Coalitions under demand revealing

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Riker's (1979) criticism of the demand revealing process1 essentially involves pointing out a number of opportunities for coalitions that are raised by the process. He apparently uses the word coalition a little differently than we do, and the first two cases that he mentions, on pages 878–881, are not regarded as coalitions by Riker although we would have so regarded them. This is merely a matter of language and we see no point in debating language.

In a way Riker's comment is more properly considered as a comment on Tullock's (1977) article 'Demand revealing processes, coalitions, and public goods' rather than the article in the JPE (Tideman and Tullock, 1976). In our JPE article, 2nd paragraph, we said '... all existing social choice processes are subject to exploitation by suitable designed coalitions. This process is no exception.' Further, on pages 1157 and 1158 we discussed in some detail a general method of producing coalitions in a rather more complex setting than Riker has used.

Thus, in demonstrating that coalitions are possible, Riker is pushing on an open door. Coalitions are also possible in all other voting procedures and our claim for superiority of the demand revealing process did not involve alleging that coalitions were not possible. At the time we wrote that article, we thought that demand revealing shared with other voting methods the problem of coalitions and was superior on certain other dimensions.

It is true that since we wrote this article Tullock published in a special issue of Public Choice, edited by Tideman, an article in which it was argued that in the politically relevant cases, where there are many voters and many possible outcomes, public goods considerations would normally make coalitions impossible. Only one of Riker's examples, however, turns on the large number case and hence we could confine our attention to that one case and accept the rest of his article. We feel, however, that the general subject of coalitions under public choice deserves further airing and we have

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certain objections to the specific coalition analysis presented by Riker, for example, the case given by Riker on pages 884-5 will lead, he feels, to one of four outcomes which he lists. Each one of these outcomes is dominated not only by a particular other member of that set but by a very large number of others outside the set. Like all contests for distributional gains, there are cycles (see Tullock and Buchanan, 1962) and there is no strong reason that we can see to believe that any particular outcome would occur.

Further in all his cases if the person left out of the coalition wishes to, he can inflict very severe costs on the coalition participants by suitable false bidding. But arguing about special cases when cycles are present seems to us pointless. A general discussion of the opportunities for coalitions is more productive.

Riker (pp. 887-88) gives three conditions for 'manipulation.' There is a fourth which he doesn't mention which is that bribery and blackmail not be illegal. We nowhere suggest that the law against these two crimes be repealed, although as a matter of fact we do think that they would be less important under the demand revealing process than under current methods. Why we feel this way will be discussed below.

The laws against bribery and blackmail in voting which now exist are not perfectly enforced and we presume they would not be perfectly enforced under the demand revealing process. They would, however, eliminate certain types of bribery such as the last coalition mentioned by Riker in which there is the telephone blitz to get a hundred people to each pledge 50,000 Dollars to bribe another ten for 500,000. We will point out below why this particular coalition would not work anyway, but the mere fact that the contract to make the payments would not be legally enforceable would undermine this particular scheme. Further, at least one of the hundred and ten people necessarily involved would presumably leak it.

Turning to the other necessary conditions, they are 'one that bidding not be secret.' Riker apparently feels that this is required by the demand revealing process but as a matter of fact, it is not. In the extreme there is no reason why the bid need to be known by anybody except the voter and a computer. In less extreme forms the bid made could presumably be kept at least as secret as current income tax forms. As a specific proposal, suppose that there are the usual present voting booths, which individuals must enter alone to present their bid. If people had to make payments, their bills would be a little harder to keep secret. Surely, however, although a little harder, it is not by any means impossible. Any voter who wished, for example, could receive in addition to the genuine bill another one from some higher amount which he specified. He could exhibit the second as proof of the size of his bill. Alternatively, bills could be collected from funds already on deposit, with no physical image of the bill ever created.

Thus, the first of his conditions need not be met. The second is that