

# MMT is encroaching on the consciousness of more and more...

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There was an [article in The Times](#) on Saturday in which its economics editor, Philip Aldrick, said in his opening para:

*Modern monetary theory, received wisdom states, is little more than economics for quacks and charlatans. Far-left “democratic socialists” like Bernie Sanders, twice a US presidential hopeful, love it because there is no limit to how much public borrowing the theory allows and because it frees the state from the chokehold of the bond markets. For the rest of us, weaned on principles of fiscal prudence under Gordon Brown and George Osborne, it’s batty. Even its acronym lends itself to ridicule: MMT, magic money tree economics.*

He added:

*Yet if you stop to think about the diagnosis that almost every establishment economist has made since the pandemic, modern monetary theory provides a lot of answers.*

And then he went on to say:

*Of course, no self-respecting policymaker will publicly subscribe to an idea that even Jeremy Corbyn’s Labour Party thought was extreme. But then every policymaker laughed at the idea of “people’s quantitative easing”, or “helicopter money”, before the Bank of England printed £450 billion for the state to pay the wages of nine million people and finance the rest of the budget deficit. Coronavirus has ripped up the economic rulebook, so why shouldn’t the economic fringe have some wisdom to impart?*

I was personally amused by part of that.

Clearly I cannot reproduce the whole article. But it ends up saying:

*MMT is inoperable, but that’s not to say it’s irrelevant. Far from it. In one respect, it offers a way through the post-pandemic recovery that could help to fix both the economy and the public finances. But it means turning policy upside down. When it*

*comes to inflation, the active institution should be the Treasury, as MMT prescribes.*

The impossibility apparently relates to tax being used to control inflation. But the point is the article exists. Take wins where they can be found, I say.