

creativity of the human spirit. But Burnham was wrong in another way as well. He overstated the power of industry. During the final third of the twentieth century, in parts of the West, finance staged a comeback as industrial production atrophied (and was usually franchised out to the developing world). The bankers took charge. Now, more important than owning a factory, or managing it, or working in it, was funding it. And more important than funding a factory was providing the funding for all sorts of other service enterprises that fuelled economic growth and fed consumer desires. Power came to reside with the people who managed the instruments of debt. It is to this class of people that we have come to look for technocratic solutions to our current political problems.

This is reflected in the rise to power of independent central bankers, who have been tasked with keeping a steady hand on the tiller of economic prosperity. Their job is to control inflation and smooth out the ups and downs of the economic cycle. Their independence is meant to protect them from the reach of interfering politicians, who are liable to screw these things up in response to the short-term demands of the electoral cycle. The Chairman of the US Federal Reserve these days has the sort of cachet and grandeur that a century ago belonged to the titans of industrial capitalism: the name Greenspan came to strike awe and fear as the name Rockefeller once did. When central bankers speak, or even when they don't say anything at all, markets tremble. When markets tremble, politicians quail. As James Carville, electoral adviser to Bill Clinton, once put it:

'I used to think if there was reincarnation, I wanted to come back as the president or the pope. Now I want to come back as the bond market. You can intimidate anybody.'

The changed composition of the new technocracy is shown by the people who get called in when the chips are down. At the height of the Euro crisis in 2011–12 two European countries – Italy and Greece – installed short-term 'technocratic' governments to break the political impasse. Unelected experts replaced elected politicians. And who were these experts? Most of them were bankers, financiers and economists. A sizeable number had worked either at or with one of the big US banks, notably Goldman Sachs. This included Mario Monti, the economist who became Italy's prime minister in 2011, and Lucas Papademos, the economist who became Greek prime minister in the same year. Technocracy has come to mean rule by those who understand the power of money.

But there is a puzzle about this sort of expertise: aren't the people brought in to solve the mess the same ones who got us into the mess in the first place? After all, the independent central bankers (and the teams of economists who work for them) failed in their primary task: they took their hands off the tiller and allowed the global economy to hit the rocks in 2008. The Euro crisis that blew up two years later was another failure of economic management. When politicians are forced to rely on the money men (and the occasional money woman) to sort out a crisis for which the money men were largely responsible, it looks less like technocracy and more like a protection racket: