

# Embedding classical indices in the $FP$ family

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## Abstract

Recently, a new family of power indices, the  $FP$ , was introduced by Fragnelli, Ottone and Sattanino (2009), requiring that the parties of a majority are ideologically contiguous along a left-right axis. The different indices in this family depend on some parameters that allow representing various situations.

In this paper we analyze how to select the parameters with the aim of representing classical power indices.

We start by relaxing the hypothesis of contiguity. Then, we reduce the relevance of non-contiguous coalitions, defining a sequence of indices that converges to a modified version of the classical indices. The method is applied to the Italian lower chamber.

Finally, we extend our approach to situations in which the parties are not necessarily ordered according to the left-right axis, expressing their relations by a graph, following the idea of Myerson (1977).

**Keywords** Weighted majority games, Power indices, Contiguous coalitions.

**JEL classification** C70, D72.

## 1 Introduction

In various real-world situations a set of agents has to decide in favour of an issue or against it. Some subsets of agents are able to reach an agreement that makes the issue approved, while some other subsets may at most decide against it, but they are not able to pass a counterproposal. We may think to an electoral body that has to choose its representatives, or to the parties of a Parliament that have to pass a law, or to a council whose members have to take a decision. A relevant role is played by those agents that mostly can influence the final outcome. Power indices are a tool that allows evaluating the role played by each agent in the process that leads to the formation of a majority that may take a decision. Several power indices were proposed in order to account different features of the possible situations; for instance the indices may emphasize the importance of the ordering in the majority formation process (Shapley and Shubik, 1954), the possibility to form different majorities (Banzhaf, 1965 - Coleman, 1971), the role played in the majorities with minimal number of agents (Deegan and Packel, 1978 - Holler, 1982).

The  $FP$  family of power indices, introduced in Fragnelli et al (2009), focuses on the contiguity of the parties of a Parliament ordered on a left-right axis. The basic idea is that a coalition may form after a negotiation that includes all the intermediate parties. A simple example may be given by a party that is never able to change the decision taken by any other coalition (the so-called null player) but may play an important role due to its intermediate position that makes it necessary for a positive conclusion of the negotiation. The indices in the  $FP$  family depend on the setting of some parameters, namely the set of majorities with

contiguous parties that are relevant in the situation at hand, their probabilities to form and the relevance that each member has in each majority.

Exploiting the degrees of freedom of the  $FP$  family, in this paper we want to select the parameters in order to embed the classical power indices by Shapley-Shubik, Banzhaf-Coleman, Deegan-Packel and Holler, in the new family. The motivation is that the modified indices may profit of some features of the classical ones, adding the relevance assigned to intermediate parties in the new family. Clearly, the characteristic of assigning a null power to a null player, that is satisfied by the four classical indices we mentioned, still holds after the embedding; nevertheless some parties that are relevant in the negotiation process increase their power, while less important parties decrease their own.

The organization of the paper is as follows. In Section 2 we recall the main feature of weighted majority games; Section 3 is dedicated to a short presentation of the classical power indices; in Section 4 the  $FP$  family is outlined; Section 5 is devoted to the definition of the extended  $\overline{FP}$  family and to the formalization of the procedure we used for embedding the classical indices; in Section 6 we apply the procedure to a real situation; Section 7 deals with an extension of our results to a more general case in which we relax the assumption of contiguity of the coalitions; Section 8 concludes.

## 2 Weighted majority games

Let  $N = \{1, 2, \dots, n\}$  be the non empty finite set of parties of a Parliament. A *vector of weights*  $w = (w_1, w_2, \dots, w_n)$  is associated to  $N$ , where  $w_i$ ,  $i \in N$  is a non negative weight given to each party that may represent the percentage of votes, the number of seats and so on. Fixing a *majority quota*  $q$ , we obtain a *weighted majority situation* denoted by  $[q; w_1, w_2, \dots, w_n]$ . Given a weighted majority situation it is possible to define the corresponding *weighted majority game*  $(N, w)$ , where  $N$  is the set of players and  $w : 2^N \rightarrow \{0, 1\}$  is the characteristic function defined as

$$w(S) = \begin{cases} 1 & \text{if } \sum_{j \in S} w_j \geq q \\ 0 & \text{otherwise.} \end{cases}$$

In such a game we refer to a coalition  $S$  with  $w(S) = 1$  as a *winning coalition*, i.e. a set of parties which is able to reach the majority quota summing up the weights of all the members of the coalition. The coalition is called *losing* otherwise. Given a winning coalition  $S$ , a party  $j \in S$  is *critical* for  $S$  if  $S \setminus \{j\}$  is losing. The quantity  $w(S) - w(S \setminus \{j\})$  is called the *marginal contribution of player  $j$  w.r.t.  $S$* . We say a winning coalition is *minimal* if each proper subcoalition is losing.

