

Jeffrey Sachs: US Has NO Plan | Global South Must Break Free from Imperialism

Is the US–Israel war on Iran anywhere close to ending? According to Jeffrey Sachs, the answer is a clear no. Support Independent media to remain bold: <https://patreon.com/IndiaGlobalLeft> Link for donation: <https://paypal.me/sankymudiar> In this powerful conversation, Sachs argues that the United States lacks any coherent strategy for a permanent resolution of conflict in West Asia— instead, it continues to reproduce instability through militarism and geopolitical dominance. But the discussion goes much deeper. We explore what this means for the Global South: Can countries continue to rely on a global order shaped by Western power? What does economic self-reliance actually look like today? How should nations respond to imperial overreach, sanctions, and financial pressure? Is a new development strategy possible outside the structures of global capitalism? From war and geopolitics to development and sovereignty, this conversation connects the dots between imperialism, economic dependency, and the future of the Global South. If you care about global politics, economic strategy, and the shifting world order, this is a must-watch. Follow us on Substack: <https://substack.com/@indiagloballeft> Twitter: <https://twitter.com/Indiagloballeft> Instagram <https://www.instagram.com/indiagloballeft/> Facebook: <https://www.facebook.com/profile.php?id=61559411353392> Spotify: <https://open.spotify.com/show/69Y9iCWUv8ha3ATsPWtWk0?si=ee1f0de3de094f17> Telegram: <https://t.me/+WNlqoiv1Rhg5NjEx>

#Mudiar

Hello and welcome to another episode of *India and Global Left*. If you're new to the show, please hit that subscribe button. Also, consider becoming a YouTube member, a patron, or donating a small amount using the link in the description box. Without further ado, let me welcome our guest tonight, Professor Jeffrey Sachs. Professor Sachs is a professor at Columbia University. He's an economist, a public policy analyst, and an important voice on geopolitics. Professor Sachs, welcome back to *India and Global Left*.

#Jeffrey

Great to be back with you. Thank you.

#Mudiar

It's been more than a month since the war started, and we hosted you right at the beginning. How would you describe what's happened over the past month or so?

#Jeffrey

A lot of destruction, a lot of pain, and no meeting of the minds, obviously. This is a war of aggression by the U.S. and Israel, and they show no inclination to stop their aggression. They thought that Iran would be on its back, or dead, or destroyed, or under the U.S. and Israeli thumb by now. That didn't happen. So we have a war of aggression launched on rather flimsy and delusional premises—that killing some leaders would put Iran under the thumb of Israel and the United States. When that didn't happen, everything since then has been escalation and improvisation. And that's where we are today.

#Mudiar

We're hearing news about this Trump ultimatum to Iran regarding the blockade of the Strait of Hormuz. The deadline has been extended by a day. How do you interpret this ultimatum—of "raining hell" on Iran if the blockade isn't lifted?

#Jeffrey

Well, they've been raining hell on Iran for the last four weeks, so the idea that now we're going to get serious is not really serious. Trump is a nut, and he rains hell on everybody day by day. I don't take lightly what he says, but I also don't think it's been kid gloves up until now. Israel and the United States have been murdering, killing, bombing throughout Iran for the last four weeks. I think it's likely they will continue to do so. I think it's likely that Iran will continue to have retaliatory capacity, and it will continue to do grave damage in Israel and in the Gulf countries. So I see this war continuing. I don't think Trump's ultimatum means very much.

#Mudiar

There are reports about what some White House officials are calling a dual-track approach—Trump escalating on one hand, but also mediators, not just countries like Pakistan, Egypt, and Turkey, but also officials within his administration, including J.D. Vance, Kushner, and Witkoff, discussing an end to this war. Is that all a bluff? Does it make any sense? And what does it mean?

#Jeffrey

It's not exactly a bluff, but it's also not exactly likely to succeed either. Kushner and Witkoff—OK, that says almost everything. They're arch-Zionists whose track record is zero. If they're still part of this negotiating team, it almost surely means there's no real negotiation happening. So I don't see this as serious. Also, Trump has one mode of negotiating, which is: I smash you in the face, I hit you over the head, I wound you, I threaten you with murder, and then I say, "Now you agree with me." And if you don't, I kill you. That's just about the only game in his repertoire.

He does this repeatedly. It worked once in a while with, say, union workers putting in plumbing in his buildings. He would stiff them when he was a real estate developer. I think we're finding it doesn't really work on the international scene. It doesn't end wars. It doesn't make treaties. It doesn't do anything that Trump thinks it does. I regard him as a simpleton with one demonstrative mode, which is: I threaten to kill you, then make a demand on you, and you agree. I don't think the Iranians, from what I can see, are likely to fall into line.

