

## **Abstract**

My aim in this thesis is to investigate the nature of the relationship between Modern Monetary Theory (MMT) and heterodox economics in general and then to explore the potential for MMT to contribute to an alternative heterodox paradigm. First, I examine the key principles and antecedents of MMT and compare its explanatory power with that of mainstream macroeconomic theory under different exchange rate systems.

Second, I consider the most influential literature in relation to the methodology of economics and analyse the methodology employed by mainstream economists and their attitude towards academic freedom in order to establish the reasons why mainstream economics was apparently able to retain its hegemonic status in the aftermath of the global financial crisis (GFC). This is despite its inability to predict its occurrence or provide an adequate explanation for it. Such an analysis is a critical pre-cursor to the specification of an alternative paradigm.

Third, I assess the applicability of critical realism both to the study of economics and to the behaviour of the economics profession itself. Following on from this, I utilise a qualitative primary research programme, explicitly based upon critical realism, to examine the possibility of constructing a methodologically-based heterodox paradigm. The nature of such a paradigm and the potential role for Modern Monetary Theory as a key contributor are then evaluated. Finally, I consider whether such a structure might be considered as a feasible alternative to the mainstream or, alternatively, should the advocates of MMT operate primarily as stand-alone school.