A game  $(N, w)$  is called *monotonic* if  $S \subseteq T \Rightarrow w(S) \leq w(T)$ ; a *simple* game is a monotonic game with the condition that  $w(S) = 0$  or  $1$  for each  $S \subseteq N$  and  $w(N) = 1$ . A simple game is *proper* if  $w(S) = 1$  implies  $w(N \setminus S) = 0$  for each  $S \subseteq N$ . A weighted majority game  $(N, w)$  results to be monotonic, simple and with the condition  $q > \frac{1}{2} \sum_{i \in N} w_i$  it is also proper; when the weights represent the number of seats of the parties the condition may be written as  $q \geq \lfloor \frac{w_1 + w_2 + \dots + w_n}{2} + 1 \rfloor$  where  $\lfloor x \rfloor$  denotes the greatest integer less than or equal to  $x$ .

## 3 Some classical power indices

Given a game  $G = (N, w)$ , with  $N = \{1, 2, \dots, n\}$ , an *allocation* is an  $n$ -dimensional real vector  $x = (x_1, x_2, \dots, x_n)$  which assigns the amount  $x_i$  to player  $i \in N$ . An allocation is

efficient if  $x(N) = \sum_{i \in N} x_i = w(N)$ . A *solution* is a function  $\psi$  that assigns an efficient allocation  $\psi(w)$  to every game  $(N, w)$ . For a simple game, we refer to a non negative solution  $\psi(w)$  as a *power index*, where  $\psi_i(w)$  represents the power assigned to the player  $i \in N$ .

A power index for a game  $(N, w)$  based on a weighted sum of the marginal contributions of each player is defined as

$$\psi_j(w) = \sum_{S \subseteq N, S \ni j} p(S)[w(S) - w(S \setminus \{j\})] \quad \forall j \in N$$

or, denoting by  $W$  the set of winning coalitions, as

$$\psi_j(w) = \sum_{S \in W, S \ni j} p(S)[w(S) - w(S \setminus \{j\})] \quad \forall j \in N$$

because for each losing coalition  $S$  we have  $w(S) - w(S \setminus \{j\}) = 0$  for each  $j \in S$ .

Several power indices based on the marginal contribution have been introduced, the most common are:

- the *Shapley-Shubik index* (Shapley and Shubik, 1954), given by the following formula

$$\phi_j(w) = \sum_{S \in W, S \ni j} \frac{(|S| - 1)!(n - |S|)!}{n!} [w(S) - w(S \setminus \{j\})] \quad (1)$$

where  $|S|$  is the cardinality of the set  $S$ ;

- the *normalized Banzhaf-Coleman index* (Banzhaf, 1965 - Coleman, 1971), defined as

$$\beta_j(w) = \frac{\beta_j^*(w)}{\sum_{k \in N} \beta_k^*(w)} \quad \forall j \in N \quad (2)$$

where  $\beta_j^*(w) = \sum_{S \in W, S \ni j} \frac{1}{2^{n-1}} [w(S) - w(S \setminus \{j\})]$  for each  $j \in N$ .

There exist other power indices not based on the marginal contribution which are also common in literature, as the Deegan-Packel index and the Holler index which consider only the set of minimal winning coalitions  $W^m$ . The *Deegan-Packel index* (Deegan and Packel, 1978),  $\delta(w)$ , equally divides the power among the coalitions in  $W^m$  and then the power of each coalition is equally shared among its members. The *Holler index* (Holler, 1982), or *Public Goods index*,  $H(w)$ , divides the power proportionally to the number of minimal winning coalitions which a player belongs to. Formally we have

$$\delta_j(w) = \sum_{S \in W^m, S \ni j} \frac{1}{|W^m|} \frac{1}{|S|} \quad \forall j \in N \quad (3)$$

and

$$H_j(w) = \frac{h_j}{\sum_{k \in N} h_k} \quad \forall j \in N \quad (4)$$

where  $h_j$  is the number of minimal winning coalitions including player  $j \in N$ .

## 4 The $FP$ family

The ideological position of each party does not allow every coalition forming with the same probability, even if it is winning. A common scheme to describe a political scenario is a *left-right axis* where the parties in the set  $N$  are ordered according to their ideological position. Usually, the axis is represented by the segment 0-1 and the locations of the parties represent their ideology, where 0 is the extreme left and 1 is the extreme right. Assuming that the negotiations take place uniquely between adjacent parties, the feasible coalitions include only contiguous parties. Let  $W^c$  be the set of *contiguous winning coalitions*, where a coalition  $S_i \in W^c$  is *contiguous* if for all  $k, h \in S_i$  if there exists  $j \in N$  with  $k < j < h$  then  $j \in S_i$ .

Starting from this idea a new family of power indices, the  $FP$  family, was defined (Fragnelli et al, 2009). The general formula of an  $FP$  index is

$$FP_j = \sum_{S_i \in W^c, S_i \ni j} \alpha_i \beta_{ij} \quad \forall j \in N \quad (5)$$

where  $\alpha_i \geq 0$  represents the relative probability of coalition  $S_i$  to form, with the condition

$$\sum_{S_i \in W^c} \alpha_i = 1. \quad (6)$$

and  $\beta_{ij} \geq 0$  is the power share assigned to player  $j$  in  $S_i$ , with the condition

$$\sum_{j \in S_i} \beta_{ij} = 1 \quad \forall S_i \in W^c$$

The choice of parameters  $\alpha_i$  differentiates the power of the coalitions and the choice of parameters  $\beta_{ij}$  differentiates the role of the parties inside coalitions. We can assume the parameters are exogenously given, for example via a suitable analysis of historical data.

