How US can cope with a new, multipolar world order: a discussion with professor Jeffrey Sachs

Andy Boreham

I recently had a chat with US economist and Columbia University professor Jefrey Sachs, asking him a handful of questions on some hot current issues like who blew up the Nord Stream pipeline, whether or not the world is currently shifting to a multipolar order, how China has such a low inflation rate, and the intense anti-China environment across the Western sphere.

I know that international relations realists sometimes think that China’s rise is detrimental to the United States. It’s not one region’s gain necessarily at the expense of the other. Everybody can benefit from the advancement of know-how and technology and scientific understanding.

Q: China and the US have gone through a really rough patch in terms of relations recently. From Pelosi’s provocative visit to Taiwan, to Balloongate, to Yellow Peril 2.0 in the media. Why is it that the US seems so anti-China at the moment, and what would it take for relations to improve?

A: I think almost all of this is the result of China’s success. The US strategists and politicians didn’t want a peer or rival competitor, and then China showed up on the scene as a large, successful economy that for 40 years plus since 1980 has been one of the dynamic parts of the world economy and now at the cutting edge of many leading technologies. And I think the United States political class resents this, it’s fearful of it. This geo-strategists who think in terms of zero-sum struggles think that China’s advance is to the detriment of the US. But most of this is a reaction to China’s success, and I think that it needs to be overcome through systematic dialog, negotiation, hammering out solutions where there are real differences, not the shouting, the finger-pointing, the kind of hysteria.

Q: Do you believe that we’re truly heading into a new multipolar paradigm, and what do you think that might look like?

A: Well, the world is changing, and it’s changing very fast from ... not just a unipolar world with the US role as a so-called hegemon, but really from a North Atlantic-led world of the last two centuries to a world where economy, power, culture are much more spread around the world. The industrial revolution left England ... but after two disastrous wars and a Great Depression, the global leadership of the North Atlantic shifted from Western Europe and Britain to the United States.

So the US has been the dominant power since 1945. But with independence of India, the US’s sphere of influence across Africa, the restoration of real sovereignty of China, starting with the formation of the People’s Republic in 1949 and with the economics that has followed that, the world economy has rebalanced, the spread of technology has become far more equal. China, of course, has become one of the leading economies and centers of innovation of the world.

All of this means we’re moving to a multipolar world. None of this means that the United States likes it or accepts it right now. So psychologically, the US is having a very hard time and it’s trying to hold on to its dominance; but that’s just not possible in a world of diverse talents, skills, innovation, economy, when the US is just 4 percent of the world population.

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Q: China is inflation currently 1 percent, while the US is sitting around 8 and the UK is about 9-4. percent. How has China done that?

A: Well, the inflation that is being experienced in the US and Europe is the result of dislocations that came from COVID and then the sanctions regimes. When combined with the money expansion, boosted the inflation. China didn’t do the same thing. China didn’t make this massive monetary expansion in 2020. The way the Federal Reserve did. And China is not experiencing the same disruptions that came from the sanctions regimes, which have in some sense homogenized on the sanctioning countries because it’s disrupted their own supply chains.

Q: What happened to Nord Stream? A: Well, Nord Stream was a project that the United States opposed from its inception. The US said, well, this makes Europe follow Russia’s geopolitics and so forth. I think this was not the right approach. But it all leads me to believe that the most likely scenario of Nord Stream is the US blow it up because the US hated the project. The US warned that in the event of a “Russian invasion,” the pipeline would end. President Biden himself said that on tape on February 7, 2022, and when the reporter asked: “But, Mr President, that’s an international project. How can you say it will end?” he said: “Believe me, we have our ways.” Well, I think probably saw those ways with the destruction of the pipeline. It’s not proved. The story that the investigative journalists Seymour Hersh has put out is very credible, and it has been knocked down in any substantive way.

Q: What is the US actually doing to bring China to heel? A: Well, the US is not not threatening the global hegemon, meaning it can’t be the country that runs the world. The US is 4 percent of the world.

There’s a lot of talent, creativity and desire for sovereignty and a say in world affairs all over the world. So the US is not the world hegemon, but it needs at the political level to get its head around that reality, to have a foreign policy not based on arrogance or illusion, but based on ... an interconnected world and the need for cooperation and peace.

And I think it’s possible for the US to be a quite successful in such a world. What can’t occur is the US running the world. That’s not going to happen. And if the US persists in trying that, it’s going to face more and more conflicts around the world.

So I think this is a question of the US accepting the principle that we have a multipolar world and that we should make it work properly.