

# **On the Weights of Nations: Assigning Voting Weights in a Heterogeneous Union**

Salvador Barberà  
and Matthew O. Jackson

NOTA DI LAVORO 76.2004

**MAY 2004**

CTN – Coalition Theory Network

Salvador Barberà, CODE, *Departament d'Economia i d'Historia Econòmica,*  
*Universitat Autònoma de Barcelona*

Matthew O. Jackson, *Division of Humanities and Social Sciences,*  
*California Institute of Technology*

This paper can be downloaded without charge at:

The Fondazione Eni Enrico Mattei Note di Lavoro Series Index:  
<http://www.feem.it/Feem/Pub/Publications/WPapers/default.htm>

Social Science Research Network Electronic Paper Collection:  
<http://ssrn.com/abstract=XXXXXX>

The opinions expressed in this paper do not necessarily reflect the position of  
Fondazione Eni Enrico Mattei

# On the Weights of Nations: Assigning Voting Weights in a Heterogeneous Union

## Summary

Consider a voting procedure where countries, states, or districts comprising a union each elect representatives who then participate in later votes at the union level on their behalf. The countries, provinces, and states may vary in their populations and composition. If we wish to maximize the total expected utility of all agents in the union, how to weight the votes of the representatives of the different countries, states or districts at the union level? We provide a simple characterization of the efficient voting rule in terms of the weights assigned to different districts and the voting threshold (how large a qualified majority is needed to induce change versus the status quo). Next, in the context of a model of the correlation structure of agents preferences, we analyze how voting weights relate to the population size of a country. We then analyze the voting weights in Council of the European Union under the Nice Treaty and the recently proposed constitution, and contrast them under different versions of our model, and compare them to the weights derived from poll data.

**Keywords:** Majority rule, Voting, Weighted voting, European Union

**JEL Classification:** D71, D72

*Financial support from the National Science Foundation is gratefully acknowledged under grants SES- 9986190 and SES-0316493, as is Financial support of the Barcelona Economics program (CREA), and the Spanish Ministry of Education and Culture through grant PB98-0870; from the Spanish Ministry of Science and Technology through grant BEC2002-002130, and from the Generalitat of Catalonia through grant SGR2001-00162. We thank Ken Binmore, Jon Eguia, Annic Laruelle, Giovanni Maggi, and Federico Valenciano for helpful discussions and comments. We are very grateful Danilo Coelho for research assistance with the Eurobarometer data.*

*This paper was presented at the 9<sup>th</sup> Coalition Theory Workshop on "Collective Decisions and Institutional Design" held in Barcelona, Spain, on 30-31 January 2004 and organised by the Universitat Autònoma de Barcelona.*

*Address for correspondence:*

Salvador Barbera  
Departament d'Economia i d'Historia Econòmica  
Universitat Autònoma de Barcelona  
08193 Bellaterra  
Spain  
E-mail: Salvador.Barbera@uab.es

# 1 Introduction

Citizens vote occasionally, while their elected representatives vote frequently. This is sensible due to the cost of becoming informed on a myriad of issues and of involving full populations in the innumerable decisions that fully direct democracy would require. As such, a large part of decisions in democratic unions of nations, states, or districts, are made by indirect democracy. While indirect democracy is sensible due to the costs of involving full populations in decision making, it introduces distortions in the decision process due to the fact that a single vote by a representative does not adequately represent the heterogeneity of votes that would be cast by that representative's constituency.

To the extent that districts can be made small, of similar size, and of similar degrees of heterogeneity, and to the extent that representatives' votes are really in line with their constituents' preferences, then weighting each representative's vote equally provides a system of indirect democracy that maximizes overall societal welfare. However, for a variety of reasons, there are many systems of indirect democracy that are not structured in this way. A particularly important and timely example is the Council of Ministers of the European Union, a critical decision making body of the EU. That council consists of a single representative from each country in the European Union. The countries (represented by a single representative each) differ widely in their population sizes and compositions. Similar examples, where representatives come from quite heterogeneous member countries, states or districts, include the United Nations, the US Senate, and a variety of state and local governments. In any democratic union where the member countries, states, or districts comprising the union may be of different sizes and have different compositions in terms of distributions of citizens' preferences, it makes sense to weight the votes of the representatives.<sup>1</sup> For instance, some obvious difficulties can result if countries differ in population and their voting power is not weighted. Then, small countries might impose decisions that a majority of the affected people are against.

How to weight the votes of these heterogeneous countries comprising the current and future European Union is the topic of an important current debate. Indeed, the Nice Treaty (2000) and the Constitutional Convention (2003) propose very different sets of weights and voting thresholds for the Council of Ministers of the EU. The Nice Treaty proposes weights that are less than proportional to population size and a relatively high threshold for passage (73.9 percent), while the Constitutional Convention proposes weights that are directly pro-

---

<sup>1</sup>Alternatively, one can think of adjusting the number of representatives that each country, state, or district has - and we shall come back to discuss this.

portional to population size and a lower threshold (60 percent).<sup>2</sup> This leads to a question of what the “right” weights for each of the countries are and how should the threshold be determined?

With the European Union debate as our leading motivating example, and with many other important applications in mind, we characterize the set of voting rules that are most “efficient” for an indirect democracy with a priori fixed districts. In particular, we identify the voting rules that maximize the total expected utility of the population of the union. We emphasize that this perspective is very different from the rhetoric that often underlies political discussions, where the vote by representatives are taken to coincide with the wishes of the whole of their country. Most of the arguments in the current debate about Europe are of this sort, and relate to the blocking power of a given country when facing a decision that the representative dislikes. While such coalitional considerations may be interesting and are certainly on the minds of the politicians shaping the rules, it is also important that we know which voting rules maximize overall expected utility, if for nothing else to at least serve as an important benchmark with which to ground such a debate. We feel that it is critical to remember that indirect democracy is a proxy for direct democracy, and that the will and welfare of the citizens should be taken into account. In a sense, our approach contrasts the view of a “Europe of States” with the view of a “Europe of Citizens.”

One important conclusion of our analysis is that the structuring of the optimal voting weights and thresholds can be treated separately, with the weights depending on the differing compositions of countries, and the threshold depending on the general bias in favor of “no” over “yes”. The efficient weights can be described intuitively as follows. Consider the vote by a given representative of a country. Suppose that he or she has voted “yes” on a given issue. We can then ask the following question. Given the vote of “yes”, what is the surplus of people in the country who favor “yes” over “no”? For instance if 62 percent of the people favor “yes” and 38 percent favor “no”, then 24 percent more of the population favor “yes” versus “no”. Multiplying this percentage times the population gives us a measure of how much this country would benefit if we choose “yes” versus “no”, and how much this country would suffer if we chose the reverse. The efficient voting weight is exactly the expectation of this surplus.

As the general characterization of efficient voting rules depends on the expectation of this difference between  $y_{aes}$  and  $n_{aes}$  within each country, we also provide a model of population behavior, which we refer to as the “block model,” which allows us to derive these weights

---

<sup>2</sup>The Convention’s proposal also includes a requirement that at least half of the countries support a measure, which could also be binding, but less frequently. We discuss this further in what follows.

as a function of population size. This works by assuming that a country consists of a set of voting blocks of preferences, where citizens within a block are similar and have correlated preferences, while citizens across countries are uncorrelated. This structure allows us to pinpoint the efficient voting weights and thresholds under two focal scenarios. This then allows us to identify when weights that are proportional to population would be appropriate, and when a rescaling that is less than proportional to population would be in order. Our model thus offers some simple tests of the extent to which, by calculus or accident, the weights attributed to nations in a given union are efficient.

After the development of our theoretical model, the rest of the paper is devoted to the analysis of the voting systems of the Council of Ministers of the European Union, as suggested under both the Nice treaty of 2000 and the Constitutional Convention of 2003. As mentioned above, these voting rules are quite different, with the Nice Treaty assigning weights that are less than proportional to a country's population and the proposed Constitution assigning weights that are directly proportional to a country's population. We show that these two conflicting proposals coincide with the two polar cases of our "block model" of population behavior. Which set of weights is more efficient then boils down to an empirical question of preference patterns. We analyze some poll data on citizens' preferences within the EU countries and find that the data suggest that the proposed Constitutional weights seem appropriate. There are many reasons that these poll data should be interpreted cautiously, but this at least shows that such an analysis is feasible and should be part of the debate. The two proposals also differ in the voting thresholds they suggest. We emphasize that the optimality of weights and thresholds can be completely disassociated from each other. Thus, we separately discuss how the different thresholds correspond to different hypotheses about the bias of voters in favor of the status-quo over change.

## Relation to the Literature

To us it was surprising that the previous literature had not considered the criterion of efficiency (total expected utility) as a guide to determine optimal voting rules for indirect democracy.<sup>3</sup> While there is literature that relates to indirect democracy, it approaches the problem from other perspectives. For instance, there is a rich literature in cooperative game theory that examines weighted majority games. The main thread there has been to produce power indices, measuring things such as the relative probabilities that different voters are

---

<sup>3</sup>Rae (1969) analyzed voting rules under this utilitarian perspective of maximizing expected utility or satisfaction rather than decisiveness (see also Badger (1972) and Curtis (1972)), but in the context of direct democracy.

pivotal. These include the Banzhaf (1965) and Shapley-Shubik (1954) indices, among others. One central way in which our analysis differs from most of that literature is that we are interested in total satisfaction in terms of expected utilities rather than a measure of pivots or what is often called decisiveness.

While some researchers have built power measures on satisfaction and contrasted them with power measures built on decisiveness (see for instance Dubey and Shapley (1979), Barry (1980) and Laruelle and Valenciano (2003)), our perspective is still quite different. Most importantly, our aim is not to produce some measure of power or satisfaction or to compare rules under such measures, but instead to study the optimal design of voting rules. We provide a full characterization of the voting rules that maximize total expected utility and show how these relate to the underlying distributions of agents' preferences, among other things. To the extent that the previous literature has thought about designing rules, it has focussed on equating the power of agents, rather than maximizing the total expected utilities of agents. This dates to the seminal work of Penrose (1946). Depending on the distribution of preferences, these two objectives can lead to quite different voting rules. And, interestingly, maximizing total expected utility can result in large inequalities in the treatment of individuals across countries. We provide some results outlining how the asymmetric treatment of agents depends on the situation.

Perhaps the closest predecessor to the theoretical part of our work is that of Felsenthal and Machover (1999), who also study the design of two-stage voting rules from an optimization perspective. Their objective is to minimize the expected difference between the size of the majority and the number of supporters of the chosen alternative.<sup>4</sup> Their objective differs from maximizing total expected utility in that it does not account for the surplus of voters in favor of an alternative when the majoritarian alternative is selected, but only accounts for the deficit when the majoritarian alternative is not selected. While these two perspectives differ, they lead to the same weights in the particular case of large countries of i.i.d. voters, where the weights are proportional to the square root of a country's population size, as originally suggested by Penrose (1946) from an even different perspective.

The setting with a large number of i.i.d. voters is special and not so realistic - especially for applications such as to the European Union. Our analysis applies to a more general model, and we find that the weights that maximize total expected utility usually differ from the square root of population size. In particular, we show how the efficient voting rules vary in interesting ways according to the correlation structure of agents' preferences, as well as the

---

<sup>4</sup>See Felsenthal and Machover for an illuminating discussion of their objective, and some of the imprecisions in the previous literature.

bias for one alternative over another (for instance for the status-quo as opposed to change), and the behavior of countries' representatives. This is the first analysis that accounts for such correlations and other factors that we are aware of.

Finally, there is also a literature that has examined the European Union's decision-making and brought ideas from weighted games to assess the relative power of different countries under the Nice Treaty (e.g., see Laruelle (1998), Laruelle and Widgrén (1998), Sutter (2000), Baldwin, Berglöf, Giavazzi, and Widgrén (2001), Bräuning and König (2001), Galloway (2001), Leech (2002), and some of the references cited there). As the foundations of our analysis of voting rules differs from the previous literature and power indices, so does our analysis of the Nice Treaty and the new Constitution. Among other things, we identify conditions on the correlation structure of citizens' preferences that would justify the various rules that have been proposed, something which does not appear previously.

## 2 A Simple Example

We begin by presenting a simple example that gives a preview of some of the issues that arise in designing an efficient voting rule. The example shows why in some cases it will be efficient to use weights that are not proportional to population.

### EXAMPLE 1 *Non-Proportional versus Proportional Weights*

Consider a world with three countries. Countries 1 and 2 have populations of one agent each. Country 3 has a population of three agents.

Each agent has an equal probability of supporting alternative  $a$  as alternative  $b$ . An agent gets a payoff of 1 if their preferred alternative is chosen, and -1 if the other alternative is chosen. Thus, total utility can be deduced simply by keeping track of the number of agents who support each alternative.

First, let us consider a situation where we weight countries in proportion to their populations and then use a threshold of 50% of the total weight. That would result in weights of  $w = (1, 1, 3)$  and a threshold of 2.5. This reduces to letting country 3 choose the alternative.

Here it is possible for a minority of agents to prefer an alternative and still have that be the outcome. For instance, if two agents in country 3 prefer  $a$ , and all other agents prefer  $b$ , then  $a$  is still chosen.

Let us compare this to the efficient weights - that is, those that maximize the total expected utility. Here those weights turn out to be  $(1, 1, 1.5)$ , and the threshold is 1.75. Thus, this voting rule is equivalent to one vote per country. The proof that this is the efficient rule

comes from our characterization theorem below, but we can see the improvement in utility directly.

First, note that it is still possible for a minority of agents to prefer  $a$  and a majority to prefer  $b$ , but to still have  $a$  selected. For instance, this happens if agents in countries 1 and 2 prefer  $a$ , but agents in country 3 all prefer  $b$ . Despite the fact that the rule is not always making the correct choice in terms of maximizing the total utility, there is an important distinction between the efficient rule and the proportional rule here. Fewer configurations of preferences under the efficient weights lead to incorrect (minority-preferred) decisions.

Let us list configurations that are problematic in terms of agents preferences, where the last three agents are the agents in country 3.

The only way that  $a$  can be the outcome and only be preferred by a minority under the efficient weights is when preferences are  $(a;a;b,b,b)$ .

However, under the weights that are proportional to population there are three preference configurations that can lead to  $a$  being chosen when preferred by a minority. These are  $(b;b;a,a,b)$ ,  $(b;b;a,b,a)$  and  $(b;b;b,a,a)$ .

