## Social Choice - Spatial Models

## 1 Individual Preference $R^{i}$ on Space $X$

Def 1: Better/worse sets
(1) Upper contour set: $P_{i}(x) \equiv\left\{y \in X \mid{ }_{y} P^{i}{ }_{x}\right\}, R_{i}(x) \equiv\left\{y \in X \mid{ }_{y} R^{i}{ }_{x}\right\}$
(2) Lower contour set: $\tilde{P}_{i}(x) \equiv\left\{y \in X \mid{ }_{x} P^{i}{ }_{y}\right\}, \tilde{R}_{i}(x) \equiv\left\{y \in X \mid{ }_{x} R^{i}{ }_{y}\right\}$
(3) Indifference set: $I_{i}(x) \equiv\left\{y \in X \mid{ }_{y} I^{i}{ }_{x}\right\}$

Def 2 (Continuity) For individual preference $R^{i}$ on domain $X$ :
(1) $R^{i}$ is upper continuous (UC) iff $\forall x \in X, P_{i}(x)$ is open [or $\tilde{R}_{i}(x)$ is closed]
(2) $R^{i}$ is lower continuous (LC) iff $\forall x \in X, \tilde{P}_{i}(x)$ is open [or $R_{i}(x)$ is closed]
(3) $R^{i}$ is continuous iff it is both UC and LC.

Condition F: $R^{i}$ such that, for any finite set $S \subseteq X, \exists x \in X:{ }_{x} R^{i}{ }_{y}, \forall y \in S$.
Thm (Fan) If $R^{i}$ is LC, then: $R^{i}$ satisfies condition F iff $M\left(R^{i}, S\right) \neq \emptyset, \forall S \subseteq X$. $\triangleright M(R, S)$ is defined for any sets, including infinite sets! ${ }^{1}$

Def 3: Convex combination:

$$
z=\lambda_{1} x_{1}+\lambda_{2} x_{2}+\cdots+\lambda_{n} x_{n}, \quad \lambda_{i} \geq 0, \quad \sum \lambda_{i}=1
$$

(1) Convex set: any convex combination of elements in $S$ is also in $S$.
(2) Convex hull: $\operatorname{Hull}(S) \equiv$ minimal convex set containing $S$.

Def 4 (Convexity) For individual preference $R^{i}$ on convex set $X$ :
(1) $R^{i}$ is strictly convex iff:

$$
{ }_{x} R_{y}^{i} \Longrightarrow{ }_{(\lambda x+[1-\lambda] y)} P^{i}{ }_{y}, \forall \lambda \in(0,1)
$$

(2) $R^{i}$ is semi-convex iff:

$$
\forall x \in X, \quad x \notin \operatorname{Hull}\left(P_{i}(x)\right)
$$

$\mathbf{L m m}$ : If individual preference $R^{i}$ is strictly convex, then:
(1) it is semi-convex. [Pf: $\left.x \in \operatorname{Hull}\left(P_{i}(x)\right) \Rightarrow{ }_{x} P^{i}{ }_{x} \chi_{\lambda}\right]$
(2) both $R_{i}(x)$ and $P_{i}(x)$ are convex sets for any $x \in X$.
(3) indifference set $I_{i}(x)$ cannot be a thick stripe.
(4) if $M\left(R^{i}, S\right) \neq \emptyset$, then $\left|M\left(R^{i}, S\right)\right|=1$. [ie, $\left|M\left(R^{i}, S\right)\right|=0$ or 1$]$

[^0]Def 5 (Compactness) Individual preference $R^{i}$ is:
(1) compact if contour set $R_{i}(x)$ is compact for all $x$.
(2) CCC if it is continuous, convex, and compact.

