

INEQUALITY AVERSE COLLECTIVE CHOICE¹

EFE A. OK

Department of Economics
New York University
269 Mercer St., New York 10003
E-mail: okefe@fasecon.econ.nyu.edu

First draft: August 1996

Abstract: The Lorenz-Pareto optimal frontier of a collective choice problem identifies a (usually quite large) subset of all Pareto optimal outcomes which are not *inegalitarian* according to the Lorenz criterion. An inequality averse choice function should thus be Lorenz-Pareto optimal in the sense that it should never “choose” an outcome outside the Lorenz-Pareto frontier of any choice problem. We study the basic properties of Lorenz-Pareto optimal choice functions and, in particular, obtain necessary and sufficient conditions for rationalizability and representability of such functions.

Journal of Economic Literature Classification Numbers: D71, C78

Keywords: Egalitarian collective choice, rational choice, axiomatic bargaining theory

¹I would like to thank Walter Bossert, Jean Pierre Benoit, James Foster, Faruk Gül, Herve Moulin, John Weymark, Charles Wilson, and especially Ariel Rubinstein, William Thomson and Lin Zhou for their very helpful comments. The support of the C. V. Starr Center for Applied Economics at New York University is also gratefully acknowledged.