When we compute the total expected utility (summed across all agents) it is 1.75 under the efficient weights compared to 1.5 under the population weights, which reflects this difference in potential incorrect decisions.

This example is clearly a very stark one. It illustrates some of the ideas that we will run across in what follows. More generally, the characterization of the efficient rule will depend on many considerations including the distribution of agents' preferences, the way in which representatives of a country act, and the configuration of countries. In some cases weights that are proportional to population are efficient, while in other cases non-proportional weights are efficient. We now turn to that more general analysis.

### 3 The Model

#### Decisions and Agents

A population of agents is divided into  $m$  countries.

Country  $i$  consists of  $n_i$  agents and we denote this set by  $C_i$ . The total number of agents is  $n = \sum_i n_i$ .



Although we use the language of a union of countries, the model equivalently applies to any voting procedure where different groups elect representatives who then vote on their behalf.

These agents must make a decision between two alternatives that we label  $a$  and  $b$ .

A state of the world  $s$  will be a description of agents' preferences over the two alternatives. In a given state of the world, each agent is either a supporter of alternative  $a$  or a supporter of alternative  $b$ . We need only keep track of the difference in utility that an agent has for alternatives  $a$  and  $b$ . Thus, without loss of generality we normalize things so that agent  $j$  gets a utility of  $s_j$  if  $a$  is chosen and a utility of 0 if  $b$  is chosen.

So, a state of the world is a vector  $s \in \mathbb{R}^n$ , with element  $s_j$  being the difference between agent  $j$ 's valuations for  $a$  and  $b$ .

## A Two Stage Voting Procedure

The decision making process is described as follows.

### THE FIRST STAGE

In the first stage, a country's representative decides whether to vote for  $a$  or  $b$ . This decision will generally depend on the state of agents' preferences.

We use  $r_i = a$  to denote that the representative of country  $i$  will vote for  $a$ , and  $r_i = b$  to denote that the representative will vote for  $b$ .

At this point we remain agnostic on how the decision of a representative's vote relates to the state of agents' preferences.

Possibilities are that the representative is elected with a mandate, or that the representative is an existing politician who polls the population, or that the representative is a dictator, bureaucrat, etc., who might decide on how to vote quite differently. Later in the paper we will consider a situation where the "representative" is in fact that, namely he or she votes in accordance with a majority of the population.

### THE SECOND STAGE

In the second stage, the representatives from each country meet and vote according to a weighted voting rule with a qualified majority. In particular, each representative casts a vote for either  $a$  or  $b$ . The vote of the representative of country  $i$  is given a weight  $w_i \in \mathbb{R}_+$ . The tally of votes for  $a$  is simply the sum of the  $w_i$ 's of the representatives who cast votes for  $a$ , and similarly for  $b$ . Alternative  $a$  is selected if its tally of weights exceeds the qualified majority threshold (denoted  $\beta \in [0, \sum_i w_i]$ ), alternative  $b$  is selected if the tally of weights for  $a$  is less than the qualified majority threshold, and ties are broken by the flip of a fair coin.

Let  $v : \mathbb{R}^n \rightarrow \{-1, 0, 1\}$  denote the outcome of this two stage voting procedure as a function of the state. Here  $v(s) = 1$  is interpreted as meaning that alternative  $a$  is chosen,  $v(s) = -1$  means that alternative  $b$  is chosen, and  $v(s) = 0$  denotes that a tie has occurred and a coin is flipped.

We let  $V$  denote the set of all such weighted voting rules with qualified majorities.

The reason that we code  $v(s)$  in this way is that the utility of agent  $j$  in state  $s$  can now be written as  $v(s) \times s_j$ .<sup>5</sup> Thus the total utility summed across all agents in all countries is

$$v(s) \sum_j s_j,$$

and the total expected utility of the union using a voting rule  $v$  is denoted

$$E \left[ \sum_j v(s) s_j \right].$$

### Equivalent Voting Rules

We must recognize that different weights and thresholds can lead to the same voting rule, and so voting rules will only be defined up to an equivalence class of weights and thresholds.

Beyond defining two different pairs of weights and thresholds to be equivalent if their induced voting rules always make the same choices, we need a coarser requirement for our main results due to the fact that tie-breaking is not completely tied down under efficient voting rules.

Let us say that a profile of voting weights and threshold  $w, \beta$  with induced voting rule  $v$  is *equivalent up to ties* to a profile of voting weights and threshold  $w', \beta'$  with induced voting rule  $v'$  if  $v(s) = v'(s)$  for all  $s$  such that  $v'(s) \neq 0$ .

This is not quite an equivalence relationship, as it allows  $v$  to break ties in a different way from  $v'$ .<sup>6</sup>

To see why we define equivalence only up to ties consider a simple example. There are two countries and each consists of a single agent whose utilities take on values in  $\{-1, 1\}$ . Let  $w'$  be  $(1, 1)$  and the threshold be 1. Note that the induced voting rule  $v'$  would be efficient for this example. When things are unanimous,  $v'$  picks the unanimous choice, but when

---

<sup>5</sup>To be careful, this denotes twice the utilities in the sense that  $s_j$  is the difference between the utilities for  $a$  and  $b$ , and this difference is now doubled in our accounting. We do this to accommodate ties in voting.

<sup>6</sup>This is an asymmetric relationship:  $v$  can be equivalent up to ties with  $v'$  while the reverse might not hold.

$s_1$  and  $s_2$  are of opposite signs, the rule flips a coin and so  $v'(s) = 0$ . Alternative weights  $w = (1 + \varepsilon, 1)$  with a threshold of  $1 + \frac{\varepsilon}{2}$  would also be efficient, but would favor the first agent in the case of a tie. Thus, its induced voting rule  $v$  would be more resolute than  $v'$ , but would make the same choices in any case where efficiency was at stake.

Equivalent voting weights and thresholds can be rescalings of each other, but also might not be. For instance with three countries,  $w = (3, 2, 2)$  with a threshold of 3.5 is equivalent to  $w' = (1, 1, 1)$  with a threshold of 1.5 - they both select the alternative that at least two countries to voted for.

## 4 Efficient Voting Rules

Let us consider the problem of assigning the weights and setting the threshold of the qualified majority in a manner so that the resulting voting rule maximizes the expected sum of the utilities of all agents in the union.

In this regard, the best one could hope for would be to choose  $a$  when  $\sum_j s_j > 0$  and  $b$  when  $\sum_j s_j < 0$ . With the two-stage procedure this optimum cannot be achieved. The reason is that we are losing information in a two stage procedure. In the second stage we see only the votes of the representatives. This comes only in the form of a vote for  $a$  or  $b$ , which includes only indirect information about the preferences of agents.

### Efficient Voting Rules

Efficient voting rules are those designed to capture as much information as possible. In particular, we can still ask which  $v \in V$  maximizes

$$E \left[ \sum_j v(s) s_j \right].$$

We call such a voting rule an *efficient* voting rule.

### 4.1 Bias and Threshold Voting

In many contexts, especially where  $b$  is interpreted as a status quo, there might be some asymmetry in the way that we treat alternatives.

Let us say that country  $i$  is *biased* with bias  $\gamma_i > 0$  if

$$E \left[ \sum_{k \in C_i} s_k \mid r_i = b \right] = -\gamma_i E \left[ \sum_{k \in C_i} s_k \mid r_i = a \right].$$

A country’s bias captures how different our expectations are concerning how much the country’s voters care about  $a$  over  $b$  when their representative votes for  $a$ , compared to our expectations about how much the country’s voters care about  $b$  over  $a$  when their representative votes for  $b$ .

**THEOREM 1** *Suppose that  $s_j$  is independent of  $s_k$  when  $j$  and  $k$  are in different countries, and that each country has the same bias factor  $\gamma$ . A weighted voting rule is efficient if and only if it is a weighted voting rule with qualified majority threshold and weights that are equivalent up to ties to the threshold  $\frac{\gamma \sum_i w_i^*}{\gamma+1}$  and weights*

$$w_i^* = E \left[ \sum_{k \in C_i} s_k \mid r_i = a \right].$$

It is important to note that the threshold depends on the bias  $\gamma$ , while the weights are determined by the expectations that come from each country. Thus one can judge whether a rule’s weights are optimal independently of the threshold, and vice versa.

We emphasize that there are no assumptions other than the common bias behind this theorem, and yet we obtain an essentially unique characterization of efficient voting rules and a strong form of separability of weights and thresholds. The proof appears in the appendix, but is quite intuitive and straightforward. Effectively, the efficient decision is the one that maximizes the expected utility of the population conditional on what can be gleaned from the votes of representatives. The weights correspond to the expected utility differential in a given country based on the observance of the representative’s vote. The voting threshold simply adjusts for the bias of the scaling of what is learned from yes versus no.<sup>7</sup> Despite its simple proof, we feel that this characterization of efficient voting rules is important. We can see this both in terms of some of its implications, as well as its application. Before turning to the application to the European Union, let us discuss a few of the implications of the formula.

First, the extent to which a country’s representative’s vote is tied to the utilities of the agents in the country has important consequences. For example, if the representative’s vote was purely random and uncorrelated with the utilities of his constituency, then that country’s

---

<sup>7</sup>It is quite simple to see the more general result that would apply if countries have different bias factors. We simply have a “yes-weight” for a yes vote of country  $i$  that is  $E \left[ \sum_{k \in C_i} s_k \mid r_i = a \right]$ , and a “no-weight” for a no vote by country  $i$  which is  $E \left[ \sum_{k \in C_i} s_k \mid r_i = b \right]$ . We then sum the “yes-weights” for countries voting yes, and the “no-weights” for countries voting no. The choice is the one with the higher total weight.

weight would be 0. More generally, the closer the tie between a representative's vote and the population's utilities, the larger the weight that a country receives.

Second, the weights are affected by the distribution of opinions inside a country. In particular, the correlation structure within a country is an important determinant of the expected size of the surplus of utilities for one alternative or the other. For instance, if a country's agents had perfectly correlated opinions (and the representative voted in accordance with them), then a vote for an alternative would indicate a strong surplus of utility in favor of that alternative. The more independent the population's opinions the lower the expected surplus of utility in any given situation. Thus, higher correlation among agents' utilities will generally lead to higher weights.

Third, the efficient weights take into account the intensity of preferences. So, relatively larger utilities lead to relatively larger weights. Thus, a country that cares more intensely about issues is weighted more heavily than a country that cares less, all else held equal. Due to practical and philosophical difficulties with the appraisals of utilities, one might want to be agnostic on this dimension and just treat all  $s_j$ 's equally in the sense of only assigning them values of +1 or -1. We do this in the following section. Then accounting for utilities amounts to counting supporters.

Fourth, because of all the things that lie behind the calculations of the weights, the relation between the size of countries and their relative weights is ambiguous. For example, a large country with a representative who is a dictator whose vote is uncorrelated with his population's preferences receives a smaller weight than a smaller country with a representative whose vote is very responsive to his population's preferences.

The following example illustrates the relation between bias and the voting threshold, as well as the separability of weights and thresholds.

**EXAMPLE 2** *Bias and Thresholds*

Consider three countries. Countries A and B have 1 voter each, while country C has  $N_C$  voters.

Each voter's preferences over  $a$  and  $b$  are drawn independently. The  $s_j$ 's take on values either 1 or  $-v$  with equal probability.

When  $v$  is not 1, then there is a bias in the way that voters see the alternatives  $a$  and  $b$ . For instance, when  $v > 1$ , then it means that a voter who prefers  $b$ , is hurt more by a choice of  $a$ , than a supporter of  $a$  when  $b$  is chosen.

In this case, the common bias factor across countries is  $\gamma = v$ .

Theorem 1 now tells us that the voting threshold should be a fraction of  $\frac{v}{v+1}$  of the total weight. As  $v$  becomes very large, this means that near unanimity for  $a$  is required to overturn the status quo  $b$ . If  $v = 1$ , then the threshold is 50 percent.

The voting weights are independent of  $v$ : They are  $w_A = w_B = 1$  for countries A and B, and via some straightforward calculations:

$$w_C = 2^{-N_C} \sum_{x > \frac{N_C}{2}} (2x - N_C) \frac{N_C!}{x!(N_C - x)!}.$$

This can produce some interesting voting rules.

For instance, suppose that  $N_C = 7$ . Then  $C$  is much larger than the other countries, and  $w_C = 2.186$ . However,  $C$ 's "power" still depends on the voting threshold. If  $v = 1$ , then the threshold is 50 percent, and so  $C$  is the only country that has a nontrivial vote. In that case country  $C$  dictates. However, if  $v = 2$ , then the threshold is  $2/3$  of voting weights. Then,  $a$  passes if and only if country  $C$  and at least one of A or B votes for  $a$ . Either  $C$ , or A and B together, can block  $a$  and keep the status quo.

This example shows several things: First the separability of how the weights and thresholds are determined. Here, the weights depend on the relative populations of the countries, while the threshold depends on the underlying preference structure in terms of a bias for change versus the status quo. Second, the structure of the voting rule and how it operates ends up depending in important ways on both the threshold and weights.

A prominent case of interest is one where countries are unbiased. Here there is no a priori disposition favoring change or the status quo, and hence simple majority rule is efficient, as stated in the following easy corollary.

### Unbiased Countries

Let us say that a country is *unbiased* if

$$E \left[ \sum_{k \in C_i} s_k \mid r_i = b \right] = -E \left[ \sum_{k \in C_i} s_k \mid r_i = a \right].$$

An unbiased country is one where what we learn about how much a country cares about  $a$  from the fact that the country supports  $a$  is the same as what we learn about how much a country cares about  $b$  from the fact that the country supports  $b$ .

**COROLLARY 1** *Suppose that  $s_j$  is independent of  $s_k$  when  $j$  and  $k$  are in different countries, and that each country is unbiased. A profile of voting weights and a threshold is efficient if and only if it is equivalent up to ties to the weights*

$$w_i^* = E \left[ \sum_{k \in C_i} s_k \mid r_i = a \right]$$

*and the 50% threshold of  $\frac{\sum_i w_i^*}{2}$ .*

In order to apply the theory and calculate weights as a function of a country's population, we now introduce a model that is more specific about the distribution of agents' preferences and how representatives vote.

## 5 A Block Model

We now specialize to what we call a “block model” which works as follows.

First, we treat agents' utilities equally, in the sense that we only account for them as +1 or -1, and will disregard personal intensities. This may be defended on grounds of practicality, but also more philosophically as an equal treatment condition.

Second, we assume that representatives vote for the alternative that has a majority of support in their country.

