



Twilight of the Money Gods: Economics as a Religion and How it all went wrong

John Rapley.

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Michael Gove, the Tory politician, declared during the Brexit referendum campaign that the British people had had enough of ‘experts’, by which he meant the economists who were predicting the disastrous consequences of the United Kingdom leaving the European Union. Gove was widely mocked at the time, and the present disastrous course of the Brexit negotiations suggests that, ultimately, the economists will have the last laugh, even though the damage awaiting the British economy will be far from a laughing matter. Even so, the thrust of John Rapley’s argument in *Twilight of the Money Gods* is that, however dishonest Gove may have been about the consequences of Brexit, he was right to query the credentials of economics as a discipline and the status of economists as prophetic seers. Under modern capitalism, he argues, economics has replaced religion and economists have become its priests. Yet rather than leading us to the promised land, they have led us down the garden path.

Twilight takes us on a fascinating journey through the history of

economic thought. It’s a tour which, starting from Adam Smith and David Ricardo, takes us through the ideas of the ‘radical prophets’ such as Karl Marx and V.I. Lenin; their neo-classical critics who rejected their worldly apocalypse; the crisis in faith caused by the Great Depression which yielded



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the new testament of John Maynard Keynes; and then the neo-classical reawakening led by Milton Friedman and Francis Hayek. He manages this in a remarkable manner, carefully spelling out the key ideas of the numerous (often obscure) economists he mentions, relating these to the problems and controversies of their age, and doing so in a manner that is fully comprehensible even to the more dull-witted non-economists among us. This is text thankfully devoid of graphs and all the statistical wizardry that has become the economists’ stock in trade. Accordingly, it should feature upon the reading lists of not only social science undergraduates but all those who want to understand the mess that modern capitalism has landed us in. In short, it’s a damn good read, and an easy one, even for those who would be usually daunted by any prospect of ‘A History of Economic Thought’.

Rapley’s argument rests upon two pillars. The first of these is the story of economics and its history is usually told from an Enlightenment narrative, in which science faces a heroic battle against ignorance and ultimately replaces religion in giving us codes to live by (p.10). His version is the functionalist argument that humans have always needed something to believe in. Accordingly, as the economies of Western Europe



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grew more steadily and rapidly over centuries, they posed questions which the old religions, which justified static, stratified societies, now found themselves unable to answer. But the economists seemingly could, providing guidance on how to reach the promised land of material abundance and endless contentment. This 'enlightenment' allowed humans to feel they had more control over their lives. As a result, they ascribed to economists the powers that they had previously left to the gods. Economists then helped us to seemingly build a heaven on earth, a cornucopia of consumption, new inventions and new delights – until it all went horribly bust in the recession of 2008, since when most of us have seen our living standards decline. In response, the priests retreated to their cloisters, bickering amongst themselves, leaving us to seek new creeds to light our paths to the future.

The second pillar of Rapley's book concerns the false status of economics as a science. Economists have sought to differentiate themselves from so-called 'soft' subjects such as sociology, anthropology and history, claiming a far greater capacity to predict human outcomes with conviction and accuracy. Yet 'if history teaches anything', writes Rapley, 'it's that whenever economists feel certain they have found the holy grail of endless peace and prosperity,

the end of the present regime is nigh' (p. 399).

Irving Fisher advised people to go out and buy shares on the eve of the Great Depression; the Keynesians claimed that they had mastered the tools to prevent another depression; and the evangelists of the neo-liberal era similarly assured us of their ability to deliver eternal stability in the run up to the crash of 2008.

Economics has aspired to become like physics. But whereas scientists will tell you that you can't change the laws of nature, and that all you can hope to do is to manipulate them as far as you can to human advantage, 'economists don't just observe the laws of nature, they help make them' (p.399). If the assumption is that greed is good, then don't be surprised if people act greedily, yet it's only the blindly



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Adam Smith and his disciples wrestled, 'uncomfortably but honestly', with the issues of slavery and imperial exploitation. But their later descendants largely ignored them, presuming a free market in which individuals are liberated to pursue their self-interested goals will necessarily lead to just outcomes (p. 411). Rapley suggests that the hubris in economics came not from a moral failing among economists, but from a false conviction that their belief was a science (p.400).

He is surely too generous. As he elaborates in convincing detail, economists have had a habit of cosying up to political power, and western politicians have shown little compunction in using their so-called scientificity when and how it suits them. Yet, today, as the direction of capital flows has switched from west to east, 'the pursuit of self-interest has led to tribalization in our politics – a politics of fear over hope, and of false hope over truth' (p.411).

Rapley covers much familiar ground, outlining how the investment banks transformed the Western capitalist economies into something resembling a raucous casino in the years leading up to the 2008 crash. It's a sobering read, and one which reminds us that 'like any church', economics does its best work in opposition, when it is challenging received wisdom and speaking truth to power (p.398). Yet while it easy enough to preach the need for a new humility amongst economists, and for its purpose to become one of ethics rather than technocratic management, it is much more difficult to find an answer to his fundamental question: If we have lost our faith in economics as a religion that works for everyone and not just politically connected elites, in what should we now believe? [NA](#)