

# What Is the Great Reset?



*The following is adapted from a talk delivered at Hillsdale College on Nov. 7, 2021, during a Center for Constructive Alternatives conference on “[The Great Reset.](#)”*

**by Michael Rectenwald**

**Is the Great Reset a conspiracy theory** imagining a vast left-wing plot to establish a totalitarian one-world government? No. Despite the fact that some people may have spun conspiracy theories based on it—with some reason, as we will see—the Great Reset is real.

Indeed, just last year, Klaus Schwab, founder and executive chairman of the World Economic Forum (WEF)—a famous organization made up of the world’s political, economic, and cultural elites that meets annually in Davos, Switzerland—and Thierry Malleret, co-founder and main author of the Monthly Barometer, published a book called “COVID-19: The Great Reset.” In the book, they define the Great Reset as a means of addressing the “weaknesses of capitalism” that were

purportedly exposed by the COVID pandemic.

But the idea of the Great Reset goes back much further. It can be traced at least as far back as the inception of the WEF, originally founded as the European Management Forum, in 1971. In that same year, Schwab, an engineer and economist by training, published his first book, "Modern Enterprise Management in Mechanical Engineering." It was in this book that Schwab first introduced the concept he would later call "stakeholder capitalism," arguing "that the management of a modern enterprise must serve not only shareholders but all stakeholders to achieve long-term growth and prosperity." Schwab and the WEF have promoted the idea of stakeholder capitalism ever since. They can take credit for the stakeholder and public-private partnership rhetoric and policies embraced by governments, corporations, non-governmental organizations, and international governance bodies worldwide.

The specific phrase "Great Reset" came into general circulation over a decade ago, with the publication of a 2010 book, "The Great Reset," by American urban studies scholar Richard Florida. Written in the aftermath of the 2008 financial crisis, Florida's book argued that the 2008 economic crash was the latest in a series of Great Resets—including the Long Depression of the 1870s and the Great Depression of the 1930s—which he defined as periods of paradigm-shifting systemic innovation.

Four years after Florida's book was published, at the 2014 annual meeting of the WEF, Schwab declared: "What we want to do in Davos this year ... is to push the reset button"—and subsequently the image of a reset button would appear on the WEF's website.

In 2018 and 2019, the WEF organized two events that became the primary inspiration for the current Great Reset project—and also, for obvious reasons, fresh fodder for conspiracy

theorists. (Don't blame me for the latter—all I'm doing is relating the historical facts.)

In May 2018, the WEF collaborated with the Johns Hopkins Center for Health Security to conduct "CLADE X," a simulation of a national pandemic response. Specifically, the exercise simulated the outbreak of a novel strain of a human parainfluenza virus, with genetic elements of the Nipah virus, called CLADE X. The simulation ended with a news report stating that in the face of CLADE X, without effective vaccines, "experts tell us that we could eventually see 30 to 40 million deaths in the U.S. and more than 900 million around the world—twelve percent of the global population." Clearly, preparation for a global pandemic was in order.

In October 2019, the WEF collaborated with Johns Hopkins and the Bill and Melinda Gates Foundation on another pandemic exercise, "Event 201," which simulated an international response to the outbreak of a novel coronavirus. This was two months before the COVID outbreak in China became news and five months before the World Health Organization declared it a pandemic, and it closely resembled the future COVID scenario, including incorporating the idea of asymptomatic spread.

The CLADE X and Event 201 simulations anticipated almost every eventuality of the actual COVID crisis, most notably the responses by governments, health agencies, the media, tech companies, and elements of the public. The responses and their effects included worldwide lockdowns, the collapse of businesses and industries, the adoption of biometric surveillance technologies, an emphasis on social media censorship to combat "misinformation," the flooding of social and legacy media with "authoritative sources," widespread riots, and mass unemployment.

In addition to being promoted as a response to COVID, the Great Reset is promoted as a response to climate change. In 2017, the WEF published a paper entitled, "We Need to Reset

the Global Operating System to Achieve the [United Nations Sustainable Development Goals]." On June 13, 2019, the WEF signed a Memorandum of Understanding with the United Nations to form a partnership to advance the "UN 2030 Agenda for Sustainable Development." Shortly after that, the WEF published the "United Nations-World Economic Forum Strategic Partnership Framework for the 2030 Agenda," promising to help finance the U.N.'s climate change agenda and committing the WEF to help the U.N. "meet the needs of the Fourth Industrial Revolution," including providing assets and expertise for "digital governance."

In June 2020, at its 50th annual meeting, the WEF announced the Great Reset's official launch, and a month later Schwab and Malleret published their book on COVID and the Great Reset. The book declared that COVID represents an "opportunity [that] can be seized"; that "we should take advantage of this unprecedented opportunity to reimagine our world"; that "the moment must be seized to take advantage of this unique window of opportunity"; and that "[f]or those fortunate enough to find themselves in industries 'naturally' resilient to the pandemic"—think here of Big Tech companies like Apple, Google, Facebook, and Amazon—"the crisis was not only more bearable, but even a source of profitable opportunities at a time of distress for the majority."

