

Modern Monetary Theory means we need never tolerate unemployment

Published: January 13, 2026, 12:40 am

---

It took me a little while to realise I am what is now called a Modern Money Theorist. There's a good summary of [this thinking here of which, perhaps, the core paragraph says](#):

*The essential insight of Modern Monetary Theory (or “MMT”) is that sovereign, currency-issuing countries are only constrained by real limits. They are not constrained, and cannot be constrained, by purely financial limits because, as issuers of their respective fiat-currencies, they can never “run out of money.” This doesn’t mean that governments can spend without limit, or overspend without causing inflation, or that government should spend any sum unwisely. What it emphatically does mean is that no such sovereign government can be forced to tolerate mass unemployment because of the state of its finances — no matter what that state happens to be.*

I agree. Money is the servant of the real economy, not its master. It's time we appreciated that.