#Mudiar

Iranian officials have said they are not negotiating directly, but they have responded to different proposals coming from various parts of the world. As this goes on, bits and pieces of those reports are appearing in the media. We don't have the full picture, but they are talking about a permanent end to the war. Now, Western media—just as they did with Ukraine—are talking about a ceasefire. And people like you, and many others discussing the NATO–Russia conflict, had to explain over and over that a ceasefire and a permanent end to the conflict were not the same thing in Ukraine. That involved basically reversing Ukraine's lack of neutrality and also demilitarizing Ukraine so it would not be a threat to Russia. If you could, tell us a little about your sense of what Iran might mean by a permanent end to the conflict, rather than just a ceasefire, as the mainstream media have been describing it.

#Jeffrey

Yeah, it's a very basic point. The difference between a ceasefire and a permanent end to the conflict is that a permanent end requires you to look at the causes of the conflict, and for the United States and Israel to actually make some concessions. Whereas with a ceasefire, the idea is the shooting stops, Donald Trump announces a great victory, and nothing has really changed regarding the ability to go in and kill Iranians when they want, murder them when they want, attack their bases when they want—with no cost to Israel, which acts with impunity all over the Middle East. So there's a big difference between a ceasefire and real peace.

To my mind, real peace starts with the fact that the United States and Israel keep attacking Iran. Well, how's that going to stop? Having the United States say, "Well, we have a ceasefire," is not very credible. Even a treaty with the United States is pretty pathetic—this is not a country that honors its treaties. So the only real way is to say these military bases that surround Iran are no longer U.S. military bases with the freedom to act. It would require the Gulf states to say, "Yes, we have sovereignty, and these bases cannot be used for attacks against Iran." That would be a starting point. This is what Iran has said.

Why are we surrounded by U.S. military bases? I think that a permanent peace requires a state of Palestine alongside a state of Israel. Without that, there's no peace. Israel just pursues its "Greater Israel" agenda. It invades Lebanon, it attacks and invades Syria, it acts with impunity. By the way,

there's no safety for Iran, with Israel acting with impunity backed by the United States. So the United States would have to say something about Israel. Oh, they never will—not in these times. I mean, maybe they will sometime, but they're not going to today. And that, to my mind, means that the U.S. is not serious. Of course, it's not serious.

The U.S. wants all its prerogatives—to go in and kick the shit out of Iran anytime it wants to. That's what a ceasefire means. What Iran is looking for, perhaps too nicely, by the way, is some assurance that this isn't just another pause for a few months before all their leadership gets decapitated again, especially when that's the declared intention of the U.S. and Israel. So, I think it's an impasse, and it's possible that Iran concedes or capitulates. I doubt it. But one thing's for sure: the United States and Israel haven't made one iota of a concession to Iran's security so far. I don't think they will.

#Mudiar

Let alone what you're saying, which is the permanent end of U.S. bases in the Persian Gulf and elsewhere, and also the end of the occupation in Palestine.

#Jeffrey

These are the basics for real peace in the Middle East, as I've been saying for I don't know how many decades. If you really want peace in the Middle East, Israel—which is a rogue nation—needs to be stopped from being a rogue nation. That's the most basic point. The United States, which partners with Israel in all this rogue behavior, needs to stop. The U.S. military bases need to end in Eastern Europe and in the Gulf region. They're just a magnet for war.

#Mudiar

Can the military bases in the Gulf countries, in particular, end without a significant transformation of the government structures in those countries, given their long history of dependency on U.S. security? At the very least, we can also think about investment patterns—the whole history of petrodollars, and so on. That also raises questions about the continuation of the dollar itself. If these countries stop buying American weapons and don't reinvest those surpluses in U.S. assets, that could destabilize the dollar at a time when bond yields have gone up.

#Jeffrey

I'm inclined to think we could have peace. We could even have the U.S. survive without a few military bases in the Gulf. I don't believe these are existential issues for the U.S. or for the U.S. dollar anymore. The share of oil in global trade is just a few percent. It's actually not such a big deal—it's manageable. It's not the source of the U.S. economic position, really. Maybe some people believe it is, so they're ready to fight for it, but it's not. The U.S. will do just fine without military bases in the Gulf. And even if some significant part of the oil proceeds is denominated in yuan,

rupees, or renminbi, it's not really going to have much consequential effect on the U.S. economy. If I were advising the U.S. government, I'd say, calm down.

You don't need these bases. Iran's not going to invade the Gulf. The Soviet Union—which doesn't exist—is not going to invade the Gulf. There are no reasons for these military bases other than U.S. hegemony, which is completely unworthy. Why are these bases really there? To protect against whom? No reason. So I think—and by the way, Trump himself has said, and I give him credit, even though I think he's a lunatic—he said a couple of days ago, “We don't have enough money for war and health care.” And then he said, “We're just going to have to do without health care.” Well, the man's a loon, but still, he's right. We don't have enough for both. So close the bases, for God's sake. Americans want health care.

