



**Modern Monetary Theory
2nd Summer School
in Poznań**



Call for applications

10.08.2022-14.08.2022

Organizers:



HETERODOX



**Fundacja
Lipińskiego**



Modern Monetary Theory
2nd Summer School
in Poznań



Venue

**Mostowa 10 Street,
Poznań**



Modern Monetary Theory 2nd Summer School in Poznań

The School is intended for economics students, PhD students, practitioners and early-career researchers interested in the Modern Monetary Theory. We provide an international learning environment for those interested in deepening their knowledge of the modern money: its origins, the notion of tax-driven money, inflation, modeling MMT's price theory, and the MMT-based policy proposals, such as Job Guarantee and Green New Deal. The School is a hybrid event that features mostly in-person lectures, a special event as well as two online lectures. The participants will improve their critical thinking and analytical skills by attending lectures on modeling economic cycles, complexity and MMT in Minsky.

The full programme and short description of topics can be found below.

Confirmed speakers:

- **Dirk Ehnts** (Technische Universität Chemnitz)
- **Steve Keen** (University College London)
- **Alexander Valchyshen** (University of Missouri-Kansas City)
- **L. Randall Wray** (Levy Economics Institute)
- **Yeva Nersisyan** (University of Missouri-Kansas City)
- **James Juniper** (University of Newcastle)
- **Iwo Augustyński** (Wrocław University of Economics and Business)
- **Sam Levey** (University of Missouri-Kansas City)
- **Steven Hail** (Torrens University)

The School is organized by Edward Lipiński Foundation for Promoting Economic Pluralism in cooperation with Heterodox Publishing House.

For more information, please contact the Organizing Team through email:

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- or [Facebook](#)

Application deadline: 8 July 2022

Acceptance decision: mid-July 2022

Application form can be found [here](#)

School fee: 220 euro / 1000 PLN

Early birds: 190 euro / 900 PLN if your application is submitted before the 20th of June

The fee covers lunches, coffee breaks and the special event „Can we afford a Green New Deal: an MMT approach.”

Deadline for payment: 20 July 2022



Modern Monetary Theory 2nd Summer School in Poznań

Hour/Day	10/08 Wednesday	11/08 Thursday	12/08 Friday	13/08 Saturday	14/08 Sunday
9:15 - 10:45	<p>Welcome address by Organizers</p> <p>LECTURE Alexander Valchyshen What the Archives Tell Us About Alfred Mitchell Innes' Monetary Thinking</p>	<p>LECTURE Dirk Ehnts The Preparation of a (Federal) Budget from the Perspective of Modern Monetary Theory (MMT)</p>	<p>ONLINE LECTURE Steven Hail Modern Monetary Theory and Ecological Economics</p>	<p>LECTURE Alexander Valchyshen The Russia 1998 Local-Currency Default via the MMT Lenses</p>	<p>LECTURE Steve Keen Modelling economic cycles and complexity in Minsky</p>
10:45 - 11:15	Coffee break				
11:15 - 13:15	<p>LECTURE Sam Levey Modeling MMT's Theory of the Price Level</p>	<p>LECTURE Yeva Nersisyan Does MMT have an inflation problem?</p>	<p>LECTURE Steve Keen Modelling MMT in Minsky</p>	<p>LECTURE James Juniper A Modern Money Perspective on Debates in Ecological Economics</p>	<p>LECTURE Iwo Augustyński Social organization of the job guarantee</p>
13:15 - 15:00	Lunch break				
15:00 - 16:00	Coffee break				
16:00 - 17:30	<p>LECTURE Dirk Ehnts A simple macro-economic model with sectoral balances</p>		<p>LECTURE James Juniper The Inadequacies of Utility Theory from a Macroeconomic Modelling Perspective</p>	<p>LECTURE Sam Levey Theories of Mobilization: Controlling Prices During Times of Distress</p>	<p>Closing ceremony, farewell coffee</p>
18:00 - 19:30		<p>ONLINE LECTURE L. Randall Wray The Value of Money</p>			
	Special events / Socializing				
19:00 - 21:00			<p>Yeva Nersisyan Can we afford a Green New Deal: an MMT approach</p>		



Dirk Ehnts

LECTURE

A simple macroeconomic model with sectoral balances

Informed by MMT, Dr. Ehnts introduces a simple macroeconomic model with sectoral balances that can be used to inform policy makers. Focusing on the change in net financial saving of the three sectors, the model highlights potential problem with sustainability. Different economic policies and their effects can be discussed. The model consists of a couple of equations that can be shown using Microsoft Excel, so that students can play around with the model to experience how the economy changes when economic policy instruments are used.

LECTURE

The Preparation of a (Federal) Budget from the Perspective of Modern Monetary Theory (MMT)

Modern Monetary Theory provides the insight that the state, as the creator of money, cannot finance its expenditures. It collects its money in the form of taxes and government bond proceeds, which it has previously put into circulation via the central bank's money creation. A federal budget should therefore not be drawn up with a focus on fiscal indicators such as deficit or national debt. It would make more sense to focus on the public purpose and economic policy goals. Different policy goals and indicators that help policy makers are suggested.



Steve Keen

LECTURE

Modelling MMT in Minsky

This lecture will introduce Minsky and its key feature, „Godley Tables”, and show how MMT emerges logically and naturally from understanding the double-entry bookkeeping that lies behind both fiat and credit money.

LECTURE

Modelling economic cycles and complexity in Minsky

This lecture will explain the creation of dynamic continuous time models in Minsky using the standard system dynamics flowchart paradigm. It will conclude with incorporating a Godley Table into the flowchart, to show that the two methods of building dynamic models are compatible.



L. Randall Wray

ONLINE LECTURE

The Value of Money

MMT argues that taxes drive money in the sense that obligations create a demand for the money that can be used for redemption. However, that does not tell us what the value of money is in terms of purchasing power. Both Keynes and Marx insisted that there are only two measuring units that can be used for measuring heterogeneous output: quantities of money value and hours of labor. MMT has argued that a universal job guarantee program will determine on the margin what money is worth. This lecture will go more deeply into the relation between money value and labor value at the aggregate level of the economy – that is, what determines money's worth?



Sam Levey

LECTURE

Modeling MMT's Theory of the Price Level

MMT's theory of the price level is one of exogenous pricing: the currency is worth whatever you have to do to get it from the government. This talk will present a mathematical model which demonstrates this mechanism and its dynamic aspects, including what happens if the government constricts the amount of net financial assets it is willing to provide.

LECTURE

Theories of Mobilization: Controlling Prices During Times of Distress

"Mobilization economics" covers the economics of major wars, when resources are scarce and prices are under pressure. This talk will present different systems for managing a major mobilization, with an emphasis on controlling inflation. Various macroeconomic and microeconomic policy tools and their uses during emergency scenarios will be discussed.



Alexander Valchyshen

LECTURE

The Russia 1998 Local-Currency Default via the MMT Lenses

This lecture discusses the article written under supervision of Dr Fullwiler, who in the fall of 2020 asked UMKC's PhD students to investigate specific cases of the defaults on sovereign bonds denominated in local currency. I decided to do the case of Russia in 1998. While researching this case, I found the need to investigate the institutional change from, as mainstream economists call it, inflationary financing to market-based financing of government. That change has been taking place since the 1980s and through the 1990s. It turned out that Russia's default in 1998 cannot be explained without the long-term developments preceding the event.

LECTURE

What the Archives Tell Us About Alfred Mitchell Innes' Monetary Thinking

This lecture describes an article that aims to contribute to MMT literature on the monetary ideas of Mitchell Innes, who produced „the best two articles on money” ever written in the 20th century according to Randall Wray.





Yeva Nersisyan

LECTURE

Can we afford a Green New Deal: an MMT approach

The cost of a Green New Deal is usually estimated in financial terms, adding the projected costs of the various programs which leads to the conclusion that large tax hikes would be needed to pay for it. From the Modern Money Theory perspective, finance/tax revenues do not constrain a government's ability to implement spending programs. Affordability of spending cannot be determined by adding up the financial costs and weighing them against prospective tax increases. Instead, the cost of the GND must be measured in real terms through a careful accounting of the resources the GND will require, weighing those against resources it will release plus what is already in excess supply. Only then can we determine whether a reduction of aggregate demand is needed, and consequently, whether we need counter-inflationary measures, such as tax hikes.

LECTURE

Does MMT have an inflation problem?

The high inflation rate in the US has some economists, such as Larry Summers, wagging their finger at the federal government, attributing the price increases to the pandemic relief spending. As evidence, they point to the quick recovery of GDP and to reportedly tight labor markets. By extension they blame MMT for the current inflation, arguing that the "print and spend" approach, supposedly advocated by MMT, has failed.

While aggregate demand has recovered since dropping during the pandemic, there is little evidence that excess demand is the problem. Instead, pandemic-driven disruptions to supply of are still ongoing, and can be largely blamed for the inflation.

While in the US many have placed their faith in the ability of the Fed to reign in prices, it is doubtful the Fed can do so without causing a recession or a significant economic slowdown. Monetary policy is a blunt tool for inflation control, and it cannot alleviate the supply-side disruptions we are currently facing. Instead, targeted fiscal policy measures may be needed to fight a supply-side recession.



Iwo Augustyński

LECTURE

Social organization of the job guarantee

By design the Job Guarantee (JG) program is nationally funded but locally administered in a decentralized manner. It is managed by states, municipalities, non-profits, social enterprises and cooperatives, which conduct assessment on local needs and design projects to meet them. We compare these program features with reality of implemented versions of JG and existing networks of social non-for-profit and for-profit organizations in Poland. We would like to discuss the question whether JG is an „unfair” competition to private firms or not.



Steven Hail

LECTURE

Modern Monetary Theory and Ecological Economics

Living within planetary boundaries is central to the pursuit of sustainable well-being. If we are to do this in time to preserve a stable environment, it is necessary for policy-makers to admit the scale of the challenges we face and to be informed by competent economic analysis. This analysis must abandon the objective of perpetual growth, focus on our real resource and ecological constraints and not be distracted by neoclassical myths relating to the monetary system, the appropriate functions of government or the economics of climate change. Insights derived from modern monetary theory and ecological economics are essential tools if we are to meet the challenges of this century with confidence.



James Juniper

LECTURE

The Inadequacies of Utility Theory from a Macroeconomic Modelling Perspective

This lecture provides a critique of the central role played utility theory in mainstream macroeconomic discourse, modelling, and policy development. I begin with the scathing criticism Marx and Keynes directed at Bentham's conception of utility. This background material provides the 'launching-pad' for a detailed and critical review of how utility theory has been applied to decisions about saving, portfolio choice, and investment in non-financial capital. Drawing on collaborative research conducted with my colleague Adam Kaczynski, I focus on the inadequacy of these contemporary advances, especially in relation to the divergent savings behaviour exhibited by those. The lecture will draw on a paper with this title, jointly written by Kaczynski & Juniper (2022), and Adam's (2021) PhD thesis, which can be downloaded from the sfcmodels.net website.

A Modern Money Perspective on Debates in Ecological Economics

I examine how objectives of full employment and ecologically sustainable development can be reconciled within an MMT framework. I review common approaches to ecological sustainability (Mainstream approaches informed by Neoclassical economics, Georgescu-Roegen's entropy-based framework, Eco-Socialism, Social Ecology, and Jason Moore's ecological history of the four 'cheaps', rejecting Degrowth in favour of Eco-Socialism and Moore's conception of the 'short-changing' of nature. I then investigate the quantitative techniques initially developed by the Soviet mathematical economists, Kondratieff and Novozhilov, suggesting how they can inform the calculation of metrics for guiding policy makers. To this end, I draw on the research of Jan Dapprich to propose labour-time metrics based on opportunity cost, that account for the extent to which nature has been "short-changed".

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