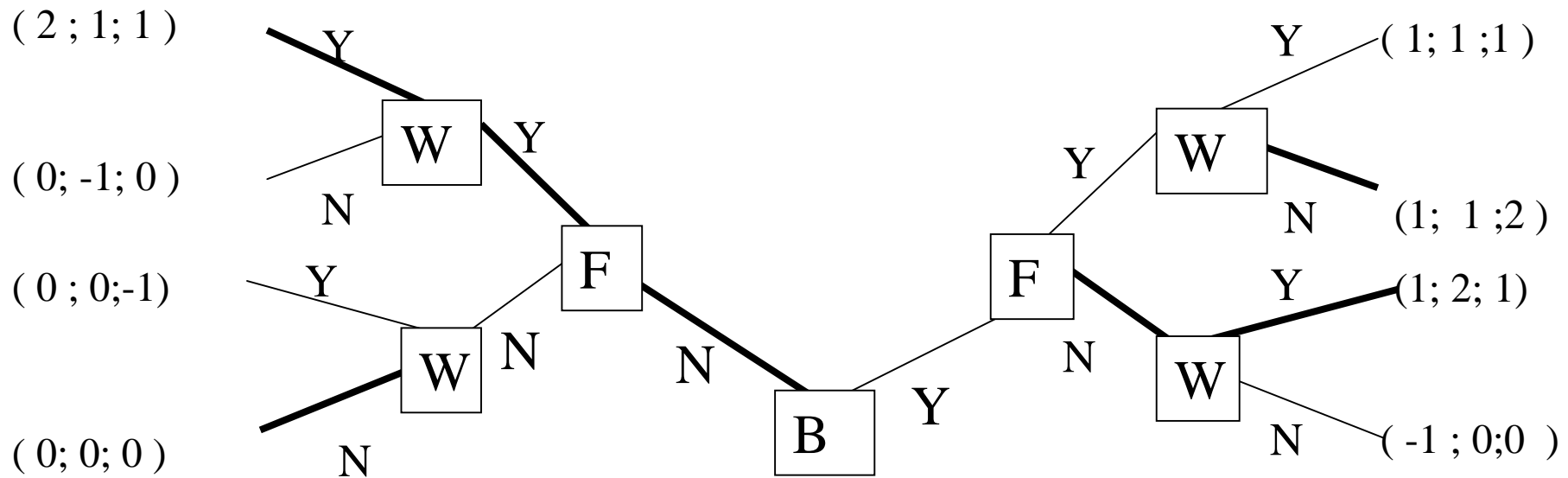
First, we need an agenda....

- Suppose the rule was,
“Deputies take turns voting in alphabetical order, by region”

Voting by Regions



Subgame perfect equilibrium is (Nay; Yea; Yea)



Suppose

you were Herr de Clercq and you were a member of the “rules committee” ... what would you do?

What would you do?

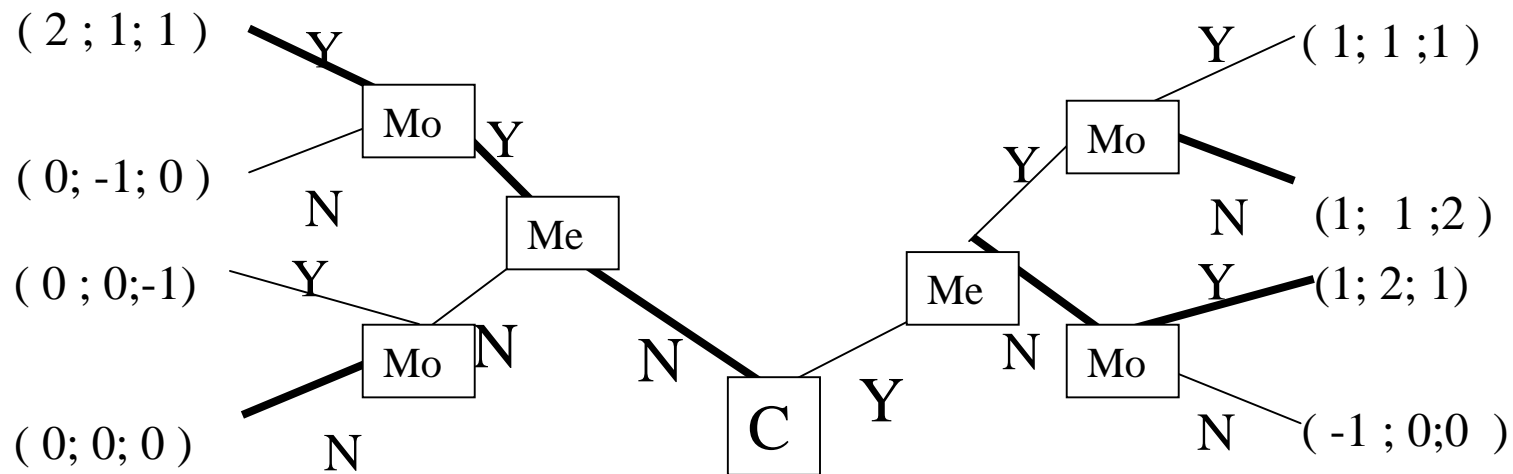
de Clercq Proposition

- “Since we are one nation, we should identify ourselves, first and foremost, as Belgians. Anything that encourages to think of ourselves in provincial terms is backward thinking and in appropriate in today’s global society. Therefore, henceforth and heretofore, any procedure that encourages us to think of ourselves as anything less than Belgian, should be struck down. (all voting should be done in alphabetical order)”

Evaluating the de Clercq proposition

- Each legislator might evaluate how they did under the existing rules, and compare that with how they might do under the proposed change....

Evaluating the de Clercq proposition ... what happens with new rules...



(Nay; Yea; Yea) is only sub-game perfect equilibrium

So, after looking forward to what would happen under the new rules, the Deputies know that

in the “one Belgium”

De Clercq gets 2

Ms. Meyers gets 1

M. Moureaux gets 1

Under the existing rules:

Ms. Meyers: 2

Herr de Clercq: 1

M. Moureaux : 1

So... de Clercq is for change; Meyers is against, and Moureaux is indifferent

Lessons from our trip to Belgium

- There are often incentives to vote strategically....
 - The propensity to vote strategically does not necessarily reveal anything about the actors' nature.
 - These three actors were identical accepts for their labels and where they found themselves in the order of play.
 - And yet.... Meyers voted strategically and the others voted sincerely.

Lessons from our trip to Belgium pt.2

- Despite having identical utility functions, some actors “voted selfishly” and some showed “forbearance”
 - The propensity to vote for or against a measure does not necessarily reveal anything about the actors’ nature.
 - You can’t interpret someone’s behavior on ethical grounds if you don’t understand the strategic situation they were in.
 - Psychologists talk about the Fundamental Attribution Error
 - Attributing an individual’s behavior to the “nature” without fully understanding the structural constraints they were operating under.

Lessons from our trip to Belgium pt. 3

- Agenda rules are extremely important
 - Ms. Meyers benefited from the fact that she could move first and “pass the buck” to her colleagues.
 - If you could decide the agenda, you can decide the outcome of the game.

Gibbard-Satterthwaite Theorem

Assume

1. a group G of at least 3 individuals
2. a set A of at least three alternatives.
3. Any member of G can have any preference ordering over A .

Then, every nondictatorial social choice procedure, F , is manipulability for some distribution of preferences.