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Should we Reset? A Review of Klaus Schwab and Thierry Malleret's 'COVID-19: The Great Reset'

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Klaus Schwab and Thierry Malleret, *COVID-19: The Great Reset*. Geneva: Forum Publishing, 2020. ISBN 9782940631124, \$10.00, USD

More than simply the title of the book, *The Great Reset* is a theoretical construct appropriated by various communities. While popular primarily within the intellectual dark web and conspiracy circles, the term has been given more recent attention from academic scholarship taking such an approach to seriously revisioning political economy (Shannon Vattikuti in "The Great Green Reset of Global Economies: A Golden Opportunity for Environmental Change and Social Rehabilitation." *Earth and Space Science Open Archive ESSOAr* [2020]). The present volume is co-authored by Klaus Schwab, founder and Executive Chairman of the World Economic Forum (WEF), and Thierry Malleret. The former is the author of similar works on which this volume expands (most famously the 2017 book *The Fourth Industrial Revolution*), while the latter is the managing partner of the Monthly Barometer.

A handful at 250 pages long, the book is divided into three thematically unique chapters or levels of 'reset'. Chapter 1, the 'Macro' reset, evaluates the potential impacts of COVID-19 on five different domains: the economy, society, geopolitics, the environment, and technology. The second section moves down towards more micro-level resets, analysing effects on select companies and industries. The final section moves down further to the individual level of reset, discussing the potential impacts therein. From the onset, the framing of the volume's thesis is clear and explicitly dichotomous: society is at a crossroads, facing a post-pandemic future that either returns to an uncertain and precarious (but familiar) pre-pandemic state or moves on to a "better world", which is described as "more inclusive, more equitable, and more respectful of Mother Nature" (p. 4). Here, Schwab and Malleret are not coy about which path they intend to convince us to traverse.

In order to frame their argument for resets across these three levels of abstraction, they describe an ontology against which each reset can be understood. Proposing their general framework in a traditional philosophical fashion, they identify its three primary characteristics: interdependence, velocity, and complexity. Discussed briefly as separate factors, all three are interdependent. Consequently, they can be understood as modes of interdependence itself (although they are never identified as such). All in all, the authors are proposing a relational ontology – one that has been manifested by globalism. In practice, globalism reveals what was *always already* an interconnectedness between peoples, communities, and nation states. This fundamental ontological bond makes actions consequential beyond individual agent(s) and even at a distance. Thus, COVID-19—and pandemics more generally—cannot solely be dealt with on an individual level nor independently from others. If the world were a giant cruise ship and everyone cleaned their cabins of COVID-19, then, the authors argue, the hallways would remain infected. And these constitute the nexus connecting every room with every other.

To contextualise the current pandemic, the authors defer to historical parallels such as the bubonic plague of the 17th century and the apparent economic resets that precipitated. Why

should today be different in terms of resetting the economy? Given the role of high technology, the current pandemic may have avoided the tip towards labour at the cost of capital (as was the trend following previous pandemics). The volume later deals with the nuance of this difference but from the onset, the authors frame technology and automation as a marked substantive difference between the resets precipitated by the COVID-19 pandemic and those of historical pandemics. This is true even though earlier pandemics were much more fatal on a global level.

Regardless of differences in responses between policymakers in the United States and Europe, the ongoing rise in unemployment and uncertainty as to the duration of lockdowns make it difficult to identify the long-term effects of the COVID-19 pandemic on both GDP and potential patterns of recovery. This difficulty is exacerbated by automation. The automation of once-human processes by artificially intelligent or AI-powered systems has progressed naturally since the last industrial revolution. COVID-19 has similarly exacerbated the pace of automation while simultaneously driving up unemployment rates and the permanent disappearance of certain service sector jobs (i.e., the sector accounting for the vast majority of the GDP of developed nations). One salient example of this dynamic is chatbots, which are being rapidly introduced as a means to enforce new sanitary norms. Each bot effectively replaces a human worker as an intermediary between humankind and digital information. COVID-19 has generally proven to be a force multiplier of automation, working hand-in-hand to accelerate technological unemployment.