Third, we make the following specific assumptions about the distribution of the utilities of agents. We consider a world where each country is made up of some number of blocks of constituents, where agents within each constituency think alike - that is have perfectly correlated preferences, and where agents across constituencies think independently. We take the blocks within a country to be of the same size.

These assumptions are a stylized version of what we generally see. They reflect the fact that countries are often made up of some variety of constituencies, within which agents tend to have very highly correlated preferences. For instance, the farmers in a country might have similar opinions on a wide variety of issues, as will union members, intellectuals, etc.

By adjusting the size and number of blocks in a country we obtain varying expressions for the efficient weights of that country.

### Efficient Weights in the Block Model

In the block model, we let  $N_i$  be the number of blocks in country  $i$ . In most applications the numbers  $N_i$  are likely to be relatively small. Then letting  $p_i$  be the size of each block, then we obtain the following expression for the efficient weight of country  $i$ .

$$w_i^b = p_i 2^{-N_i} \sum_{x > \frac{N_i}{2}} (2x - N_i) \frac{N_i!}{x!(N_i - x)!}. \quad (1)$$

There are two prominent variations on the block model that we consider in what follows.

We call the first variation the *absolute size block model*. In this variation, blocks are of a fixed size across all countries. In this case, a country's population can be measured in blocks, and a larger country has more blocks than a smaller one. Here the  $p_i$ 's are the same across all countries.

We call the second variation the *relative size block model*. In this variation, all countries have the same number of blocks, and the size of the blocks in a given country adjust according to the country's population size. Here the  $N_i$ 's are the same across all countries.

Thus, we get the following expressions for the efficient weights in the two specializations of the block model.

### Efficient Weights in the Absolute Size Block Model

Given that the population size of a block ( $p_i$ ) is the same across all countries, these can be cancelled out, and the weights in the absolute size block model,  $w_i^a$ , reduce to:

$$w_i^a = 2^{-N_i} \sum_{x > \frac{N_i}{2}} (2x - N_i) \frac{N_i!}{x!(N_i - x)!}. \quad (2)$$

### Efficient Weights in the Relative Size Block Model

In the relative size block model, as the number of blocks ( $N_i$ ) are the same in all countries, the difference in the weights then comes only in how many agents are represented in a block. When calculating the weights, the weights turn out to be directly proportional to the population size of the countries. Thus,

$$w_i^r = p_i. \quad (3)$$

The efficient weights for various sizes of countries are given in the following table. The country size refers to number of blocks for the absolute block model and to some number of population units (say millions of people) in the relative block model.



Country Size in Units	Weight in the Absolute Block Model	Weight in the Relative Block Model
1	1	1
2	1	2
3	1.5	3
4	1.5	4
5	1.875	5
6	1.875	6
7	2.186	7
8	2.186	8
9	2.461	9
10	2.461	10
11	2.707	11
12	2.707	12
13	2.933	13
14	2.933	14
15	3.142	15
16	3.142	16
17	3.338	17
18	3.338	18
19	3.524	19
20	3.524	20

While the weights in the relative size block model are directly proportional to a country's population, they are less than proportional in the absolute block model. In that model they are graphed as follows.

**Figure 1 here**

We note that for large numbers of blocks, the weights in the absolute block model vary with the square root of the number of blocks, which is consistent with weights originally proposed by Penrose (1946),<sup>8</sup> while for small numbers of blocks they diverge from this.

---

<sup>8</sup>See also Felsenthal and Machover (1999), as discussed in the introduction. Here we end up with similar expressions, but only in one specific version of the block model, and only for large populations with relatively small blocks, and for quite different reasons. More generally, the weights we obtain will differ from the square root, especially when the number of blocks is small or when we leave the absolute size block model.

## Asymmetries and Non-Monotonicities in Expected Utilities

Our perspective has been to maximize the sum of expected utilities, and in the block model as we have only looked at the sign of utilities, this amounts to maximizing the expected number of agents who are in agreement with the alternative chosen. What we emphasize here is that this is quite different from trying to equalize expected utilities across agents. In particular, efficient rules necessarily treat agents asymmetrically, depending on the size of the country they live. Let us examine this in more detail for the two variations on the block model.

Let us compare the expected utilities of agents living in two countries of different population size, under the efficient voting rule in the two variations of the block model.

**PROPOSITION 1** *In the relative size block model, agents living in the larger country have expected utilities which are at least as large as agents living in the smaller country; and whenever the two countries weights are not equivalent<sup>9</sup> then the agents in the larger country have a strictly higher expected utility. In the absolute size block model, the comparison of expected utilities of agents across countries can go either way depending on the specifics of the context.*

The proof of the proposition is straightforward. We offer a simple argument for the relative size block model, and an example showing ambiguity for the absolute size block model.

In the relative size block model, any agent's block in any country has exactly the same probability of agreeing with the agent's representative's vote. Thus, the expected utilities of agents in different countries differ only to the extent that their representatives receive different weights. As larger countries have larger weights, the claim in the proposition follows directly.

To see the ambiguity in the absolute block size model let us examine an example. Consider a union of three countries. Let us examine the expected utilities of the agents as we vary the number of blocks in the various countries.<sup>10</sup>

---

<sup>9</sup>Two countries weights are equivalent if there exists a set of weights that lead to the same voting rule where these two countries weights are identical.

<sup>10</sup>The calculations are as follows. A agent gets a 1 when his or her preferred outcome is chosen and a -1 if it is not. For a agent in country 1 in the (1,1,1), (1,1,3), and (1,1,5) cases, there is a 3/4 chance at least one of the other countries will prefer the agent's preferred alternative and a 1/4 chance that the other two countries will both favor the other alternative. This leads to 3/4 chance of utility of 1 and 1/4 chance of utility of -1. For a agent in country 3 in the (1,1,3) case, there is a 3/4 chance his or her preferred alternative

Populations of Countries in Blocks	Efficient Voting Weights	Expected Utility of a Agent in Country 1 or 2	Expected Utility of a Agent in Country 3
(1,1,1)	(1,1,1)	.5	.5
(1,1,3)	(1,1,1.5)~(1,1,1)	.5	.25
(1,1,5)	(1,1,1.875)~(1,1,1)	.5	.1875
(1,1,7)	(1,1,2.186)~(0,0,1)	0	.3125
(2,2,7)	(1,1,2.186)~(0,0,1)	0	.3125
(3,3,7)	(1.5,1.5,2.186)~(1,1,1)	.25	.15625

There are some interesting things to note here. The changes in voting weights result in non-monotonocities in expected utilities in several ways. In the cases of (1,1,3) and (1,1,5), a agent in country 1 or 2 has a higher utility than a agent in country 3. However, once country 3 hits a population of 7, then its weight is such that the votes from countries 1 and 2 are irrelevant. Thus, a agent would rather be in the larger country when the configuration is (1,1,7), while a agent would prefer to be in a smaller country when the configuration is (1,1,3) or (1,1,5). Also, we see that as we increase country 3's population for 3 to 5, its agents' utilities fall, but then increasing the population from 5 to 7 leads to an increase in its agents' utilities. This contrasts with decreases in utilities of agents in the other countries.

This example shows us that there are no regularities that we can state concerning agents' utilities in the absolute size block model. The difficulty is that changes in population might dilute a given agents' impact within a country, but might also lead to a relative increase of that country's voting weight. As these two factors move against each other, changes can lead to varying effects.

Another issue that we might consider in addition to comparing agents utilities across countries, is to examine how the overall expected utility varies under efficient voting rules as we change the division of a given population into different districts or countries. This issue is also generally ambiguous, regardless of which version of the block model one considers. For instance, one might conjecture that if we start with one division of a population into districts,

---

will match the country's vote and a 1/4 chance it will not. In the first case, there is then a 3/4 chance this will receive a vote from at least one of the other two countries and a 1/4 chance it does not. In the second case, there is a 1/4 chance that the agent's preferred alternative will still be passed by the other two countries and a 3/4 chance it will not. More generally, it is easy to check that the agent's ex ante expected utility conditional on his or her country's vote being in the winning majority is simply  $\frac{w_i^*}{n_i}$ , and conditional on his or her country's vote being on the losing side is  $-\frac{w_i^*}{n_i}$ . Then we can just calculate the probability that a given country's vote will be in the winning majority, given the weights.

and then further subdivide the population into finer districts, we would enhance efficiency since agents would become closer to their representatives. However, this is not always the case. To see this note that if we start with a union of just one district or country, then we essentially have direct democracy. This is the most efficient possible. But then dividing this into several districts or countries would lead to a lower total expected utility under the efficient rule, than having just one district. Now, if we continue to further subdivide the districts, we eventually reach a point where each agent resides in a district of one, which brings us back to direct democracy and full efficiency! Generally, subdivisions lead to conflicting changes: on the one hand having a smaller number of agents within a district gives them a better say in the determination of their representative's vote, but on the other hand their representative is now just one among many. This leads to non-monotonicities and ambiguities of the types discussed above.

## 6 The European Union

Let us now examine the voting rule to be used in the Council of Ministers of the European Union under the Nice Treaty (December 2000) and compare it to the efficient voting rules under the variations of the block model.

The following are the voting weights for the European Council of Ministers under the Nice Treaty for the expansion of the EU from 15 to 27 members.<sup>11</sup> The vote is by qualified majority. At least 255 of the 345 votes (73.9%) must be cast in approval of a proposal for it to pass.<sup>12,13</sup>

---

<sup>11</sup>The previous weights for the 15 members were 10 for Germany, France, Italy and the U.K.; 8 for Spain; 5 for Belgium, Greece, the Netherlands, and Portugal; 4 for Austria and Sweden; 3 for Denmark, Ireland and Finland; and 2 for Luxembourg, with 62 of 87 votes (71%) required for approval of a proposal.

<sup>12</sup>There are two other qualifications as well: (i) that the votes represent at least 14 of the 27 countries and (ii) that the votes represent at least 62% of the total population. Calculations by Bräuninger and König (2001) suggest that there are relatively few scenarios in which the weighted vote threshold of 255 votes would be met while one of the other two criteria would fail. It appears that the only impact will be from the population threshold and that this will only involve a few configurations of votes providing a very slight boost in power to Germany and slight decrease in power to Malta. Thus, for practical purposes, these additional considerations are relatively unimportant and the voting weights themselves are the main component of the voting procedure.

<sup>13</sup>There are discrepancies in the Nice Treaty in that some statements imply a threshold of 258 votes and others a threshold of 255 votes. It appears that the correct number is the 255.

Country	Population	Votes (i.e., weights)
Germany	82.8	29
U.K.	59.5	29
France	59.3	29
Italy	57.6	29
Spain	40	27
Poland	38.7	27
Romania	22.4	14
Netherlands	15.9	13
Greece	10.6	12
Czech	10.3	12
Belgium	10.2	12
Hungary	10.1	12
Portugal	10	12
Sweden	8.9	10
Bulgaria	7.8	10
Austria	8.1	10
Slovakia	5.4	7
Denmark	5.3	7
Finland	5.2	7
Ireland	3.8	7
Lithuania	3.6	7
Latvia	2.4	4
Slovenia	1.9	4
Estonia	1.4	4
Cyprus	0.8	4
Luxembourg	0.5	4
Malta	0.4	3

Let us examine the efficient voting weights and compare those to the actual weights. The following table provides the actual weights and the efficient weights based on two different sizes of voting blocks.

The efficient weights in the absolute size block model are calculated for two different block sizes: 1 million and 2 million. So for instance, in the case of 1 million sized blocks, Germany

is seen as having 83 blocks, France as 59, and Italy as 58, etc. This leads to efficient voting weights of 7.3, 6.2 and 6.1 for these countries, respectively.<sup>14</sup> Recall that voting weights are not affected by rescaling. So, we need to rescale the efficient weights to the scale of the actual weights. We find the scaling factor by regressing the actual weights on the efficient weights (with no intercept). This leads to a scaling factor of 4.58 for the case of 1 million sized blocks and 9.01 for the case of 2 million sized blocks. The efficient weights reported below are those directly from (2) multiplied by the scaling factor.

The efficient weights in the relative size block model are calculated directly by rescaling the population sizes to best fit the actual weights (recall that weights are completely equivalent under rescalings). The scaling factor here is .58.

---

<sup>14</sup>Countries with a fraction of a block are simply scaled to a corresponding fraction of the efficient weight of 1 for a one block country.

Country	Population	Nice Treaty Weights	Absolute Block Efficient Weights: 1M Sized Blocks	Absolute Block Efficient Weights: 2M Sized Blocks	Relative Block Efficient and Constitution Weights
Germany	82.8	29	33.4	33.4	48.3
U.K.	59.5	29	28.4	27.9	34.7
France	59.3	29	28.4	27.9	34.6
Italy	57.6	29	27.9	27.9	33.6
Spain	40	27	22.9	22.7	23.3
Poland	38.7	27	22.9	22.7	22.6
Romania	22.4	14	16.9	17.5	13.1
Netherlands	15.9	13	14.2	14.3	9.3
Greece	10.6	12	12.4	12.3	6.2
Czech	10.3	12	11.4	12.3	6.0
Belgium	10.2	12	11.4	12.3	5.9
Hungary	10.1	12	11.4	12.3	5.9
Portugal	10	12	11.4	12.3	5.8
Sweden	8.9	10	11.4	9.7	5.2
Bulgaria	7.8	10	10.1	9.7	4.6
Austria	8.1	10	10.1	9.7	4.7
Slovakia	5.4	7	8.7	8.1	3.1
Denmark	5.3	7	8.7	8.1	3.1
Finland	5.2	7	8.7	8.1	3.0
Ireland	3.8	7	6.9	6.5	2.2
Lithuania	3.6	7	6.9	6.5	2.1
Latvia	2.4	4	4.6	6.5	1.4
Slovenia	1.9	4	4.6	6.2	1.1
Estonia	1.4	4	4.6	4.5	.8
Cyprus	0.8	4	3.7	2.6	.5
Luxembourg	0.5	4	2.3	1.6	.3
Malta	0.4	3	1.8	1.3	.2

The Nice Treaty weights compared to the efficient weights are pictured as follows. A regression of the Nice Treaty weights on the efficient weights under the absolute size block model provides an  $R^2$  of 96% for the case of 1 million sized blocks and 95% for the case of

2 million sized blocks (with F-statistics in each case over 600).<sup>15</sup> A regression of the Nice Treaty weights on the efficient weights under the relative size block model provides an  $R^2$  of .80 and an (F-statistic of 102).

