

# Instructions

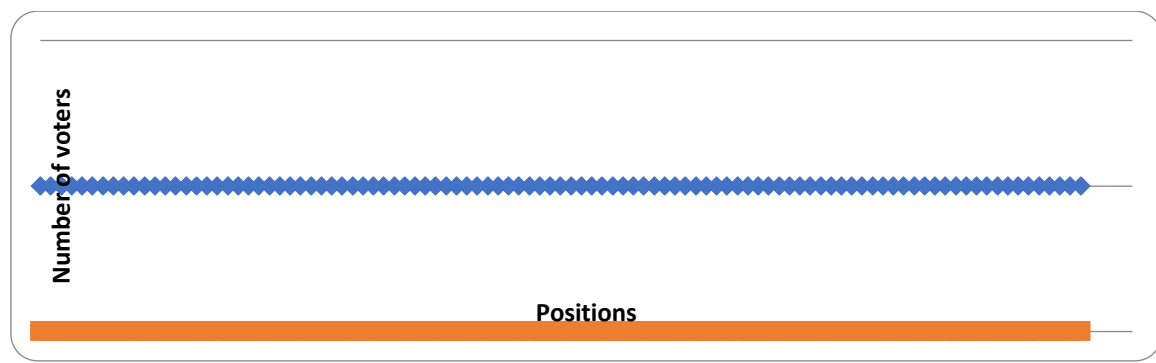
This is an experiment about decision making in elections. CONACYT has provided funds for this research. The instructions are simple and if you follow them carefully and make good decisions, you will be able to earn a CONSIDERABLE AMOUNT OF MONEY, which will be PAID TO YOU IN CASH privately at the end of the session.

After we read the instructions, you will have a chance to make your decisions.

## - General procedure

In this experiment you will have to decide whether or not to compete as a candidate in each of the 30 elections that we will carry out at the end of the instructions.

In each of the elections, one of 3 possible alternatives will be chosen the winner by a population of voters (simulated by the computer), according to the voting procedure that we will see later. The 3 alternatives are represented by positions 20, 30 and 80 located on the following line from 0 to 100:



## - Group Formation

In each election, you will be part of a group of 3 participants. The composition of each group of participants will change randomly, so that the same group will be made up of different participants in each election. You will never know the identity of who you are participating with.

## - Allocation of Alternatives

In each election, one of the mentioned alternatives will be assigned to you as your ideal position. Each participant in your group will be assigned a different position. Thus, a participant will be assigned position 20; to another, position 30; and to another, position 80. The allocation of alternatives for each election will be determined randomly.

## - Candidate Application Procedure

To be considered an eligible candidate by the voters, you must decide whether or not to run for your ideal position in each of the elections. That is, you must decide whether or not to compete to be chosen by the voters in each of the elections.

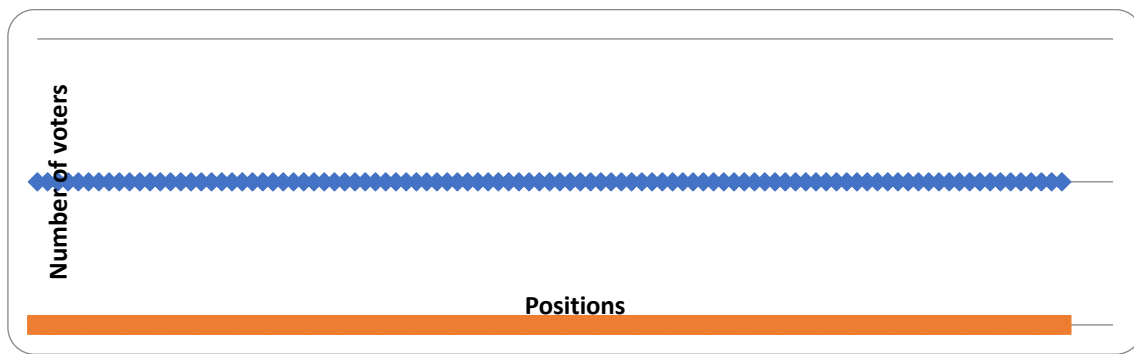
You can only apply for your ideal position and you will not be able to apply for any other position.

Once all participants have made their decisions on whether or not to run for their positions, the winning candidate in each election will be determined according to the voting process described below.

### **Runoff Treatment**

#### **- Election Procedure for the Winning Candidate**

For each election, we have a population of 101 voting citizens. Voters are distributed along the line from 0 to 100 as follows: One voter for each whole number represented on the line.



The 101 voting citizens (simulated by the computer) will choose the winning candidate, according to the following voting procedure:

1. In a first round of voting, each citizen will vote for the candidate closest to their position. When there is more than one candidate with the same closeness, the citizen's vote will be randomly assigned among the closest candidates.
2. After the first round of voting, the two candidates who have accumulated the highest number of votes will be chosen to participate in a second round of voting.
3. In this second round of voting, each citizen will vote for the candidate closest to his position. In the event of a tie, the winner will be determined randomly from the tied candidates. Therefore, there will always be only one winner if there are applicants.
4. In the event that less than three candidates have been nominated, only the first round of voting will be held, choosing the candidate who has obtained the highest number of votes.

## **Plurality Treatment**

### **- Election Procedure for the Winning Candidate**

For each election, we have a population of 101 voting citizens. Voters are distributed along the line from 0 to 100 as follows: One voter for each whole number represented on the line.