Def 6: Utility function: $u_{i}(\cdot)$ such that: $u_{i}(x)>u_{i}(y) \rightleftharpoons{ }_{x} P^{i}{ }_{y}$
$\triangleright u_{i}(\cdot)$ is strictly quasi-concave iff $R^{i}$ is strictly convex.
Lmm (Fan) If $X$ is compact and convex, and $R^{i}$ is LC and semi-convex, then $R^{i}$ satisfies condition F on $X$. And hence $M\left(R^{i}, \cdot\right) \neq \emptyset$ [by Fan's Thm].

Lmm (McKelvey 1979:Econ) For relation $R^{i}$ that is CCC:
(1) $P_{i}(x)$ is open.
(2) $I_{i}(x)$ is closed without interior (ie: thin indifference sets).

## 2 Collective Preference on $K$ - $\operatorname{dim} X^{(K)} \subseteq \mathcal{R}^{K}$

Def 7 (Core) $C_{f}(\rho, X) \equiv M(f(\rho), X)$
$\triangleright$ If $x$ is in core, then: $\nexists y \in X,{ }_{y} P_{x}$.
$\triangleright$ Each $x \in C_{f}(\rho, X)$ is a Condorcet winner.
Def 8 (Coalition contour set) For any non-empty coalition $L \subseteq N$ and $x \in X^{(K)}$ :
(1) Common better set $P_{L}(x) \equiv \bigcap_{i \in L} P_{i}(x): y \in P_{L}(x) \Rightarrow \forall i \in L,{ }_{y} P^{i}{ }_{x}$
(2) Common worse set $\tilde{P}_{L}(x) \equiv \bigcap_{i \in L} \tilde{P}_{i}(x): y \in \tilde{P}_{L}(x) \Rightarrow \forall i \in L,{ }_{x} P^{i}{ }_{y}$

Def 9 (Collective contour set) For a given simple rule $f$ and $x \in X^{(K)}$ :
(1) Win set $P_{f}(x) \equiv\left\{y \in X \mid{ }_{y} P_{x}\right\}=\bigcup_{L \in \mathcal{L}(f)} P_{L}(x)$
(2) Lose set $\tilde{P}_{f}(x) \equiv\left\{y \in X \mid{ }_{x} P_{y}\right\}=\bigcup_{L \in \mathcal{L}(f)} \tilde{P}_{L}(x)$
(3) Tie set $I_{f}(x) \equiv\left\{y \in X \mid{ }_{y} I_{x}\right\}$

Lmm (McKelvey 1979) For preference $R^{i}(\forall i)$ that is CCC and plurality rule $f$ :
(1) $P(x)$ and $\tilde{P}(x)$ is open.
(2) $I(x)$ is closed without interior (ie: thin tie sets).

Lmm (Thin Tie Sets) (McKelvey 1979) Let $R$ be st-convex and continuous. If $y \in I(x)$, then for every neighborhood $\delta_{y}$ around $y$ :

$$
\delta_{y} \cap P(x) \neq \emptyset \quad \text { and } \quad \delta_{y} \cap \tilde{P}(x) \neq \emptyset
$$

$\triangleright$ If $_{y} I_{x}$, then $\left[\exists z \in \delta_{y}:{ }_{z} P_{x}\right.$ and $\left.\exists w \in \delta_{y}:{ }_{x} P_{w}\right]$

Lmm: Let $\rho=\left(R^{1}, \ldots, R^{n}\right)$ and all $R^{i}$ be LC, then any simple rule $f(\rho)$ is LC. $\square^{2}$
Lmm: Let domain $X^{(K)}$ be compact and convex, and $f$ be a simple rule with $K \leq v(f)-2$. Then if profile $\rho$ is semi-convex, $f(\rho)$ is also semi-convex.

Cor (Schofield) Let domain $X^{(K)}$ be compact and convex, and profile $\rho$ be LC and semi-convex. Then for any simple rule $f$ with $K \leq v(f)-2$, core $C_{f}(\rho, X) \neq \emptyset$.

Thm (Schofield) For any non-collegial simple rule $f$ with $K \geq v(f)-1$, there exists a continuously differentiable st-convex profile $\rho$ with $C_{f}(\rho, X)=\emptyset$.
$\triangleright$ For majority rule $f, v(f)=3$, so $K=1$ is required for $C_{f}(\rho, X) \neq \emptyset$.
$\triangleright$ For $n=3$ with different ideal points $x_{i}^{*}$ on $X^{(2)}$, majority rules have empty core.

## 3 Induced Preferences

Def 10: Lines and half-lines:
$\gamma(x, y) \equiv\left\{z \in \mathcal{R}^{K} \mid \exists t \in \mathcal{R}, z=t x+[1-t] y\right\}:$ line through $x$ and $y$ in $\mathcal{R}^{K}$
$\gamma_{x} \equiv$ a line through $x$ in $\mathcal{R}^{K}$
$\Gamma_{x} \equiv$ set of all lines through $x$ in $\mathcal{R}^{K}$
$h_{y}^{+}\left(\gamma_{x}\right), h_{y}^{-}\left(\gamma_{x}\right) \equiv$ open half lines of $\gamma_{x}$ divided by point $y$
Def 11: Let $R^{i}$ be continuous and st-convex, and $X$ be compact and convex. Then for any $x \in X, i$ 's induced ideal point on line $\gamma_{x}$ is:

$$
b^{i}\left(\gamma_{x}\right) \equiv\left\{z \in\left(\gamma_{x} \cap X\right) \mid{ }_{z} R_{y}^{i}, \forall y \in\left(\gamma_{x} \cap X\right)\right\}
$$

Def 12: Half-line coalitions divided by $y$ on $\gamma_{x}$ :

$$
L_{y}^{+}\left(\gamma_{x}\right) \equiv\left\{i \in N \mid b^{i}\left(\gamma_{x}\right) \in h_{y}^{+}\left(\gamma_{x}\right)\right\}, \quad L_{y}^{-}\left(\gamma_{x}\right) \equiv\left\{i \in N \mid b^{i}\left(\gamma_{x}\right) \in h_{y}^{-}\left(\gamma_{x}\right)\right\}
$$

Def 13: Induced $f$-median on $\gamma_{x}$ : For simple rule $f$ and $x \in X$,

$$
\mu_{f}\left(\gamma_{x}\right) \equiv\left\{y \in\left(\gamma_{x} \cap X\right) \mid L_{y}^{+}\left(\gamma_{x}\right) \notin \mathcal{L}(f) \quad \text { and } \quad L_{y}^{-}\left(\gamma_{x}\right) \notin \mathcal{L}(f)\right\}
$$

Thm (Cox 1987) Let $f$ be simple and $\rho$ be continuous and st-convex, then:

$$
x \in C_{f}(\rho, X) \rightleftharpoons x \in \mu_{f}\left(\gamma_{x}\right), \quad \forall \gamma_{x} \in \Gamma_{x}
$$

$\triangleright$ Core requires radial symmetry among voters: median in all directions.

[^1]Remark 1: When the core does not exist for sure, it rarely exists.

- Voters' ideal points must line up symmetrically.
- Plott [1967:AER]: extension to non-Euclidean preferences.
- McKelvey/Schofield [1987:Econ]: no coalition can agree on where to move together.

Remark 2: When the core does not exist for sure, it is fragile even if it exits. ${ }^{3}$
EX: Non-empty cores: 4 voters at corners of a square.

