

The Quantum Essays: Quantum MMT: The wave function of s

Published: January 12, 2026, 11:16 pm

Background

Having finished the [first series that I plan to publish on quantum economics](#) (others are planned), it became clear that explaining the use of this thinking was important before moving on to further ideas. The result is a new series, called The Quantum Essays, of which the second is below. Previous posts are listed at the end of the post.

The title of the post was [suggested](#) by a commentator named George Poleon. Whether that person is real or not, I cannot say: this title was included in their first-ever comment, but I felt it was worth exploring. The following post explores the ideas implicit in the title.

Quantum MMT: The wave function of sovereign spending

Physics has taught us that reality is not quite what it seems. The quantum world is not only made up of fixed and certain particles, but also of wave functions that represent possibilities, probabilities, potentialities waiting to be realised. Only when an observation is made does one version of reality emerge from the many that might have been.

Modern Monetary Theory (MMT) is, in its own way, not so different. Sovereign spending is not the simple, linear process that orthodox economists like to describe. It is not that the government raises taxes, and then seeks to borrow the difference between its tax revenues and its planned spending, and only then does it spend. The reality is that a government with its own currency creates money whenever it spends. Tax and borrowing come later. The spending is the originating act.

Think of that in what might be called quantum terms. Sovereign spending becomes the wave function in that case. It holds within it the potential for schools, hospitals, care,

housing, infrastructure, investment, and the green transition. None of these things exists until the act of spending is made. But once the government makes the decision, the potential collapses into reality. The possibility becomes actual, and society is changed.

This is the part of economics that mainstream commentators never want to acknowledge. They prefer to claim that spending is tightly constrained, that it is always limited by “sound money” or “fiscal rules.” That is like pretending that the wavefunction does not exist until it has already collapsed. It is to deny the space of possibility that sovereign governments really have.

Of course, there are limits. MMT has always recognised that. Just as quantum probabilities follow rules, so does sovereign spending. However, the constraint is not a balanced budget or a fixed debt-to-GDP ratio. The constraints are inflation, resource capacity, and ecological sustainability. These, however, are limits defined by the world we live in, and not by some mythological origin point of “prudence.”

What this means is that we have choices.

We can choose which potential becomes reality.

We can choose to fund care instead of cutting it.

We can choose to invest in housing instead of leaving people homeless.

We can choose to deliver a green transition instead of watching climate breakdown accelerate.

These choices are not ruled out by the physics of money creation. They are only ruled out by politics, by ideology, and by the myths that economists and politicians perpetuate.

Modern Monetary Theory shows us that the government’s wavefunction of spending is always present. The question is whether we will allow it to collapse into realities that deliver justice, sustainability and well-being or into those that perpetuate inequality and destruction.

The economy is not a universe expanding from a Big Bang of immutable truth. It is a quantum system of possibilities, waiting for us to decide which ones to bring into being.

Previous posts

* [**The Quantum Economics series**](#) (this link opens a tab with them all in it)

Comments

When commenting, please take note of this blog's comment policy, [**which is available here**](#). ***Contravening this policy will result in comments being deleted before or after initial publication at the editor's sole discretion and without explanation being required or offered.***