On revealed preferences from opportunity sets ranking
-Preference for flexibility and preference for freedom of choice

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Abstract

The main purpose of this paper is to explore the structure of preference for opportunity sets and relation between preference for opportunity sets and revealed preference on alternatives. We divide individuals into two types based on whether or not he/she values *intrinsic value of freedom of choice*, and characterize each type of preferences for opportunity sets axiomatically. We show that any preference for opportunity sets can be represented by the minimal bases of its preference type. This paper also shows that a revealed preference on alternatives can also be represented by revealed preferences of the representing minimal bases of the preference for opportunity sets.

Keywords: opportunity sets ranking for flexibility, opportunity sets ranking for freedom of choice, minimal base of preference, revealed preference

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