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A characterization of the maximin social ordering

Kaname Miyagishima
Hitotsubashi University

Abstract

This note shows that the maximin social ordering, which is wellknown in the social choice theory, is characterized by Hammond Equity, Continuity, and Weak Pareto Principle.

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1. Introduction

This note provides an axiomatic characterization of *the weighted maximin social ordering*, which compares utility vectors based on the least weighted utilities of the utility vectors. When the weights are symmetric, this ordering becomes the maximin social orderings. We introduce axioms named *α-Hammond Equity, Continuity*, and *Weak Pareto Principle.* We follow the strategy of proof by Fleurbaey (2005, Theorem 3), who gives a characterization of the Pazner-Schmeidler social ordering in the model of exchange economy. Note that the Pazner-Schmeidler social ordering is a kind of maximin social ordering. [1]

As long as we know, there are few studies to characterize the maximin social ordering over utility vectors. Strasnick (1976) characterizes the social ordering by using axioms named *Anonimity, Nonnegativity* and *Unanimity.* [2] Bosmans and Ooghe (2006) prove that the social ordering is axiomatized by *Anonymity*, *Hammond Equity, Continuity*, and *Weak Pareto.* In contrast, our result implies that, when the weights are symmetric, the maximin social ordering is characterized by *Hammond Equity, Continuity*, and *Weak Pareto.* Hence, our characterization does not need *Anonymity.*

The remaining part of this note is as follows. Section 2 gives notation and definitions. Section 3 provides our characterization result.

2. Notation

Let $N = \{1, ..., n\}$ be the set of individuals. $\mathbb{R}$ and $\mathbb{N}$ are, respectively, the sets of real numbers and natural numbers. $X^N = \mathbb{R}^n$ denotes the n-dimensional utlity space.

A social ranking over utility vectors is denoted by R. For any two utility vectors $u, v \in X^N$, $[uRv]$ is interpreted as "u is socially at least as good as v." Symmetric and asymmetric parts of R are denoted by I and P, respectively. A binary relation is a quasi-ordering if it satisfies reflexivity and transitivity. A binary relation is an ordering if it satisfies completeness and transitivity.

We define the α-maximin social ordering.

[1] There are many maximin types of social ordering in economic environments, because of various ways of interpersonal comparison.

[2] He used also an axiom *Neutrality*, though this is known to be redundant.

Definition: Given a vector of weight $\alpha = (\alpha_1, ..., \alpha_n) \in \mathbb{R}^n_{++}$, a social ranking $R_M(\alpha)$ is *the α-maximin social ordering* defined as follows: For any $u, v \in X^N$,

$$uR_M(\alpha)v \Longleftrightarrow \min_{i\in N}\{\alpha_i u_i\} \geq \min_{i\in N}\{\alpha_i v_i\}.$$

This social ordering compares utility vectors, u and v, based on the least weighted utilities, $\min_{i\in N}\{\alpha_i u_i\}$ and $\min_{i\in N}\{\alpha_i v_i\}$. Note that, when $\alpha = (1, ..., 1)$, this soical ordering becomes the *maximin social ordering.*

We introduce the axioms to characterize the maximin social ordering.

Weak Pareto: For all $u, v \in X^N$, if $u_i > v_i$ for all $i \in N$, then uPv.

α-Hammond Equity: Given $\alpha = (\alpha_1, ..., \alpha_n) \in \mathbb{R}^n_{++}$, for all $u, v \in X^N$, if $\alpha_i v_i > \alpha_i u_i > \alpha_j u_j > \alpha_j v_j$ for some $i, j \in N$, and $u_k = v_k$ for all $k \neq i, j$, then uRv.

Continuity: For all $u \in X^N$, if a sequence of vectors $(v^k)_{k\in\mathbb{N}}$ converges to $v \in X^N$ and uRv^k (resp. $v^k Ru$) holds for all $k \in \mathbb{N}$, then uRv (resp. vRu).

Weak Pareto requires that, if all agents are better in one situation u than another v, the former should be socially prefered to the latter.

α-Hammond Equity is a modified version of *Hammond Equity* proposed by Hammond (1976). This axiom insists that a reduction of inequality in *weighted* utilities between two individuals should be socially accepted. Note that, when $\alpha = (1, ..., 1)$, the axiom becomes *Hammond Equity.*

Continuity requires social orderings to be continuous.

