

MMT and Scotland, again

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The National newspaper in Scotland has returned to the subject of modern monetary theory, again. George Kerevan [has commented](#) on Gordon MacIntyre-Kemp's article for the same paper last week, and my response, [here](#). Kerevan says:

ATTENTIVE readers will have noticed a war has broken out across print and social media, following a column in The National from Gordon MacIntyre-Kemp — founder of the Business for Scotland think tank — in which he attacked so-called Modern Monetary Theory, or MMT. For the uninitiated, MMT is basically the theory that governments which issue their own currency are able to fund any level of spending they desire, without having to worry about associated deficit.

If MMT is kosher then anybody — especially an indy Scotland — can eliminate austerity at the stroke of the finance secretary's pen. MMT is supported by former US presidential candidate Bernie Sanders and English academic Richard Murphy, author of the Joy of Tax. Indeed, Murphy and MacIntyre-Kemp have gone head-to-head following Gordon's article in The National.

There are, again, errors in here: the deficit does have to be worried about, but how it is managed is entirely different using MMT.

Kerevan does get the key point though:

Why does this debate matter? First, because it gets to the heart of any post-indy economic policy. Secondly, because it puts Andrew Wilson's Growth Commission report in the firing line. The Growth Commission wants an independent Scotland to keep the pound sterling for an indefinite period.

But what is then interesting is he goes on to critique MMT from an interesting left of centre perspective that is well worth considering. I am head down in work right now - and am going to stick to my data rather than write more. But this is one worth reading.