The Great Reset aims to usher in a bewildering economic amalgam—Schwab's stakeholder capitalism—which I have called "corporate socialism" and Italian philosopher Giorgio Agamben has called "communist capitalism."

In brief, stakeholder capitalism involves the behavioral modification of corporations to benefit not shareholders, but stakeholders—individuals and groups that stand to benefit or lose from corporate behavior. Stakeholder capitalism requires not only corporate responses to pandemics and ecological issues such as climate change, "but also rethinking [corporations'] commitments to already-vulnerable communities

within their ecosystems.” This is the “social justice” aspect of the Great Reset. To comply with that, governments, banks, and asset managers use the Environmental, Social, and Governance (ESG) index to squeeze non-woke corporations and businesses out of the market. The ESG index is essentially a social credit score that is used to drive ownership and [control](#) of production away from the non-woke or non-compliant.

One of the WEF’s many powerful “strategic partners,” BlackRock, Inc., the world’s largest asset manager, is solidly behind the stakeholder model. In a 2021 letter to CEOs, BlackRock CEO Larry Fink declared that “climate risk is investment risk,” and “the creation of sustainable index investments has enabled a massive acceleration of capital towards companies better prepared to address climate risk.” The COVID pandemic, Fink wrote, accelerated the flow of funds toward sustainable investments:

We have long believed that our clients, as shareholders in your company, will benefit if you can create enduring, sustainable value for all of your stakeholders... As more and more investors choose to tilt their investments towards sustainability-focused companies, the tectonic shift we are seeing will accelerate further. And because this will have such a dramatic impact on how capital is allocated, every management team and board will need to consider how this will impact their company’s stock.

Fink’s letter is more than a report to CEOs. It is an implicit threat: be woke or else.

In their recent book on the Great Reset, Schwab and Malleret pit “stakeholder capitalism” against “neoliberalism,” defining the latter as “a corpus of ideas and policies ... favouring competition over solidarity, creative destruction over government intervention, and economic growth over social welfare.” In other words, “neoliberalism” refers to the free

enterprise system. In opposing that system, stakeholder capitalism entails corporate cooperation with the state and vastly increased government intervention in the economy.

Proponents of the Great Reset hold “neoliberalism” responsible for our economic woes. But in truth, the governmental favoring of industries and players within industries—what used to be known as corporatism or economic fascism—has been the real source of what Schwab and his allies at the WEF decry.

While approved corporations are not *necessarily* monopolies, the tendency of the Great Reset is toward monopolization—vesting as much control over production and distribution in as few favored corporations as possible, while eliminating industries and producers deemed non-essential or inimical. To bring this reset about, Schwab writes, “[e]very country, from the United States to China, must participate, and every industry, from oil and gas to tech, must be transformed.”

Another way of describing the goal of the Great Reset is “capitalism with Chinese characteristics”—a two-tiered economy, with profitable monopolies and the state on top and socialism for the majority below.

Several decades ago, as China’s growing reliance on the for-profit sectors of its economy could no longer be credibly denied by the Chinese Communist Party (CCP), its leadership approved the slogan “socialism with Chinese characteristics” to describe its economic system. Formulated by Deng Xiaoping, the phrase was meant to rationalize the CCP’s allowance of for-profit development under a socialist political system. The CCP considered the privatization of the Chinese economy to be a temporary phase—lasting as long as 100 years if necessary—on the way to a communist society. Party leaders maintain that this approach has been necessary in China because socialism was introduced too early there, when China was a backward agrarian country. China needed a capitalist booster shot.

Stripped of its socialist ideological pretensions, the Chinese system amounts to a socialist or communist state increasingly funded by capitalist economic development. The difference between the former Soviet Union and contemporary China is that when it became obvious that a socialist economy had failed, the former gave up its socialist economic pretenses, while the latter has not.

The Great Reset represents the development of the Chinese system in the West, but in reverse. Whereas the Chinese political class began with a socialist political system and then introduced privately held for-profit production, the West began with capitalism and is now implementing a Chinese-style political system. This Chinese-style system includes vastly increased state intervention in the economy, on the one hand, and on the other, the kind of authoritarian measures that the Chinese government uses to control its population.

Schwab and Malleret write that if “the past five centuries in Europe and America” have taught us anything, it is that “acute crises contribute to boosting the power of the state. It’s always been the case and there is no reason it should be different with the COVID-19 pandemic.”

The draconian lockdown measures employed by Western governments managed to accomplish goals of which corporate socialists in the WEF could only dream—above all, the destruction of small businesses, eliminating competitors for corporate monopolists favored by the state. In the U.S. alone, according to the Foundation for Economic Education, millions of small businesses closed their doors due to the lockdowns. Yelp data indicates that 60 percent of those closures are now permanent. Meanwhile companies like Amazon, Apple, Facebook, and Google enjoyed record gains.

