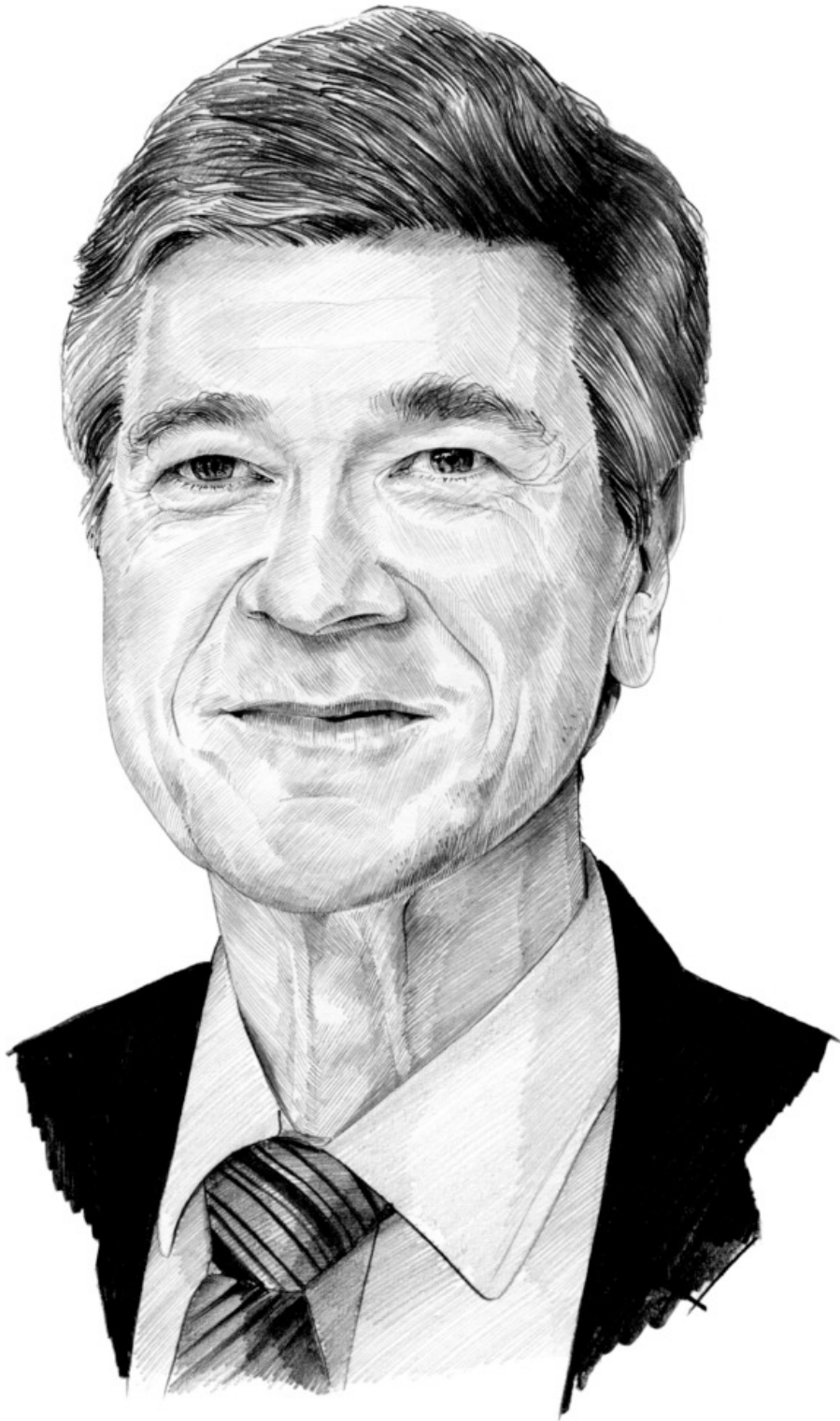


# Jeffrey Sachs on Not Pointing Fingers

The economist and UN stalwart says the U.S. should stop trying to gang up on or destabilize China.