## 4 Median Voter Theorem (for 1-dim Choices)

Def 14 (Single-peakedness) Let $X \subset \mathcal{R}$. A profile $\rho \in \Psi^{n}$ is single-peaked (SP) iff:
There exists an order of $X$ on $\mathcal{R}$ such that $\forall i \in N, \exists x_{i}^{*} \in X$ :
(1) $x_{i}^{*} P^{i}{ }_{y}, \forall y \in X$
(2) $y<z<x_{i}^{*} \Rightarrow{ }_{z} P^{i}{ }_{y}$
(3) $x_{i}^{*}<z<y \Rightarrow{ }_{z} P^{i}{ }_{y}$

Lmm: Let $X \subset \mathcal{R}$ be convex and $R^{i} \in \Psi$, then:
(1) if individual preference $R^{i}$ is SP , then $R^{i}$ is strictly convex.
(2) if $R^{i}$ is strictly convex and $M\left(R^{i}, X\right) \neq \emptyset$, then $R$ is SP.

Thm (Median Voter) (Black 1958) Let $f$ be simple and $X \subset \mathcal{R}$. Then if $\rho$ is SP and continuous on $X$, then $C_{f}(\rho, X)=\mu_{f}(\rho, X) \neq \emptyset$.

## 5 Sincere/Myopic Voting (under Centralized Agenda Setting)

Def 15a: Hyperplanes and half-spaces:
(1) Hyperplane: $H_{y, c} \equiv\left\{x \in \mathcal{R}^{K} \mid x \cdot y=c\right\}$ for vector $y \in \mathcal{R}^{K}$ and scalar $c \in \mathcal{R}$. ${ }^{4}$
(2) Open half space: $H_{y, c}^{+} \equiv\left\{x \in \mathcal{R}^{K} \mid x \cdot y>c\right\}, H_{y, c}^{-} \equiv\left\{x \in \mathcal{R}^{K} \mid x \cdot y<c\right\}$
(3) Closed half space: $\bar{H}_{y, c}^{+} \equiv\left\{x \in \mathcal{R}^{K} \mid x \cdot y \geq c\right\}, \bar{H}_{y, c}^{-} \equiv\left\{x \in \mathcal{R}^{K} \mid x \cdot y \leq c\right\}$

Def 15b (Median hyperplane) $H_{y, c}$ with $\left|\left\{i \mid x_{i}^{*} \in H_{y, c}^{+}\right\}\right| \leq \frac{n}{2}$ and $\left|\left\{i \mid x_{i}^{*} \in H_{y, c}^{-}\right\}\right| \leq \frac{n}{2}$ $\triangleright$ Convention: denoted $H_{y}$ with $\|y\|=1$ and minimal $c$.

Def 15c (Total median) $x^{*}$ is a TM if $\forall y, \exists$ median hyperplane $H_{y, c}$ with $x^{*} \in H_{y, c}$
Def 15d: A total median $x^{*}$ is strong if $H_{y, c}$ is unique for all $y$.

[^2]Thm (Davis/Degroot/Hinich 1972:Econ) For any majority rule $f$ :
(1) There exists a total median iff:

$$
\bigcap_{y} \bar{H}_{y}^{+} \neq \emptyset
$$

(2) $x^{*}$ is a total median iff $x \in C_{f}(\rho, X)$.
(3) If $x^{*}$ is strong, then social order $R$ is transitive on $X$ :

$$
{ }_{x} R_{y} \rightleftharpoons\left\|x-x^{*}\right\| \leq\left\|y-x^{*}\right\|
$$

Remark: For majority rules and Euclidean individual preferences:

- $n$ odd: TM is unique and strong, and hence $R$ is transitive.
- $n$ even: TM not strong, and $R$ not transitive
(Eg) $x_{i}^{*}$ on 4 corners of a square: $\mathrm{TM} x^{*}=\frac{\sum x_{i}^{*}}{4}$ is not strong, and $R$ not transitive.
Lmm (Helley) Let $H_{1}, \ldots, H_{K+m}(m>0)$ be compact and convex sets in $\mathcal{R}^{K}$, If intersection of every sub-family of $(K+1)$ sets is non-empty, then $H_{1} \cap \cdots \cap H_{K+m} \neq \emptyset$.

