

What modern monetary theory is and what it suggests to...

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Prof Steve Keen, whose work will be familiar to many readers of this blog, posted this on Twitter last night:

<https://twitter.com/ProfSteveKeen/status/1481016863538614273?s=20>

The original post on this blog to which Steve refers (it was reposted to Brave New Europe) [is here](#).

I am pleased to note that Steve is in agreement. Modern monetary theory is important, but just because an exponent of it says something - like the job guarantee - is important does not make it a key part of the explanation it has to offer. It does instead make it something that it shows to be possible. It's a very basic error to think what is possible is part of the explanation of what makes it possible.

I sincerely hope many in MMT who are making this mistake get their heads around this soon. We need MMT to be understood.

We also need what MMT suggests possible to be subject to a separate debate. I am not sure why some find that differentiation so hard.