*Jeffrey Sachs is an American economist, who currently runs the Center for Sustainable Development at Columbia University. He is also the President of the UN Sustainable Development Solutions Network and, from 2001 to 2018, served as Special Advisor to multiple UN Secretaries-General. Sachs is the author of numerous books, including [The End of Poverty](#) (2005), [Common Wealth: Economics for a Crowded Planet](#) (2008), [The Price of Civilization](#) (2011), and, most recently, [The Ages of Globalization](#) (2020). In this lightly edited interview, we discussed the U.S.-China economic relationship, the potential for future collaboration on environmental goals, and the recent EU-China investment deal.*



Jeffrey Sachs.

*Illustration by Lauren Crow*

**Q: You have repeatedly [argued](#) that escalating geopolitical conflict with China is a mistake. Why do you think that's the case?**

A: We have enough conflicts in the world without having to manufacture another one. We urgently need cooperation in this world to solve problems like climate change, ending poverty, preventing another financial calamity, or stopping the Covid-19 pandemic. So the idea that it's our highest

aspiration to go create new animosities strikes me as utterly wrongheaded. But we are prone to that in the world — the us versus them mentality is extremely strong. When you know another place and you know a lot of the economic leaders in China and the top policymakers — as I do because many have been my students over the years — the idea that China is somehow an enemy is utterly misguided and especially dangerous at this moment.

### **Why do you think so many people, including American politicians and scholars, are calling for conflict?**

China is a large, increasingly powerful and weighty country. The United States has an idea of being the primary country in the world and the most powerful country in the world. There is a deep seated belief in the rightness of this continuing to be America's century, and that America is the indispensable leader in the world. So there is a resentment at China for being there, and for becoming so technologically capable and challenging the United States on many fronts where China has different points of view, or different interests. But to my mind, that's the nature of the world. The United States is 4 percent of the world population, and China is nearly 20 percent of the world population. It strikes me as odd that American policymakers think that the United States alone ought to run the show, or that the United States ought to gang up with other countries to corner China, as if this was the Cold War with the Soviet Union. I find it all worrisome, naive, unconstructive, poorly timed, and in line with the Donald Trump mentality. I hope it is not in line with the mentality of President Biden, and I hope the United States rejoins the UN institutions that it has walked out of, like the Paris Agreement.

### **Besides rejoining the Paris Agreement, how can the U.S. and China work together on the environment? What are the steps that the Biden administration should take to work with China?**

There are a lot of issues to sort out on the global structure for

decarbonization to happen by midcentury; for example, a trade regime that helps to enforce the Paris Agreement by carbon border adjustments or other trade measures to say, if you're not doing this, you're going to lose access to markets. This is something that should be commonly agreed upon.

There's also a lot of technology that's going to have to be deployed. This requires standards and global cooperation. Instead of a technology war, we ought to be standardizing technologies for the new green and digital world that needs to be built for our own safety and then moving forward to ensure basic things like universal access to those green technologies or the needed digital technologies. We need understanding about the industrial policies that each of our countries will follow to completely retool the auto sector, for example. I would like the United States to have its own battery supply chain to have our own ability to produce electric vehicles. This requires a coherent industrial strategy in the United States, which is also a bilateral issue, because there should be understanding between the two largest economies about how each one is going to proceed. What, for example, is the United States going to insist on for local production of renewable energy technologies or security of the battery supply chain, or management of scarce rare earth elements that are part of the core inputs for the new green economy?

We have the institution of a bilateral standing relationship between China and the United States that is managed by the U.S. Treasury, but under Trump that really broke down because his personal behavior was so intemperate. China was announced one day to be a currency manipulator, under standards that were completely contradictory to the Treasury's own long-standing standards on what constitutes currency manipulation. So we need to standardize the relationship partly in multilateral settings and partly through just mature, rational bilateral processes run largely by the U.S. Treasury.