What is implied here, then? Coupled with pre-existing trends in automation, which indicate continuing decline in economic growth, this uncertainty implicates a hard-to-escape pessimism. But the authors argue that, as with the post-WWII era, this global pause could be the 'deep breath' period before a plunge into new ways of envisioning inclusive and sustainable economies. Part of this new vision is a re-conceptualisation of GDP as an index of economic well-being. Our current concept of GDP is based on production and consumption, which fails to account for the long-term availability of resources needed for such a model. Following that, the dynamics of a digital economy must lay the foundation for a more holistic understanding of GDP and the value created by unpaid work. It must also include the value destroyed by some financial products.

Their argument goes even further. Given the growing wealth divide, the current concept of GDP fails to accurately capture *actual* quality of life on an individual level. The distribution of access to opportunity has increasingly shifted upwards into the hands of a few, stripping it from those of the many. GDP must be able to accurately track the distribution of access to opportunity across demographics. To ensure such tracking, nation states must seriously consider the robustness and resilience of their infrastructures and institutions. Appropriate measures can then be taken to confront and ameliorate similar crises, avoiding the consequences of economic depression that follow unpreparedness.

At a societal level, Schwab and Malleret are poignant in their prognosis: COVID-19 has sounded a death knell for neoliberalism and its market fetishism. There will thus be a shift of capital to labour and of wealth redistribution from the rich to the poor. The pandemic has highlighted the social and economic inequalities that were trending prior to the outbreak of COVID-19. And despite a commonly pushed narrative of COVID-19 as the 'great leveller', it is the exact opposite. The virus has not only illuminated those inequalities, but also characterised them through exacerbation. For example, consider the initial American response to the pandemic. On March 25th, the United States Senate voted unanimously (96-0) in favour of the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was passed only two days

later. The legislation can be unequivocally characterised as nothing other than the largest upward transfer of wealth in the history of humankind (Allan Sloan in "The CARES Act Sent You a \$1,200 Check but Gave Millionaires and Billionaires Far More." *ProPublica* [June 8, 2020]). This, like all the other factors, is *interconnected* with the social dynamics that it intertwines – most starkly with the eruptions of social unrest across the globe, which have been augmented by the pandemic and might grow in the post-pandemic era. Whether in terms of governments or corporate entities, policy must address the underlying inequalities that alienate people and drive them to unrest if we want to ensure the robustness of our economic systems and social welfare.

Part of this robustness, they suggest, will be achieved through bigger government interventions in the functioning of the economic system and social dynamics. Drawing from earlier pandemics, the authors point out that government intervention is a source of legitimacy in larger, centralised states that consolidated power in order to battle their outbreaks. The contemporary crisis will not only require stronger government intervention, but also youth activism as a catalyst for the great reset (p. 103). Lockdowns have provided individuals with the means for more organized information sharing and thus coordination for change in light of the inequalities unveiled by the crisis.

The authors argue that much of this unease is the result of globalisation or a fundamental reliance on foreign powers that, in many cases, has had bipartisan support. They offer what appears to be a middle road between globalisation and closed localisation: regionalisation. Regionalisation, such as North American free trade and co-dependence or the European Union, provides a model for regional geopolitical partnerships instead of dependence on long-distance exchange. Yet the trend away from globalisation because of its obvious failures is nonetheless ominous; we need to restore the confidence and resilience of international institutions to prevent hostile consequences that can emerge in an over-correction from globalisation towards hyper-protectionism or nationalism. For this, global governance is needed. The disconnect and gap between short-term domestic needs or objectives and longer-term global aims threatens effective and stable global governance. If any given agents in the global system wish to remain resilient to systemic fragility, such governance is necessary.

In a poetic illustration of their ontology of relations and interconnectedness, Schwab and Malleret move from their more clear-cut discussions of resets manifesting in economic and societal domains into the environmental one. This one is returned to again in their discussion of the 'Individual' reset. Arguing that COVID-19 has predicated an environmental reset, they understand the virus (and the emergence of evermore zoonotic diseases) as the outcome of global biodiversity loss, increased population density, and intensive farming. These trends have constructed and caused a rise in the number of unique zoonotic maladies. They have also alienated us from the natural world. Although the analysis is surprising coming from authors who are specialists in economics proper, it rings true of the more nuanced relational ontologies by eco-philosophers. Timothy Morton, for instance, has similarly identified human alienation from the natural world as a consequence of agrilogistics programs that have intensified over human history since the beginning of the Neolithic era (Timothy Morton in *Being Ecological*. Boston, MA: MIT Press [2018]).

