Summary of articles

A Welfarist Proof of Arrow's Theorem, by Charles Blackorby, David Donaldson and John Weymark.

This article presents a proof of Arrow's Theorem which highlights the theorem's relationship to welfarism and which emphasizes its underlying geometric structure. In addition, this method of proof is adapted to provide a proof of a single-preference-profile version of Arrow's Theorem. The relationship between Arrovian social choice theory and Bergson-Samuelson welfare economics is also considered.

Journal of Economic Literature classification numbers: 024, 025.

Welfarism and Axiomatic Bargaining Theory, by John Roemer.

Consider the domain of economic environments E whose typical element is $\xi = (U_1, U_2, \Omega, \omega^*)$, where u_i are Neumann-Morgenstern utility functions, Ω is a set of lotteries on a fixed finite set of alternatives, and $\omega^* \in \Omega$. A mechanism f associates to each ξ a lottery $f(\xi)$ in Ω. Formulate the natural version of Nash's axioms, from his bargaining solution, for mechanisms on this domain. (*e.g.*, IIA says that if $\xi' = (U_1, U_2, \Delta, \omega^*)$, $\Delta \subset \Omega$, and $f \in \Delta$ then $f(\xi') = f(\xi)$.) It is shown that the Nash axioms (Pareto, symmetry, IIA, invariance w.r.t. cardinal transformations of the utility functions) hardly restrict the behavior of the mechanism at all. In particular, for any integer M, choose M environments $\xi_i, i = 1, \ldots, M$, and choose a Pareto optimal lottery $\omega_i \in \Omega_i$, restricted only so that no axiom is directly contradicted by these choices. Then there is a mechanism f for which $f(\xi_i) = \omega_i$, which satisfies all the axioms, and is continuous on E.

Journal of Economic Literature classification numbers: 026, 025.

Interpreting Common Ownership, by Hervé Moulin.

The paper surveys, without proofs, recent axiomatic results on the utilization of common property resources, by this author and some others. Problems discussed include the division of unproduced commodities (the traditional fair division problem), and the cooperative production of a private or public good.

Axioms contrast No Envy with two monotonicity properties, respectively when the population owning the resources in common increases, and when these resources themselves grow.

Journal of Economic Literature classification numbers : 021, 024, 025.

Equal Endowments as Undominated Diversity, by Philippe Van Parijs.

People vary in both tastes and talents. What is the most sensible formulation of the egalitarian ideal once this fact is fully taken into account? The paper examines a number of answers that have been offered to this question, in particular Ronald Dworkin's counterfactual insurance schemes, and argues against them. It then presents an alternative proposal. The latter generalizes Bruce Ackerman's notion of undominated genetic diversity, it can be interpreted as a condition of potential envy-freedom, and it is consistent with, though more specific than, Amartya Sen's capability-based approach.

Journal of Economic Literature classification numbers : 024, 025.

Equality of What? On Welfare, Goods and Capabilities, by G.A. Cohen.

In his Tanner Lecture of 1979 called *Equality of What?* Amartya Sen asked what metric egalitarians should use to establish the extent to which their ideal is realised in a given society. In this study I comment on answers to Sen's question in recent philosophical literature. I describe and criticize what a number of authors (and notably Rawls and Sen) of egalitarian persuasion have said about the dimension(s) or respect(s) in which people should be made more equal, when the price in other values of moving towards greater equality is not intolerable.

Journal of Economic Literature classification numbers : 024, 025.

On Ranking Opportunity Sets in Terms of Freedom of Choice, by Prasanta Pattanaik and Yongsheng Xu.

The paper explores the notion of freedom of choice which is of considerable importance in welfare economics and the theory of social choice. Three plausible axioms are introduced for ranking alternative opportunity sets in terms of the degrees of freedom that they offer to the agent making choices. It is shown that, under these axioms, judgements about degrees of freedom of choice have to be based on the naive principle of simply counting the number of available options.

Journal of Economic Literature classification numbers : 024, 025.

Putting Rights in their Place : An Appraisal of A. Sen's Work on Rights, by Hillel Steiner.

This essay explores Sen's claim that rights-realization can be consequentially evaluated. Supporting this claim, it attempts to show that the value pluralism thereby presupposed is sufficient to render superfluous the idea —advanced by Sen and others— of 'agent-relativity' as a structural feature of ethical judgment.

Journal of Economic Literature classification numbers : 024, 025.

Poverty Measures and Anti-Poverty Policy, by François Bourguignon and Gary Fields.

This paper analyzes the optimal allocation of a given antipoverty budget consistent with various usual measures of poverty. It is shown that it is generally optimal to give all the budget either to the poorest or to the richest of the poor. It is only with the Sen index of poverty that it is sometimes optimal to combine both types of allocation. This property may be related to the normalization rule used in the derivation of that measure and sheds some new light on the axiomatics of poverty measurement.

Journal of Economic Literature classification numbers : 024, 025, 914.

Sen's Concept of the Living Standard Applied to the Belgian Unemployed, by Erik Schokkaert and Luc Van Ootegem.

We try to operationalise Sen's concept of the living standard using questionnaire data on the economic situation of the Belgian unemployed. We use factor analysis to reduce the number of basic functionings and to avoid possible overlap between them. The factors obtained can be interpreted in a natural and transparent way : they refer to social isolation, general feeling of happiness, physical functioning, microsocial contact, degree of activity and financial situation. Factor scores on these functionings are related in a meaningful way to the socioeconomic characteristics of the respondents.

Journal of Economic Literature classification numbers : 024, 225, 910.