

Scotland needs modern monetary theory

Published: January 15, 2026, 7:04 am

Another day, and another good modern monetary theory article, this time from Robin McAlpine at Common Weal in Scotland, with whom I work on occasion. [As he said yesterday:](#)

What I think is useful is not to think of MMT as a new programme of action or a different philosophy or an ideology.

In fact, what MMT really does is describe what we already do but describe it more accurately. The reason I find it so interesting is that this different perspective helps think more effectively about fiscal and monetary policy.

The real heart of MMT for me is explaining that national finances simply aren't like household finances. Debt is a problem for households, but then households don't control the money system.

As we know, governments can simply create money if they want to, something households can't.

Robin is also right that:

The problem comes not from the theory itself but from how some advocates have explained it.

I happen to agree with that too. [My version of a solution to that problem is here](#). Robin's is well worth reading.

Scotland needs to be a country that embraces modern monetary theory from the outset when it becomes an independent country, as I suspect it will be. Robin will be one of those making sure that happens.