

Intergenerational equity and consensus among generations

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Abstract

This paper studies evaluation criteria for infinite-horizon utility streams. We propose a new resolution concept, called Respect for Unanimous Gain for the Future (RUGF), to deal with conflicts among the present and future generations. The basic infinite-horizon extensions of the utilitarian and leximin principles proposed by Basu and Mitra [J Econ Theory 133: 350-373] and Bossert, Sprumont and Suzumura [J Econ Theory 135: 579-589] respectively satisfy this condition. On the other hand, both the utilitarian and leximin overtaking criteria, well-known more selective criteria, do not. We formulate new evaluation criteria, called the consensus leximin and the consensus utilitarian social welfare relations (SWRs), and show that these new SWRs satisfy RUGF and achieve higher level of selectivity than the basic infinite-horizon extensions of the leximin and utilitarian principles. The axiomatic characterizations of them are established.

Keywords: Intergenerational equity; Respect for Unanimous Gain for the Future; Leximin principle; Utilitarianism

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