Thm (Chaos) (McKelvey 1976:JET) Let $n(\geq 3)$ be finite and $X\left(\subset \mathcal{R}^{K}\right)$ be compact and convex. Individual preference $u_{i}: X \mapsto \mathcal{R}$ is Euclidean:

$$
u_{i}(x)=\phi_{i}\left(\left\|x-x^{*}\right\|\right) \quad \text { where } \quad \phi_{i}^{\prime}(\cdot)<0
$$

For any majority rule $f$, if $C_{f}(\rho, X)=\emptyset$, then for any $x, y \in X$, there exists a finite sequence $z_{0}, \ldots, z_{T} \in X$ such that (i) $z_{0}=x, z_{T}=y$; and (ii) $z_{t+1} P_{z_{t}}, 0 \leq t<T$.
$\triangleright$ Global cycling: majority rule may wander anywhere with a naive voting body!
$\triangleright$ For open decentralized agenda formation, no equilibrium exists!
$\triangleright$ Generalization of core: uncovered set (McKelvey 1986)

## 6 Sophisticated Voting (under Centralized Agenda Setting)

EX: Committee chair with tie-breaking power. [Farguharson 1969]
Congress voting on pay raise.
Def 16: Binary agenda under amendment process: $\mathcal{B}=\left(x_{1}, \ldots, x_{t}\right)$ with $x_{1} \equiv$ status quo
(1) Forward agenda: $\left(x_{1}, \ldots, x_{t}\right)=\left(\left(\left(\left(\left(x_{1}, x_{2}\right), x_{3}\right), \cdots\right), x_{t}\right)\right.$
(2) Backward agenda: $\left.\left.\left(x_{1}, \ldots, x_{t}\right)=\left(x_{1}, \cdots,\left(x_{4},\left(x_{5}, x_{6}\right)\right)\right)\right)\right)$

Def 17: Sophisticated voting [Farguharson 1969]: iterated elimination of dominated strategies Multi-stage sophisticated voting [McKelvey/Niemi 1978:JET]

Def 18: For a forward binary agenda $\mathcal{B}=\left(x_{1} \ldots, x_{t}\right)$, its sophisticated equivalent (SEQ) $\mathcal{Z}=$ $\left(z_{1} \ldots, z_{t}\right)$ is constructed as:

$$
\text { (i) } z_{t}=x_{t} ; \quad \text { (ii) for } i<t, z_{i}= \begin{cases}x_{i}, & \text { if }{ }_{x_{i}} P_{z_{j}}, \forall j>i \\ z_{t+1}, & \text { otherwise }\end{cases}
$$

Thm (Equivalence) (Shepsle/Weingast 1984:AJPS) For a forward binary agenda $\mathcal{B}$, the first element $z_{1}$ of its SEQ $\mathcal{Z}$ identifies the sophisticated outcome. And $z_{1}$ is called the sophisticated voting equilibrium (SVE).

Thm (Intersecting Win-sets) (S/W 1984:AJPS Thm 2) For agenda $\mathcal{B}$ of length $t$, its SVE $z_{1}$ satisfies:

$$
z_{1} \in \bigcap_{j=2}^{t} P\left(z_{j}\right)
$$

Def 19: $x$ dominates $y\left[{ }_{x} D_{y}\right]$ iff $P(x) \subseteq P(y)$ and $R(x) \subseteq R(y)$
Undominated set $\mathrm{UD}(X) \equiv\left\{x \in X \mid \nexists y \in X:{ }_{y} D_{x}\right\}=\left\{x \mid \forall y \in X: \sim{ }_{y} D_{x}\right\}$
$D(x) \equiv\left\{y \in X \mid{ }_{y} D_{x}\right\}$
$\tilde{D}(x) \equiv\left\{y \in X \mid{ }_{x} D_{y}\right\}$
Def 20: $x$ covers $y\left[{ }_{x} C_{y}\right]$ iff ${ }_{x} P_{y}$ and $P(x) \subset P(y)[$ S/W 1984]
Uncovered set $\mathrm{UC}(x) \equiv\left\{y \in X \mid \sim{ }_{x} C_{y}\right\}$
Uncovered set $\mathrm{UC}(X) \equiv\left\{x \in X \mid \nexists y \in X:{ }_{y} C_{x}\right\}=\left\{x \mid \forall y \in X: \sim{ }_{y} C_{x}\right\}$
$\triangleright{ }_{x} C_{y} \rightleftharpoons{ }_{x} P_{y}$ and ${ }_{x} D_{y}[\mathrm{~S} / \mathrm{W} 1984$ footnote 8]
$\triangleright C_{f}(\rho, X) \subseteq \mathrm{UC}(X)\left[\because{ }_{x} R_{y} \Rightarrow \sim_{y} C_{x}\right]$
$\triangleright \mathrm{UD}(X) \subseteq \mathrm{UC}(X)\left[\because \sim{ }_{y} D_{x} \Rightarrow \sim_{y} C_{x}\right]$
$\triangleright C_{f}(\rho, X) \nsubseteq \mathrm{UD}(X), \mathrm{UD}(X) \nsubseteq C_{f}(\rho, X)$
Lmm (McKelvey 1986:AJPS Prop 3) For continuous and convex $R^{i}$ :
(1) Relation $C$ and $D$ are SYM, IRR, TRAN, and ACYC.
(2) Set $D(x)$ is closed for any $x \in X$.
$\operatorname{Lmm}(\mathrm{S} / \mathrm{W} 1984 \mathrm{Lmm} 1) P(y) \subseteq P(x) \Longrightarrow \tilde{P}(x) \subseteq \tilde{P}(y)$
$\operatorname{Lmm}(\mathrm{S} / \mathrm{W} 1984 \mathrm{Lmm} 2) y \in P(x)$ but $\sim{ }_{y} C_{x} \Longrightarrow P(y) \cap \tilde{P}(x) \neq \emptyset$
$\triangleright P(y) \not \subset P(x) \Longrightarrow P(y) \cap \tilde{P}(x) \neq \emptyset$
$\triangleright P(y) \not \subset P(x) \Longrightarrow \exists z:{ }_{x} P_{z} P_{y}$
Thm (S/W 1984:AJPS Thm 3) For any $x, y \in X$, there exists a finite agenda $\mathcal{B}$ with $y$ being the first element and $x$ being its SVE, iff $\sim{ }_{y} C_{x}$.
$\triangleright$ Can reach any point uncovered by $y$ through a binary agenda.
$\triangleright$ Any point in UC(y) can be reached as an SVE.
$\triangleright$ For open agenda processes, the core is $\mathrm{UC}(X)$.

Thm (2-step Principle) (S/W 1984:AJPS Cor 3.1) Starting with $y$, for any point $x$ that is the SVE of some finite agenda, there is an agenda that can produce $x$ in at most two steps.

Def 21: Relation $Q$ is a chain (or total order) on $X$ iff $Q$ is COMP, IRR, and TRAN.
$\triangleright x$ is a maximal element with regards to relation Q iff $\forall y \in X, \sim{ }_{y} Q_{x}$.
$\triangleright$ Set $S(\subseteq X)$ has an upper bound iff $\exists y \in X, \forall x \in S,{ }_{y} Q_{x}$.
Lmm (Zorn) For any relation $Q$ on $X$, if all chains on $X$ are upper-bounded, then $X$ has a maximal element with regards to $Q$.

Thm (McKelvey 1986:AJPS Thm 1) If $X$ is compact, and individual preferences are continuous and convex, then $\mathrm{UD}(X) \neq \emptyset$ and $\mathrm{UC}(X) \neq \emptyset$.