## BIO AT A GLANCE

AGE	66
BIRTHPLACE	Detroit, Michigan, USA
CURRENT POSITION	President of the UN Sustainable Development Solutions Network, UN SDG Advocate, and Director of the Center for Sustainable Development at Columbia University

### **What should China be doing domestically on the environment to meet its ambitious goals, especially given its persistent reliance on coal and other non renewable energy sources?**

China industrialized at a remarkable and breakneck speed, and it did it in an extraordinarily polluting manner. It is a terribly polluted country, not only with massive greenhouse emissions, but also with pollution in the air and water. So China has a massive need for cleaning up its own act for itself, not only for the world. The 14th Five-year Plan that begins in 2021 should be dedicated towards this cleanup.

China's [announcement](#) that it will decarbonize by 2060 was a major step forward, but not good enough, because 2060 is too late actually. And given China's technological capacities for renewable energy, for smart grids, for electric vehicles, China can do it by 2050. It should for its own sake and for the world's sake. In this sense, I think China has a lot of specific work to do both on the energy system transformation and on the so-called circular economy, meaning industrial ecology that is not so polluting and unsustainable land use around chemicals, fertilizers, eutrophication, and water stress. It's a huge job. But I think that even the domestic politics in China has really pushed hard. Chinese people want to breathe clean air; they want a blue sky. And I think that is a core mandate for the Chinese government at this stage.

**One of the sticking points in the U.S.-China relationship is IP theft. You have [written](#) that, historically, countries that have lagged behind have**

**copied foreign technology. Do you think that China's IP practices are entirely analogous with historic examples? And should we try to do anything to push back against IP theft by Chinese actors?**

IP is complicated, because patents are 'second best solutions,' meaning that they have a big flaw. Patents create monopoly; they create a certain kind of inefficiency. Here you have this know-how in a technology, but only one company can use it. The idea, of course, is to give an incentive to innovation. But the downside is you get tremendous distortions in the income distribution, the wealth distribution, with the lack of access to vital technologies. In recent decades, patents have become a terrible blockade to further progress, both by design of patent trolling — where you basically threaten to accuse innovators of cheating on intellectual property — and even more overtly because when knowledge is privately owned in some way, it prevents real innovators elsewhere from advancing.

But throughout history, leading countries have said: don't you dare take any technology. And lagging countries have done everything they could to work around it. So what's happening in China is typical. China went after technologies in every which way. Partly by so many students studying all over the world, which I would say is wonderful — that's how you gain the knowledge and become a part of the modern technological world. And partly by going in and buying technologies, and then reverse engineering or leaning on joint ventures to share technology. All of this is part of a known catching up playbook. The United States used to do the same with Britain. But when others do it, we say, 'Oh, that's a terrible crime.' China is not in any way extraordinary. It is a lie so often repeated in the United States that China's progress was all through stealing and theft and perfidy, and so forth. This is such nonsense given the incredible hard work, investments, knowledge, domestic R&D, and using absolutely normal market mechanisms to move forward.

There's no purity in this topic. There's a lot of industrial espionage and

cheating by U.S. companies. How do I know? Because they sue each other constantly; the courts are filled with the claims of IP infringement and stealing. There's absolutely a need and possibility for two major economies to sit down and have systematic, rational monitorable discussions, not simply finger pointing. That's why we have a World Trade Organization and a G20.



Sachs addressed financing for sustainable development at a 2015 Overseas Development Institute event.  
*Credit: Overseas Development Institute, [Creative Commons](#)*

**What do you think the U.S. response should be to Chinese companies implicated in human rights abuses, for example, in Xinjiang?**

We have huge human rights abuses committed by the U.S. on so many fronts that the first thing we need to do is think of Jesus's admonition: Why do you look at the mote in the other's eye, and not the beam in your own? The idea of that is, don't just point fingers, look at one's own behavior and understand that the human rights challenge is a universal challenge with

huge gaps and violations by the United States, in the United States, and with real human rights issues in China, as well as in just about every other part of the world.

