

Strategy-proofness and the Distribution of Rights

Jaideep Roy¹ Honorata Sosnowska²

Abstract

Generally speaking, rights are viewed as an outcome of some legal structure or as a precedence to some existing moral code. The social choice literature fails to distinguish with sufficient rigor between rights, freedoms and power which are grammatically and conceptually quite different. Our approach provides with a model where each of these three concepts may be exclusively identified in the following way. While philosophers question the very essence of the word "right", social choice theorists assume that the true profile of individual and/or group rights is common knowledge. If one takes a careful look at social choice literature on rights, domains of rights are typically those concerning "color of shirt" or "which book to read". In that sense, there can be no argument or doubt that each individual or group must be given right to choose from such domains. Hence the assumption of common knowledge of rights is very well justified in such domains. But not every domain of choice can be so obviously simple. As an example, consider a situation where the planner wishes to provide with reservation or quota for jobs to poor people. In this sense, once such a legislation is passed, every poor person "has right" to be among the first to be considered for any given job. However while this law is well defined, whether a person is poor or not can be manipulable: for example, I may claim that I am the poorest if by looking at me one cannot be sure of my wealth status. Of course, the planner may require provision of proof, but such proofs can also be manipulated. Yet, a person who is truly poor must have this advantage in the society. At the same time, each one of us are and must be free to declare our own characteristics. In this example, freedom comes in declaration of personal characteristics, while power of each individual comes from the distribution of rights provided by the central planner. We are concerned exclusively with such non-trivial domains and hence the issue of manipulability becomes central.

¹*Center for Economic Psychology and Decision Sciences, LKAEM, Ul. Jagiellonska 59, 03-301 Warsaw, Poland. Tel: +48 22 519 2225; Email: jroy@wspiz.edu.pl.*

²*Institute of Mathematical Economics, Warsaw School of Economics, and Center for Economic Psychology and Decision Sciences, LKAEM Warsaw. Tel: +48 22 831 4143; Email: honorata@sgh.waw.pl.*

Our society consists of N individuals. Each of them announces his preference and right which are not known a priori by the social planner . The SCF is lottery-valued. We propose a notion of group and consequently individual rights where we assume that for a given voting domain (that is a non-empty subset of the set of alternatives), the social planner fixes a probability mass which is distributed uniformly amongst the top elements all individuals who claim right on that domain. We follow the model considered in Dutta et. al (2004) in considering lottery-valued strategy proof SCF and extend the space of announcements to include rights. We show that full rights is distributed only in the case where every individual has a claim on a given domain. In other cases, it is impossible to distribute full rights although a minimum level is guaranteed. Moreover we show that it is necessary that such SCFs are not Global Random Dictatorships.