Remark: S/W results not applicable to non-binary agendas.
EX: 3 voters, 7 alternatives, majority rule:
$R^{1}: a \succ c \succ z \succ b \succ y \succ x \succ q$
$R^{2}: b \succ y \succ c \succ x \succ a \succ z \succ q$
$R^{3}: x \succ z \succ a \succ y \succ c \succ b \succ q$
$\Longrightarrow z$ is SVE, but covered by $a .{ }^{5}$
Remark: For two-candidate Downsian competition, candidates are located in core. ${ }^{6}$

## $7 \quad$ Structure-induced Equilibrium (SIE)

Assumptions: Policy space $X\left(\subseteq \mathcal{R}^{K}\right)$ is compact and strictly convex. Individual preferences are continuous and strictly convex.

Def 22: $V_{j}(x) \equiv\left\{y \in X \mid y=x+\lambda e_{j}, \lambda \in \mathcal{R}\right\}$, where $e_{j}\left(\in \mathcal{R}^{K}\right)$ is the dim- $j$ basis vector. $S_{j}(x) \equiv\left\{y \in V_{j}(x) \mid \nexists z \in V_{j}(x),{ }_{z} P_{y}\right\}:$ collective choice on $V_{j}(x)$.
$\triangleright\left(\right.$ Kramer 1972:JMS Lmm 3) $S_{j}(x)$ is non-empty, compact and convex for simple $f$.
Def 23 (Issue-by-issue core) $C_{f}^{I}(\rho, X) \equiv\left\{x \in X \mid x \in S_{j}(x), \forall j=1, \ldots, K\right\}$
Thm (Kramer 1972:JMS Thm 1') For issue-by-issue voting, $C_{f}^{I}(\rho, X) \neq \emptyset$. That is,

$$
\exists x^{*} \in X: x^{*} \in \bigcap_{j=1, \ldots, K} S_{j}\left(x^{*}\right)
$$

$\triangleright C_{f}^{I}(\rho, X)$ may not be SVE. (Order of issues matters.)
$\triangleright[E X]$ Congress is a committee system: a decisive coalition for each issue.

[^3]Remark: (Shepsle 1979:AJPS Ex 3.1)

- TM may not be in core $C_{f}^{I}(\rho, X)$.
- The core may be outside the Pareto set.

Def 24: Individual preferences are additively separable on $X^{(K)}$ if:

$$
u\left(x_{1}, \cdots, x_{K}\right) \equiv u_{1}\left(x_{1}\right)+\cdots+u_{K}\left(x_{K}\right)
$$

$\triangleright$ Optimal $x_{i}$ is independent of $x_{j}, \forall j \neq i$.
Thm (Kramer 1972:JMS Thm 2) For separable preferences, if $x^{*} \in C_{f}^{I}(\rho, X)$, then $x^{*}$ is an issue-by-issue SVE.
$\triangleright$ Order of issues does not matter.
$\triangleright$ Reconsideration of issues does not matter.
$\triangleright$ Simultaneous or sequential consideration does not matter.

## 8 Constitutional Design

Def 25: $C_{f}(\rho, X, \Upsilon, \beta)$ : core of the constitutional design game
State-dependent preference $\rho$ over outcomes
Outcome function $\Upsilon: s_{1} \times \cdots \times s_{n} \mapsto X$, with $s_{i} \equiv$ strategy set of $i$
Behavioral model $\beta$ : DSE, Nash, admissible Nash, Baysian Nash, SPE, etc.
Game design $\varphi(\rho): \Psi^{n} \mapsto X$
$\triangleright$ Assume $\left|C_{f}(\rho, X, \Upsilon, \beta)\right|=1$.
Ex (Solomon Game) (Moore 1992) 2 women A, B fighting for a baby:

- Possible outcomes:
$a$ : A gets the baby
$b$ : B gets the baby
$c$ : Baby cut in halves
$d$ : A and B both cut in halves
- Preferences:

State 0 (A is mother): A: $a \succ b \succ c \succ d$; B: $b \succ c \succ a \succ d$
State 1 (B is mother): A: $a \succ c \succ b \succ d$; B: $b \succ a \succ c \succ d$

- Game design of Solomon: $\varphi(0)=a, \varphi(1)=b$
$\Longrightarrow$ Game not implementable in Nash!
Thm (Gibbard/Satterthwaite) Let $X$ be finite with $|X| \geq 3$. Then $\varphi$ is implementable in dominant strategy (DS) iff $\varphi$ is dictatorial.