We can notice that only contiguous winning coalitions are given a probability to form. In particular we remark that the definition of the  $FP$  family allows considering even a subset of contiguous winning coalitions, but this is equivalent to assigning a null probability to the remaining contiguous coalitions.

## 5 Embedding classical indices

For a weighted majority game, classical indices do not take into account only the contiguous coalitions. In order to embed them in the  $FP$  family, we need an extension of the formula (5) which allows the winning but non-contiguous coalitions to have a probability to form. We define the extended family  $\overline{FP}$  as

$$\overline{FP}_j = \sum_{S_i \in W, S_i \ni j} \alpha_i \beta_{ij} \quad \forall j \in N \quad (7)$$

where  $\alpha_i \geq 0$  and  $\beta_{ij} \geq 0$  have the same interpretation as above, with the conditions

$$\sum_{S_i \in W} \alpha_i = 1 \quad (8)$$

and

$$\sum_{j \in S_i} \beta_{ij} = 1 \quad \forall S_i \in W \quad (9)$$

In a following step we look for a standard  $FP$  index, summing only on the contiguous winning coalitions. Given a generic index  $\psi$ , we want to impose the relations

$$\sum_{S_i \in W, S_i \ni j} \alpha_i \beta_{ij} = \psi_j(w) \quad \forall j \in N \quad (10)$$

via a suitable choice of parameters. In particular we will analyze the Shapley-Shubik, Banzhaf-Coleman, Deegan-Packel and Holler indices. We can observe there are several choices of the parameters in order to satisfy relations (10) as the system is overdetermined. For instance, a trivial solution is given by  $\alpha_N = 1$  for the grand coalition and zero for the others  $\alpha_i, i \neq N$  and  $\beta_{Nj} = \psi_j$ . This solution is not very interesting as it allows only the grand coalition forming and it assumes we already know the value of the index in order to evaluate the parameters  $\beta_{ij}$ . We look now for a non trivial solution, at first for the Shapley-Shubik index and then for the other indices.

## 5.1 The Shapley-Shubik index

Following the purpose of embedding classical indices in the  $FP$  family, we start from the most common one, the Shapley-Shubik index. In particular, the aim is to determine suitable values for the parameters in (7) in order to describe the formula given in (1). We start by imposing that

$$\alpha_i \beta_{ij} = p(S_i)[w(S_i) - w(S_i \setminus \{j\})] \quad (11)$$

Summing on  $j \in S_i$  and because of the condition (9) this is equal to

$$\alpha_i = p(S_i) \sum_{j \in S_i} [w(S_i) - w(S_i \setminus \{j\})]$$

Denoting the set of the critical players of  $S_i$  as  $S_i^c$  and  $c_i = |S_i^c|$ , we can write the parameters  $\alpha_i$  as

$$\alpha_i = p(S_i) c_i \quad \forall S_i \in W \quad (12)$$

Condition (8) holds if

$$\sum_{S_i \in W} \sum_{j \in S_i} p(S_i)[w(S_i) - w(S_i \setminus \{j\})] = 1$$

which is obviously true.

By relations (11) and (12) we obtain

$$\beta_{ij} p(S_i) c_i = p(S_i)[w(S_i) - w(S_i \setminus \{j\})] \quad \forall S_i \in W, \forall j \in S_i$$

from which we get

$$\beta_{ij} = \begin{cases} \frac{1}{c_i} & \text{if } j \in S_i^c \\ 0 & \text{otherwise} \end{cases} \quad \forall S_i \in W, \quad \forall j \in S_i \quad (13)$$

Relations (12) and (13) provide the parameters  $\alpha_i$  and  $\beta_{ij}$ , respectively, that enable us to write the Shapley-Shubik index as an  $\overline{FP}$  index.

In the definition of the  $\overline{FP}$  indices family, the order of the parties is not important and we do not refer to the left-right axis. We want now to come back to the idea of contiguous coalitions as the only alliances which are allowed forming, so the power of a party depends only on the coalitions in  $W^c$  it belongs to. In order to obtain an  $FP$  index, we decrease the

probability to form of the non-contiguous coalitions modifying the parameters  $\alpha_i$  given in (12). For each coalition  $S_i \in W$  we introduce a sequence of parameters  $((\gamma_i)_t)_{t \in \mathbb{N}}$  defined as

$$(\gamma_i)_t = \begin{cases} p(S_i)c_i & \text{if } S_i \in W^c \\ (p(S_i)c_i)^t & \text{if } S_i \in W \setminus W^c \end{cases}$$

from which we get a sequence of normalized parameters  $((\alpha_i)_t)_{t \in \mathbb{N}}$

$$(\alpha_i)_t = \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \quad \forall S_i \in W$$

It is easy to check that  $(\alpha_i)_1 = \alpha_i$  for each  $S_i \in W$ .