The relationship between the different weights is pictured as follows.

**Figure 2 here**

## Discussion and Eurobarometer Data

It is interesting to compare the voting rule under the Nice Treaty to that under the draft of the Constitution produced by the Constitutional Convention in June of 2003, which are proposed to take affect in November of 2009 (see Article 24). Under the proposed voting rule in the Constitution, weights will be proportional to population and the threshold will be 60% of the total population.<sup>16</sup> Those weights would not be very efficient if the world is well approximated by the absolute size block model, but would be a perfect fit under the relative size block model.

Thus, we are left with an empirical question. If the world is a good match to the absolute size block model then the Nice Treaty weights are almost perfectly efficient, while if the world is a good match to the relative size block model then the new Constitution's weights are the efficient ones. Of course, these are highly stylized models and it is likely that the world does not conform to either. While it seems clear that countries such as Luxembourg and Malta consist of more than one block, it also seems clear that the smallest countries have fewer voting blocks than the largest ones. This suggests that the weights should be nonlinear, although perhaps not quite to the level suggested by the absolute size block model.

While a detailed empirical investigation of voting patterns within the countries of the EU is beyond the scope of this article, we now examine data that show that such an investigation is feasible.

The European Union conducts a series of opinion surveys that are designed to gauge the opinions in different countries on topics of importance to the union. This series is called the "Eurobarometer" (Eurobarometer (2003ab)). These polls are conducted periodically

---

<sup>15</sup>As a comparison, the fit using weights directly proportional to population is only 81%, and so the efficient weights provide a much closer match to the Nice Treaty weights.

<sup>16</sup>The rule is more complicated than this, as it requires at least 50% of member states (at least 14 of the 27 countries) to vote yes as well as 60% in terms of the weighted voting. Thus, there could arise instances where 60% of the weights come from fewer than 50% of the countries, in which case the vote will not pass. While this is an important consideration, as a first approximation we take the 60% weight to be the binding constraint.



and consider issues pertinent to the European Union. The advantage of using these polls is that they ask the same questions to citizens of each of the current and future EU member countries. The samples designed to be representative and the questions are conducted in face-to-face interviews. The interviews included 16,802 people in the current member countries and 12,165 people in the future member countries, and were conducted between October 1 and November 9 of 2003. The disadvantage is that the polls are inherently noisy, and also that the only questions available are those asked by the EU, and as such may have some bias in their selection.<sup>17</sup> We examined the most recent EU Barometer polls, from December of 2003 (Eurobarometer (2003ab)). There are many questions that allow respondents to express a variety of opinions; and there are other questions of a “agree”, “disagree” variety. As such, we include only those questions that asked explicitly for an answer of “agree” or “disagree”. There are eleven such questions and they relate to foreign policy, defense policy, and security (the questions appear in the appendix).<sup>18</sup> We average across questions to get a rough picture of the expected difference of | yes - no |.<sup>19</sup> and These results appear in the table below.

---

<sup>17</sup>In particular, the percentage answering “yes” over all questions and all countries is 67 percent.

<sup>18</sup>We also looked at questions on the Euro and EU agricultural policies from previous Eurobarometers, but those questions were only asked of current member countries and so are only a sample of about half as many countries. The analysis reaches the same conclusions, as there is no observable relationship between the yes-no and population size.

<sup>19</sup>The Eurobarometer (2003a) reports “agree” and “disagree”, with the remainder being “I don’t know”. We look at agree-disagree. Eurobarometer (2003b) only reports “agree”. We estimate average “I don’t know” from the 2003a data and use that estimate to derive the “disagrees” for the candidate countries.

Country	Population	Average   yes - no	Resulting Weights
Germany	82.8	53.3	44.1
U.K.	59.5	36.6	21.8
France	59.3	52.4	31.1
Italy	57.6	56.1	32.3
Spain	40	54.5	21.8
Poland	38.7	54.6	21.1
Romania	22.4	44.7	10.0
Netherlands	15.9	55.1	8.8
Greece	10.6	61.6	6.5
Czech	10.3	42.4	4.4
Belgium	10.2	49.7	5.1
Hungary	10.1	52.2	5.3
Portugal	10	52.2	5.2
Sweden	8.9	44.8	4.0
Bulgaria	7.8	41.6	3.2
Austria	8.1	51.2	4.1
Slovakia	5.4	48.6	2.6
Denmark	5.3	42.4	2.5
Finland	5.2	47.5	2.5
Ireland	3.8	55.1	2.1
Lithuania	3.6	45.5	1.6
Latvia	2.4	54.6	1.3
Slovenia	1.9	53.5	1.0
Estonia	1.4	43.5	.6
Cyprus	0.8	70.1	.6
Luxembourg	0.5	56.6	.3
Malta	0.4	48.9	.2

The percent difference between yes and no is not significantly related to population, as we see in the following figure.

**Figure 3 here**

If we regress the average values of the absolute value of yes-no for each country against

population size, we end up with an insignificant relationship (a coefficient of  $-.007$  with a standard error of  $.061$  and a p-value of  $.90$ ). These data are thus in line with the relative block model, and if we examine the induced weights, there are almost perfectly linearly related to population (except for the outlier of the U.K.).

#### **Figure 4 here**

While these poll data are noisy enough to give us pause in concluding anything from the above analysis, it does suggest that estimating weights for countries should be a feasible exercise.

Let us also discuss the voting thresholds. The threshold under the Nice treaty is 73.9% of the weights - which would be efficient if countries have a bias of roughly  $\gamma = 3$ . This indicates a strong bias for the status quo. In contrast, the threshold of 60% under the Constitution would be efficient if countries have a bias of roughly  $\gamma = 1.5$ . This is also a bias for the status quo, but a less pronounced one.

At least two other considerations might lie behind the selection of a voting rule, both in terms of weights and thresholds. One is its stability. As the rules can be amended, considerations other than efficiency enter the long-run picture, as only certain rules will survive.<sup>20</sup> Another is the issue of fairness or equality. As we have shown, efficient weights do not necessarily lead to the same expected utilities for agents in different countries. For instance Proposition 1 showed that larger countries are favored under proportional weights in the relative size block model.

In conclusion, in this paper, we have provided a framework for designing and analyzing efficient voting rules in the context of votes by representatives of countries, districts, etc. We have shown that the model can be directly applied to analyzing voting rules such as those of the European Union, and that the relative merits of different rules reduce to readily identifiable hypotheses that are amenable to empirical testing.

---

<sup>20</sup>See Barbera and Jackson (2000) and Sosnowska (2002) for an examination of the stability of voting rules.

## References

- Badger, W.W. (1972) "Political Individualism, Positional Preferences, and Optimal Decision-Rules," in *Probability Models of Collective Decision Making*, edited by R.G. Niemi and H.F. Weisberg, Merrill Publishing: Columbus Ohio.
- Baldwin, R.E., E. Berglöf, F. Giavazzi, and M. Widgrén (2001) *Nice Try: Should the Treaty of Nice be Ratified?*, UK: CEPR.
- Banzhaf, J. (1965) "Weighted Voting Doesn't Work: A Mathematical Analysis" *Rutgers Law Review*, 19: 317-343.
- Barbera, S. and M.O. Jackson (2000) "Choosing How to Choose: Self-Stable Majority Rules," mimeo: <http://www.hss.caltech.edu/~jacksonm/choose.pdf>.
- Barry, B., (1980) "Is it Better to Be Powerful or Lucky?" Part I and II, *Political Studies*, 183-194 and 338-352.
- Bräuninger, T. and T. König (2001) "Voting Power in the post-Nice European Union," mimeo: University of Konstanz.
- Buchanan, J.M. and G. Tullock (1962) *The Calculus of Consent: Logical Foundations of Constitutional Democracy* University of Michigan Press: Ann Arbor.
- Curtis, R.B. (1972) "Decision Rules and Collective Values in Constitutional Choice," in *Probability Models of Collective Decision Making*, edited by R.G. Niemi and H.F. Weisberg, Merrill Publishing: Columbus Ohio.
- Dubey, P., and L. S. Shapley, (1979) "Mathematical Properties of the Banzhaf Power Index," *Mathematics of Operations Research* , 99-131.
- Eurobarometer (2003a) "Eurobarometer 60: Public Opinion in the European Union," European Union Research Group, December 2003, [http:// europa.eu.int/comm/public opinion/archives/eb/eb60/eb60 en.pdf](http://europa.eu.int/comm/public_opinion/archives/eb/eb60/eb60_en.pdf)
- Eurobarometer (2003b) "Eurobarometer 2003.4: Public Opinion in the Acceding and Candidate Countries," European Union Research Group, December 2003, [http:// europa.eu.int/comm/public opinion/archives/cceb/2003/cceb2003.4 first annexes.pdf](http:// europa.eu.int/comm/public_opinion/archives/cceb/2003/cceb2003.4_first_annexes.pdf)
- Felsenthal, D.S. and M. Machover (1999) "Minimizing the Mean Majority Deficit: The Second Square Root Rule," *Mathematical Social Sciences* 37:25-37.

- Galloway, D. (2001) *The Treaty of Nice and Beyond: Realities and Illusions of Power in the EU*, UK: Sheffield Academic Publishers.
- Laruelle, A. (1998) "Game Theoretical Analysis of Decision-Making Processes with Applications to the European Union ," dissertation: Université Catholique de Louvain.
- Laruelle, A. and F. Valenciano (2003) "Assessing Success and Decisiveness in Voting Situations," mimeo: University of the Basque Country.
- Laruelle, A. and M. Widgrén (1998) "Is the Allocation of Voting Power Among EU States Fair?" *Public Choice*, 94: 317-339.
- Leech, D. (2002) "Designing the Voting System for the Council of the European Union," *Public Choice*, 113, 437-464.
- Owen, G. (1977) "Values of Games with a Priori Unions," in *Essays in Mathematical Economics and Game Theory*, ed. by R. Hein and O. Moeschlin, New York: Springer-Verlag, 76-88.
- Penrose, L.S. (1946) "The Elementary Statistics of Majority Voting," *Journal of the Royal Statistical Society*, 109: 53-57.
- Rae, D. (1969) "Decision Rules and Individual Values in Constitutional Choice," *American Political Science Review*, vol. 63, pp. 40-56.
- Shapley, L.S. and M. Shubik (1954) "A Method for Evaluating the Distribution of Power in a Committee System," *American Political Science Review*, 48: 787-792.
- Sosnowska, H. (2002) "A Generalization of the Barbera-Jackson Model of Self-Stable Majority Rules," mimeo: Warsaw School of Economics.
- Straffin, P.D. (1988) "The Shapley-Shubik and Banzhaf Power Indices as Probabilities," in *The Shapley Value: Essays in Honor of Lloyd S. Shapley*, ed. by A.E. Roth, Cambridge: Cambridge University Press, 71-81.
- Sutter, M. (2000) "Fair Allocation and Re-Weighting of Votes and Voting Power in the EU Before and After the Next Enlargement," *Journal of Theoretical Politics*, 12, 433-449.

## Appendix

**Proof of Theorem 1:** This is a special case of Theorem 1. ■

**Proof of Theorem 1:** Given that countries are biased with common factor  $\gamma$ , it follows that for any country  $i$

$$E \left[ \sum_{k \in C_i} s_k | r_i = a_i \right] = -\gamma E \left[ \sum_{k \in C_i} s_k | r_i = b_i \right]. \quad (4)$$

An efficient voting rule maximizes

$$E \left[ \sum_k v(s) s_k \right].$$

We can rewrite this as

$$\sum_{r_1, \dots, r_m} E \left[ \sum_k v(s) s_k | r_1, \dots, r_m \right] P(r_1, \dots, r_m),$$

where  $(r_1, \dots, r_m)$  is the event where the realization of representatives (i.e., votes of the countries) is  $(r_1, \dots, r_m)$ . Note that we can write  $v(s)$  as a function of  $(r_1, \dots, r_m)$  instead of  $s$ . Hence, the total expected utility is

$$\sum_{r_1, \dots, r_m} E \left[ \sum_k v(r_1, \dots, r_m) s_k | r_1, \dots, r_m \right] P(r_1, \dots, r_m),$$

Given the independence across countries, we can write this as

$$\sum_{r_1, \dots, r_m} v(r_1, \dots, r_m) \sum_i \left( E \left[ \sum_{k \in C_i} s_k | r_i \right] P(r_i) \right).$$

It then follows that if we can find voting weights  $w$  and a threshold that maximize

$$v(r_1, \dots, r_m) \sum_i E \left[ \sum_{k \in C_i} s_k | r_i \right] \quad (5)$$

pointwise for each  $(r_1, \dots, r_m)$ , then these must be an efficient weights and threshold pair. Moreover, if we find one that leads to a 0 whenever there is indifference between  $a$  and  $b$ , then and all efficient weight-threshold pairs must be equivalent to such a weight-threshold pair.

Note that for any given  $(r_1, \dots, r_m)$ , maximizing expression (5) requires setting  $v(r_1, \dots, r_m) = 1$  when

$$\sum_i E \left[ \sum_{k \in C_i} s_k | r_i \right] > 0 \quad (6)$$

and  $v(r_1, \dots, r_m) = -1$  when

$$\sum_i E \left[ \sum_{k \in C_i} s_k | r_i \right] < 0, \quad (7)$$

and does not have any requirement in the case that this expression is equal to 0.

With an abuse of notation, let us write  $r_i = 1$  when  $r_i = a$  and  $r_i = -\gamma$  when  $r_i = b$ . We do this based on equation (4), as we can then rewrite (6) and (7) as  $v(r_1, \dots, r_m) = 1$  when

$$\sum_i r_i w_i^* > 0 \quad (8)$$

and  $v(r_1, \dots, r_m) = -1$  when

$$\sum_i r_i \gamma w_i^* < 0, \quad (9)$$

where  $w_i^*$  is as defined in Theorem 1.

So, one efficient voting rule is sums the weights  $w_i^*$ , but adjusting them to have a factor of 1 when the representative chooses  $a$  and a factor of  $-\gamma$  when the representative chooses  $b$ . This is the same as using the efficient weights and then having a threshold of  $\frac{\gamma}{\gamma+1}(\sum_i w_i^*)$ . Then we flip a coin in the case of a tie. Any efficient voting rule must agree with this one except in the case where this rule results in an expression equal to 0. This concludes the proof of the theorem. ■

The Questions from the Eurobarometers are as follows.

