

Abstract

This dissertation presents a new Pareto criterion to provide a minimal guidance to a social planner, who is concerned by the robustness of social decision with respect to imprecise beliefs of the true probability distribution over the state space. This new criterion, the obvious belief-free Pareto criterion, implies that the social planner is necessarily ambiguity averse. We show that given the set of reasonable beliefs and the set of individual risk preferences, the obvious belief-free Pareto criterion is the only axiom needed to characterize Maxmin Expected Utility social preferences. This result further brings us a preference aggregation theorem for Subjective Expected Utility individuals: A Maxmin Expected Utility social planner can linearly aggregate individual tastes and beliefs simultaneously if and only if s/he respects the obvious belief-free Pareto criterion.

We further study an economy with externality when the above preference aggregation theorem holds. Efficient alternatives in this environment, which we call obvious belief-free Pareto efficient alternatives, are defined as social alternatives that maximizes the social planner's utility function. We characterize the set of obvious belief-free Pareto efficient alternatives using convex analysis techniques. We then consider a standard exchange economy without externality and show that starting from obvious belief-free Pareto efficient allocations instead of initial Pareto efficient ones, this characterization result brings us a new version of the no-trade theorem.