In order to decrease the probability of non-contiguous coalitions to form, we take the limit for  $t \rightarrow +\infty$  which gives us

$$(\gamma_i)_t \rightarrow \gamma_i^*$$

where

$$\gamma_i^* = \begin{cases} p(S_i)c_i & \text{if } S_i \in W^c \\ 0 & \text{if } S_i \in W \setminus W^c \end{cases}$$

as  $p(S_i)c_i < 1$  if  $S_i \neq N$ , while  $N \in W^c$ .

Consequently  $(\alpha_i)_t$  converges to  $\alpha_i^* = \frac{\gamma_i^*}{\sum_{S_k \in W} \gamma_k^*}$  that, using the data of the problem, can be written as

$$\alpha_i^* = \begin{cases} \frac{p(S_i)c_i}{\sum_{S_k \in W^c} p(S_k)c_k} & \text{if } S_i \in W^c \\ 0 & \text{if } S_i \in W \setminus W^c \end{cases} \quad (14)$$

These values respect condition (6) by definition. Note that the sum in (14) does not consider the values  $p(S_k)c_k$  for non-contiguous coalitions for which  $\gamma_k^* = 0$ .

We can assume the definition of  $\beta_{ij}$  does not depend on  $t$ , so  $\beta_{ij}^* = (\beta_{ij})_t = \beta_{ij}$  for each  $t \geq 1$ .

The values of parameters  $\alpha_i^*$  and  $\beta_{ij}^*$  allow us embedding the Shapley-Shubik index in the  $FP$  family defining a new index  $\phi^{FP}$

$$\phi_j^{FP}(w) = \sum_{S_i \in W^c, S_i^c \ni j} \left( \frac{p(S_i)c_i}{\sum_{S_k \in W^c} p(S_k)c_k} \frac{1}{c_i} \right) \quad \forall j \in N \quad (15)$$

## 5.2 Other solutions

The procedure we used for the Shapley-Shubik index may be applied to any power index in the family  $\overline{FP}$ . Let us assume we have an  $\overline{FP}$  index given by (7) which respects the conditions (8) and (9), with the additional hypotheses that  $\alpha_i < 1$  for each non-contiguous coalition  $S_i \in W \setminus W^c$  and  $\alpha_i > 0$  for at least one contiguous coalition  $S_i \in W^c$ . We may decrease the probability of the non-contiguous coalitions to form by defining

$$(\gamma_i)_t = \begin{cases} \alpha_i & \text{if } S_i \in W^c \\ (\alpha_i)^t & \text{if } S_i \in W \setminus W^c \end{cases}$$

and

$$(\alpha_i)_t = \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \quad \forall S_i \in W \quad (16)$$

whose limit value is

$$\alpha_i^* = \begin{cases} \frac{\alpha_i}{\sum_{S_k \in W^c} \alpha_k} & \text{if } S_i \in W^c \\ 0 & \text{if } S_i \in W \setminus W^c \end{cases} \quad (17)$$

Again, we assume that the parameters  $\beta_{ij}$  do not depend on  $t$ , i.e.  $\beta_{ij}^* = (\beta_{ij})_t = \beta_{ij}$  for each  $t \geq 1$ .

We notice that for each  $t \in \mathbb{N}$  the vector  $(\overline{FP})_t$ , defined as  $(\overline{FP}_j)_t = \sum_{S_i \in W} ((\alpha_i)_t \beta_{ij})$ , is a power index that assigns a reduced probability to form to the non-contiguous winning coalitions, as stated in the following proposition.

**Proposition 1.** *For each power index  $\overline{FP}$  and for each  $t \in \mathbb{N}$  we have that  $(\overline{FP})_t = ((\overline{FP}_1)_t, \dots, (\overline{FP}_n)_t)$  is a power index, i.e.  $(\overline{FP}_j)_t \geq 0$  for each  $j \in N$  and  $\sum_{j \in N} (\overline{FP}_j)_t = 1$ .*

*Proof.*  $(\overline{FP}_j)_t \geq 0$  for each  $j \in N$  and for each  $t \in \mathbb{N}$  by definition. The value of  $(\overline{FP}_j)_t$  for each  $t \in \mathbb{N}$  is

$$\begin{aligned} (\overline{FP}_j)_t &= \sum_{S_i \in W} ((\alpha_i)_t \beta_{ij}) \\ &= \sum_{S_i \in W^c} \left( \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \beta_{ij} \right) + \sum_{S_i \in W \setminus W^c} \left( \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \beta_{ij} \right) \end{aligned}$$

So

$$\begin{aligned} \sum_{j \in N} (\overline{FP}_j)_t &= \sum_{j \in N} \sum_{S_i \in W^c} \left( \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \beta_{ij} \right) + \sum_{j \in N} \sum_{S_i \in W \setminus W^c} \left( \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \beta_{ij} \right) \\ &= \sum_{S_i \in W^c} \sum_{j \in N} \left( \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \beta_{ij} \right) + \sum_{S_i \in W \setminus W^c} \sum_{j \in N} \left( \frac{(\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \beta_{ij} \right) \\ &= \frac{\sum_{S_i \in W^c} (\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \sum_{j \in N} \beta_{ij} + \frac{\sum_{S_i \in W \setminus W^c} (\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} \sum_{j \in N} \beta_{ij} \\ &= \frac{\sum_{S_i \in W} (\gamma_i)_t}{\sum_{S_k \in W} (\gamma_k)_t} = 1 \end{aligned}$$

□

To embed the other classical power indices of Banzhaf-Coleman, Deegan-Packel and Holler in the  $\overline{FP}$  family and, consequently, to obtain the corresponding  $FP$  indices, is now simply a matter of suitably defining the parameters  $\alpha_i$  and  $\beta_{ij}$ .