The European Union already has a Common Security and Foreign Policy and a European Security and Defence Policy. There is now a debate about how much further these should be developed. Do you tend to agree or tend to disagree with each of the following statements? Question 1. The European Union should have a rapid military reaction force that can be sent quickly to trouble spots when an international crisis occurs [Rapid military reaction force] 2. When an international crisis occurs, European Union member states should agree a common position [Common position] 3. The European Union should have its own Foreign Minister, who can be the spokesperson for a common European Union position [Own Foreign

Minister] 4. The European Union should have its own seat on the United Nations Security Council [Own seat on the UN Security Council] 5. Member states which have opted for neutrality should have a say in European Union foreign policy [”Neutral” Member states should have a say] 6. Countries which will join the European Union in 2004 as a result of enlargement should already have a say in European Union foreign policy [Future Member states should have already a say] 7. European Union foreign policy should be independent of United States foreign policy [Independence of EU foreign policy] 8. The European Union should guarantee Human Rights in each member state, even if this is contrary to the wishes of some member states [To guarantee Human Rights in each Member state] 9. The European Union should work to guarantee Human Rights around the world, even if this is contrary to the wishes of some other countries [To guarantee Human Rights around the world] 10. The European Union should have a common immigration policy towards people from outside the European Union [Common immigration policy] 11. The European Union should have a common asylum policy towards asylum seekers [Common asylum policy]



Figure 1: theoretical vote weights (not scaled)

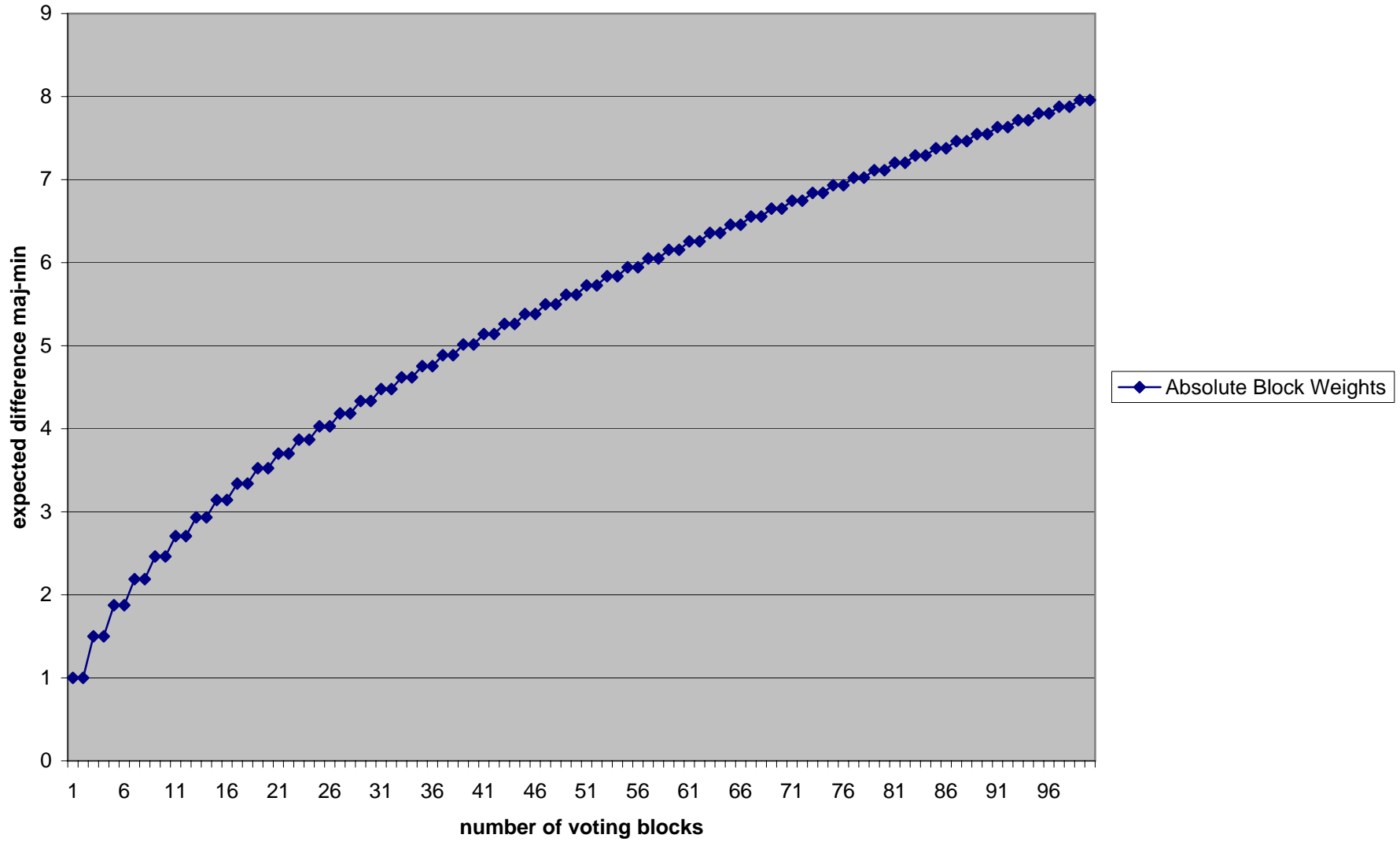


Figure 2: Comparison of weights

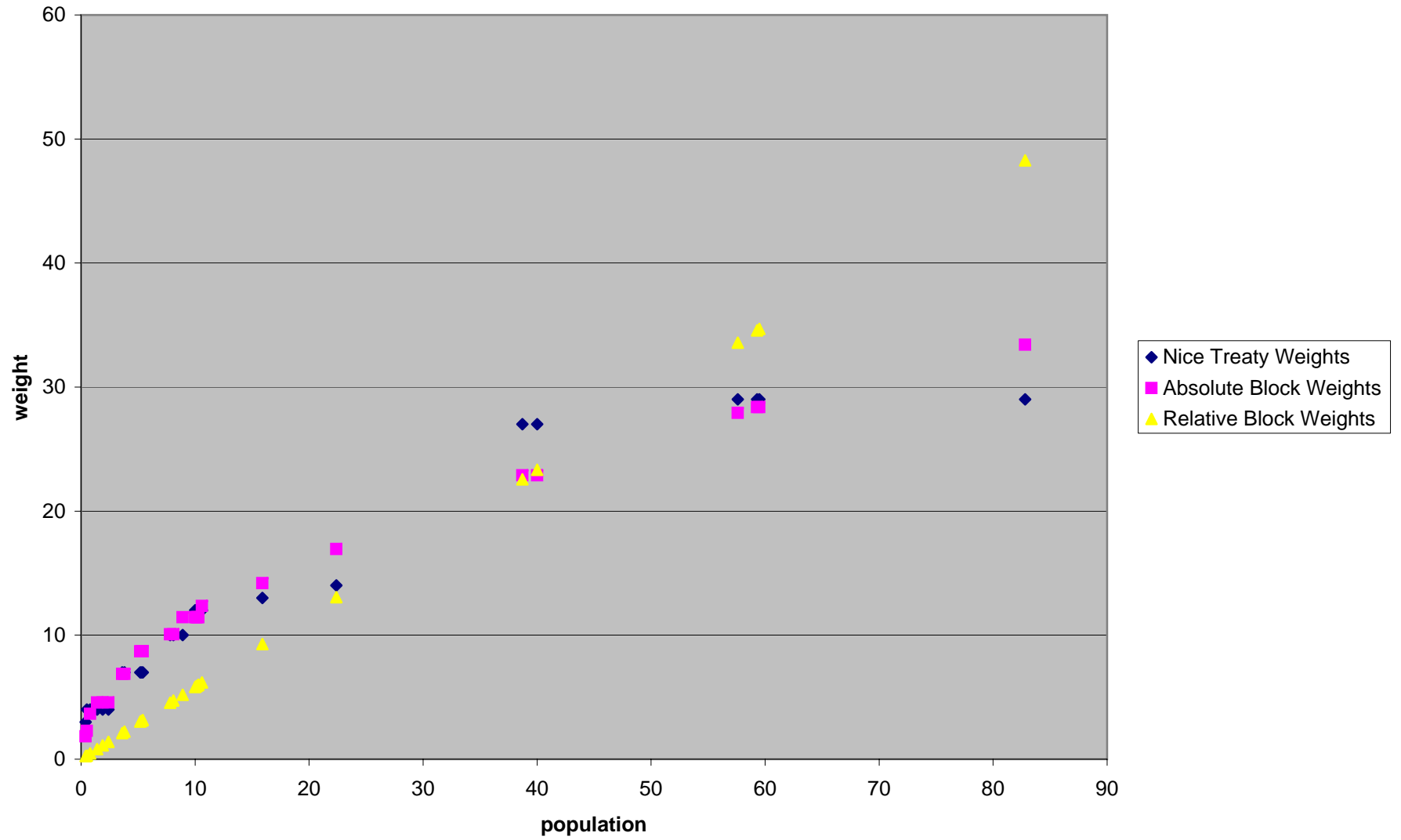


Figure 3: Eurobarometer [Yes-No]

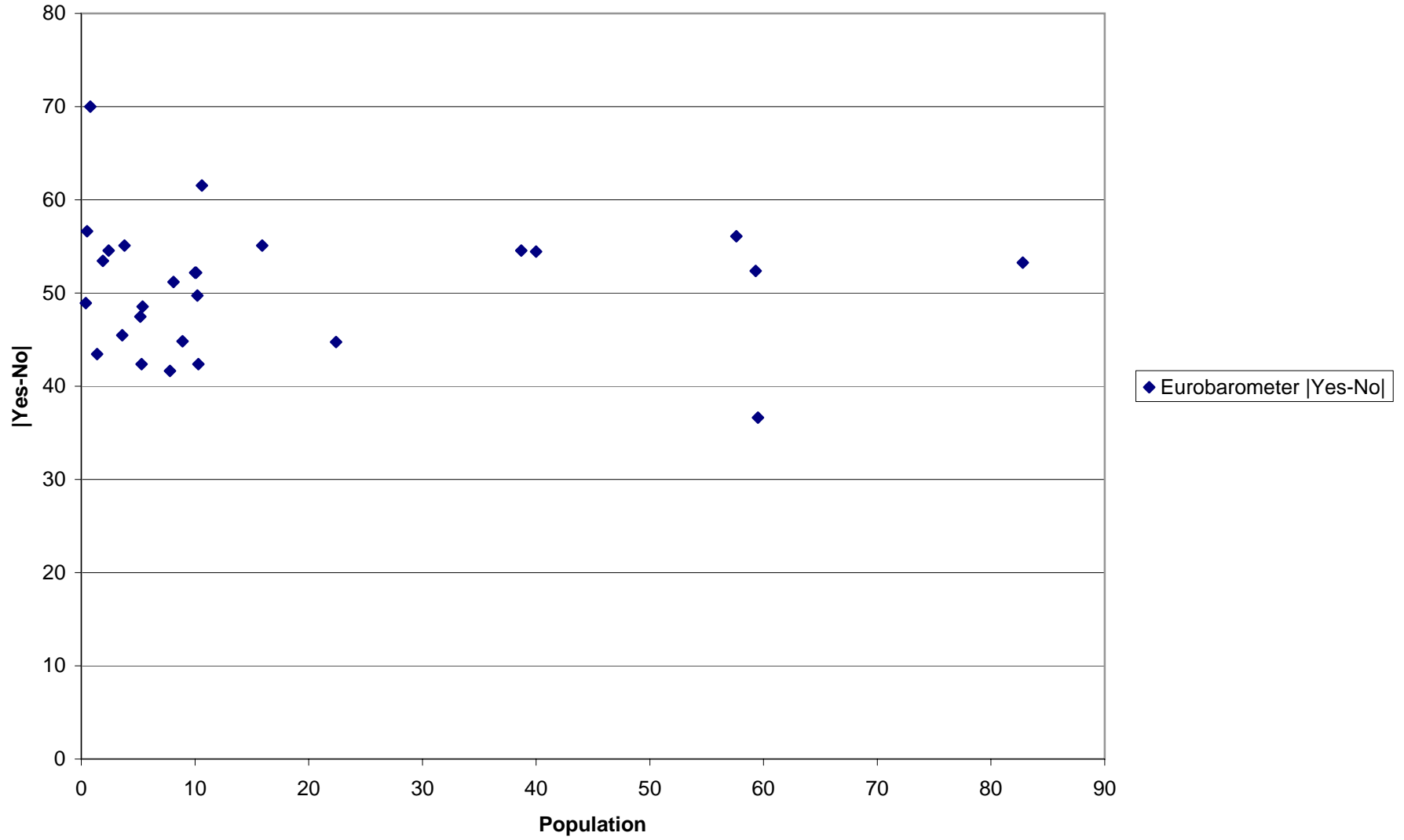
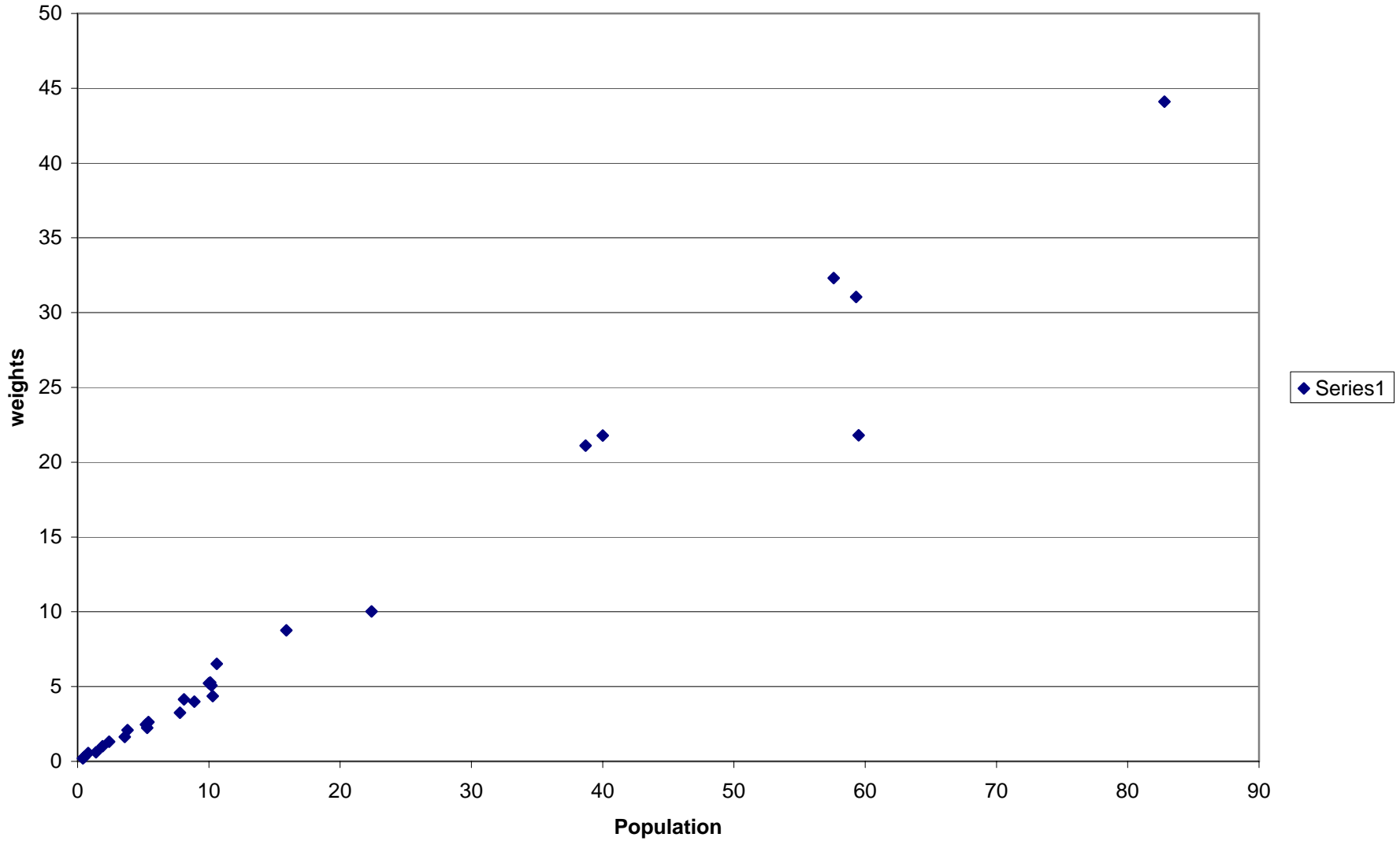