3. Characterization

Theorem Suppose that R is a quasi-ordering. Then, R satisfies *α-Hammond Equity, Weak Pareto* and *Continuity* if and only if $R = R_M(\alpha)$.

Proof. It is obvious that α-weighted maximin social ordering satisfies the axioms in the Theorem. We show the converse result. Suppose that a social quasi-ordering R satisfies the axioms. We first prove that, for any ulitity vectors $u, v \in X^N$

$$\min_{i\in N}\{\alpha_i u_i\} > \min_{i\in N}\{\alpha_i v_i\} \Longrightarrow uPv. \tag{1}$$

We first show that one can go from v to u through a sequence of utility vectors $z^1, ..., z^T$ such that $z^1 = v$, $z^T = u$, and for all $t = 1, ..., T-1$, either (Case 1) $z_i^{t+1} > z_i^t$ for all $i \in N$, or
(Case 2) for two agents i and j,

$$\alpha_i z_i^t > \alpha_i z_i^{t+1} > \alpha_j z_j^{t+1} > \alpha_j z_j^t,$$

and for all other agents k, $z_k^{t+1} > z_k^t$.

We prove this fact.[3] Let m be an agent such that $\alpha_m v_m = \min_i\{\alpha_i v_i\}$. Define $S = \{i | \alpha_i v_i > \alpha_m v_m\}$ and $M = \min_{i \in S}\{\alpha_i v_i\}$. Let $\epsilon > 0$ be such that

$$\epsilon < \frac{1}{n}\Big(\min\Big\{M, \min_{i \in N}\{\alpha_i u_i\}\Big\} - \alpha_m v_m\Big).$$

Let $T = |S| + 2$ and s be a bijection from $\{1, ..., |S|\}$ to S. At every step $t = 1, ..., T-2$, let
(a) $\alpha_i z_i^{t+1} = \alpha_m v_m + (t+1)\epsilon$ for $i = s(t) \in S$,
(b) $\alpha_k z_k^{t+1} = z_k^t + \epsilon$ for all $k \neq i$. (In particular, $\alpha_m z_m^{t+1} = \alpha_m v_m + t\epsilon$.)

For $t = 1, ..., T-2$, the step from z^t to z^{t+1} corresponds to (Case 2) with $i = s(t)$ and $j = m$, since

$$\alpha_m z_m^t < \alpha_m z_m^{t+1} = \alpha_m v_m + t\epsilon < z_i^{t+1} = \alpha_m v_m + (t+1)\epsilon < z_i^t, \qquad (2)$$

where the last inequality is derived from

$$\alpha_m v_m + (t+1)\epsilon < \alpha_m v_m + \frac{t+1}{n}(M - \alpha_m v_m) \leq M \leq \alpha_i z_i^t.$$

The last step from z^{T-1} to $z^T = u$ corresponds to (Case 1). This is because, for all i,

$$\alpha_i z_i^{T-1} \leq \alpha_m v_m + (T-1)\epsilon < \alpha_m v_m + n\epsilon < \min_i\{\alpha_i u_i\},$$

where the last inequality follows the assumption regarding ϵ above.

Now we prove (1). For all steps $t = 1, ..., T-2$, let ϵ' be such that

$$\alpha_i z_i^{t+1} - \epsilon' > \alpha_m z_m^{t+1} - \epsilon' > \alpha_m z_m^t,$$

where $i = s(t)$. By (2) and *α-Hammond Equity*,

$$(z_i^{t+1} - \epsilon', z_m^{t+1} - \epsilon', z_{-im}^t) R z^t.$$

[3] The proof is essentially due to Fleurbaey (2005, proof of Theorem 3, Step 1).

By *Weak Pareto*,

$$z^{t+1} P (z_i^{t+1} - \epsilon', z_m^{t+1} - \epsilon', z_{-im}^t).$$

By transitivity, $z^{t+1} P z^t$. Moreover, by *Weak Pareto*, $z^T = uPz^{T-1}$. By transitivity, uPv. Thus, (1) has been shown.

From (1) and the usual argument of *Continuity*, we can easily show that, for any $u, v \in X^N$,

$$\min_{i \in N} \alpha_i u_i = \min_{i \in N} \alpha_i v_i \Longrightarrow uIv. \tag{3}$$

By (1) and (3), we have completed the proof. □

The axioms in the Theorem are clearly independent.

References

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[4] Strasnick, S., (1976), "Social Choice and the Derivation of Rawls's Difference Principle," *Journal of Philosophy,* 73-4, pp. 85-99.