The starting point from my point of view is the [Universal Declaration of Human Rights](#), which in 1948 was agreed upon by all countries, and in my opinion binds all countries and international law and international ethics. It enumerates many different kinds of rights — civil and political and economic and social and cultural. And we ought to abide by it. And we ought to do so in a fair and just way, understanding that it's not just the other that is violating rights, but we too are violating rights. On the U.S. side, we are a society with such a profoundly depressing history of racism, mass incarceration of young African Americans, and massive violations of human rights in the penal system. We're a country, one of the very few, that has not ratified the [Covenant on Economic, Social and Cultural Rights](#) to implement the Universal Declaration of Human Rights. So we do not as a country abide by international law, on economic rights and the rights of people to access health care, education, and social protection. In the United States, we have so much poverty, exclusion and deaths of despair. The United States has grossly violated human rights abroad, by starting multiple wars against the absolute clear position of the UN Security Council, or by imposing sanctions on countries like Venezuela and Iran unilaterally that are absolutely leading to hunger, even starvation, in those countries because of some kind of desire to either bring down regimes or to force policies on other countries.

All of that is to say that, for me, this is the context in which the United States and China really should discuss human rights. What are our shared responsibilities under the Universal Declaration of Human Rights? But this is not how this discussion goes at all in the United States; it is all self-righteous fury at the human rights violations of China, without any apparent awareness of the mass human rights violations within the United States, and by the United States. Well, that's not a fruitful way to actually get



human rights achieved; that is a way to conflict, not a way to solve very real problems.

I would like Chinese companies to be bound by basic international standards on labor rights. I want to make sure U.S. companies in their supply chains have that kind of responsibility as well. And so this is something again for serious rational dialogue, for evidence, and for using UN institutions.

*Don't just point fingers, look at one's own behavior and understand that the human rights challenge is a universal challenge with huge gaps and violations by the United States, in the United States, and with real human rights issues in China, as well as in just about every other part of the world.*

**Don't you think that the mass detention of the Uighur population is different in scale than what's happening, for example, domestically in the U.S. with access to health care? Do you think that we can put those two things on the same playing field?**

The scale of issues is very serious in this discussion on both sides. The mass incarceration in the U.S., mass deprivation of populations to basic economic needs, imposition of mass sanctions abroad, multiple wars launched by the United States — they are all big deals of human rights violations. Very big deals. And so I think we have real issues to talk about. I want a world in which human rights are respected everywhere. And I believe that the right way to do that is not by claiming the high ground by one country that violates human rights, but by claiming the shared obligation under a common international standard that we have all agreed to, and that

we'll all work together to achieve.

**What do you think is the appropriate response to China's actions in Hong Kong, especially with the most recent round of [arrests](#) this month?**

Well, I think that the Hong Kong situation is also complicated, because there were obligations on Hong Kong following the Basic Law and the basic agreement with the UK that were not being carried out. There are absolute needs to respect human rights. And there's absolutely the need for the United States not to play a mischievous game of trying to stir unrest. That was part of [Trump Secretary of State Mike] Pompeo's game, even to the last moment, absolutely stirring the pot to raise tensions. And, for example, with Taiwan, to try to provoke China by the U.S. doing whatever it seemed to want to do, to try to stir unrest within China. Whatever we do with Taiwan, and however we respond to China, our aim should not be to destabilize China. That just plays into China's fears about the United States and the history that China incurred from outside powers for a very long time, which is a strong part of China's self understanding of its statecraft and its diplomatic priorities. And so, in this sense, we need, again, rational, calm discussion, not the soapbox, and the finger pointing and the one-way accusations. But Trump and Pompeo were on a crusade to break with China, to form an alliance against China, to put all of the ills of the world on China. This was a deliberate approach that is both enormously risky and impossible to achieve any desirable ends with. There's a measure of strong dishonesty in this because it's really meant as provocation, not meant as problem solving.

**Wait, what did the United States do in Hong Kong to stir up unrest? Is there something specific you are talking about?**

No, I just think that the Hong Kong situation was more complicated because Hong Kong was to pass a security law that it never did. And that was part of the agreement that Hong Kong was supposed to carry out. And already 20

Jeffrey D. Sachs

# The Ages of Globalization



Geography, Technology,  
and Institutions

Sachs' most recent book, [\*The Ages of Globalization\*](#) (2020), tells stories of innovation throughout human history.

years ago, Hong Kong administrations made proposals that did not get adopted, contrary to the responsibilities in Hong Kong. And so I think that when one looks at the longer historical record, it's a little bit more complicated. I don't know what else if anything the U.S. is doing there. But what I do know is that the discussion that was taking place about Hong Kong was, as usual, without historical background.

