

Funding the Future

MMT: another view

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Many commentators here have asked for a different way to present ideas.

What about this?

And yes, AI was involved in this process. But the ideas are mine.

MODERN MONETARY THEORY (MMT)

THE CORE IDEA:
A SOVEREIGN GOVERNMENT THAT ISSUES ITS OWN NON-CONVERTIBLE CURRENCY CAN **NEVER** RUN OUT OF MONEY.

NOT A HOUSEHOLD.
NOT A BUSINESS.
A SOVEREIGN GOVERNMENT.
DIFFERENT RULEBOOK.

1. HOW IT WORKS

- GOVERNMENT SPENDS → CREATES MONEY**
When gov spends, it credits bank accounts.
- TAXES → DESTROY MONEY**
Taxes don't fund spending. They remove money from circulation.
- BORROWING → OPTIONAL**
Bonds don't fund spending. They drain reserves & set interest rates.
- CENTRAL BANK → TOOL, NOT BOSS**
The Treasury spends. The Central Bank accommodates.

2. THE 3 REAL CONSTRAINTS

- ★ **INFLATION**
Too much spending chasing too few resources = inflation.
- ★ **REAL RESOURCES**
Labor, materials, technology. Governments are resource users, not resource creators.
- ★ **POLITICAL WILL**
The real limit is politics, not finance.

3. KEY TAKEAWAYS

- Money is a **CREATURE OF THE STATE**.
- Taxes create the **DEMAND** for currency.
- The purpose of gov spending is to achieve **REAL OUTCOMES** (jobs, health, education, infrastructure, green transition).
- **Deficits** are not inherently bad. Context matters.
- Use fiscal policy for public purpose, not to "balance the budget".

4. COMMON MISUNDERSTANDINGS

- X "MMT says print money recklessly."
FALSE. MMT says spend to the limit of **REAL** resources, not beyond.
- X "It causes hyperinflation."
FALSE. Inflation is about real constraints, not deficits.
- X "It's just big government."
FALSE. It's about using money sovereignty for public good.
- X "We have to borrow like families."
FALSE. Sovereign governments issue the currency.

5. MMT IN ONE LINE

★ A SOVEREIGN GOVERNMENT THAT ISSUES ITS OWN CURRENCY CAN AFFORD TO DO ANYTHING THE **REAL RESOURCES AND INFLATION** CONSTRAINTS ALLOW. !

REMEMBER:
FINANCIAL LIMITS ARE **POLITICAL**.
REAL LIMITS ARE **REAL**. ★

★ THE QUESTION ISN'T "CAN WE AFFORD IT?"
THE QUESTION IS "WHAT ARE WE AFFORDING?"