

Warren Mosler Berlin-en (2019ko maiatzean)

Sarrera gisa, ikus [Warren Mosler Berlin-en](#)

Segida:

[Warren Mosler – An Introduction to Modern Monetary Theory](#)

(<https://braveneweuropa.com/warren-mosler-an-introduction-to-modern-monetary-theory>)

This is Warren Mosler's talk in Berlin on 13 May.

First we would like to thank Warren Mosler for coming to Berlin to hold this talk.

We would also like to thank OXI for make this film possible and Dustin for doing the filming and editing.

Furthermore we would like to thank Lola Books, the Pufendorf Gesellschaft, Netzwerk Plurale Ökonomik, Topsy, and Marcel Dimke for preparing this talk with us.

[An Introduction to Modern Monetary Theory](#)

With Alexandra Ocasio-Cortez's Green New Deal Modern Monetary Theory has become one of the most discussed economic topics. Warren Mosler is one of the founders of MMT. So catch up with the world and attend his talk. A talk at Helle Panke Berlin, May 12 2019.

Bideoa: https://www.youtube.com/watch?v=UAqS_NxmEjE

Diapositibak (Warren-ek berak bidalitakoak)

What does the EU Want?

- A comfortable standard of living?
- Economic opportunity?
- Full employment at reasonable wages?
- Social equity?
- Free public health and education?
- Retirement with dignity?
- The real resources are already there!
- That's why it can happen!

The Story of Pompeii



EU Institutional Structure

- The ECB functions like the Federal Reserve
- The euro zone members are like US states
- The EU budget is only a small % of GDP

MMT Fundamentals

- Funds to pay taxes and buy bonds come only from the state.
- (The ECB bought 'the money supply')
- Therefore the state necessarily, from inception, spends or lends first and then taxes can be paid and bonds purchased
- Therefore state spending is not constrained by revenues

The MMT Money Story

- The state desires to provision itself.
- The state imposes tax liabilities payable in its currency as the tax credit
- This results in sellers of goods and services (unemployment) seeking state currency.
- The state then makes its desired purchases.
- Taxes are paid and bonds purchased.

What Happens to State Spending?

- After the state spends, the private sector has only two choices
- Use the money to pay taxes, in which case it's removed from the economy
- Don't use the money to pay taxes, in which case it remains in the economy until it is used to pay taxes

The Public Debt

- The public debt is the funds spent by the state that have not yet been used to pay taxes
- It constitutes what is best thought of as the net money supply of the economy
- A growing economy is expected to include a growing net money supply

Unemployment

- Taxation, by design, causes unemployment
- Unemployment is the evidence the state has not spent enough to cover the need to pay taxes and the desire to save
- If the state doesn't spend enough to cover the need to pay taxes and desire to save, the evidence is unemployment
- Unemployment is an unspent income story

Reversing Unemployment

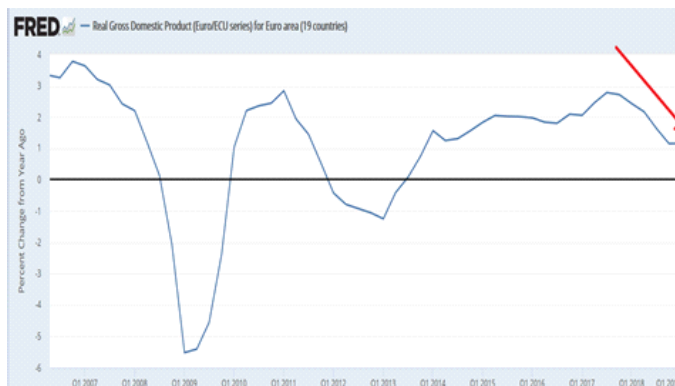
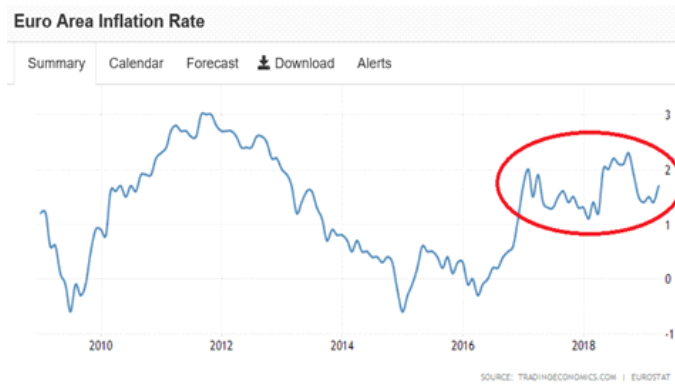
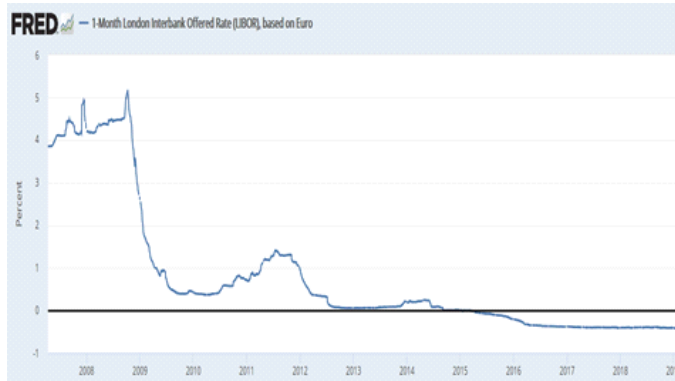
- Unemployment is the evidence that the state's tax policy caused more unemployed than the state has hired
- The state has the option to reduce the tax liabilities or increase public spending

