

Frank Knight and Original Sin*

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Abstract

Frank Knight was the key person in founding the Chicago school of economics. In this respect he was a seminal figure in the history of twentieth century economics. Yet, few current economists know much about Knight. After his early success in 1921 with Risk, Uncertainty and Profit – Knight’s work best known to current economists -- he wrote more in the manner of a moral philosopher than an economic scientist. This paper examines the thinking of the later Knight, the approach to social analysis that he adopted for most of career and including all of his years in the Chicago economics department. Knight was known for his antagonism to traditional Christian religion. Yet, penetrating only slightly below the surface, his thinking is revealed to follow closely in a Christian mode. Indeed, Knight’s moral philosophy was a secular form of Calvinism. Rather than the pursuit of pleasure, human actions are driven by the fallen character of human nature since the expulsion from the Garden of Eden. Rather than maximization of utility, Knight’s writings depict a world in which a more fundamental force in human behavior and events is a secular equivalent of original sin. As Knight developed the implications of this world view, he increasingly rejected the scientific management approaches of the mainstream of the economics profession and instead worked out his own brand of libertarian philosophy – anticipating and influencing later libertarian directions of thought that would emerge at Chicago

Key words: Moral philosophy, Chicago school, intellectual history, normative economics, religion

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