

## **ABSTRACT**

### **Expanded Rationality: From the Preferred to the Desirable, with Some Implications for Law**

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This paper argues that individual values should define the framework for an economic theory of “expanded rationality.” Defined as conceptions of the desirable, values guide the way individuals select actions, evaluate people and events, and explain or justify their actions and evaluations. Values thus may be seen as arguments in individuals’ personal utility functions; they underlie the construction of preferences; and they provide reasons for reason-based choice. The theory expands the conception of rationality by incorporating a set of motivational goals that is richer than the standard depiction of self-interest yet avoids the pitfalls of ad hocery and tautological definitions. Such a theory can better illuminate policy debates. It thus entails direct implications for law.

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