

Why modern monetary theory delivers better economic dec...

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Some people seem to think that modern monetary theory implies that a government can spend money without limit, but that is completely untrue.

Unlike other economic decision-making systems, modern monetary theory recognises that there is a limit to the potential within any economy, and beyond that any attempt to create more economic activity will always result in inflation.

So, not only does modern monetary theory have a built-in inflation control mechanism, it also says that any government should stop spending if the resources that wants to buy are not available within the economy that it is managing. As a result, and by recognising this constraint, MMT encourages better economic decision-making, for the benefit of everyone in society. I explain this in this video.

<https://youtu.be/19IfPff8MfU>