

Abstract

Political parties in Northern Ireland recently used a divisor method of apportionment to choose, in sequence, ten cabinet ministries. If the parties have complete information about each others' preferences, we show that it may not be rational for them to act sincerely by choosing their most-preferred ministry that is available.

One consequence of acting sophisticatedly is that the resulting allocation may not be Pareto-optimal, making all the parties worse off. Another is nonmonotonicity—choosing earlier may hurt rather than help a party. We introduce a mechanism that combines sequential choices with a structured form of trading that results in sincere choices for two parties. Although there are difficulties in extending this mechanism to more than two parties, other approaches are explored, such as permitting parties to making consecutive choices not prescribed by an apportionment method. But certain problems, such as eliminating envy, remain.

JEL Classification: C72, D72, H11

Keywords: Apportionment methods; cabinets; sequential allocation; mechanism design; fairness