Jeffrey Sachs: The World Order Built on Lies Is Now Unravelling

Prof. Jeffrey Sachs discusses how the post-Cold War world order was built on lies, which have blinded the West to why it is all collapsing. Follow Jeffrey Sachs' YouTube channel: https://www.youtube.com/@JeffreyDSachsOfficial Follow Prof. Glenn Diesen: Substack: https://glenndiesen.substack.com/ X/Twitter: https://x.com/Glenn_Diesen Patreon: https://www.patreon.com/glenndiesen Buy Diesen merchandise: https://diesen-shop.fourthwall.com/en-nok Support the research by Prof. Glenn Diesen: PayPal: https://www.paypal.com/paypalme/glenndiesen Buy me a Coffee: buymeacoffee.com/gdieseng Go Fund Me: https://gofund.me/09ea012f Books by Prof. Glenn Diesen: https://www.amazon.com/stores/author/B09FPQ4MDL

#Glenn

Welcome back. Today is September 4th, 2026, and we have the great pleasure of being joined by Jeffrey Sachs. Thank you for coming back on the program. I want to start with, I guess, a big question. That is, how do you explain, I guess, this time in history? That is, we see now, you know, NATO being engaged in a war against Russia. It used to be a proxy war. I think we crossed the line. We see the U.S. in this war with Iran, which has spread to the entire region and could also pull in the other great powers. Diplomacy is criminalized. The U.S. is even now bullying and cannibalizing its own allies. The Europeans are becoming less relevant, and the U.S. seems to be at the cusp of some big financial crash, yet our governments and media assure us that all's fine, that all of this was caused by other people, and we are winning. I mean, this is all very interconnected, so I was just—how can I explain this period in history, I guess?

#Jeffrey Sachs

I think, broadly speaking, it's the collision of the unipolar vision and intention of the United States with the multipolar reality. So, from the mentality of the military-industrial complex of the U.S., as certified indisputably, they thought, by the end of the Soviet Union, the U.S. is the reigning world champion from now and forever. And that is colliding with a fundamental reality that it just ain't so. The United States is 4.2% of the world population, arguably 14.5% of the world GDP, and that's not enough to be the reigning world hegemon. So what the U.S. thinks it is, or acts like it is, or wants to be, or believes that it needs to be, is in collision with an underlying reality in which China is a larger economy, in which most of the world does not want to be under U.S.-made rules or U.S. hegemony.

And that collision shows up in all of these theaters of war. This is the same story in the Middle East. It's the same story in Ukraine. It's the same story in East Asia. It's a U.S. war machine, the military-industrial complex that runs the U.S. political structures and the security state, that believed firmly from 1947 onward, after the end of World War II, that the U.S. would win a twilight struggle with the Soviet Union and emerge victorious as the world's unique leader, something like the British Empire of the 19th century, or something like the Roman Empire of the 1st century AD. When the Soviet Union ended, all of this was confirmed, and the U.S. went into overdrive to solidify the so-called unipolar moment. And that was subscribed to by both political parties. So the idea that this is somehow a partisan issue or a Trump issue is not at all correct.

This is something that is a U.S.—but not U.S. in the sense of the body politic, U.S. in the sense of the leading forces of the United States—which, as Dwight D. Eisenhower explained to the American people on January 17th, 1961, is the military-industrial complex, which, you could say, understandably or traditionally all through history, is the leader of the state apparatus. That is the security state. It's the war-making capacity. And in the United States, it basically means the Pentagon and the CIA and now Silicon Valley, the war contractors and the financiers. And that has been the guiding force of American foreign policy since the end of World War II, when Dean Acheson, who was one of America's leading diplomats after World War II, wrote his memoirs. He called it Present at the Creation.

I thought when I was young that that was kind of a clever title. Now I think it's a kind of madness. The creation was not 1945 or 1947 or 1949, but from the American point of view, it was the creation of the America-led world. And the end of the Soviet Union was the confirmation of the American-led world. And we have had nothing since then but rhetoric from some sane people, from some crazy people, but all pretty much the same, that America is the all-powerful country. Madeleine Albright, the Secretary of State in the 1990s, called the United States the indispensable country, the country that sees further than anyone else, she actually said. The neocons said that we are the liberal hegemon of the world.

Brzezinski wrote in 1997—a very sane man, very decent man—but he wrote that American power was irresistible, that Russia would have no capacity but to accede to American power because, in a famous essay, a couple of sentences in his book The Grand Chessboard, he says American scientific and technological and financial and economic and military dominance is so great that there is no alternative in the world. And this, I think, is the real basis of where we are today. All of that is just not true. It's not true today, most importantly because of the rise of China, but it's not true because in our world there is no such thing as the permanent hegemon. There never has been, and there won't be, because no power has the unique advantage that it can impose its will on the rest of the world. And certainly not a power that wants to do it by extraction rather than by gift.