Figure 4: Weights based on Eurobarometer (2003ab)



## NOTE DI LAVORO DELLA FONDAZIONE ENI ENRICO MATTEI

### Fondazione Eni Enrico Mattei Working Paper Series

Our Note di Lavoro are available on the Internet at the following addresses:

<http://www.feem.it/Feem/Pub/Publications/WPapers/default.html>

<http://www.ssrn.com/link/feem.html>

### NOTE DI LAVORO PUBLISHED IN 2003

PRIV	1.2003	<i>Gabriella CHIESA and Giovanna NICODANO</i> : <u>Privatization and Financial Market Development: Theoretical Issues</u>
PRIV	2.2003	<i>Ibolya SCHINDELE</i> : <u>Theory of Privatization in Eastern Europe: Literature Review</u>
PRIV	3.2003	<i>Wietze LISE, Claudia KEMFERT and Richard S.J. TOL</i> : <u>Strategic Action in the Liberalised German Electricity Market</u>
CLIM	4.2003	<i>Laura MARSILIANI and Thomas I. RENSTRÖM</i> : <u>Environmental Policy and Capital Movements: The Role of Government Commitment</u>
KNOW	5.2003	<i>Reyer GERLAGH</i> : <u>Induced Technological Change under Technological Competition</u>
ETA	6.2003	<i>Efrem CASTELNUOVO</i> : <u>Squeezing the Interest Rate Smoothing Weight with a Hybrid Expectations Model</u>
SIEV	7.2003	<i>Anna ALBERINI, Alberto LONGO, Stefania TONIN, Francesco TROMBETTA and Margherita TURVANI</i> : <u>The Role of Liability, Regulation and Economic Incentives in Brownfield Remediation and Redevelopment: Evidence from Surveys of Developers</u>
NRM	8.2003	<i>Elissaios POPYRAKIS and Reyner GERLAGH</i> : <u>Natural Resources: A Blessing or a Curse?</u>
CLIM	9.2003	<i>A. CAPARRÓS, J.-C. PEREAU and T. TAZDAÏT</i> : <u>North-South Climate Change Negotiations: a Sequential Game with Asymmetric Information</u>
KNOW	10.2003	<i>Giorgio BRUNELLO and Daniele CHECCHI</i> : <u>School Quality and Family Background in Italy</u>
CLIM	11.2003	<i>Efrem CASTELNUOVO and Marzio GALEOTTI</i> : <u>Learning By Doing vs Learning By Researching in a Model of Climate Change Policy Analysis</u>
KNOW	12.2003	<i>Carole MAIGNAN, Gianmarco OTTAVIANO and Dino PINELLI (eds.)</i> : <u>Economic Growth, Innovation, Cultural Diversity: What are we all talking about? A critical survey of the state-of-the-art</u>
KNOW	13.2003	<i>Carole MAIGNAN, Gianmarco OTTAVIANO, Dino PINELLI and Francesco RULLANI (lix)</i> : <u>Bio-Ecological Diversity vs. Socio-Economic Diversity. A Comparison of Existing Measures</u>
KNOW	14.2003	<i>Maddy JANSSENS and Chris STEYAERT (lix)</i> : <u>Theories of Diversity within Organisation Studies: Debates and Future Trajectories</u>
KNOW	15.2003	<i>Tuzin BAYCAN LEVENT, Enno MASUREL and Peter NIJKAMP (lix)</i> : <u>Diversity in Entrepreneurship: Ethnic and Female Roles in Urban Economic Life</u>
KNOW	16.2003	<i>Alexandra BITUSIKOVA (lix)</i> : <u>Post-Communist City on its Way from Grey to Colourful: The Case Study from Slovakia</u>
KNOW	17.2003	<i>Billy E. VAUGHN and Katarina MLEKOV (lix)</i> : <u>A Stage Model of Developing an Inclusive Community</u>
KNOW	18.2003	<i>Selma van LONDEN and Arie de RUIJTER (lix)</i> : <u>Managing Diversity in a Globalizing World</u>
Coalition		
Theory	19.2003	<i>Sergio CURRARINI</i> : <u>On the Stability of Hierarchies in Games with Externalities</u>
Network		
PRIV	20.2003	<i>Giacomo CALZOLARI and Alessandro PAVAN (lx)</i> : <u>Monopoly with Resale</u>
PRIV	21.2003	<i>Claudio MEZZETTI (lx)</i> : <u>Auction Design with Interdependent Valuations: The Generalized Revelation Principle, Efficiency, Full Surplus Extraction and Information Acquisition</u>
PRIV	22.2003	<i>Marco LiCalzi and Alessandro PAVAN (lx)</i> : <u>Tilting the Supply Schedule to Enhance Competition in Uniform-Price Auctions</u>
PRIV	23.2003	<i>David ETTINGER (lx)</i> : <u>Bidding among Friends and Enemies</u>
PRIV	24.2003	<i>Hannu VARTIAINEN (lx)</i> : <u>Auction Design without Commitment</u>
PRIV	25.2003	<i>Matti KELOHARJU, Kjell G. NYBORG and Kristian RYDQVIST (lx)</i> : <u>Strategic Behavior and Underpricing in Uniform Price Auctions: Evidence from Finnish Treasury Auctions</u>
PRIV	26.2003	<i>Christine A. PARLOUR and Uday RAJAN (lx)</i> : <u>Rationing in IPOs</u>
PRIV	27.2003	<i>Kjell G. NYBORG and Ilya A. STREBULAIEV (lx)</i> : <u>Multiple Unit Auctions and Short Squeezes</u>
PRIV	28.2003	<i>Anders LUNANDER and Jan-Eric NILSSON (lx)</i> : <u>Taking the Lab to the Field: Experimental Tests of Alternative Mechanisms to Procure Multiple Contracts</u>
PRIV	29.2003	<i>TangaMcDANIEL and Karsten NEUHOFF (lx)</i> : <u>Use of Long-term Auctions for Network Investment</u>
PRIV	30.2003	<i>Emiel MAASLAND and Sander ONDERSTAL (lx)</i> : <u>Auctions with Financial Externalities</u>
ETA	31.2003	<i>Michael FINUS and Bianca RUNDSHAGEN</i> : <u>A Non-cooperative Foundation of Core-Stability in Positive Externality NTU-Coalition Games</u>
KNOW	32.2003	<i>Michele MORETTO</i> : <u>Competition and Irreversible Investments under Uncertainty</u>
PRIV	33.2003	<i>Philippe QUIRION</i> : <u>Relative Quotas: Correct Answer to Uncertainty or Case of Regulatory Capture?</u>
KNOW	34.2003	<i>Giuseppe MEDA, Claudio PIGA and Donald SIEGEL</i> : <u>On the Relationship between R&amp;D and Productivity: A Treatment Effect Analysis</u>
ETA	35.2003	<i>Alessandra DEL BOCA, Marzio GALEOTTI and Paola ROTA</i> : <u>Non-convexities in the Adjustment of Different Capital Inputs: A Firm-level Investigation</u>

GG	36.2003	<i>Matthieu GLACHANT</i> : <u>Voluntary Agreements under Endogenous Legislative Threats</u>
PRIV	37.2003	<i>Narjess BOUBAKRI, Jean-Claude COSSET and Omrane GUEDHAMI</i> : <u>Postprivatization Corporate Governance: the Role of Ownership Structure and Investor Protection</u>
CLIM	38.2003	<i>Rolf GOLOMBEK and Michael HOEL</i> : <u>Climate Policy under Technology Spillovers</u>
KNOW	39.2003	<i>Slim BEN YOUSSEF</i> : <u>Transboundary Pollution, R&amp;D Spillovers and International Trade</u>
CTN	40.2003	<i>Carlo CARRARO and Carmen MARCHIORI</i> : <u>Endogenous Strategic Issue Linkage in International Negotiations</u>
KNOW	41.2003	<i>Sonia OREFFICE</i> : <u>Abortion and Female Power in the Household: Evidence from Labor Supply</u>
KNOW	42.2003	<i>Timo GOESCHL and Timothy SWANSON</i> : <u>On Biology and Technology: The Economics of Managing Biotechnologies</u>
ETA	43.2003	<i>Giorgio Busetti and Matteo MANERA</i> : <u>STAR-GARCH Models for Stock Market Interactions in the Pacific Basin Region, Japan and US</u>
CLIM	44.2003	<i>Katrin MILLOCK and Céline NAUGES</i> : <u>The French Tax on Air Pollution: Some Preliminary Results on its Effectiveness</u>
PRIV	45.2003	<i>Bernardo BORTOLOTTI and Paolo PINOTTI</i> : <u>The Political Economy of Privatization</u>
SIEV	46.2003	<i>Elbert DIJKGRAAF and Herman R.J. VOLLEBERGH</i> : <u>Burn or Bury? A Social Cost Comparison of Final Waste Disposal Methods</u>
ETA	47.2003	<i>Jens HORBACH</i> : <u>Employment and Innovations in the Environmental Sector: Determinants and Econometrical Results for Germany</u>
CLIM	48.2003	<i>Lori SNYDER, Nolan MILLER and Robert STAVINS</i> : <u>The Effects of Environmental Regulation on Technology Diffusion: The Case of Chlorine Manufacturing</u>
CLIM	49.2003	<i>Lori SNYDER, Robert STAVINS and Alexander F. WAGNER</i> : <u>Private Options to Use Public Goods. Exploiting Revealed Preferences to Estimate Environmental Benefits</u>
CTN	50.2003	<i>László Á. KÓCZY and Luc LAUWERS</i> (Ixi): <u>The Minimal Dominant Set is a Non-Empty Core-Extension</u>
CTN	51.2003	<i>Matthew O. JACKSON</i> (Ixi): <u>Allocation Rules for Network Games</u>
CTN	52.2003	<i>Ana MAULEON and Vincent VANNETELBOSCH</i> (Ixi): <u>Farsightedness and Cautiousness in Coalition Formation</u>
CTN	53.2003	<i>Fernando VEGA-REDONDO</i> (Ixi): <u>Building Up Social Capital in a Changing World: a network approach</u>
CTN	54.2003	<i>Matthew HAAG and Roger LAGUNOFF</i> (Ixi): <u>On the Size and Structure of Group Cooperation</u>
CTN	55.2003	<i>Taiji FURUSAWA and Hideo KONISHI</i> (Ixi): <u>Free Trade Networks</u>
CTN	56.2003	<i>Halis Murat YILDIZ</i> (Ixi): <u>National Versus International Mergers and Trade Liberalization</u>
CTN	57.2003	<i>Santiago RUBIO and Alistair ULPH</i> (Ixi): <u>An Infinite-Horizon Model of Dynamic Membership of International Environmental Agreements</u>
KNOW	58.2003	<i>Carole MAIGNAN, Dino PINELLI and Gianmarco I.P. OTTAVIANO</i> : <u>ICT, Clusters and Regional Cohesion: A Summary of Theoretical and Empirical Research</u>
KNOW	59.2003	<i>Giorgio BELLETTINI and Gianmarco I.P. OTTAVIANO</i> : <u>Special Interests and Technological Change</u>
ETA	60.2003	<i>Ronnie SCHÖB</i> : <u>The Double Dividend Hypothesis of Environmental Taxes: A Survey</u>
CLIM	61.2003	<i>Michael FINUS, Ekko van IERLAND and Robert DELLINK</i> : <u>Stability of Climate Coalitions in a Cartel Formation Game</u>
GG	62.2003	<i>Michael FINUS and Bianca RUNDSHAGEN</i> : <u>How the Rules of Coalition Formation Affect Stability of International Environmental Agreements</u>
SIEV	63.2003	<i>Alberto PETRUCCI</i> : <u>Taxing Land Rent in an Open Economy</u>
CLIM	64.2003	<i>Joseph E. ALDY, Scott BARRETT and Robert N. STAVINS</i> : <u>Thirteen Plus One: A Comparison of Global Climate Policy Architectures</u>
SIEV	65.2003	<i>Edi DEFRANCESCO</i> : <u>The Beginning of Organic Fish Farming in Italy</u>
SIEV	66.2003	<i>Klaus CONRAD</i> : <u>Price Competition and Product Differentiation when Consumers Care for the Environment</u>
SIEV	67.2003	<i>Paulo A.L.D. NUNES, Luca ROSSETTO, Arianne DE BLAEIJ</i> : <u>Monetary Value Assessment of Clam Fishing Management Practices in the Venice Lagoon: Results from a Stated Choice Exercise</u>
CLIM	68.2003	<i>ZhongXiang ZHANG</i> : <u>Open Trade with the U.S. Without Compromising Canada's Ability to Comply with its Kyoto Target</u>
KNOW	69.2003	<i>David FRANTZ</i> (Iix): <u>Lorenzo Market between Diversity and Mutation</u>
KNOW	70.2003	<i>Ercole SORI</i> (Iix): <u>Mapping Diversity in Social History</u>
KNOW	71.2003	<i>Ljiljana DERU SIMIC</i> (Ixi): <u>What is Specific about Art/Cultural Projects?</u>
KNOW	72.2003	<i>Natalya V. TARANOVA</i> (Ixi): <u>The Role of the City in Fostering Intergroup Communication in a Multicultural Environment: Saint-Petersburg's Case</u>
KNOW	73.2003	<i>Kristine CRANE</i> (Ixi): <u>The City as an Arena for the Expression of Multiple Identities in the Age of Globalisation and Migration</u>
KNOW	74.2003	<i>Kazuma MATOBA</i> (Ixi): <u>Glocal Dialogue- Transformation through Transcultural Communication</u>
KNOW	75.2003	<i>Catarina REIS OLIVEIRA</i> (Ixi): <u>Immigrants' Entrepreneurial Opportunities: The Case of the Chinese in Portugal</u>
KNOW	76.2003	<i>Sandra WALLMAN</i> (Ixi): <u>The Diversity of Diversity - towards a typology of urban systems</u>
KNOW	77.2003	<i>Richard PEARCE</i> (Ixi): <u>A Biologist's View of Individual Cultural Identity for the Study of Cities</u>
KNOW	78.2003	<i>Vincent MERK</i> (Ixi): <u>Communication Across Cultures: from Cultural Awareness to Reconciliation of the Dilemmas</u>
KNOW	79.2003	<i>Giorgio BELLETTINI, Carlotta BERTI CERONI and Gianmarco I.P. OTTAVIANO</i> : <u>Child Labor and Resistance to Change</u>
ETA	80.2003	<i>Michele MORETTO, Paolo M. PANTEGHINI and Carlo SCARPA</i> : <u>Investment Size and Firm's Value under Profit Sharing Regulation</u>

