

Aiming to get rejected and the DA mechanism

Asuka Hirano

the University of Tokyo

Abstract

In Japan, the shortage of daycare center seats has become one of the significant social problems. The government enabled parents to prolong their childcare leaves if they can't obtain a seat at a daycare center. Thus, in an allocation market where insufficient resources are allocated, the government tends to compensate or provide relief for those not assigned. The relief can be more attractive than allocated resources for some agents. Then, it distorts the incentive structure, and some agents try to avoid being allocated to receive the relief. We characterize the manipulation of the agent who wants the relief. Furthermore, we characterize the manipulation without changing other agents' allocation. Then, we focus on cooperation. However, we find that a group of agents who want relief cannot adjust their reports so that all of them are not allocated when at least one of them cannot manipulate not to be allocated by themselves.