So one final point about this collision course that we're on is that back in the 1940s, after World War Two, the United States really was extraordinarily powerful. It had, for four years, an atomic bomb monopoly between August 1945 and 1949. But it was indisputably the industrial power of the world. It was indisputably the financial power of the world. Unlike the Soviet Union, which had incurred 27 million deaths from Hitler's army, the United States had one day of attack, December 7th, 1941, on its territory, and all the rest was building the military capacity. So the U.S. really was an economic, financial, and military titan at the end of the 1940s, and it was America's view at the time that it should use that advantage to underwrite an America-led world, the Marshall Plan being the most famous part of that.

Well, fast forward 75 years, with the U.S. in a much diminished economic and financial role, without the dominance of technology, with big inequalities in American society and major debt, which is also significant, to a significant part, mismanagement, but to some extent, the costs of wannabe hegemony. The United States doesn't say, "We underwrite the world order." It says, "We extract." So now the United States wants to charge other countries for the U.S. military deployed in those countries. It literally says, "We have bases in Korea and Japan. We defend you. You pay for us." The U.S. demands from Europe that it spend 5 percent of GDP. The U.S. says, "We need oil, so we'll invade Venezuela, we'll kidnap the president, and we will bribe or suborn the government, and then Venezuela's oil is ours."

We turned from at least self-interested beneficence, if you could say it that way. But it was self-interested, but still it was giving. We turned from that to grifting and extraction. And Trump is—he's a thug. He's a low-level thug. He's always been a low-level thug. He's a New York real estate developer who bankrupted his companies multiple times, but his normal way of doing business for decades was to sign a contract, and then after the construction was done, to call in the counterparty and to say, "I'm going to pay you half of what's in that contract. And you're going to take half." And the befuddled counterpart would say, "Excuse me, but we have a contract."

And Trump would say, "Sue me, sue me." He's technically speaking an asshole. He's been that way for decades. This is his modus operandi. But now this is U.S. foreign policy. So this is actually extraction. So how can you be 4% of the world's population, 14% of the world's output, about 13% of the import market for the world, extracting from everybody, invading where you want, threatening where you want, and expect that you're going to be able to keep control of an environment like that? The rest of the world is saying, "No, thank you."

And they're balancing the most basic feature of geopolitics in history, which is, if you have a bully, the other side gets together and says, "We don't want the bullying." And the Shanghai Cooperation Organization meeting last week, that is about 40% of world output and population, that says, "We don't want to be bullied." And BRICS will meet next week, and that is half of world output and population, approximately. They'll be meeting in Delhi. They say, "We don't want to be bullied." Now, the truth is, the United States continues one by one with the Indians, with the others, to bully, to threaten, to bribe, to do whatever it can to try to break apart this balancing against the United States.

But I think, on the whole, the transparency of Trump's modus operandi is so clear—the thuggery of it, the crudeness of it, the illegality of it, the fact that there's no such thing as an agreement with Trump. An agreement is what you reject the next day. I think that this means that there is no clever path for the United States to maintain the hegemony. So that's how I view it: basic collision between self-regard and reality, with an underlying change from self-interested beneficence to grifter-gangster behavior. This is not a good situation. It's a very dangerous one.

#Glenn

I think that's a nice description of it all. But this foreign policy, as you describe it, built up around maintaining American primacy, and for the Europeans, I would say a policy of being the junior partner of the U.S. and taking that advantage. This appears to have now shifted towards a foreign policy of ignoring new realities and trying to roll it back. How do you see the economic consequences of this building up? Because, again, this is another thing. Trump keeps saying America is hotter than ever, and at the same time, if you measure deindustrialization, energy crisis, stability of currencies, I mean, how stable is this system now?

#Jeffrey Sachs

Well, it's not much of a system after all right now. It is really a disorder rather than an order. And everybody is recalculating. Of course, the U.S. looks like it has advantages. So no one's writing off the United States right now. The U.S. has its AI. The U.S. has a booming stock market, no doubt. The U.S. is still the world's currency. Some people say, well, at the end of the day, the U.S. will crush Iran, or at the end of the day, the U.S. will get its way. And so, even though, as I described it, there's a clash with reality in this grandiosity of American foreign policy, a lot of countries are hedging their bets.

