

# Funding the Future

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*I am told that this is the standard response to pro-modern monetary theory posts on social media right now:*

*Every tool in the MMT toolbox also exists in the toolbox of what might be called more conventional economic thinking, with one exception. It's just not a useful way of looking at the public finances compared to the conventional view.*

*My suggested response is this:*

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I think this comment entirely misses the point of modern monetary theory (MMT).

MMT is not primarily about inventing new tools. As a matter of fact, almost everything in the MMT toolbox does already exist in conventional economics. No one disputes that. Those tools include:

- \* taxes,
- \* spending,
- \* borrowing,
- \* interest rates,
- \* regulation, and
- \* capital controls.

The difference is not the tools; it is the questions that MMT lets us ask, and the different constraints it lets us assume exist that make the difference.

Conventional economics starts from the question:

*How will the government pay for this?*

That immediately frames policy around affordability, market confidence and debt ratios. Politics is removed from the discussion in conventional economics because it is presumed to be constrained as to what it can do by financial markets.

MMT starts from a different question:

*Do we have the real resources to do this, and what would stop us?*

The constraints are now labour, skills, energy, land, supply chains, ecological limits, and inflation risk, plus political preferences. The government can now decide: it is empowered to do so. MMT permits democratic choice, in other words

That shift really matters. It is, in fact, fundamental. It moves the debate away from false financial scarcity and towards the real-world trade-offs in economics. As a result, it forces policymakers to justify why something cannot be done, rather than hiding behind household metaphors or bond-market folklore to justify inaction.

So, the claim being made on social media wholly misses the point about MMT, and doesn't even explain what the key exception is. That is not because MMT abolishes constraints. Instead, it relocates them from money to reality. That makes it a more helpful way of thinking about public finances, not a less useful one.

If the opponents of MMT are going to come up with a generic response to it on social media, they have to do a lot better than this. When MMT helps us answer questions in ways conventional economics avoids, it is useful, by definition.

And for those interested in comparing the value of theories, watch this:

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<https://www.youtube.com/watch?v=NM-zWTU7X-k?si=GPKhPyM5M0fA2gZo>

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