For the normalized Banzhaf-Coleman index, the probability of a coalition to form is proportional to the number of critical players. The same holds for the Holler index, with the difference that non minimal coalitions have null probability to make an agreement and for each minimal one the number of critical players is equal to the cardinality of the coalition itself. Differently, the Deegan-Packel index takes into account only minimal coalitions but it assumes they have all the same probability to create an agreement. The sharing of the power between players inside a given winning coalition is always given by an equal division between critical players.

Table 1: Parameters to embed some classical indices in the  $\overline{FP}$  family

| <i>Parameters</i> | $\alpha_i$   | $\beta_{ij}$  |
|-------------------|--|---|
| Banzhaf-Coleman   | $\frac{c_i}{\sum_{S_k \in W} c_k}, \quad S_i \in W$  | $\begin{cases} \frac{1}{c_i} & \text{if } j \in S_i^c \\ 0 & \text{otherwise.} \end{cases}$ |
| Deegan-Packel     | $\begin{cases} \frac{1}{ W^m } & \text{if } S_i \in W^m \\ 0 & \text{otherwise.} \end{cases}$                    | $\begin{cases} \frac{1}{c_i} & \text{if } j \in S_i^c \\ 0 & \text{otherwise.} \end{cases}$ |
| Holler            | $\begin{cases} \frac{c_i}{\sum_{S_k \in W^m} c_k} & \text{if } S_i \in W^m \\ 0 & \text{otherwise.} \end{cases}$ | $\begin{cases} \frac{1}{c_i} & \text{if } j \in S_i^c \\ 0 & \text{otherwise.} \end{cases}$ |

In Table 1 we summarize the choice of the parameters for the Banzhaf-Coleman, the Deegan-Packel and the Holler indices, respectively, in order to write them as  $\overline{FP}$  indices.

By the procedure presented in Section 5.1 we obtain the following formulas. For the normalized Banzhaf-Coleman index we get

$$\beta_j^{FP}(w) = \frac{h_j^c}{\sum_{k \in N} h_k^c} \quad \forall j \in N \quad (18)$$

where  $h_j^c$  counts how many times a player is critical in a contiguous winning coalition.

Embedding the Deegan-Packel index in the  $FP$  family, we obtain an index where the probability to form is the same for all the coalition in the set  $W^{mc}$  of contiguous minimal winning coalitions and the power of each coalition is equally divided among its members

$$\delta_j^{FP}(w) = \sum_{S_i \in W^{mc}} \frac{1}{|W^{mc}|} \frac{1}{|S_i|} \quad \forall j \in N \quad (19)$$

Note that this index coincides with the archetype of the  $FP$  family (see Fragnelli et al, 2009). Finally, the Holler index adapted to the  $FP$  family is given by

$$H_j^{FP}(w) = \frac{h_j^{mc}}{\sum_{k \in N} h_k^{mc}} \quad \forall j \in N \quad (20)$$

where  $h_j^{mc}$  counts how many times a player belongs to a contiguous minimal winning coalition.

## 6 An Example

In this section we apply the results presented in the previous sections to a real Parliament, the Italian lower chamber, *Camera dei Deputati*, Chamber of Deputies (or Camera), that is formed by 630 seats and the majority quota is  $\lfloor \frac{v}{2} + 1 \rfloor$ , where  $v$  is the number of voters, excluding absences and abstentions. The data used in the example and shown in Table 2 are taken from the general election of April 2008; for sake of simplicity we decided of not



considering 18 seats belonging to very small parties which, historically, have no practical influence on the decisions of the Camera even if, in theory, they could change the outcome. The remaining 612 seats are assigned as in Table 2 to five parties, from left to right, Italia dei Valori (IdV, Italy for Ethical Values), Partito Democratico (PD, Democratic Party), Unione di Centro (UDC, Centre Union), Popolo della Libertà (PDL, People for Freedom), Lega Nord (LN, Northern League). The ordering of the parties is assigned according to their willingness to form a coalition in the recent political history.

Table 2: Seats allocation in the Camera (April 2008) for the five main parties

| <i>Parties</i> | <i>IdV</i> | <i>PD</i> | <i>UDC</i> | <i>PDL</i> | <i>LN</i> |
|----------------|------------|-----------|------------|------------|-----------|
| <i>Seats</i>   | 28         | 218       | 34         | 272        | 60        |

Supposing that all the Deputies of the five main parties vote, so the majority quota is 307, we may represent the Camera as the weighted majority situation [307; 28, 218, 34, 272, 60]. In order to compute the Shapley-Shubik index using the relations in (12) and (13), we need the data in Table 3 (for each coalition the critical parties are underlined and  $\beta_{ij} = \frac{1}{c_i}$  for each critical party  $j$  in each coalition  $S_i \in W$ ).