## What are your thoughts on the recent EU-China investment [treaty](#)?

I think that China's need and desire for good relations with other parts of the world is real. That's why I also believe that rather than the unilateral hostility and finger pointing, a sensible, bilateral relationship

with China will be highly productive. China wanted an investment agreement with Europe; Europe wanted it with China. It's mutually beneficial. And it was notable to me that as it was being finalized, you heard voices from the incoming administration saying, 'Don't do that.' Because the playbook in the United States, under Trump, and in parts of the new administration is: Don't make agreements with China. Well, this is a terrible mistake. And I'm glad that they reached an agreement because I'm completely against the idea of trying to gang up on China. I think it is, as I've been explaining, dangerous, willful, wrongheaded, naive and against American interests and against the global interest.

I like the fact that China also has agreed to be part of the Regional Comprehensive Economic Partnership. It was weird, in my opinion, for the Obama administration to be trying to create the TPP explicitly without

China. Isn't China part of the Pacific economy? What is the mindset that the United States should be trying to organize an international system to exclude China? That is wrongheaded, and that's why I'm in favor of agreements of regions of the world with China so that we can get on to normal cooperation. The United States, in its finest moments, has been the author and supporter of the multilateral system — the inventor of it in 1945, and the promoter of an international trading system and an international monetary system of convertible currencies. That's America at its best. But when America says, don't touch roughly 20 percent of the world, we'll make agreements around it and we'll have a trade arrangement with Asia that doesn't include the major Asian trading country — that's a blunder and a dangerous one.

MISCELLANEA	
BOOK REC	<a href="#"><i>Nicomachean Ethics</i></a> by Aristotle
FAVORITE MUSIC	Beethoven's symphonies
FAVORITE FILM	<i>Casablanca</i>
PERSONAL HERO	Albert Einstein, for showing us the glory of the human mind and for combining scientific genius with a deep moral commitment to peace

**The main criticism of the deal was that the included provisions on things like forced labor are too hard to enforce, and effectively let China off the hook. Do you disagree with that?**

I think it's worth it, in good faith, for the U.S., Europe and China to discuss labor rights. It's extremely important because here too, we have international standards from the International Labour Organization. I want the U.S. to live up to those. I want the U.S. to endorse those, to recognize those. I don't want the U.S. to point fingers. I want the U.S. to be part of the multilateral system. So I believe that the U.S. should rejoin the Human Rights Council. The U.S. should make its positions on human rights known, but those positions should be consistent with and supportive of international standards. And that is what fairness is: an international set of

rules that we all abide by and call on each other to abide by. That way, we can make practical progress.

**This year, China announced that its drive to eradicate absolute poverty was successful. Why is that a significant milestone?**

In 1978, around 80 percent of China was living in extreme poverty. There had been roughly 150 years of disaster, from the first Opium Wars through Japan's invasion of China, and then the tumult of the Cultural Revolution and the Great Leap Forward. What ensued over the next 40 years was the most remarkable economic progress that the world has ever seen. China did a tremendously good job of this; it's not easy to promote the development of 1.4 billion people out of extreme poverty. China saved half of the national income each year by investing in massive infrastructure, the educational system, and health care — investing in economic capacity. It's been stunning. China actually set amazingly ambitious goals and then achieved them through incredible hard work and diligence.

It is a historic accomplishment to end extreme poverty. It is not a gimmick. It is not invidious to America. It's something good for the world. More than a billion people have been lifted out of extreme poverty, through very diligent, long term, effective economic strategies. I really admire it, and I believe that there are lessons in it for other parts of the world.



Katrina Northrop is a journalist based in New York. Her work has been published in *The New York Times*, *The Atlantic*, *The Providence Journal*, and *SupChina*. [@NorthropKatrina](#)

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