I'm in touch with governments that say, "Well, yes, Jeff, we of course agree with you, but we, you know, dare not insult the big man." And this is still not a decisive moment. This is a moment of great flux and a lot of unpredictability and a lot of violence. And we know that there's a lot of unpredictability and violence and potential complete disaster. But from an economic point of view, it's worth remembering that, in addition to the geopolitical changes and the wars, there are some very, very important, deep changes underway in Europe and the world that will reshape the world economy as well. Of course, number one is the technological revolution that's underway, which is absolutely real.

It's not owned by the United States, though the U.S. led it for much of the time. The AI revolution, the computation revolution, the digital revolution. This is real, deep, and transformative. And incidentally, in ways that are heatedly debated, because it is to some extent just an open future and, to a big extent, an unknown future. Will AI lead to the end of jobs? Will it lead to the age of abundance? Will it lead to runaway agents which end up blowing us all up because they take over the nuclear launch computers, because all the computers are put on OpenAI and, lo and behold, they can't control their own agents?

You know, we don't know the answers to some of these things. Some we need to prevent, but also the United States is owned by these companies rather than these companies, and so there's a lot of technological uncertainty. The ecological and environmental shocks in the world are absolutely huge as well. We are reaching major tipping points in the Earth's system functions. We could have a multi-meter rise of sea level any time in the next century. It could be tomorrow. It could be a major calving of the West Antarctic ice sheet that deposits enough of the Antarctic ice sheet into the Southern Ocean that it leads to a pulse of sea level rise of several meters.

That would devastate hundreds of millions of people, have no doubt about it. It would be a cataclysmic event. And for anyone who doubts the force of nature, look again at the shocking videos that came out of Nepal a few days ago with the collapse of a glacier that led to destruction in which buildings looked like a Hollywood film, being brushed aside, and thousands killed suddenly by this. A lot of this is going to happen in the future because we are at tipping points of the ocean circulation, the ocean sea level, the stability of the West Antarctic ice sheet, the boreal permafrost, the rainforests which are drying, especially in the southern Amazon.

So that's another point that's very important, and it involves fundamental issues of food security, water security, and physical environmental livability, for example, the coastline that will affect vast populations. Normally, you'd think we care about all of this. Well, Trump has pulled us out of every environmental issue, and he's trashed all the environmental science. He's trashed the websites of our scientific organizations, so the basic monitoring is no longer being done. And all of this is happening as we're going into what could be the most powerful El Niño in recorded history just now—in other words, in the coming months. There are forest fires everywhere that are massive, big droughts, tremendous change. So these are underlying factors.

We also have continued big demographic changes in the world. Africa will add at least—oh, at least a billion people between now and 2050 in net population, and arguably two billion people by the end of the century. That's a lot. And in other places, there are offsetting major demographic changes. China's population could decline from 1.4 billion to under 1 billion people by the end of the century. So all of this is to say, Glenn, this would not be a quiet moment under normal circumstances. We'd have major investments to undertake. We'd have major innovations to manage, to govern, to swallow. And we're doing it at this absolutely bizarre moment where we have the weakest American leadership probably in history, although hard to really rank James Buchanan, Millard Fillmore, and Donald Trump.

But Trump is definitely in the bottom five of all time, certainly the most ignorant of all of them. Weak leadership, geopolitical tensions, a government that is more run outside of public view than inside public view. I think it's no accident that Daniel Radcliffe, our CIA director, was the one in Moscow last week. They have much more say in American foreign policy than the State Department, for example. What's behind the scenes is much more important than what is in front of the picture in America right now. So all of this is quite tumultuous and quite dangerous and quite unpredictable. The stable part is the following: China, Russia, I hope and believe India, African countries, are not destabilizers, revolutionary powers, renegade states.

They actually have a quite straightforward political agenda, and that is economic development. These are countries that want a better life, want to raise living standards, and want to do it in a context of massive technological, demographic, ecological change, and political change. But I believe that the vast majority of the world, what we call the emerging and developing economies, or the emerging market developing economies—EMDEs is the acronym that we use—that's about 85% of the world. They have no interest in American hegemony. It's not their business. They have no interest in Western hegemony.

They're not obsessed with what's happening in Brussels versus Berlin. They want to get on with their lives. And they don't want to overturn the global order, and they're not revolutionaries. They want to make public investments, improve their infrastructure, adopt artificial intelligence and digital technologies, train their young people. That's the ballast in the world today. They're not out for world domination like the United States is. They're not dreaming of past empire like the British are. They're actually focused overwhelmingly on economic issues. Pretty pragmatic. How do we pay for this? How do we pay for our education system?

