

Why Grace Blakeley is wrong about MMT — and why that ...

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Grace Blakeley [has replied](#) to what I wrote about why parts of the left oppose modern monetary theory. In doing so, she has reinforced every point that I made.

Her claim is that understanding how the monetary system works adds nothing to politics because class conflict determines economic outcomes. She also suggests that explaining MMT alienates people and does nothing to change the balance of power.

Unsurprisingly, I disagree, and for very good reasons, which I need to explore.

First, she confirms the argument I actually made. I said some left commentators resist MMT because it disrupts the narrative that everything must be reduced to a class battle. Grace's response boils down to:

Fiscal policy is not some neutral, technocratic exercise in determining what's 'true' – it's a site of class struggle.

In other words, keep the conflict alive and neither understand nor fix the machinery. That is not a strategy for change. It is an excuse for not engaging with reality.

Second, the public most definitely does not want class war, any more than they want a focus on identity politics. They want results, meaning that most people are desperate for a competent government that delivers:

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Well-funded public services.

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Decent incomes.

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Affordable housing.

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Investment in climate and care.

They do not want political theatre. They want the country to work.

In this context, technocratic competence is not a luxury. It is the basis on which trust is rebuilt, and progress becomes possible.

Third, I find it at least a little insulting to suggest I do not challenge capital because of the "technocratic" nature of my work. My work for two decades has been precisely about confronting entrenched wealth and power, including by:

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Exposing tax havens.

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Designing beneficial ownership transparency.

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Creating and delivering country-by-country reporting.

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Pushing viable forms of automatic information exchange, which are now used worldwide, and now by

* Promoting viable tax and economic policy that will deliver a policy of care.

The tax haven reforms, in particular, have in practice constrained capital and abusive finance. The policies of care have yet to have the chance to do so, but they would.

Those tax haven reforms exist because I understood the technocratic system well enough to change it. To imply that this is "achieving essentially nothing, because you're not advancing an argument that helps to shift the balance of class power in favour of labour" is offensive nonsense, and a straightforward denial of the truth. The world of tax abuse was challenged, changed and diminished as a result of that work.

Fourth, understanding money is how you shift power. Grace Blakeley says that even if everyone accepted MMT, nothing would change. This is wrong. If people understood that:

a) the government cannot run out of its own currency, and

b) tax does not fund spending, but shapes the economy, and

c) bond markets do not hold a veto over fiscal decisions, then austerity would collapse instantly. So would the myths that underpin neoliberalism.

If you do not dismantle the stories used to justify exploitation, the simple fact is that the exploitation continues. MMT does that. Talk of class warfare never will.

Fifth, refusing to use available tools only strengthens the City. The left has been losing for 40 years because it accepted the rules written by finance, such as:

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“There is no money”

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“The markets must be kept happy”

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“Government must behave like a household”

MMT shows that each of those claims is untrue. The question is, why would anyone committed to social justice reject a framework that:

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removes the City’s most powerful weapons, and

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gives the elected government the fiscal freedom to deliver what society needs?

This is where Grace’s argument collapses. She says the state is captured by capital. But then she rejects the very knowledge that would allow that capture to be undone.

In that case, there are questions Grace Blakeley should now answer, including:

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Why defend economic myths created by finance when exposing them would weaken finance?

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How does the left deliver public services without accepting bond market constraints unless it recognises MMT?

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Why dismiss reforms that have already curtailed capital's abusive behaviour?

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If explaining how money works is "irrelevant", why does the City spend billions promoting false narratives about it?

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Why attack a tool that could help the left actually govern?

In reality, the left cannot win by choosing ignorance of how the economy actually works. It can only win by understanding.

And of course, we cannot shift the balance of power by refusing to touch the levers of power.

MMT is, in that case, not a distraction from politics: It is the means of recovering democracy from finance.

If we want real change, we must start by refusing to believe the things our opponents need us to accept. Grace Blalkely is denying that. I am utterly bemused by her choice.

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