IEM	81.2003	<i>Alessandro LANZA, Matteo MANERA and Massimo GIOVANNINI: <u>Oil and Product Dynamics in International Petroleum Markets</u></i>
CLIM	82.2003	<i>Y. Hossein FARZIN and Jinhua ZHAO: <u>Pollution Abatement Investment When Firms Lobby Against Environmental Regulation</u></i>
CLIM	83.2003	<i>Giuseppe DI VITA: <u>Is the Discount Rate Relevant in Explaining the Environmental Kuznets Curve?</u></i>
CLIM	84.2003	<i>Reyer GERLAGH and Wietze LISE: <u>Induced Technological Change Under Carbon Taxes</u></i>
NRM	85.2003	<i>Rinaldo BRAU, Alessandro LANZA and Francesco PIGLIARU: <u>How Fast are the Tourism Countries Growing? The cross-country evidence</u></i>
KNOW	86.2003	<i>Elena BELLINI, Gianmarco I.P. OTTAVIANO and Dino PINELLI: <u>The ICT Revolution: opportunities and risks for the Mezzogiorno</u></i>
SIEV	87.2003	<i>Lucas BRETSCGHER and Sjak SMULDERS: <u>Sustainability and Substitution of Exhaustible Natural Resources. How resource prices affect long-term R&amp;D investments</u></i>
CLIM	88.2003	<i>Johan EYCKMANS and Michael FINUS: <u>New Roads to International Environmental Agreements: The Case of Global Warming</u></i>
CLIM	89.2003	<i>Marzio GALEOTTI: <u>Economic Development and Environmental Protection</u></i>
CLIM	90.2003	<i>Marzio GALEOTTI: <u>Environment and Economic Growth: Is Technical Change the Key to Decoupling?</u></i>
CLIM	91.2003	<i>Marzio GALEOTTI and Barbara BUCHNER: <u>Climate Policy and Economic Growth in Developing Countries</u></i>
IEM	92.2003	<i>A. MARKANDYA, A. GOLUB and E. STRUKOVA: <u>The Influence of Climate Change Considerations on Energy Policy: The Case of Russia</u></i>
ETA	93.2003	<i>Andrea BELTRATTI: <u>Socially Responsible Investment in General Equilibrium</u></i>
CTN	94.2003	<i>Parkash CHANDER: <u>The <math>\gamma</math>-Core and Coalition Formation</u></i>
IEM	95.2003	<i>Matteo MANERA and Angelo MARZULLO: <u>Modelling the Load Curve of Aggregate Electricity Consumption Using Principal Components</u></i>
IEM	96.2003	<i>Alessandro LANZA, Matteo MANERA, Margherita GRASSO and Massimo GIOVANNINI: <u>Long-run Models of Oil Stock Prices</u></i>
CTN	97.2003	<i>Steven J. BRAMS, Michael A. JONES, and D. Marc KILGOUR: <u>Forming Stable Coalitions: The Process Matters</u></i>
KNOW	98.2003	<i>John CROWLEY, Marie-Cecile NAVES (Ixxiii): <u>Anti-Racist Policies in France. From Ideological and Historical Schemes to Socio-Political Realities</u></i>
KNOW	99.2003	<i>Richard THOMPSON FORD (Ixxiii): <u>Cultural Rights and Civic Virtue</u></i>
KNOW	100.2003	<i>Alaknanda PATEL (Ixxiii): <u>Cultural Diversity and Conflict in Multicultural Cities</u></i>
KNOW	101.2003	<i>David MAY (Ixxiii): <u>The Struggle of Becoming Established in a Deprived Inner-City Neighbourhood</u></i>
KNOW	102.2003	<i>Sébastien ARCAND, Danielle JUTEAU, Sirma BILGE, and Francine LEMIRE (Ixxiii) : <u>Municipal Reform on the Island of Montreal: Tensions Between Two Majority Groups in a Multicultural City</u></i>
CLIM	103.2003	<i>Barbara BUCHNER and Carlo CARRARO: <u>China and the Evolution of the Present Climate Regime</u></i>
CLIM	104.2003	<i>Barbara BUCHNER and Carlo CARRARO: <u>Emissions Trading Regimes and Incentives to Participate in International Climate Agreements</u></i>
CLIM	105.2003	<i>Anil MARKANDYA and Dirk T.G. RÜBBELKE: <u>Ancillary Benefits of Climate Policy</u></i>
NRM	106.2003	<i>Anne Sophie CRÉPIN (Ixiv): <u>Management Challenges for Multiple-Species Boreal Forests</u></i>
NRM	107.2003	<i>Anne Sophie CRÉPIN (Ixiv): <u>Threshold Effects in Coral Reef Fisheries</u></i>
SIEV	108.2003	<i>Sara ANIYAR (Ixiv): <u>Estimating the Value of Oil Capital in a Small Open Economy: The Venezuela's Example</u></i>
SIEV	109.2003	<i>Kenneth ARROW, Partha DASGUPTA and Karl-Göran MÄLER(Ixiv): <u>Evaluating Projects and Assessing Sustainable Development in Imperfect Economies</u></i>
NRM	110.2003	<i>Anastasios XEPAPADEAS and Catarina ROSETA-PALMA(Ixiv): <u>Instabilities and Robust Control in Fisheries</u></i>
NRM	111.2003	<i>Charles PERRINGS and Brian WALKER (Ixiv): <u>Conservation and Optimal Use of Rangelands</u></i>
ETA	112.2003	<i>Jack GOODY (Ixiv): <u>Globalisation, Population and Ecology</u></i>
CTN	113.2003	<i>Carlo CARRARO, Carmen MARCHIORI and Sonia OREFFICE: <u>Endogenous Minimum Participation in International Environmental Treaties</u></i>
CTN	114.2003	<i>Guillaume HAERINGER and Myrna WOODERS: <u>Decentralized Job Matching</u></i>
CTN	115.2003	<i>Hideo KONISHI and M. Utku UNVER: <u>Credible Group Stability in Multi-Partner Matching Problems</u></i>
CTN	116.2003	<i>Somdeb LAHIRI: <u>Stable Matchings for the Room-Mates Problem</u></i>
CTN	117.2003	<i>Somdeb LAHIRI: <u>Stable Matchings for a Generalized Marriage Problem</u></i>
CTN	118.2003	<i>Marita LAUKKANEN: <u>Transboundary Fisheries Management under Implementation Uncertainty</u></i>
CTN	119.2003	<i>Edward CARTWRIGHT and Myrna WOODERS: <u>Social Conformity and Bounded Rationality in Arbitrary Games with Incomplete Information: Some First Results</u></i>
CTN	120.2003	<i>Gianluigi VERNASCA: <u>Dynamic Price Competition with Price Adjustment Costs and Product Differentiation</u></i>
CTN	121.2003	<i>Myrna WOODERS, Edward CARTWRIGHT and Reinhard SELTEN: <u>Social Conformity in Games with Many Players</u></i>
CTN	122.2003	<i>Edward CARTWRIGHT and Myrna WOODERS: <u>On Equilibrium in Pure Strategies in Games with Many Players</u></i>
CTN	123.2003	<i>Edward CARTWRIGHT and Myrna WOODERS: <u>Conformity and Bounded Rationality in Games with Many Players</u></i>
	<b>1000</b>	<b>Carlo CARRARO, Alessandro LANZA and Valeria PAPPONETTI: <u>One Thousand Working Papers</u></b>

## NOTE DI LAVORO PUBLISHED IN 2004

IEM	1.2004	<i>Anil MARKANDYA, Suzette PEDROSO and Alexander GOLUB: <u>Empirical Analysis of National Income and So2 Emissions in Selected European Countries</u></i>
ETA	2.2004	<i>Masahisa FUJITA and Shlomo WEBER: <u>Strategic Immigration Policies and Welfare in Heterogeneous Countries</u></i>
PRA	3.2004	<i>Adolfo DI CARLUCCIO, Giovanni FERRI, Cecilia FRALE and Ottavio RICCHI: <u>Do Privatizations Boost Household Shareholding? Evidence from Italy</u></i>
ETA	4.2004	<i>Victor GINSBURGH and Shlomo WEBER: <u>Languages Disenfranchisement in the European Union</u></i>
ETA	5.2004	<i>Romano PIRAS: <u>Growth, Congestion of Public Goods, and Second-Best Optimal Policy</u></i>
CCMP	6.2004	<i>Herman R.J. VOLLEBERGH: <u>Lessons from the Polder: Is Dutch CO2-Taxation Optimal</u></i>
PRA	7.2004	<i>Sandro BRUSCO, Giuseppe LOPOMO and S. VISWANATHAN (lxv): <u>Merger Mechanisms</u></i>
PRA	8.2004	<i>Wolfgang AUSSENEGG, Pegaret PICHLER and Alex STOMPER (lxv): <u>IPO Pricing with Bookbuilding, and a When-Issued Market</u></i>
PRA	9.2004	<i>Pegaret PICHLER and Alex STOMPER (lxv): <u>Primary Market Design: Direct Mechanisms and Markets</u></i>
PRA	10.2004	<i>Florian ENGLMAIER, Pablo GUILLEN, Loreto LLORENTE, Sander ONDERSTAL and Rupert SAUSGRUBER (lxv): <u>The Chopstick Auction: A Study of the Exposure Problem in Multi-Unit Auctions</u></i>
PRA	11.2004	<i>Bjarne BRENDSTRUP and Harry J. PAARSCH (lxv): <u>Nonparametric Identification and Estimation of Multi-Unit, Sequential, Oral, Ascending-Price Auctions With Asymmetric Bidders</u></i>
PRA	12.2004	<i>Ohad KADAN (lxv): <u>Equilibrium in the Two Player, k-Double Auction with Affiliated Private Values</u></i>
PRA	13.2004	<i>Maarten C.W. JANSSEN (lxv): <u>Auctions as Coordination Devices</u></i>
PRA	14.2004	<i>Gadi FIBICH, Arieh GAVIOUS and Aner SELA (lxv): <u>All-Pay Auctions with Weakly Risk-Averse Buyers</u></i>
PRA	15.2004	<i>Orly SADE, Charles SCHNITZLEIN and Jaime F. ZENDER (lxv): <u>Competition and Cooperation in Divisible Good Auctions: An Experimental Examination</u></i>
PRA	16.2004	<i>Marta STRYSZOWSKA (lxv): <u>Late and Multiple Bidding in Competing Second Price Internet Auctions</u></i>
CCMP	17.2004	<i>Slim Ben YOUSSEF: <u>R&amp;D in Cleaner Technology and International Trade</u></i>
NRM	18.2004	<i>Angelo ANTOCI, Simone BORGHESI and Paolo RUSSU (lxvi): <u>Biodiversity and Economic Growth: Stabilization Versus Preservation of the Ecological Dynamics</u></i>
SIEV	19.2004	<i>Anna ALBERINI, Paolo ROSATO, Alberto LONGO and Valentina ZANATTA: <u>Information and Willingness to Pay in a Contingent Valuation Study: The Value of S. Erasmo in the Lagoon of Venice</u></i>
NRM	20.2004	<i>Guido CANDELA and Roberto CELLINI (lxvii): <u>Investment in Tourism Market: A Dynamic Model of Differentiated Oligopoly</u></i>
NRM	21.2004	<i>Jacqueline M. HAMILTON (lxvii): <u>Climate and the Destination Choice of German Tourists</u></i>
NRM	22.2004	<i>Javier Rey-MAQUIEIRA PALMER, Javier LOZANO IBÁÑEZ and Carlos Mario GÓMEZ GÓMEZ (lxvii): <u>Land, Environmental Externalities and Tourism Development</u></i>
NRM	23.2004	<i>Pius ODUNGA and Henk FOLMER (lxvii): <u>Profiling Tourists for Balanced Utilization of Tourism-Based Resources in Kenya</u></i>
NRM	24.2004	<i>Jean-Jacques NOWAK, Mondher SAHLI and Pasquale M. SGRO (lxvii): <u>Tourism, Trade and Domestic Welfare</u></i>
NRM	25.2004	<i>Riaz SHAREEF (lxvii): <u>Country Risk Ratings of Small Island Tourism Economies</u></i>
NRM	26.2004	<i>Juan Luis EUGENIO-MARTÍN, Noelia MARTÍN MORALES and Riccardo SCARPA (lxvii): <u>Tourism and Economic Growth in Latin American Countries: A Panel Data Approach</u></i>
NRM	27.2004	<i>Raúl Hernández MARTÍN (lxvii): <u>Impact of Tourism Consumption on GDP. The Role of Imports</u></i>
CSRM	28.2004	<i>Nicoletta FERRO: <u>Cross-Country Ethical Dilemmas in Business: A Descriptive Framework</u></i>
NRM	29.2004	<i>Marian WEBER (lxvi): <u>Assessing the Effectiveness of Tradable Landuse Rights for Biodiversity Conservation: an Application to Canada's Boreal Mixedwood Forest</u></i>
NRM	30.2004	<i>Trond BJORN DAL, Phoebe KOUNDOURI and Sean PASCOE (lxvi): <u>Output Substitution in Multi-Species Trawl Fisheries: Implications for Quota Setting</u></i>
CCMP	31.2004	<i>Marzio GALEOTTI, Alessandra GORIA, Paolo MOMBRINI and Evi SPANTIDAKI: <u>Weather Impacts on Natural, Social and Economic Systems (WISE) Part I: Sectoral Analysis of Climate Impacts in Italy</u></i>
CCMP	32.2004	<i>Marzio GALEOTTI, Alessandra GORIA, Paolo MOMBRINI and Evi SPANTIDAKI: <u>Weather Impacts on Natural, Social and Economic Systems (WISE) Part II: Individual Perception of Climate Extremes in Italy</u></i>
CTN	33.2004	<i>Wilson PEREZ: <u>Divide and Conquer: Noisy Communication in Networks, Power, and Wealth Distribution</u></i>
KTHC	34.2004	<i>Gianmarco I.P. OTTAVIANO and Giovanni PERI (lxviii): <u>The Economic Value of Cultural Diversity: Evidence from US Cities</u></i>
KTHC	35.2004	<i>Linda CHAIB (lxviii): <u>Immigration and Local Urban Participatory Democracy: A Boston-Paris Comparison</u></i>
KTHC	36.2004	<i>Franca ECKERT COEN and Claudio ROSSI (lxviii): <u>Foreigners, Immigrants, Host Cities: The Policies of Multi-Ethnicity in Rome. Reading Governance in a Local Context</u></i>
KTHC	37.2004	<i>Kristine CRANE (lxviii): <u>Governing Migration: Immigrant Groups' Strategies in Three Italian Cities – Rome, Naples and Bari</u></i>
KTHC	38.2004	<i>Kiflemariam HAMDE (lxviii): <u>Mind in Africa, Body in Europe: The Struggle for Maintaining and Transforming Cultural Identity - A Note from the Experience of Eritrean Immigrants in Stockholm</u></i>
ETA	39.2004	<i>Alberto CAVALIERE: <u>Price Competition with Information Disparities in a Vertically Differentiated Duopoly</u></i>
PRA	40.2004	<i>Andrea BIGANO and Stef PROOST: <u>The Opening of the European Electricity Market and Environmental Policy: Does the Degree of Competition Matter?</u></i>
CCMP	41.2004	<i>Micheal FINUS (lxix): <u>International Cooperation to Resolve International Pollution Problems</u></i>



