

## Brief Biography of Kotaro Suzumura

July 20, 2005

Kotaro Suzumura is Professor of Public Economics at the Institute of Economic Research, Hitotsubashi University. Since 2003, he has been serving as the Director of Competition Policy Research Center within the Fair Trade Commission of Japan. He is also the leader of the 21 st Century Center of Excellence (COE) Project on Normative Evaluation and Social Choice of Contemporary Economic Systems at Hitotsubashi University.

He was born in Tokoname, Aichi Prefecture, Japan on the 7th of January 1944. After graduating from Hitotsubashi University in 1966 majoring in economics, he completed his Ph. D course work at Hitotsubashi University in 1971. It was in 1980 that he received the doctoral degree (Doctor in Economics) from Hitotsubashi University. His doctoral dissertation, which was subsequently published by Cambridge University Press in 1983, was *Rational Choice, Collective Decisions and Social Welfare*.

He has taught at Department of Economics, Hitotsubashi University in 1971-73 and then at Kyoto Institute of Economic Research, Kyoto University in 1973-82. He joined the Institute of Economic Research, Hitotsubashi University in 1982. He also taught at London School of Economics in 1974-76, Stanford University in 1979-80, Australian National University in 1986, University of Pennsylvania in 1987, Essex University in 1990-91, and the University of British Columbia in 1994. He was a Visiting Fellow at All Souls College, Oxford University in 1988, a Fulbright Senior Research Fellow at Harvard University in 1993, and a Visiting Fellow Commoner at Trinity College, Cambridge University in 2001.

He is a Fellow of the Econometric Society since 1990. He served as a Council Member and the Chair of the Far East Standing Committee of the Econometric Society in 1995-2000. He is currently an Executive Committee Member of the International Economic Association.

He served as the President of the Japanese Economic Association in 1999 and the President of the international Society for Social Choice and Welfare in 2000-2001.

He received the Nikkei Economics Book Prize twice, once for *Rational Choice, Collective Decisions and Social Welfare* (Cambridge University Press, 1983) in 1984, and again for the collaborative work with Motoshige Itoh, Kazuharu Kiyono, and Masahiro Okuno-Fujiwara, *The Economic Analysis of Industrial Policy* (Japanese original from the University of Tokyo Press in 1988; English version from Academic Press, 1991) in 1988. In April 29, 2004, he was conferred the Medal with Purple Ribbon from the Japanese government for his distinguished contributions to theoretical economics.

His main research areas range over welfare economics, social choice theory, and theoretical industrial organization. His major academic publications include the following:

### **Selected Publications: Books in English**

*Rational Choice, Collective Decisions and Social Welfare*, Cambridge University Press, 1983.

*Industrial Policy of Japan*, Academic Press, 1988. Joint editor with Ryutaro Komiya and Masahiro Okuno.

*The Economic Theory of Industrial Policy*, Academic Press, 1991. Joint author with Motoshige Itoh, Kazuharu Kiyono and Masahiro Okuno-Fujiwara. English translation of the Japanese original published in 1988.

*Choice, Welfare and Development: A Festschrift in Honour of Amartya K. Sen*, Oxford University Press, 1995. Joint editor with Kaushik Basu and Prasanta K. Pattanaik.

*Competition, Commitment, and Welfare*, Oxford University Press, 1995.

*Social Choice Re-examined*, Macmillan, 2 vols., 1996, 1997. Joint editor with Kenneth J. Arrow and Amartya K. Sen.

*Development Strategy and the Market Economy*, Oxford University Press, 1977. Joint author with Edmond Malinvaud, Jean-Claude Milleron, Mustapha Nabli, Amartya Sen, Arjun Sengupta, Nicholas Stern, and Joseph Stiglitz.

*Handbook of Social Choice and Welfare*, Elsevier, Vol.1, 2002. Joint editor with Kenneth J. Arrow and Amartya K. Sen. Vol.II to be published.

*Rational Choice and Revealed Preference in Individual and Social Decision-Making*, in progress. Joint book with Walter Bossert.

### **Selected Publications: English Articles in Refereed Journals**

“Rational Choice and Revealed Preference,” *Review of Economic Studies*, Vol. 43, 1976, pp.149-158.