How do we build out a power grid? And so forth. If we just focused on those practical issues, these geopolitical dramas would fall by the wayside. No one wants to invade the United States. No one wants to overturn the United States. No one wants to threaten the United States. If you made a list of Russia's 100 objectives, invading Berlin or Paris would not be in the top 100, not even close. If you look at all the times that Russia invaded Western Europe, well, you could say that was zero. Thank you. Never. So don't worry about it. So if we got past the geopolitical obsessions, we could actually get on to some pretty practical issues.

#Glenn

I agree with the sentiment, though. The world is going through this massive shift in power, economy, technology, environment, with all these wars as well. We really need the best leaders now to navigate through these times, and we have probably the worst on both sides of the Atlantic. You know, if we go back to the end of the Cold War, and you were there with, I would say, a front-row seat, some very fateful decisions were made in terms of structuring the new world order and also the European security architecture. And many of our leaders then understood the risks of the choices that were being made, primarily that of organizing it around hegemony. But what are the Western policymakers failing to understand about where we are now, though, about this transition they're currently presiding over?

#Jeffrey Sachs

Yeah, basically, the U.S. got it all wrong at the end of the Cold War. And that was the absolutely huge mistake. The right end of the Cold War was to say, "My God, we came through the 75 years of the Bolshevik Revolution and ended with peace." And this is quite remarkable. It's the Soviets themselves who say, "God, that was not the right approach. We need to get out of this mess." It's the Russians. And President Yeltsin said to me, said to my face, "We want to be normal. We just want to be a normal country. We want to have a market economy. We want to be at peace. We want to cooperate with the United States."

We want to be normal again after the period from 1917 to 1991. And this was the answer waiting for us on a silver platter. Had the United States said, "Wow, that was lucky. We got thousands of nuclear warheads on both sides. We had what seemed to be, at several moments in the last 50 years, the possibility of the end of the world itself in nuclear war. And now come President Gorbachev and President Yeltsin to say, 'Let's put an end to all of that.'" And if the United States had simply said, "Miracle. We go for it. We cooperate," we'd be in the golden age right now. And I was trying to find—I don't know if I can locate it in real time—but I was trying to find a document which was completely shocking for me.

#Glenn

Can I find it?

#Jeffrey Sachs

Oh, yes. I got it. So if you give me one moment... In 1991, I recommended a series of financial measures to help the Soviet Union to stabilize. And this was written with President Gorbachev's top economic adviser, Grigory Yavlinsky, and with colleagues of mine at Harvard and at MIT. And we worked together on a document that said, basically, the Soviet Union is in a very financially unstable mode. It's the end of the Soviet Union itself in its current form. They want to democratize. The government is in a deep financial crisis. It's very, very unstable. We should be helping to stabilize the situation.

And for me, in my own intellectual formation, the big lesson of the 20th century was the difference in how we had handled the end of World War I and the end of World War II. At the end of World War I, there was a punitive settlement, the Versailles Treaty. At the end of World War II, there was, on the one hand, the Cold War, which I think was unnecessary, but there was also, as I said, American self-interested and expansive beneficence of the Marshall Plan and development aid and so forth. And the lesson, as I learned it as a young student and as I read John Maynard Keynes' Economic Consequences of the Peace, and then as I became a practitioner myself, is don't miss a chance, like 1991, to create a...

#Jeffrey Sachs

Peaceful environment. Don't be punitive. Don't declare victory and impose subordination policies on the other side. Be magnanimous, but especially be clever to build an era of peace. All of that is to say that I worked both for President Gorbachev and President Yeltsin on a package of Western assistance to help stabilize a profoundly destabilized environment. An empire collapses; it's unstable.

When the Soviet Union dissolves, suddenly, 15 states don't have a means even of trade with each other. When you go bankrupt or become insolvent, you can't pay your bills. As the Soviet Union and Russia became, you can get hyperinflation. You can get massive destabilization. So, as a financial expert, I recommended: what are the mechanisms, the tools of stabilization?

Well, all of this, Glenn, is to say: in the document that I'm looking at on my own screen, the proposal we made went to the White House. And I didn't know it for decades afterwards. But it was considered and explicitly turned down at a meeting of the National Security Council on June 3rd, 1991. And because of the Freedom of Information Act, someone ended up sending me the document. And it is the minutes of the meeting in which the proposal is turned down. And the lowlifes in the White House are shocking in their recklessness, I would say imbecility, including the person who at the time was head of the Office of Management and Budget, Richard Darman, who had been a colleague of mine at Harvard University.

And he was a fool. And he represented the arrogance and blindness and ignorance of the American leadership. And I'll quote one line. They turned down the proposal, and then Darman says the following: "I want to seem serious while not fooling ourselves. We have enough ingredients already for a good PR package. The list doesn't need to grow. We shouldn't shoot our wad now. Mikhail Gorbachev is a showman. He will pressure us no matter what. We may need something else later." Okay, what is this saying? These are people saying, "We need a PR package." This is before the G7 summit, where they told Gorbachev, "Go to hell." He went home.