#Mudiar

And what do you make of the argument that the U.S. incentive for attacking Iran—I'm not talking about the Israeli incentive—but one of the U.S. incentives for attacking Iran is China? The argument is that it would disrupt Chinese oil trade and also extinguish the future prospect of oil undergirding the new BRICS currency.

#Jeffrey

I think there's truth in that proposition, in the sense that that's how some Americans—some American leaders—see it. They think, if we control the Gulf on both sides, Iran and the Arab countries, then we're in a much stronger position vis-à-vis China. I think that's part of the calculus someone has told Trump. Again, I think it's not only unworthy and unlikely to succeed, but also not much of an economic analysis. America is not winning the contest with China over its supposed control of the Gulf.

Actually, just today, President Xi said we will accelerate our transition to energy security through renewables and nuclear at home. It will further reduce our dependence on external oil. That fact—which is going to happen—plus the fact that the United States can't really run the world energy markets, despite its pretensions to do so, means that having a war for this purpose is not a good calculation. But I will agree with you, it is part of the calculus of American policymakers. I just think it's not a good calculus.

#Mudiar

On the impact of the war, some analysts are saying it might accelerate the buying or the hunt for Chinese technology for the green energy transition, particularly in the Global South, and that this may create a diffusion of technology, as we've seen throughout the history of science and technology. How optimistic are you about that impact?

#Jeffrey

I think that, in general, it's true this war will accelerate the transformation of the world's energy system—especially in emerging economies—toward wind, solar, hydro, and nuclear. They'll make the calculation that betting on the Gulf is not a good bet. We should be making that transformation for ecological and efficiency reasons alone. But because of the vested interests of the coal, oil, and gas lobbies, that transformation has been slowed. When it happens—and it is happening—but when it happens even faster, China will be at the center of that transformation.

I hope India will become a major supplier as well. But the United States and Europe won't be there, because both the U.S. and Europe have basically been betting on the continuation of the fossil-fuel world—the U.S. especially, since it's a major fossil-fuel producer. And Trump even more so, because he's an ignoramus on top of everything else. So he's been betting on "drill, baby, drill." What this war will do is definitely accelerate the transformation toward Chinese-led green, or zero-carbon, energy.

#Mudiar

There's been a lot of talk in emerging markets, as well as in countries in the North, about self-reliance—given that this war has come after a series of events like the global tariff war under the Trump administration, the attempted kidnapping of Nicolás Maduro in Venezuela, and probably a looming war on Cuba, as sanctions have become harsher and harsher and now effectively amount to a blockade. So, in country after country, we're seeing discussions about self-reliance. Of course, one aspect of that is building military sovereignty, but the other is about economic self-reliance.

We hosted Prabhat Patnaik and John Bellamy Foster, the editor of *Monthly Review*, and I asked them this question about self-reliance. Their argument, from a Marxist perspective, is that the whole era of hyper-globalization—whether in trade or investment—has run its course, and countries might now rethink unfettered globalization and openness because of the vulnerabilities it brings. I'm very curious about your response and what your intervention is in these discussions about self-reliance, particularly for countries in the Global South.

#Jeffrey

Well, I don't believe in it exactly that way. The greatest beneficiary of globalization has been China. China went from poverty to very high prosperity on the basis of an outward-oriented economy, and it did that largely through exports to the U.S. and to Europe. Then, as China became more successful, the U.S. slammed the door on its own market. And Europe has half-closed the door, I'd say—not because the economics are wrong, but because of geopolitics. The U.S. would rather punish itself and hurt its own economy than see China gain a special benefit from this. But globalization, on the whole, is beneficial for emerging economies.

It accelerates growth if it's done properly and well, like China has done, or Singapore has done, or many countries in the ASEAN region have done. And I think India, broadly speaking, is doing that right now and has been doing it for the last 20 or 25 years. It's very hard to develop autarkically. India had the permit-raj regime for a long time; it did not lead to progress. The development that was very effective, I believe, was opening up. The one that's closing right now is the United States—and why is it closing? It's closing because globalization is effective. It's so effective that it's weakening America's relative position—not its absolute position, by the way, but its relative position.

The United States continued to benefit from trade with China, but China benefited faster—more. It had more catching up to do. That's, to me, a success. So I'm not exactly of this view that globalization has been bad. What I am in agreement with is that neocolonial economic relations are a punishment. Europe and the U.S. stealing Africa's natural resources is a punishment, but not trade and investment. I'd like to see the BRICS be the foundation of trade. The emerging economies, which are about 80 to 85 percent of the world's population and probably around 60 percent of the world's GDP, should keep an open system. I think it's mutually beneficial. It speeds technology transfer and enables financial flows that can help capital-scarce regions catch up faster.