Table 3: Parameters assigned to the winning coalitions to compute the Shapley-Shubik index

| $S_i$        | <u>24</u>      | <u>45</u>      | <u>124</u>     | <u>134</u>     | <u>145</u>     | <u>234</u>     | <u>235</u>     | 245            | <u>345</u>     | <u>1234</u>    | <u>1235</u>    | 1245           | <u>1345</u>    | 2345           | 12345         |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|
| $p(S_i)$     | $\frac{1}{20}$ | $\frac{1}{20}$ | $\frac{1}{30}$ | $\frac{1}{30}$ | $\frac{1}{30}$ | $\frac{1}{30}$ | $\frac{1}{30}$ | $\frac{1}{30}$ | $\frac{1}{30}$ | $\frac{1}{20}$ | $\frac{1}{20}$ | $\frac{1}{20}$ | $\frac{1}{20}$ | $\frac{1}{20}$ | $\frac{1}{5}$ |
| $\alpha_i$   | $\frac{6}{60}$ | $\frac{6}{60}$ | $\frac{4}{60}$ | $\frac{6}{60}$ | $\frac{4}{60}$ | $\frac{4}{60}$ | $\frac{6}{60}$ | $\frac{2}{60}$ | $\frac{4}{60}$ | $\frac{3}{60}$ | $\frac{9}{60}$ | $\frac{3}{60}$ | $\frac{3}{60}$ | 0              | 0             |
| $\beta_{ij}$ | $\frac{1}{2}$  | $\frac{1}{2}$  | $\frac{1}{2}$  | $\frac{1}{3}$  | $\frac{1}{2}$  | $\frac{1}{2}$  | $\frac{1}{3}$  | 1              | $\frac{1}{2}$  | 1              | $\frac{1}{3}$  | 1              | 1              |                |               |

Looking at the parameters  $\alpha_i$ , we remark how the coalition with the highest probability to form is  $\{1, 2, 3, 5\}$ , that includes the leftmost and rightmost parties (IdV and LN) and excludes the relative majority party (PDL), while the actual majority coalition  $\{4, 5\}$  is given a lower value.

The Shapley-Shubik index is

$$\phi(w) = \left( \frac{2}{60}, \frac{12}{60}, \frac{7}{60}, \frac{27}{60}, \frac{12}{60} \right)$$

Using the procedure previously described, we modify the parameters  $\alpha_i$  according to (16) and compute the relative  $FP$  index given by (15)

$$\phi^{FP}(w) = \left( 0, \frac{2}{17}, 0, \frac{10}{17}, \frac{5}{17} \right)$$

Figure 1 shows the first steps of the procedure of reducing the probability to form of the non-contiguous coalitions

We complete the example computing the power given to the five parties by the other classical indices and the modified power obtained with the  $FP$  version. We summarize the results in Table 4.

Figure 1: First 10 steps of the procedure for reducing the probability to form of the non-contiguous coalitions for the Shapley-Shubik index