He was abducted in a coup. That was the crash that then led to Yeltsin coming to power and the dissolution of the Soviet Union. Okay, we need a PR package. That was their view. He's a showman, Gorbachev. Gorbachev was not a showman. Gorbachev was trying monumentally to change a global order to peace. And the answer from the other side was bullshit. And just to emphasize, this is one particular meeting about a financial package, but it's been bullshit all the way since 1990. And we should remember the even bigger bullshit that was part of this scene. And I was there through all of this in person. I saw this. You know, 1989 was a kind of miracle.

Peace, the end of the division of Europe. And Gorbachev was the constructive agent in all of it. I don't think people even understand that. But when I was advising the Polish government, for example, in 1989 on how to democratize and make its economic reform and to stabilize, Gorbachev was the one putting together the coalition government that included the Solidarity opposition with President Jaruzelski. Gorbachev managed that, the peaceful transformation of Poland to a democracy and a market economy. He managed it personally. He talked to Lech Wałęsa's top deputies about, "You need to join the government. I'm going to help you to do it." So here we have peace in our time. And then the Berlin Wall falls. I was not in Berlin on that day.

I was in Belgrade on that day. But I was deeply involved in these events. And suddenly Helmut Kohl says, "Okay, Germany is going to unify." Now, Gorbachev had a veto to that, had he wanted. But Gorbachev didn't veto German reunification. Gorbachev said, "Yes, we will go along with that. We want a united Europe. We want a common home for Europe." And as we know, again, heatedly denied by these fools that supposedly lead the Western world, Gorbachev was promised nonstop in January and February 1990 that NATO would not take advantage of the situation. It wouldn't even budge. And we know that Hans-Dietrich Genscher, the German foreign minister, gave a famous speech at that time saying this means no movement eastward.

And we know that James Baker III, the American Secretary of State, said this to Gorbachev. And Gorbachev's answer was, "This is very important." And we know that Helmut Kohl said this to Gorbachev on February 10th, 1990. You know, Glenn, all of this is denied by these people in power today. What does Friedrich Merz say about Germany's promises of no NATO enlargement? Not a word. And what does American academia say about this? Almost nothing. It's disgraceful. All of this is on the record. People can find it on the National Security Archive of George Washington University. But none of this is talked about because when you win, you're allowed to cheat. You can lie. You don't have to honor any agreements. And that's what happened.

So just as Richard Darman said, "Gorbachev's a showman. We need a good PR package." They said, "Okay, now NATO, now we move eastward." And by the way, when I was advising Poland, Zbigniew Brzezinski was very helpful, a real gentleman, and really helped the transformation. But then in 1997, he wrote his famous book, The Grand Chessboard, and he said the U.S. is so dominant right now that we can move eastward with NATO, with the European Union, and Russia will have no choice but to accept. That's what the whole book is about: that Ukraine is what's called a geopolitical pivot. That's the literal phrase of Brzezinski. And he defines it: a geopolitical pivot is something that we don't care about, except that it's useful to us in our pursuit of primacy in Eurasia.

So all of this, Glenn, is to say that they walked into this with the arrogance of victory, the laurel wreath around their heads. They were now the supreme sole world hegemon, and of course it was delusional then, and it became extraordinarily dangerous for us today. And the whole approach is not over, because now we have an absolutely reckless grifter as president who expresses this sentiment in the crudest possible way every hour of every day: that he will crush other civilizations, that Canada is the 51st state, that Greenland belongs to the United States. Whatever it happens to be at a particular moment, he expresses this view, but like a gangster, like a thug, rather than like a president.

#Glenn

Yeah, Brzezinski also wrote that if Russia, whatever, that we have to communicate clearly to the Russians: if they ever push back, we have to make it very clear to them that we can shut down their sea lanes. And we're kind of in the middle of doing that now, though, with seizing their ships and all. But anyway, I want to thank you for your time.

#Jeffrey Sachs

Just to mention it as a final thought, we hold no choke points, no decisive technological advantage, no magic formula, no hold on the dollar—nothing that enforces the delusion. So whatever they may think about what OpenAI or Claude has, China's got it too. And if they don't have it now, they'll have it in six months. And they have so much of what we don't have. And Iran can hold the United States to a stalemate or worse. We're well past anything remotely justifying the grandiosity. And so the good news for this world is a change of mindset is actually the most important single thing that we need. That's free. It would actually save trillions of dollars, and it may save the whole planet.