

## Tax justice and modern monetary theory

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In the light of my previous post on tax and modern monetary theory I thought it worth sharing again the podcast I made with John Christensen and Naomi Fowler of the Tax Justice Network on the subject of modern monetary theory, earlier this year.

In [the related post John said](#):

*For the tax justice movement MMT opens an important debate about the role of tax. One of the MMTers' central arguments – that governments don't need tax revenues if they want to spend money – seems to conflict with our argument that governments must tax rich corporations and crack down on tax cheating and tax havens in order to pay for roads, schools, teachers and hospitals.*

*To illustrate this clash, take the words of UK Shadow Chancellor John McDonnell during the [Panama Papers](#) tax haven scandal that "every pound avoided in tax by the super-rich is a pound desperately needed by our National Health Service, our schools and our caring services." We'd strongly agree with this statement – though Bill Mitchell, a prominent MMT economist, [attacked it as](#) a "[dangerous and misguided narrative for progressives to engage in](#)," because it "[fuels damaging myths](#)" about how the tax and spending system works.*

TJN asked:

*Is it "correct"? If not, how not? But if so, is it compatible with tax justice – and could it even be useful? Is tax justice useful to MMT? We've given MMT a partial endorsement and suggest there is no real conflict between MMT and tax justice – that tax justice doesn't especially need MMT, but without tax justice, MMT is incomplete. You can listen to a discussion here exploring these issues in this Taxcast Extra below.*

[https://www.youtube.com/watch?v=qsQWYU\\_A5Rw&version=3&rel=1&fs=1&autohide=2&showsearch=0&showinfo=1&iv\\_load\\_policy=1&wmode=transparent](https://www.youtube.com/watch?v=qsQWYU_A5Rw&version=3&rel=1&fs=1&autohide=2&showsearch=0&showinfo=1&iv_load_policy=1&wmode=transparent)

I'd stress: I go further than TJN does on this issue. But the debate is worth having.