Thm (Zhou) Let $X \subseteq \mathcal{R}^{K}(K \geq 2)$ be compact and convex, and preferences $\rho$ be continuous and st-convex. Then $\varphi$ is implementable in DS only if $\varphi$ is dictatorial.

Condition NV (NoVeto) $\forall x, y \in X, \forall \rho \in R^{n}:|R(x, y ; \rho)|=n-1 \Rightarrow x \in \varphi(\rho)$.
Condition MM (Maskin Monotonicity) $\forall x, y \in X, \forall \rho, \rho^{\prime} \in R^{n}$ :

$$
x \in \varphi(\rho) \text { and } \quad R(x, y ; \rho) \subseteq R\left(x, y ; \rho^{\prime}\right) \Longrightarrow x \in \varphi\left(\rho^{\prime}\right)
$$

Def 26: $\varphi$ is constant if $\forall \rho, \rho^{\prime} \in R^{n}, \varphi(\rho)=\varphi\left(\rho^{\prime}\right)$
$\mathrm{Lmm}: \varphi$ is constant iff it is MM.
Thm (Maskin) Suppose $\varphi$ satisfies NV, and $n \geq 3$. Then $\varphi$ is Nash-implementable iff it satisfies MM.
$\triangleright$ The Solomon game violates condition MM.
Thm (Palfrey/Srivastava) Let $|X| \geq 3$, and no player is completely indifferent over all alternatives. Then any $\varphi$ that satisfies NV is implementable in admissible Nash.

Remark: The Solomon game is implementable in admissible Nash.
$<$ Strategy $>$ A and B simultaneously announce state and an integer.
$<$ Rule $>$ If announced states disagree, outcome is $d$. Otherwise, ...
$<$ Equilibrium $>$ Both announce true state and say 1.

## 9 Related Research

- Shepsle (1979 AJPS): Simple institutional arrangement (SIA)
- gate-keeping committee
- floor amendment via majority under germaneness rule
- Laver/Shepsle, Austin-Smith/Banks (1990 APSR): Portfolio allocation
- Romer/Rothenthal (1979): Propose-pivot paradigm
- Proposer has proposal power: will propose own ideal point
- Outcome distorted in favor of proposer
- Maybe somewhat balanced by veto power of other members
- Baron/Ferejohn (1989): Pork barrel
- Groseclose/Snyder (1995), Diermeier/Myerson (1995): Vote-buying


[^0]:    ${ }^{1}$ For finite $X$, COMP and ACYC are enough for $M(R, S) \neq \emptyset$. But for infinite $X$, LC is required.

[^1]:    ${ }^{2}$ Proof: $\tilde{P}_{L}(x)$ is finite intersection of open sets $\left\{\tilde{P}_{i}(x)\right\}$ over $i$, so $\tilde{P}_{L}(x)$ is open. Then $\tilde{P}_{f}(x)$, which is union of $\tilde{P}_{L}(x)$ over $L$, is open.

[^2]:    ${ }^{3}$ That is, it will be gone with just a little perturbation.
    ${ }^{4}$ It is a plane perpendicular to vector $y$.

[^3]:    ${ }^{5}$ Since ${ }_{a} P_{z}$ and $\{x\}=P(a) \subset P(z)=\{x, a, c\}$, we have ${ }_{a} C_{z}$.
    ${ }^{6}$ Both candidates will choose the median voter's ideal point $x^{*}$ as their platform, so outcome is in core.