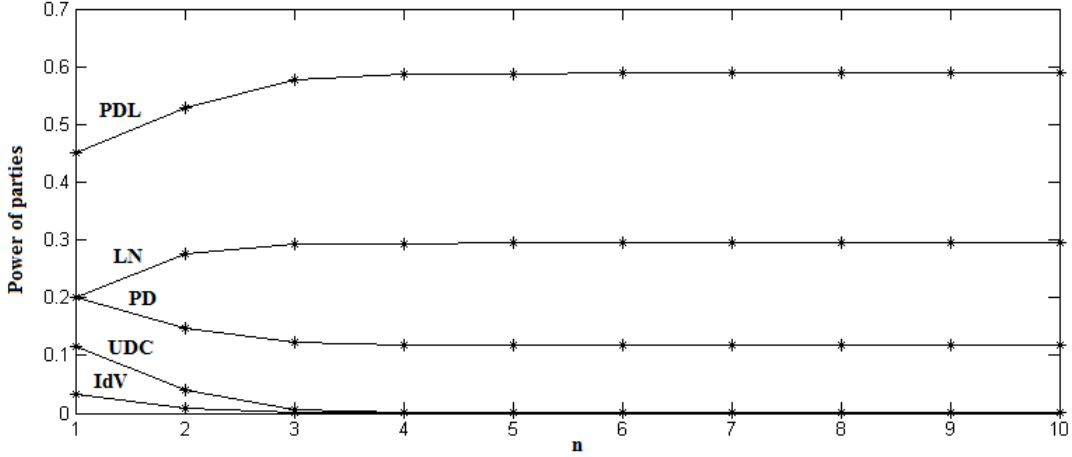


Table 4: Main power indices in the classical and in the modified version

| <i>Parties</i>   | IdV            | PD              | UDC            | PDL             | LN              |
|------------------|----------------|-----------------|----------------|-----------------|-----------------|
| $\phi(w)$        | $\frac{2}{60}$ | $\frac{12}{60}$ | $\frac{7}{60}$ | $\frac{27}{60}$ | $\frac{12}{60}$ |
| $\phi^{FP}(w)$   | 0              | $\frac{2}{17}$  | 0              | $\frac{10}{17}$ | $\frac{5}{17}$  |
| $\beta(w)$       | $\frac{1}{25}$ | $\frac{5}{25}$  | $\frac{3}{25}$ | $\frac{11}{25}$ | $\frac{5}{25}$  |
| $\beta^{FP}(w)$  | 0              | $\frac{1}{7}$   | 0              | $\frac{4}{7}$   | $\frac{2}{7}$   |
| $\delta(w)$      | $\frac{2}{24}$ | $\frac{5}{24}$  | $\frac{4}{24}$ | $\frac{8}{24}$  | $\frac{5}{24}$  |
| $\delta^{FP}(w)$ | 0              | 0               | 0              | $\frac{1}{2}$   | $\frac{1}{2}$   |
| $H(w)$           | $\frac{1}{10}$ | $\frac{2}{10}$  | $\frac{2}{10}$ | $\frac{3}{10}$  | $\frac{2}{10}$  |
| $H^{FP}(w)$      | 0              | 0               | 0              | $\frac{1}{2}$   | $\frac{1}{2}$   |

The Shapley-Shubik and the Banzhaf-Coleman indices assign a positive power to the small parties, IdV and UDC, as they are critical for some winning coalitions. The corresponding modified values, on the other side, take into account only when a player is critical for a contiguous winning coalition, this is the reason why the power of these two parties goes down to zero, even if one of them, UDC, has an intermediate position on the left-right axis. It is interesting to observe how the indices  $\phi^{FP}$  and  $\beta^{FP}$  give a high power to the two parties of the actual majority coalition, PDL and LN (greater for PDL, the party with the relative majority quota of seats), guaranteeing a positive power to PD which, as the second party of the Camera for number of seats, remains critical for some contiguous winning coalitions.

Once we take into account only minimal winning coalitions, as we do when we evaluate the Deegan-Packel and the Holler indices, we notice that every party belongs to at least one of them. But focusing on the contiguous ones, the unique contiguous minimal winning coalition is  $\{PDL, LN\}$  (which is also the actual majority alliance of the Italian Parliament) and the

power is equally shared between these two parties, as they are in a symmetric position.

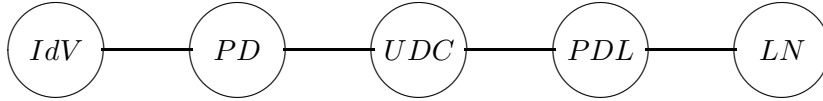
## 7 Cooperation structures

In this section, we relax the hypothesis of contiguity of the parties. We represent the new situation using a graph similar to the cooperation structure introduced by Myerson (1977).

We consider a non-oriented graph whose vertices are the parties and whose edges represent the willingness of the parties corresponding to the vertices to reach an agreement taking into account their ideological positions. We denote an edge between parties  $k$  and  $h$  by  $k : h$ . Let  $g^N = \{k : h | k \in N, h \in N, k \neq h\}$  be the complete graph and let  $G^N = \{g | g \subseteq g^N\}$  be the set of all graphs on  $N$ , each one representing a possible political situation involving the parties at hand.

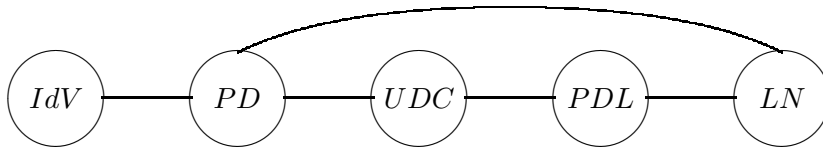
Given a subset of parties  $S \subseteq N$  and a graph  $g \in G^N$ , we say that  $k, h \in S$  are *connected in  $S$  by  $g$*  if there exists a path in  $g$  from  $k$  to  $h$ , i.e. a sequence  $(k^0, \dots, k^i)$  such that  $k^0 = k$ ,  $k^i = h$  and  $k^{j-1} : k^j \in g$  and  $k^j \in S$  for  $j = 1, \dots, i$ .

A coalition  $S \subseteq N$  is *connected by  $g$*  if all pairs  $k, h \in S$  are connected in  $S$  by  $g$ . The central role played by the contiguous coalitions is now assigned to the connected ones, so we assume that  $W^c$  represents the set of winning coalitions that are connected by the graph  $g$ . Our model of the left-right axis is a particular case of coalition structure given by a line-graph. The corresponding graph  $g'$  is shown in the following picture



Given a graph  $g \in G^N$  we extend the  $FP$  family defining a new family, denoted by  $\widetilde{FP}$ , that is based on the set of the coalitions connected by  $g$ , their relative probability to form and a rule for sharing the power inside each coalition.

We may apply the modified procedure to compute the power assigned to the parties of the example in Section 6, when we add an edge connecting PD and LN. We remark that in the actual Italian political situation these two parties have far ideologies, but such an agreement took place in 1996. This cooperation structure is represented by the following graph, denoted by  $g''$ :



The computation of the new limit values is given in Table 5.

Comparing the results in Table 4, referred to graph  $g'$ , with those in Table 5, related to graph  $g''$ , we may notice that all the indices related to  $g''$  reduce the power of the main party, PDL, after the introduction of the new edge. In the new situation also coalitions that do not include PDL may form.

