Capacity Manipulation in School Choice Problem Under Compulsory School Enrollment*

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Abstract

This paper studies the problem of capacity manipulation in school choice problem with compulsory school attendance. We offer a characterization of immunity to overreporting-capacity manipulation and find that three popular mechanisms, Boston mechanism, top trading cycle mechanism and student optimal stable mechanism (SOSM) are all immune to manipulation via overreporting. For underreporting-capacity manipulation, although Kesten (2011) shows that an acyclity of priority structure (Ergin, 2002) is a necessary and sufficient for SOSM to be immune to underreporting manipulation, we show that acyclity is not a necessary condition for SOSM to be immune to underreporting manipulation when school attendance is mandatory. We also propose a necessarily condition for SOSM to be immune to manipulation via underreporting under compulsory school attendance.

Reference

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