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Subject: Re: Modern Monetary Theory

Posted by [Wayne Parham](#) on Sat, 11 Apr 2020 18:05:29 GMT

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I've been meaning to chime-in on this thread for months. It is very interesting to me. And what I like about the people here is that I think we can have a respectful discourse, even if we don't agree. Might even sway opinions or at least be food for thought.

I understand laissez-faire economics and I understand Keynesian economics. Both of those are about a century old now. Or I guess I should say John Maynard Keynes presented his ideas around 100 years ago, which sort of countered the notion of laissez-faire thinking. But both still consider the economy to be a sort of closed system having finite resources. The difference is how to use those resources.

If I understand you right, Rusty, I think you are describing an idea that the economy shouldn't be tied to resources. Is this what you are saying? Or maybe you're not saying that economy shouldn't be tied to resources, but rather making an observation that it isn't? Or are you saying something else entirely?

To me, economic models should consider all resources, including commodities and labor sources. And economic models should also consider all requirements, using a sort of wish-list that prioritizes wants and needs.

But the problem, of course, is the complexity of the system. There is a large number of unknown initial conditions, which makes it a true chaotic system. It is the very definition of the Butterfly Effect. Economics is stochastic, so any analysis must be done statistically, looking for patterns. I don't think a deterministic model of economics makes any sense at all.