“Impossibility Theorems without Collective Rationality,” *Journal of Economic Theory*, Vol.13, 1976, pp.361-379. Joint paper with Douglas Blair, George Bordes and Jerry Kelly. Reprinted in Kenneth J. Arrow and Gerald Debreu, eds., *The Foundations of 20th Century Economics*, Vol.3, *Landmark Papers in General Equilibrium Theory, Social Choice and Welfare*, Cheltenham, Glos: Edward Elgar, 2001, pp.660-678.

“Houthakker’s Axiom in the Theory of Rational Choice,” *Journal of Economic Theory*, Vol.14, 1977, pp.284-290.

“On the Consistency of Libertarian Claims,” *Review of Economic Studies*, Vol.45, 1978, pp.329-342.

- “Liberal Paradox and the Voluntary Exchange of Rights-Exercising,” *Journal of Economic Theory*, Vol.22, 1980, pp.407-422. Reprinted in Rowley, C. K., ed., *The International Library of Critical Writings in Economics*, Vol.27, *Social Justice and Classical Liberal Goals*, Cheltenham, Glos: Edward Elgar, 1993, pp.483-498.
- “On Pareto-Efficiency and the No-Envy Concept of Equity,” *Journal of Economic Theory*, Vol. 25, 1981, pp.367-379.
- “Entry Barriers and Economic Welfare,” *Review of Economic Studies*, Vol.54, 1987, pp.157-167. Joint paper with Kazuharu Kiyono.
- “Strategic Information Revelation,” *Review of Economic Studies*, Vol.57, 1990, pp.25-47. Joint paper with Masahiro Okuno-Fujiwara and Andrew Postlewaite.
- “Oligopolistic Competition and Economic Welfare: A General Equilibrium Analysis of Entry Regulation and Tax-Subsidy Schemes,” *Journal of Public Economics*, Vol.42, 1990, pp.67-88. Joint paper with Hideki Konishi and Masahiro Okuno-Fujiwara.
- “Cooperative and Noncooperative R&D in Oligopoly with Spillovers,” *American Economic Review*, Vol.82, 1992, pp.1307-1320.
- “Individual Rights Revisited,” *Economica*, Vol.59, 1992, pp.161-177. Joint paper with Wulf Gaertner and Prasanta K. Pattanaik. Reprinted in Rowley, C. K., ed., *The International Library of Critical Writings in Economics*, Vol.27, *Social Justice and Classical Liberal Goals*, Cheltenham, Glos: Edward Elgar, 1993, pp.592-608.
- “Taxation and Welfare in Oligopoly with Strategic Commitment,” *International Economic Review*, Vol.33, 1992, pp.413-431. Joint paper with Timothy Besley.
- “Symmetric Cournot Oligopoly and Economic Welfare: A Synthesis,” *Economic Theory*, Vol.3, 1993 pp.43-59. Joint paper with Masahiro Okuno-Fujiwara.
- “Rights, Welfarism and Social Choice,” *American Economic Review: Papers and Proceedings*, Vol.84, 1994 pp.435-439. Joint paper with Prasanta K. Pattanaik.
- “Individual Rights and Social Evaluation: A Conceptual Framework,” *Oxford Economic Papers*, Vol.48, 1996, pp.194-212. Joint paper with Prasanta K. Pattanaik.
- “Consequences, Opportunities, and Procedures,” *Social Choice and Welfare*, Vol.16, 1999, pp.17-40.
- “Paretian Welfare Judgments and Bergsonian Social Choice,” *Economic Journal*, Vol.109, 1999, pp.204-220. To be reprinted in Wood, J. C. and M. McLure, eds., *Paul A. Samuelson: Critical Assessments of Contemporary Economists*, 2nd series, London: Routledge, forthcoming in 2004.

