

Modern monetary theory is not just about rearranging th...

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I have some interest in Stephanie Kelton's book 'The Deficit Myth'. My name is on the back cover of the UK edition, after all. So it is pleasing to bite that it has made it to the main [Guardian](#) editorial column today. The review there concludes with this paragraph:

What is depressing is that rather than educate the public, politicians instead continue to serve up deficit hysteria. Economics too often resembles religion rather than science. Much of what counts as economic theory is doctrine, supported by a belief, not evidence. Prof Kelton's book is not a bible. It does not peer deeply at how an [economy expands capacity](#). Some question whether she has simply repackaged an [older Keynesian economic story](#). But she has succeeded in instigating a round of heretical questioning, essential for a post-Covid-19 world, where the pantheon of economic gods will have to be reconfigured.

That, I think, undersells the book. If it was repackaged Keynes (and most Keynesians seem to be amongst the most violent opponents, so I tend to disagree) it is the Keynes they forgot.

And what the review does not make clear is that what is really powerful is that MMT is Copernican in that it turns our beliefs on their heads. And what we believe about economics really matters.

If we believe there is no taxpayers' money because the government creates all money the whole political narrative changes.

If we appreciate that we spend and then tax then we change the whole 'how are you going to pay for it' agenda, for good.

Whilst if tax is not about revenue raising (and it isn't) then it takes on a policy, and so ethical, dimension few have previously imagined.

This is not just about rearranging the pantheon of economic gods. This has real implications, here and now. And that is what matters.

We can change the world for the better. MMT helps explain how that is possible. That's decidedly radical.