

Funding the Future

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I had a lot of fun recording this podcast a couple of weeks ago:

<https://twitter.com/MMTpodcast/status/1288517723216109569>

The link in the tweet is live.

But I should warn you that some MMT purists are upset by my language in this podcast. It's not that I swear a lot, because I am not inclined to do so. Instead that's because I talk about borrowing, and redistribution and tax as having a positive role.

So let's for the record say why I sometimes use that language still, and in particular use 'debt' and 'borrowing'.

My concern is to advance progressive economics with the aim of building a better economy in which all can prosper. People have been taught that this is not possible. They are told that an order based on growing inequality is what we must have. And what they are told are certain myths to support this view. The curse of the national debt that arises from government borrowing is one of those myths.

I do not agree with that curse. Indeed, I go so far as to say there is no such thing as the national debt, but only national savings. But I do argue for their continuation - because they serve a valuable role in the economy that is positive and not negative.

But just flipping that one issue is hard enough for people to take in.

I know a great many people who find the whole spend and tax, rather than tax and spend, dynamic really hard to get their head around.

And as for the fact that money can be created without asset backing, even though this is a fact it remains for many an almost repugnant idea, even though we know it liberates the economy to deliver full employment.

So when writing and talking I recognise that there have to be points that people can still latch on to which they think they know. Invert all language and change all ideas at the same time and the result is total confusion, incomprehension and an inability on

people's part to hear the message because there is nothing in it that they can link to that they think they already know.

So, on occasion I use language people know and think they understand, even if I think that there are better terms available. That's because unless we work to take people with us they won't even start the process.

So please feel free to criticise from a position of MMT purity if you wish. I am more interested in change. And I can tell you, change is much the more important issue.

Whilst if you also think that MMT is not about facilitating redistribution then please think again. It sure as heck is. And it should be. Of course I am aware that if we want to tax to create economic space within an economy for reallocation of productive capacity Then taxing wealth that is unproductive does not do that. But whoever said that was the sole purpose of tax? Would the MMT critics on this issue please appreciate that the world is a big place and there are multiple objectives to achieve in an economy, not all of which relate to delivery of a pure form of MMT? Please see the bigger picture.

Rant over.....