Compensation and Responsibility: General Impossibilities and Possibilities

Yohei Sekiguchi[*]

April 23, 2009

Abstract

We consider a compensation problem within a responsible–sensitive egalitarian framework. We show that Arrowvian general impossibility results. However, if information about interpersonal–comparable utilities is available, this impossibility is escapable. We characterize a general class of allocation rules defined by social evaluation functions. As a corollary of our results, we obtain new characterizations of important rules such as Conditional Equality rules, Egalitarian Equivalent rules, and average versions of them.

[*]Graduate School of Economics, University of Tokyo.