What the global lockdowns have shown is that the primary emitters of carbon from fossil fuels are not the obvious contenders such as cars or air travel. In reality, they are large energy producers/consumers, agriculture, and industry. The authors provide statistics showing that global lockdowns have seen a roughly 8 percent reduction in global greenhouse gas emissions (a meager 0.6 percent higher than the required 7.6 percent needed per annum stipulated by the UN).

In light of the global sacrifice of travel, the resulting reduction is far too low. Despite appearances, then, the primary culprits are not cars and airplanes. Given the opportunity voiced by various heads of state and business leaders, the pandemic provides a chance to build sustainable societies through a “nature-friendly” recovery. But even a green recovery faces the risk of being sidelined for more immediate pandemic concerns. Desire for recovery may lead states to pursue growth at any cost or businesses to pursue profit over sustainability. Suppressed oil prices can make carbon sources of energy more attractive.

Still, there are four reasons that could shift things in the other direction if present: (1) enlightened leadership that makes their platforms conditional on green commitments; (2) awareness of risk as a consequence of the pandemic that anticipates future pandemics as well as their inextricable connection to global climate; (3) permanent changes in behavior towards more sustainable and green ways of living, such as continued smart working and the consumption of only essentials; and (4) emboldened and more cohesive activism stemming from the ameliorated environment as a consequence of pandemic lockdowns.

As with other factors, COVID-19 exacerbates automation and technological innovation. This is particularly true for digital businesses and the digital dimensions of business. Over time and out of lockdown necessity, e-life has and continues to be normalised through consumer habits. In industry, the pandemic has hastened the push towards automation and the adoption of automated technologies. Such systems have become increasingly attractive to industry leaders seeking to augment the resilience of their industry networks. In a parallel trend, these systems also reduce the amount and density of human-to-human contact. As in the case of contact tracking and tracing smartphone applications (whether voluntary or not), there are ongoing debates on how to balance tensions between user privacy and the positive health-related outcomes of their use. It may be difficult, if not impossible, to forge consensus on an acceptable framework for the design and deployment of these applications. This goes for many of the automated technologies being adopted across sectors at exponential rates.

The primary fear here is that adoption of these technologies will lead to normalisation of a trend towards more company surveillance of employees, perhaps through the use of thermal cameras and social distancing compliance applications (among others). Implementation of these technologies may seem to protect employees from the virus, but it also provides the grounds for their continued production. There is thus fear that as with other digital surveillance technologies, surveillance measures will also become normalized and persist beyond the period of recovery from the pandemic (Danielle L. Couch, Priscilla Robinson, and Paul A Komesaroff in “COVID-19—Extending Surveillance and the Panopticon.” *Journal of Bioethical Inquiry* [2020]: 1–6).

Micro reset

Schwab and Malleret shift gears downward towards the ‘Micro’ reset, a more precise level of abstraction that focuses on particular industries and companies to evaluate how COVID-19 has functionally reset many of the practices taken for granted pre-pandemic. In fact, the virus has already indicated how and why some industries will flourish in the post-pandemic era while others are terminal. Just as with the Macro reset (and in the following Individual reset), the core of their argument is that industries cannot go back to business as usual. The former conception of business died, in a functional sense, with COVID-19. As trends prove, the Micro reset implicates the necessity of digital transformation in e-life. In order to remain efficacious in the post-pandemic era, sectors such as education, commerce, and medicine must at least build a hybrid

approach to learning, buying/selling, and providing medical care. Whether on a macro or micro level, this will mean a change in supply chain logistics towards more resilient networks. It will also require movement towards a stakeholder form of capitalism that no longer prioritises profits at all costs. Here, balance will be maintained by increased government interventions and activism. Although the exploration of micro-level transformation is less expansive than the macro-level one, the authors iterate a similar point in their conclusion: “the micro reset will force every company in every industry to experiment with new ways of doing business, working, and operating. Those tempted to revert to the old ways of doing things will fail. Those that adapt with agility and imagination will eventually turn the COVID-19 crisis to their advantage” (p. 210). This may very well be the case. But as their exploration shows, it is already the case across most industries that have adapted. The statement thus amounts to a tautology at the very least, and to a vacuous platitude at most.