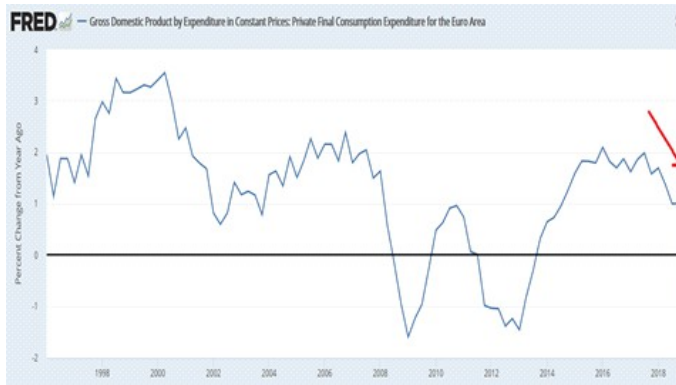
The Job Guarantee

- Tax liabilities created more unemployed workers than the state wanted to hire
- Business resists hiring the unemployed and prefers hiring people already working
- The JG facilitates the transition from unemployment to private sector employment
- The JG provides for a superior price anchor vs unemployment

Monetary Policy

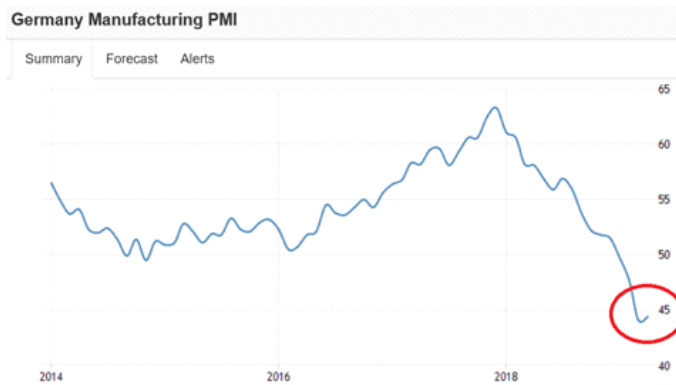
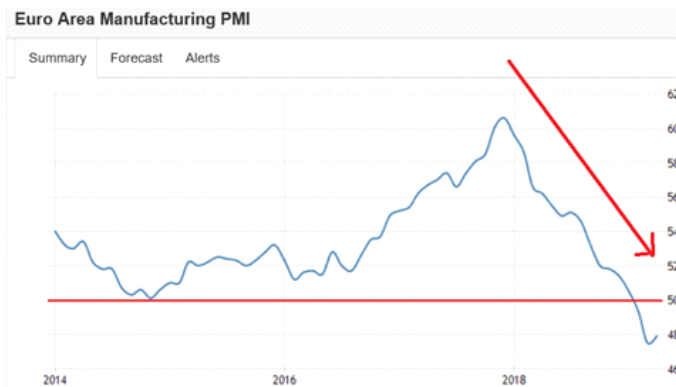
- Monetary policy doesn't work!
- Monetary Policy Doesn't Work!!!
- **MONETARY POLICY DOES NOT WORK!!!!!!**

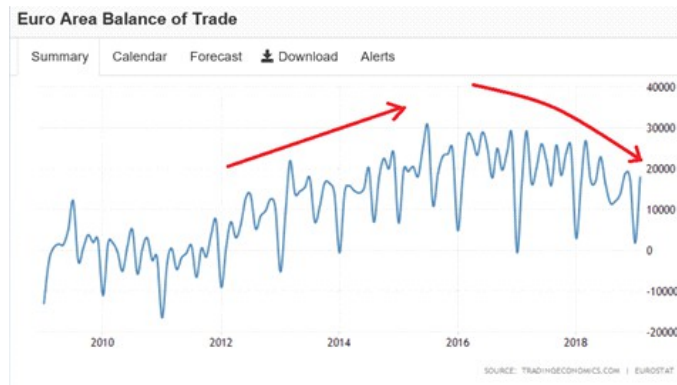




We Just Need a Little More Time...

“...the euro zone’s [core inflation rate](#) has been trending down for 10 years despite increasingly unorthodox steps taken to turn it around. After falling to 0.8% year-on-year in March, it stands at less than half the desired rate.”





Trade

- Exports are real economic costs
- Imports are real economic benefits
- Imports minus exports are the real terms of trade

Real Wealth

- Real goods and services produced domestically
- Plus real imports
- Minus real exports
- Full employment and optimized real terms of trade optimize real wealth

Proposals for the EU

- Increase the annual deficit by 5% of GDP
- Use fiscal policy to sustain full employment
- Implement an ECB funded Job Guarantee
- Sustain a permanent 0% interest rate policy
- Adequately fund public services, investment, and research

Thanks a lot, Warren!