

Can MMT be used by developing countries?

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Many people think that modern monetary theory does not apply to developing countries. That's because many such countries borrow in currencies other than their own, or have second currencies in use in their economies, or have weak and unenforced tax systems. As a consequence it is said that they cannot 'do MMT'.

This, however, is a misunderstanding of what MMT is about. MMT describes how economies work but does not prescribe the policy choices that they should make, whilst admittedly showing the way to full employment. So, MMT is wholly relevant to developing countries precisely because it can say what the focus of economic policy should be if these countries want to take control of their macroeconomies is for the benefit of the people who live within them. In this video I explain this in more detail.

<https://youtu.be/18OQ1frcsNM>