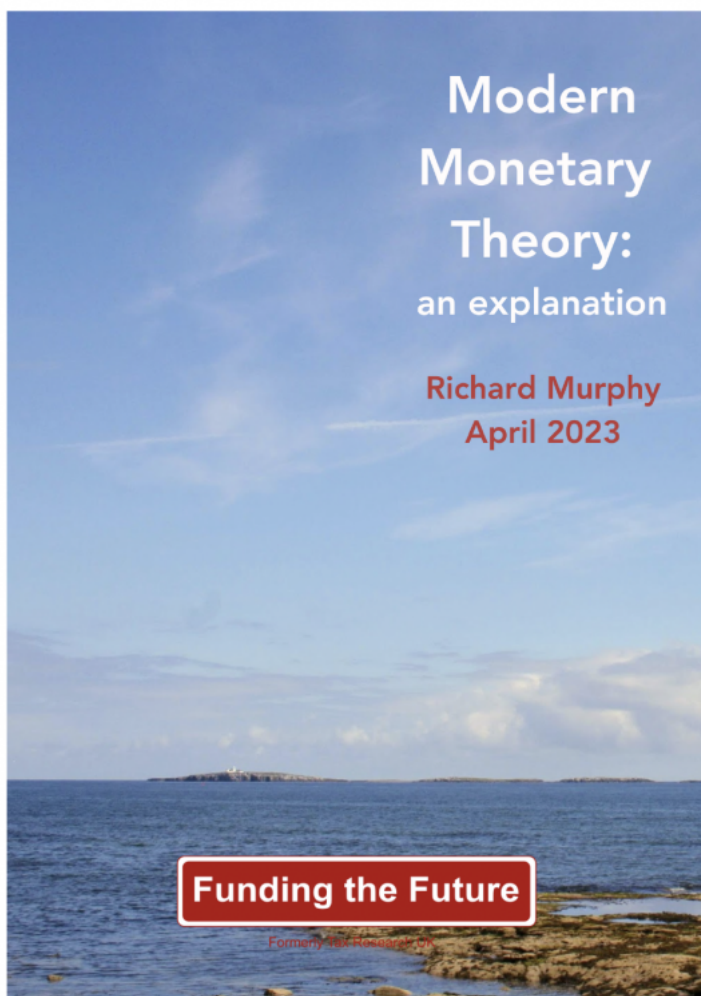


Funding the Future

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As if to mark the new name of this blog I have published what I think is quite [an important new paper](#) this morning. This seeks to explain modern monetary theory (MMT) as I understand it.



I did, of course, [publish a glossary entry on MMT](#) yesterday. This paper seeks to explore the issue in a lot more depth because it deserves it.

I admit you are going to need to put an hour aside to read this. There is quite a lot in the paper. What it does do is explain how I understand that the economy works, and

how money works within it.

Doing so, I miss out a great deal of the rather odd arguments that some within the MMT community use to justify how MMT. That is for three reasons.

First, as will become apparent in another blog that I will publish this week, I do not agree with a great deal that some of the founders of MMT say about it. That is because what they say is either unnecessary, wrong or only consistent with far-right political viewpoints, in my opinion.

Second, it is because I very clearly differentiate what MMT says from what flows from an understanding of it. Far too many people confuse these two, and that is inappropriate.

Third, this is because justifying something as straightforward as MMT does not require a lot of nonsense to be said: it is really quite straightforward. The supposed theory that some use to justify MMT is not required to understand it, let alone explain its implications.

I think this paper is pretty fundamental to what this blog is all about. I expect to return to it, and some of its themes, over the coming weeks. For now, it's available to read [here](#). Comments are, of course, welcome.

For the curious, the photo is of the Farne Islands from Seahouses in Northumberland. MMT is about more than blue-sky thinking. It is about steering the economy off the rocks. You might spot the Inner Farne lighthouse in the photo.