

Funding the Future

Saturday morning MMT thoughts

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For the first time in months I went out for a coffee this morning, with an iPad of course. And these [tweets happened](#). They are in the right order, top-down.



Richard Murphy @RichardJMurphy · 1h

There are those who say modern monetary theory is just rehashed Keynesianism. But that's not the point. The reality is that [#MMT](#) let's us think differently, about government spending, deficits, tax, and the goals of society. And neoKeynesianism hasn't done that for a long time

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Richard Murphy @RichardJMurphy · 1h

If tax does not fund government spending - which as a matter of fact it does not because all government spending is funded in the first instance by Treasury borrowing from the Bank of England - then we're liberated to think about tax as an instrument for social policy

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Richard Murphy @RichardJMurphy · 1h

Opponents of modern monetary theory say it ignores inflation. That's why [@StephanieKelton](#) mentions inflation 130 times in the second chapter of her book 'The Deficit Myth'.

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Richard Murphy @RichardJMurphy · 1h

Tax is at the heart of modern monetary theory. It's the mechanism MMT suggest controls inflation when nothing else can (and interest rates won't for a very long time). But what people find hard to accept is that all paying tax does is cancel the debt you owe. It funds nothing

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Richard Murphy @RichardJMurphy · 1h

All money is debt. There's nothing else to it. It's simply a promise to pay. And when the payment is made the money the promise created is destroyed. So repaying loans, settling debts and paying tax all do the same thing - they destroy money.

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