KTHC	42.2004	<i>Francesco CRESPI</i> : <u>Notes on the Determinants of Innovation: A Multi-Perspective Analysis</u>
CTN	43.2004	<i>Sergio CURRARINI and Marco MARINI</i> : <u>Coalition Formation in Games without Synergies</u>
CTN	44.2004	<i>Marc ESCRHUELA-VILLAR</i> : <u>Cartel Sustainability and Cartel Stability</u>
NRM	45.2004	<i>Sebastian BERVOETS and Nicolas GRAVEL</i> (lxvi): <u>Appraising Diversity with an Ordinal Notion of Similarity: An Axiomatic Approach</u>
NRM	46.2004	<i>Signe ANTHON and Bo JELLESMARK THORSEN</i> (lxvi): <u>Optimal Afforestation Contracts with Asymmetric Information on Private Environmental Benefits</u>
NRM	47.2004	<i>John MBURU</i> (lxvi): <u>Wildlife Conservation and Management in Kenya: Towards a Co-management Approach</u>
NRM	48.2004	<i>Ekin BIROL, Ágnes GYOVAI and Melinda SMALE</i> (lxvi): <u>Using a Choice Experiment to Value Agricultural Biodiversity on Hungarian Small Farms: Agri-Environmental Policies in a Transitional Economy</u>
CCMP	49.2004	<i>Gernot KLEPPER and Sonja PETERSON</i> : <u>The EU Emissions Trading Scheme. Allowance Prices, Trade Flows, Competitiveness Effects</u>
GG	50.2004	<i>Scott BARRETT and Michael HOEL</i> : <u>Optimal Disease Eradication</u>
CTN	51.2004	<i>Dinko DIMITROV, Peter BORM, Ruud HENDRICKX and Shao CHIN SUNG</i> : <u>Simple Priorities and Core Stability in Hedonic Games</u>
SIEV	52.2004	<i>Francesco RICCI</i> : <u>Channels of Transmission of Environmental Policy to Economic Growth: A Survey of the Theory</u>
SIEV	53.2004	<i>Anna ALBERINI, Maureen CROPPER, Alan KRUPNICK and Nathalie B. SIMON</i> : <u>Willingness to Pay for Mortality Risk Reductions: Does Latency Matter?</u>
NRM	54.2004	<i>Ingo BRÄUER and Rainer MARGGRAF</i> (lxvi): <u>Valuation of Ecosystem Services Provided by Biodiversity Conservation: An Integrated Hydrological and Economic Model to Value the Enhanced Nitrogen Retention in Renaturated Streams</u>
NRM	55.2004	<i>Timo GOESCHL and Tun LIN</i> (lxvi): <u>Biodiversity Conservation on Private Lands: Information Problems and Regulatory Choices</u>
NRM	56.2004	<i>Tom DEDEURWAERDERE</i> (lxvi): <u>Bioprospection: From the Economics of Contracts to Reflexive Governance</u>
CCMP	57.2004	<i>Katrin REHDANZ and David MADDISON</i> : <u>The Amenity Value of Climate to German Households</u>
CCMP	58.2004	<i>Koen SMEKENS and Bob VAN DER ZWAAN</i> : <u>Environmental Externalities of Geological Carbon Sequestration Effects on Energy Scenarios</u>
NRM	59.2004	<i>Valentina BOSETTI, Mariaester CASSINELLI and Alessandro LANZA</i> (lxvii): <u>Using Data Envelopment Analysis to Evaluate Environmentally Conscious Tourism Management</u>
NRM	60.2004	<i>Timo GOESCHL and Danilo CAMARGO IGLIORI</i> (lxvi): <u>Property Rights Conservation and Development: An Analysis of Extractive Reserves in the Brazilian Amazon</u>
CCMP	61.2004	<i>Barbara BUCHNER and Carlo CARRARO</i> : <u>Economic and Environmental Effectiveness of a Technology-based Climate Protocol</u>
NRM	62.2004	<i>Elissaios POPYRAKIS and Reyer GERLAGH</i> : <u>Resource-Abundance and Economic Growth in the U.S.</u>
NRM	63.2004	<i>Györgyi BELA, Györgyi PATAKI, Melinda SMALE and Mariann HAJDÚ</i> (lxvi): <u>Conserving Crop Genetic Resources on Smallholder Farms in Hungary: Institutional Analysis</u>
NRM	64.2004	<i>E.C.M. RUIJGROK and E.E.M. NILLESEN</i> (lxvi): <u>The Socio-Economic Value of Natural Riverbanks in the Netherlands</u>
NRM	65.2004	<i>E.C.M. RUIJGROK</i> (lxvi): <u>Reducing Acidification: The Benefits of Increased Nature Quality. Investigating the Possibilities of the Contingent Valuation Method</u>
ETA	66.2004	<i>Giannis VARDAS and Anastasios XEPAPADEAS</i> : <u>Uncertainty Aversion, Robust Control and Asset Holdings</u>
GG	67.2004	<i>Anastasios XEPAPADEAS and Constadina PASSA</i> : <u>Participation in and Compliance with Public Voluntary Environmental Programs: An Evolutionary Approach</u>
GG	68.2004	<i>Michael FINUS</i> : <u>Modesty Pays: Sometimes!</u>
NRM	69.2004	<i>Trond BJØRNDAL and Ana BRASÃO</i> : <u>The Northern Atlantic Bluefin Tuna Fisheries: Management and Policy Implications</u>
CTN	70.2004	<i>Alejandro CAPARRÓS, Abdelhakim HAMMOUDI and Tarik TAZDAÏT</i> : <u>On Coalition Formation with Heterogeneous Agents</u>
IEM	71.2004	<i>Massimo GIOVANNINI, Margherita GRASSO, Alessandro LANZA and Matteo MANERA</i> : <u>Conditional Correlations in the Returns on Oil Companies Stock Prices and Their Determinants</u>
IEM	72.2004	<i>Alessandro LANZA, Matteo MANERA and Michael MCALEER</i> : <u>Modelling Dynamic Conditional Correlations in WTI Oil Forward and Futures Returns</u>
SIEV	73.2004	<i>Margarita GENIUS and Elisabetta STRAZZERA</i> : <u>The Copula Approach to Sample Selection Modelling: An Application to the Recreational Value of Forests</u>
CCMP	74.2004	<i>Rob DELLINK and Ekko van IERLAND</i> : <u>Pollution Abatement in the Netherlands: A Dynamic Applied General Equilibrium Assessment</u>
ETA	75.2004	<i>Rosella LEVAGGI and Michele MORETTO</i> : <u>Investment in Hospital Care Technology under Different Purchasing Rules: A Real Option Approach</u>
CTN	76.2004	<i>Salvador BARBERA and Matthew O. JACKSON</i> (lxx): <u>On the Weights of Nations: Assigning Voting Weights in a Heterogeneous Union</u>

- (lix) This paper was presented at the ENGIME Workshop on “Mapping Diversity”, Leuven, May 16-17, 2002
- (lx) This paper was presented at the EuroConference on “Auctions and Market Design: Theory, Evidence and Applications”, organised by the Fondazione Eni Enrico Mattei, Milan, September 26-28, 2002
- (lxi) This paper was presented at the Eighth Meeting of the Coalition Theory Network organised by the GREQAM, Aix-en-Provence, France, January 24-25, 2003
- (lxii) This paper was presented at the ENGIME Workshop on “Communication across Cultures in Multicultural Cities”, The Hague, November 7-8, 2002
- (lxiii) This paper was presented at the ENGIME Workshop on “Social dynamics and conflicts in multicultural cities”, Milan, March 20-21, 2003
- (lxiv) This paper was presented at the International Conference on “Theoretical Topics in Ecological Economics”, organised by the Abdus Salam International Centre for Theoretical Physics - ICTP, the Beijer International Institute of Ecological Economics, and Fondazione Eni Enrico Mattei – FEEM Trieste, February 10-21, 2003
- (lxv) This paper was presented at the EuroConference on “Auctions and Market Design: Theory, Evidence and Applications” organised by Fondazione Eni Enrico Mattei and sponsored by the EU, Milan, September 25-27, 2003
- (lxvi) This paper has been presented at the 4th BioEcon Workshop on “Economic Analysis of Policies for Biodiversity Conservation” organised on behalf of the BIOECON Network by Fondazione Eni Enrico Mattei, Venice International University (VIU) and University College London (UCL), Venice, August 28-29, 2003
- (lxvii) This paper has been presented at the international conference on “Tourism and Sustainable Economic Development – Macro and Micro Economic Issues” jointly organised by CRENoS (Università di Cagliari e Sassari, Italy) and Fondazione Eni Enrico Mattei, and supported by the World Bank, Sardinia, September 19-20, 2003
- (lxviii) This paper was presented at the ENGIME Workshop on “Governance and Policies in Multicultural Cities”, Rome, June 5-6, 2003
- (lxix) This paper was presented at the Fourth EEP Plenary Workshop and EEP Conference “The Future of Climate Policy”, Cagliari, Italy, 27-28 March 2003
- (lxx) This paper was presented at the 9<sup>th</sup> Coalition Theory Workshop on "Collective Decisions and Institutional Design" organised by the Universitat Autònoma de Barcelona and held in Barcelona, Spain, January 30-31, 2004

#### 2003 SERIES

<b>CLIM</b>	<i>Climate Change Modelling and Policy</i> (Editor: Marzio Galeotti )
<b>GG</b>	<i>Global Governance</i> (Editor: Carlo Carraro)
<b>SIEV</b>	<i>Sustainability Indicators and Environmental Valuation</i> (Editor: Anna Alberini)
<b>NRM</b>	<i>Natural Resources Management</i> (Editor: Carlo Giupponi)
<b>KNOW</b>	<i>Knowledge, Technology, Human Capital</i> (Editor: Gianmarco Ottaviano)
<b>IEM</b>	<i>International Energy Markets</i> (Editor: Anil Markandya)
<b>CSR</b>	<i>Corporate Social Responsibility and Management</i> (Editor: Sabina Ratti)
<b>PRIV</b>	<i>Privatisation, Regulation, Antitrust</i> (Editor: Bernardo Bortolotti)
<b>ETA</b>	<i>Economic Theory and Applications</i> (Editor: Carlo Carraro)
<b>CTN</b>	<i>Coalition Theory Network</i>

#### 2004 SERIES

<b>CCMP</b>	<i>Climate Change Modelling and Policy</i> (Editor: Marzio Galeotti )
<b>GG</b>	<i>Global Governance</i> (Editor: Carlo Carraro)
<b>SIEV</b>	<i>Sustainability Indicators and Environmental Valuation</i> (Editor: Anna Alberini)
<b>NRM</b>	<i>Natural Resources Management</i> (Editor: Carlo Giupponi)
<b>KTHC</b>	<i>Knowledge, Technology, Human Capital</i> (Editor: Gianmarco Ottaviano)
<b>IEM</b>	<i>International Energy Markets</i> (Editor: Anil Markandya)
<b>CSR</b>	<i>Corporate Social Responsibility and Management</i> (Editor: Sabina Ratti)
<b>PRA</b>	<i>Privatisation, Regulation, Antitrust</i> (Editor: Bernardo Bortolotti)
<b>ETA</b>	<i>Economic Theory and Applications</i> (Editor: Carlo Carraro)
<b>CTN</b>	<i>Coalition Theory Network</i>