

Özet/Abstract:

Why do decision makers (DMs) tend to make some of their ancestors into gods and usually worship their kings and flags? Why do DMs enforce taboos on the sale of some goods such as organs, kids, and sex—and consider the violation of such taboos *repugnant*? Why do DMs value their identity—whether personal, social, or political—in the sense of making it priceless, i.e., incommensurable with pecuniary benefits? These questions are actually variations of a single question: why do DMs elevate some items of consumption into sacredness, but not all items? To answer the question, we commence with a simple hypothesis: DMs do not value goods only on the basis of *marginal utility*, they also value them on the basis of *average utility*. The consideration of average utility gives origin to bonding. But the modelling of bonding cannot proceed in the standard way. The cost of bonding is rather problematic. This paper suggests one particular way to model bonding that allows us, first, to develop a rational choice theory of identity and the sacred and, second, allows to see why identity and sacred are priceless.