And I think the so-called anti-globalists, or critics of globalization, should reflect on the fact that the ones who are the most protectionist right now are the old incumbent powers. And they are seeing, in a way rightly, that an open system means Europe and the United States lose their special perch in history. That's true. But to my mind, that's fine—that's the point. That's what makes a multipolar world. So this is how I see it: I would like China and India to have good trade relations with each other. I would like the BRICS to have an open trading system, with investment flows and trade within the region. I would like Africa to form good partnerships with India, China, Russia, Brazil, and others, because I think it will speed Africa's economic development as well.

#Mudiar

Yeah, the anti-globalists might not disagree with you about the protectionism in the imperial core, because throughout the history of colonialism there have been very arbitrary restrictions meant to protect domestic industries.

#Jeffrey

Exactly. Yes. So the whole point is, in my view, the period of high imperialism, which is roughly 1800 to 1950—for India you could say 1750 to 1950, roughly speaking—absolutely broke the dependent or colonial economies, no question. This was a great age of divergence. But real globalization, and even the very imperfect kind we had after World War II, broadly speaking, enabled a narrowing of the gap—a period of economic convergence. Not uniformly, not fairly, and all the rest, but if things had remained closed, it would have been worse for China, for India, for other major members of the BRICS, for example, than in fact has been the case.

And if the system were open and transparent, reciprocally fair right now, it would be a big benefit for the emerging economies—not a hindrance, a benefit. That's the sense in which I'd like to see globalization continue, because I'm in favor of a multipolar world. I'm in favor of Europe and the United States losing their special perch, not because they're going into an absolute tailspin, but because the rest are developing faster, closing the gaps that were created during the imperial age.

#Mudiar

I just wanted to quickly ask you about your idea of investments in the age of globalization, because it's trade that we often talk about. My own research shows that, for instance, in China, investment restrictions have been very high, particularly within capital markets. During the early years in the '90s and early 2000s, there were all kinds of restrictions. What China was able to do was basically bring in long-term investments while restricting short-term capital flows. Now, why China was able to do that and not other countries is a longer discussion. But I just wanted to ask, when we talk about openness in a general sense, do we recognize the danger of dependency on short-term capital flows that countries in the Global South often face—just for balance of payments reasons—whether it's reliance on stock markets or the Eurobond market? That's caused havoc in many countries in Africa.

#Jeffrey

Yeah, so openness means a lot of things. It means trade in goods and services, it means technology transfers, it means foreign investment, and it means long-term capital movements, like long-term loans. And it can also mean openness to short-term transactions—interbank deposits, short-term borrowing from international markets, and so forth. What's basically true is that financial markets are prone to crises, and especially short-term capital is prone to panics, sudden reversals, and sudden stops of flows. There's a vast history and literature on bank panics, capital market panics, balance-of-payments crises, and so on. These are almost all reflections of short-term liquidity issues—when suddenly a government is no longer able to roll over its credit, or there's a run on the banks of a country.

And what history has shown is that, in a domestic economic context, these crises need to be prevented and managed by having the central bank or other institutions act as a kind of lender of last resort, or by having deposit insurance or other mechanisms that either prevent panics or respond to them quickly. At the international level, we don't have that right now. The only lender of last resort in the international system is the U.S. Federal Reserve, because of the dollar basis of the international system. But the Fed doesn't act as a lender of last resort except for countries favored in U.S. foreign policy. In fact, it often acts as an instigator of crises in countries opposed by U.S. foreign policy. It creates crises—it generated the Iran crisis in 2025. Even our Treasury Secretary explained all of that.

So this is why short-term capital flows are so dangerous for countries. There's no lender of last resort—you're just opening yourself up to instability. That means you need capital market regulation,

a lot of prudence, and mechanisms where there is some kind of lender of last resort. I'd like the BRICS to create something like that, something outside the U.S. dollar system—at least generous swap lines across the major central banks of the BRICS: the rupee, the Reserve Bank of India, the Russian Central Bank, the People's Bank of China, and so forth—because there needs to be that kind of prevention of crises. Just opening the door to capital movements is a no-go. I just realized I have to go—I have a call right now.

#Mudiar

We'll leave it there, Professor Sachs. Thank you so much for your time. Take care.

#Jeffrey

Great to be with you. Thank you.

#Ayushman

Hi, my name is Ayushman. I, along with Mudiar Jyotishman, have started this platform. Over the last two years, we've tried to build content for the left and progressive forces. We've interviewed economists, historians, political commentators, and activists so far. If you've liked our content and want us to build an archive for the left, I have two requests for you. Please consider donating to the cause—the link is in the description below. And if you're not able to, don't feel bad; you can always like and share our videos with your comrades. Finally, don't forget to hit the subscribe button.