For a complete analysis of the results we obtained, as we have largely used the idea of a cooperation structure by Myerson, we compute the Myerson index (see Myerson, 1977) for both the situations  $g'$  and  $g''$  in order to underline some important differences between the two ideas of solution. The results are shown in Table 6.

As expected, the  $FP$  index and the Myerson index give different vectors of power. In particular, we can underline how in our model not necessarily both the parties, PD and LN,

Table 5: Modified indices related to the connection structure given by graph  $g''$

| <i>Parties</i>           | IdV | PD             | UDC            | PDL             | LN              |
|--------------------------|-----|----------------|----------------|-----------------|-----------------|
| $\phi^{\overline{FP}}$   | 0   | $\frac{7}{40}$ | $\frac{5}{40}$ | $\frac{18}{40}$ | $\frac{10}{40}$ |
| $\beta^{\overline{FP}}$  | 0   | $\frac{3}{16}$ | $\frac{2}{16}$ | $\frac{7}{16}$  | $\frac{4}{16}$  |
| $\delta^{\overline{FP}}$ | 0   | $\frac{2}{12}$ | $\frac{2}{12}$ | $\frac{3}{12}$  | $\frac{5}{12}$  |
| $H^{\overline{FP}}$      | 0   | $\frac{1}{5}$  | $\frac{1}{5}$  | $\frac{1}{5}$   | $\frac{2}{5}$   |

Table 6: The Myerson indices for the game  $(N, w)$  of the example of Section 6 referred to the graph  $g'$  and  $g''$

| <i>Parties</i> | IdV | PD             | UDC            | PDL            | LN             |
|----------------|-----|----------------|----------------|----------------|----------------|
| $M(w, g')$     | 0   | $\frac{1}{12}$ | $\frac{1}{12}$ | $\frac{7}{12}$ | $\frac{3}{12}$ |
| $M(w, g'')$    | 0   | $\frac{1}{6}$  | $\frac{1}{6}$  | $\frac{1}{3}$  | $\frac{1}{3}$  |

should have the same advantage by allowing a possible agreement between them. We notice that in this case PD has a higher power when the cooperation structure is given by  $g''$ , while LN should still prefer the  $g'$  situation. This could not have been happened using Myerson index as the property of *equity*<sup>1</sup> is always guaranteed. The lost of power of LN shows that even the property of *total stability*<sup>2</sup> no longer holds.

## 8 Concluding remarks

In Section 4 we recalled the definition of the  $FP$  family of power indices. As it has already been shown in Fragnelli et al. (2009), the way this family approaches the problem is quite far from the ones of the classical indices. By an extension of the  $FP$  family into a new family  $\overline{FP}$  and by the definition of a sequence of power indices assigning a reduced probability to form to the non-contiguous coalitions, it was possible to profit both of some properties of the classical indices and of the new idea of accounting the relevance of the contiguous coalitions. Then, in Section 7, we went further, considering coalitions connected according to a given graph.

The idea of giving zero probability to form to the non-contiguous coalitions can be a strong assumption. It can be observed that, even if it is not very common that parties with quite different political ideologies can decide to cooperate, it is still possible they have the necessity to negotiate and make an agreement in some particular situations. The procedure we showed to obtain an  $FP$  index, starting from an  $\overline{FP}$  one, is based on the idea of putting down to zero the probability of the non-contiguous coalitions to form. Using a sequence of vectors,  $(\overline{FP})_t$ , that for each value of  $t \in \mathbb{N}$  provides a power index, where the non-contiguous coalitions have a reduced, but positive, probability.

<sup>1</sup> According to equity, introducing (or removing) an edge, both the parties corresponding to its extreme vertices have the same variation of power.

<sup>2</sup> According to stability, after introducing an edge, the variation of power is positive for both its extreme vertices.

It should be clear that the main point is to have a sequence of vectors that reduces to zero the probability of non-contiguous coalitions, leaving a positive probability to some contiguous coalitions. Consequently, we could make use of any sequence that satisfies these requirements. The one we proposed in Section 5 is only a simple way to accomplish the requests. For instance, it is possible to use different criteria of convergence to zero of non-contiguous coalitions and to assign different probabilities to form to the contiguous ones. In particular, via a suitable analysis of real data, we can choose any vector  $(\overline{FP})_t$  selecting an appropriate value for  $t$ . Of course, the approach of a sequence of values may be replaced by defining a vector of probabilities that directly assigns zero to non-contiguous coalitions. This idea is very simple but does not provide us a sequence of power indices. Moreover, the probabilities to form of contiguous coalitions may result in an index that no longer embeds the original one.

The comparison with the Myerson value suggested us the possibility to obtain these new power indices by defining a new game in which the characteristic function  $w$  is modified as  $w'$  s.t.  $w'(S) = w(S)$  if  $S \in W^c$  and  $w'(S) = 0$  otherwise and evaluating the classical power indices on this new game. We can immediately notice that  $(N, w')$  is not a simple game anymore, as it loses the property of monotonicity. Also evaluating the Shapley value (Shapley, 1953), which can be applied to every game, we may obtain negative values for some parties, so that it may hardly be considered as a measure of relevance.

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