

Great Thinkers in Economics

Series Editor

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The famous historian, E.H. Carr once said that in order to understand history it is necessary to understand the historian writing it. The same could be said of economics. Famous economists often remark that specific episodes in their lives, or particular events that took place in their formative years attracted them to economics. This new series Great Thinkers in Economics is designed to illuminate the economics of some of the great historical and contemporary economists by exploring the interaction between their lives and work, and the events surrounding them.

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Prophet of Freedom

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To my son David, with love and admiration!

Preface

Frank Knight is an interesting thinker to have spent a portion of one's life in writing a book such as this. Perhaps it is my own roots in Scotland that has led me to have some warmth for his curmudgeonly persona, but that aside, it is his realism and insight into the limitations of the human person that truly holds some fascination for me. My PhD at the University of St Andrews, jointly undertaken in the School of Divinity and the School of International Relations, was on the Religious Right in America in dialogue with Reinhold Niebuhr, a theologian and contemporary of Knight, though they had little to do with each other. I found more than a few parallels between the endeavours of the two thinkers, as Niebuhr tried to find a better liberalism and, I suggest, Knight tried to find a better conservatism.

There are two aspects to Knight's work that make him such an appealing figure to a broader audience today. First, his interest in linking economics to behaviour, in ways that are quite different from later Chicago economists such as Gary Becker, and others who want to look at behaviour through economics. Knight's vision was quite the reverse, as he wanted to look at economics through the lens of behaviour. I have long been intrigued by the ethics and behaviour of economic life, and it was a revelation for me to find Knight, and to explore his reflections on the same areas of interest as my own. Knight was a very philosophical thinker, and he used this approach to offer some prophetic insights that can help

us to look into the humanity of the economic challenges, and sometimes travesties, that have befallen modern history.

The second reason builds on the first, and his status of being a conservative economist. When I studied as an undergraduate in the early 1980s, it was in the heyday of monetarism, and Ronald Reagan's embrace of Friedman and Margaret Thatcher's embrace of Hayek put the Austrian school at the heart of economic orthodoxy. There was thus a tendency to make the conservative economic approach strangely progressive and contrary to human nature, rather than the more cautious approach traditionally taken by conservative thinkers. In this, the Austrians, from Knight's point of view, held much in common with their socialist adversaries. I believe he was a conservative economist, for reasons set out in the final chapter of this volume, but I stress in this particular respect he deserves to be listened to by conservative constituencies in his native America today, as they search for an economic approach for the future.

It is the sheer breadth of his interests that may have alienated him at times within the economics profession, but it does make Knight an ideal dialogue partner for many disciplines. As a prophetic figure, and with his reputation for being something of a theologian amongst economists, he is a natural figure for me to present in this wonderful series of great economic thinkers. Knight deserves to be studied among these thinkers, and he also deserves a broader audience, and I hope the inclusion of this book in this important series presented by Palgrave Macmillan, will bring him a new audience of readers within economics and among those more broadly interested in economic ideas.

I would like to thank Tony Thirlwall for being such an inspired editor. At Palgrave Macmillan, I have been graced with a team of dedicated individuals during the course of bringing this book to publication: Taiba Batool, Ania Wronski, Laura Pacey, Grace Jackson, Aimee Dibbens, and Alexandra Morton. I offer my thanks to all for their patience and support. Ross B. Emmett has been a wonderful pioneer of Knight's work, and Knightian study would never be where it is without his enthusiasm and dedication. I am grateful for his ground-breaking body of work, but also to Ross personally for reviewing the final manuscript and discussing with me the finer points of Knight's thought – any errors remain mine!

As in all such endeavours, I owe much in personal debt, chiefly to my wife Hanny, and our children Yasmin and David, and it is to David, an emerging writer himself, I have dedicated this book.

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