Other developments that advance the Great Reset agenda have included unfettered immigration, travel restrictions for otherwise legal border crossing, the Federal Reserve’s

unrestrained printing of money and the subsequent inflation, increased taxation, increased dependence on the state, broken supply chains, the restrictions and job losses due to vaccine mandates, and the prospect of personal carbon allowances.

Such policies reflect the “fairness” aspect of the Great Reset—fairness requires lowering the economic status of people in wealthier nations like the U.S. relative to that of people in poorer regions of the world. One of the functions of woke ideology is to make the majority in developed countries feel guilty about their wealth, which the elites aim to reset downwards—except, one notices, for the elites themselves, who need to be rich in order to fly in their private jets to Davos each year.

The Great Reset’s corporate stakeholder model overlaps with its governance and geopolitical model: states and favored corporations are combined in public-private partnerships and together have control of governance. This corporate-state hybrid is largely unaccountable to the constituents of national governments.

Governance is not only increasingly privatized, but also and more importantly, corporations are deputized as major additions to governments and intergovernmental bodies. The state is thereby extended, enhanced, and augmented by the addition of enormous corporate assets. As such, corporations become what I have called “governmentalities”—otherwise private organizations wielded as state apparatuses, with no obligation to answer to pesky voters. Since these corporations are multinational, the state essentially becomes globalist, whether or not a one-world government is ever formalized.

As if the economic and governmental resets were not dramatic enough, the technological reset reads like a dystopian science fiction novel. It is based on the Fourth Industrial Revolution—or 4-IR for short. The first, second, and third industrial revolutions were the mechanical, electrical, and



digital revolutions. The 4-IR marks the convergence of existing and emerging fields, including Big Data, artificial intelligence, machine learning, quantum computing, genetics, nanotechnology, and robotics. The foreseen result will be the merging of the physical, digital, and biological worlds, which presents a challenge to the ontologies by which we understand ourselves and the world, including the definition of a human being.

There is nothing original about this. Transhumanists and Singularitarians (prophets of technological singularity) such as Ray Kurzweil forecasted these and other revolutionary developments long ago. What's different about the globalists' vision of 4-IR is the attempt to harness it to the ends of the Great Reset.

If already existing 4-IR developments are any indication of the future, then the claim that it will contribute to human happiness is false. These developments include Internet algorithms that feed users prescribed news and advertisements and downrank or exclude banned content; algorithms that censor social media content and consign "dangerous" individuals and organizations to digital gulags; "keyword warrants" based on search engine inputs; apps that track and trace COVID violations and report offenders to the police; robot police with scanners to identify and round up the unvaccinated and other dissidents; and smart cities where residents are digital entities to be monitored, surveilled, and recorded, and where data on their every move is collected, collated, stored, and attached to a digital identity and a social credit score.

In short, 4-IR technologies subject human beings to a kind of technological management that makes surveillance by the NSA look like child's play. Schwab goes so far as to cheer developments that aim to connect human brains directly to the cloud for the sake of "data mining" our thoughts and memories. If successful, this would constitute a technological mastery over decision-making that would threaten human autonomy and

undermine free will.

The 4-IR seeks to accelerate the merging of humans and machines, resulting in a world in which all information, including genetic information, is shared, and every action, thought, and motivation is known, predicted, and possibly precluded. Unless taken out of the hands of corporate-socialist technocrats, the 4-IR will eventually lead to a virtual and inescapable prison of body and mind.

In terms of the social order, the Great Reset promises inclusion in a shared destiny. But the subordination of so-called “netizens” implies economic and political disenfranchisement, a hyper-vigilance over self and others, and social isolation—or what Hannah Arendt called “organized loneliness”—on a global scale. This organized loneliness is already manifest in lockdowns, masking, social distancing, and the social exclusion of the unvaccinated. The title of the Ad Council’s March 2020 public service announcement—“Alone Together”—perfectly captures this sense of organized loneliness.

In my recent book, “Google Archipelago,” I argued that leftist authoritarianism is the political ideology and *modus operandi* of what I call Big Digital, which is on the leading edge of a nascent world system. Big Digital is the communications, ideological, and technological arm of an emerging corporate-socialist totalitarianism. The Great Reset is the name that has since been given to the project of establishing this world system.

Just as Schwab and the WEF predicted, the COVID crisis has accelerated the Great Reset. Monopolistic corporations have consolidated their grip on the economy from above, while socialism continues to advance for the rest of us below. In partnership with Big Digital, Big Pharma, the mainstream media, national and international health agencies, and compliant populations, hitherto democratic Western

states—think especially of Australia, New Zealand, and Austria—are being transformed into totalitarian regimes modeled after China.

But let me end on a note of hope. Because the goals of the Great Reset depend on the obliteration not only of free markets, but of individual liberty and free will, it is, perhaps ironically, unsustainable. Like earlier attempts at totalitarianism, the Great Reset is doomed to ultimate failure. That doesn't mean, however, that it won't, again like those earlier attempts, leave a lot of destruction in its wake—which is all the more reason to oppose it now and with all our might.

First published in [\*The Epoch Times\*](#).