The 101 voting citizens (simulated by the computer) will choose the winning candidate, according to the following voting procedure:

1. Each citizen will vote for the candidate closest to his position. When there is more than one candidate with the same closeness, the citizen's vote will be randomly assigned among the closest candidates.
2. The winning candidate will be the one who accumulates the highest number of votes. In the event of a tie, the winner will be determined randomly from the candidates tied for first place. Therefore, there will always be only one winner if there are applicants.

#### - Initial Balance, Earnings and Payments

Each participant will start with an initial balance of 140 pesos. At each election, the opening balance will be updated as follows:

In the event that at least one alternative has been postulated:

1. The amount in pesos equal to the Alpha parameter ( $= 0.1$ ) multiplied by the absolute distance between their ideal position and the position of the winning candidate will be subtracted from each participant. That is, the amount of:

$$0.1 \times | \text{Your Ideal Position} - \text{Winning Candidate Position} |$$

2. The amount of 5 pesos will be subtracted from each participant who has decided to postulate their ideal position.

3. The winning candidate will be added the amount of 25 pesos.

In the event that no alternative has been postulated, the only amount of 40 pesos will be subtracted from each participant.

#### - Accumulated Balance and Payment Procedure

The accumulated balance at the end of each election will be the sum of your starting balance plus the payments and winnings you have obtained in each previous election. The accumulated balance at the end of the 30 periods will be paid to you in a sealed envelope. In case of obtaining a negative balance, you will not get any payment.

## - Summary of Instructions

In every election,

1. You will be part of a new group of 3 participants.
2. Each group member will be assigned one of the following 3 positions on the line from 0 to 100: 20, 30 and 80.
3. Each participant must decide whether or not to run as a candidate for the election.
4. The 101 voting citizens (simulated by the computer) will determine the winning candidate, voting in two rounds for the one closest to their location.

to. In a first round, the two candidates with the highest number of votes are chosen.

b. In a second round, the winning candidate is chosen from the two candidates with the highest number of votes.

c. A first round of voting will only be carried out in the event that the number of nominated candidates is less than three.

5. Updating of balances will be done as follows after each election:

a. In the event that at least one alternative has been postulated:

i. The amount in pesos equal to  $0.1 \times$  will be subtracted from each participant | Your Ideal Position - Position of the Winning Candidate |

ii. The amount of 5 pesos will be subtracted from each participant who has decided to postulate their ideal position.

iii. The winning candidate will be added the amount of 25 pesos.

b. In the event that no alternative has been postulated, the only amount of 40 pesos will be subtracted from each participant.

6. The accumulated balance at the end of each election will be the sum of your initial balance plus the payments and winnings that you have obtained in each previous election.

## - Factors that influence your earnings in each election

As you can see, your earnings are influenced by three factors:

1. The distance between your chosen winning position and your ideal position.

2. Your decision and that of the other participants to apply.
3. Be chosen the winner by the voters.

Next Steps (Read by researcher after reading instructions)

Next we will show you the software that we have designed for you to make your decisions. Therefore, put the instructions on the side of the computer and take the IDENTIFICATION RECORDS sheet found next to your computer.

Server connection

Each participant must initiate their connection with the server using the following procedure: Enter the numbers written at the top of their IDENTIFICATION RECORDS in the Username and Password box. Then hit the submit box.

- Completed registrations, press end of registration.

Screen Reading

Next we will review the information that for now appears on your screen. In the upper left part we will find a column where your USER NUMBER, the GROUP SIZE, the ROUND NUMBER, the ROUND TYPE (which in our case we are in the test rounds), and the ACCUMULATED BALANCE (which in our case is the initial balance of 140 pesos). In the second column on the right side, the value of the ALPHA parameter is indicated, the COST TO APPLY, the PAYMENT AWARDED FOR WINNING, the COST IN THE EVENT THAT NO CANDIDATE IS PRESENT, and finally the NUMBER OF VOTERS.

Practice Rounds

We will now carry out 3 rounds of practice. The main objective of these rounds of practices is that you become familiar with the software that we have designed to make your decisions, and therefore they will not count towards your payments. If you have any questions during practice, please raise your hand and I will try to answer them.

Once everyone has entered their decisions, they must wait until all participants have made their decisions and the computer returns the results of the election.

In case your computer has not activated the decision box, it is because we do not have a number divisible by three, so you will have to wait until the next rounds for your screen to activate.

At the end of the practice periods, your initial balance will return to the initial amount of 140 pesos.

Generate Period 2Let's now proceed to the 2nd practice period. (Press: Start Period)  
Proceed to make your decisions.

Do you have questions?

Generate Period 3

Let's now proceed to the 3rd. practice period. (Press: Start Period) Proceed to make your decisions.

Do you have questions?

Actual or Played Periods for Money

Now we will proceed to carry out the 30 periods to be played for money. Your initial balance will return to the initial amount of 140 pesos.

- Review all screens.

After the experiment begins, you are not allowed to speak or communicate with other participants. Otherwise, we will be forced to exclude it from the experiment. Please focus on your computer screen. If you have any questions, please raise your hand and one of us will come up to you and try to answer it.

Generate Period 1-30 (Press: Period Start)

Proceed to make your decisions.

Final payment

Your payment for this second part is the one that appears in the balance on your screen.

Please stay at your posts. One of us will pass on to deliver a final questionnaire and your payment receipt to be filled out by you. Please add the balances obtained in both parts of the session.

They will then be called to come out to receive their payment. Please stop by to drop off all the material that was given to you.

Thank you very much for your participation!