- “Axiomatization of Consequentialism and Non-Consequentialism,” *Journal of Economic Theory*, Vol.101, 2001, pp.423-436. Joint paper with Yongsheng Xu.
- “Upper Semicontinuous Extensions of Binary Relations,” *Journal of Mathematical Economics*, Vol.37, 2002, pp.231-246. Joint paper with Walter Bossert and Yves Sprumont.
- “Consequences, Opportunities, and Generalized Consequentialism and Non-consequentialism,” *Journal of Economic Theory*, Vol.111, 2003, pp.293-304. Joint paper with Yongsheng Xu.
- “The Informational Basis of the Theory of Fair Allocation,” *Social Choice and Welfare*, Vol.24, pp.311-341. Joint paper with Marc Fleurbaey and Koichi Tadenuma.
- “Consistent Rationalizability,” *Economica*, Vol.72, pp.185-200. Joint paper with Walter Bossert and Yves Sprumont.
- “Arrovian Aggregation in Economic Environments: How Much Should We Know About Indifference Surfaces?” forthcoming in *Journal of Economic Theory*. Joint paper with Marc Fleurbaey and Koichi Tadenuma.
- “An Interview with Paul Samuelson: Welfare Economics, ‘Old’ and ‘New’, and Social Choice Theory,” forthcoming in *Social Choice and Welfare*.
- “Rationalizability of Choice Functions on General Domains Without Full Transitivity,” forthcoming in *Social Choice and Welfare*. Joint paper with Walter Bossert and Yves Sprumont.

## Statement of Principal Contributions to Economics

Kotaro Suzumura’s work are mostly related to welfare economics and social choice theory. His work on theoretical industrial organization, industrial policy, competition policy, and development policy are derivatives from his work on welfare economics and social choice theory, which are focused on six crucial issues. The first focal issue is the characterization of the concept of rational choice as a purposive action. It was Lionel Robbins who first crystallized this notion, which Paul Samuelson elaborated into revealed preference theory. Capitalizing on the contributions by Paul Samuelson, Henrik Houthakker, Kenneth Arrow, Marcel Richter, Bengt Hansson, and Amartya Sen, he has contributed to the axiomatic characterization of rational choice as a purposive action. As an auxiliary step in this work, he has also generalized Szpilrajn’s classical extension theorem on a class of binary relations in terms of a newly coined concept of consistency. The second focal issue is the logical conflict between equity and efficiency. Generalizing the early contributions by Serge Kolm, Duncan Foley, and Hal Varian, which may be traced back to John Richard Hicks and Jan Tinbergen, he has contributed to build a bridge between the theory of fairness and the theory

of social choice, thereby enriching both lines of research and clarifying their logical relationships. The third focal issue is the logical coherence between public welfare and individual libertarian rights. It was Amartya Sen who posed this problem of compatibility which he crystallized into the justly famous *impossibility of a Paretian liberal*. Suzumura's contribution in this arena is two-fold. In the first place, he could identify several escape routes from Sen's impasse. In the second place, he came to the important recognition that Sen's original articulation of libertarian rights is incompatible with the classical concept of freedom of choice and contributed to develop an alternative game-form articulation of individual rights. The fourth focal issue is the welfare effect of increasing competitiveness. Contrary to the widespread and classical belief in competition as an efficient and decentralized mechanism for allocating resources, he proved what came to be called the excess entry theorem to the effect that the free-entry number of firms in the Cournot market is socially excessive vis-à-vis the first-best number of firms as well as the second-best number of firms. This and related work motivated him to dig much deeper into the relationship between welfare, competition and collaboration. The fifth focal issue is the intrinsic, rather than instrumental, value of opportunities for choice and procedures for choice. The inquiry along this line led him to go beyond consequentialism, which had remained almost unchallenged in the literature. He could obtain an axiomatic characterization of consequentialism and non-consequentialism, as well as some clarifications of the effects of going beyond consequentialism on such standard results as Arrow's impossibility theorem. The sixth focal issue of his research is the analytical history of welfare economics. Although the nomenclature of welfare economics should be attributed to Arthur Pigou, the history of welfare economics could be traced back at least as far back as to Adam Smith and Jeremy Bentham, and possibly further back, under the classical nomenclature of moral philosophy.

His current research activities are largely focused on the analytical history of welfare economics, paying due attention to the issue of informational basis of social welfare judgements, the issue of welfare and competition, the issue of social decision-making procedures and opportunities to choose, and the issue of free trade and social welfare.