Individual Reset

In order to continue our daily lives, we have adapted to many changes. Many of these changes may become normalized and part of the post-pandemic period, eventually becoming permanent or even exacerbated. This is what the authors call the ‘Individual’ reset. The authors argue that discourse on a trade-off between the economy (preventing economic recessions) and the protection of human lives is not entirely accurate. Sufficiently robust social safety nets can ensure a lockdown does not carry the human harms associated with the economic recession that occurs in lieu of those safeties. Brown University political economist Mark Blyth echoed a similar thought when describing the relative differences between the American and European economic systems, and the resulting impacts of a lockdown. Using an automotive analogy, Blyth characterises the European economy as a Volvo – relatively powerful yet still a safe and comfortable drive. In the event of a motor vehicle collision, the likelihood of walking away unscathed from the incident is actually quite high. In comparison, the American economy is like a late 1960s Mustang. It is extremely powerful and fast but if it crashes, everything comes apart and the consequences for the driver are severe (Mark Blyth in “The Mustang and The Volvo: Mark Blyth’s Call for a Crisis Resilient American Economy.” APB Speakers [June 11, 2020]). What is the point here? Schwab and Malleret are essentially arguing that the design of any given economic system determines how we deal with impacts. Lockdowns and their outcomes are thus a question of political design. As COVID-19 has vividly illustrated, people’s ability to handle a full economic lockdown is fundamentally relative to their sociocultural context.

The authors begin their individual exploration with this thesis, which is also the primary thesis of the book, and it only makes sense given the apt clarity of the title. Here, the effects of the pandemic on individual lives are given some space (albeit very little). The authors discuss the psychological effects of lockdown and the resets it has brought on individual lives.

Contemporary constructions such as Zoom fatigue along with the renewal of value attached to spending time in nature and healthy eating are given their heyday here. Despite what one may think about the rest of the volume up to this point, Schwab and Malleret do point out the importance of mental health and well-being – not only for health in general, but also in the context of individual control over susceptibility to the pandemic and future outbreaks. This perspective is sorely lacking in the political media. The authors argue it is indicative of larger pattern in societal consumption: physical and economic constraints imposed on individuals during lockdowns have generally forced people to prioritise what they consume. These patterns

can and may become rarified in the post-pandemic era. As their ontology of interconnectedness and complexity suggestions, the change feeds into larger resets that will become just as indicative in a post-colonial world.

What distinguishes this book more generally is that the authors make quick work of laying out the landscape of the various political and academic positions featured in debates for each of the given domains ('resets'). But what the book lacks are any substantive or normative statements. To be fair, they do conclude "we need to set in motion the Great Reset" to avoid the sort of forced resets that follow grand conflicts or revolutions during periods of catastrophe like this one. Yet they only make subtle suggestions throughout as to which path is obviously preferable. Much of the text aims to discuss how things *have* changed, or reset, rather than how things *should* or *will* change in the future. Of course, making predictions is difficult as it is; the pandemic has stifled many attempts at accurate prediction. The authors themselves admit this, arguing that it is difficult to make predictions about what will happen in ten months under these crisis conditions let alone ten years. But the absence of prescription also makes it difficult to evaluate their very strong normative claim that "we need to set in motion the Great Reset" on the merits of its particular suggestions.

They contend that proponents against a Great Reset often employ arguments based on the premise that the urgency for change will subside and things will return to 'normal' or that we have been through similar traumatic changes and survived. There is thus little we can change, even if we want to. But their argument for the necessity for a Great Reset strays from the small or 'marginal' changes they describe. Instead, it functions as an entire renegotiation and re-envisioning of the social contract. The authors admit that, on average, humans have never had it better. The average is nonetheless meaningless in comparison to those who feel marginalized, and thus it is not an argument for maintaining the status quo. This is a concerning point of intervention due to how substantial such a systematic change would be globally. But it is also concerning how little bandwidth this change is given in a book that intends to advocate for it.

From a philosophical perspective, I suggest their argument pushes a false dilemma. Rapid transformation of the overall global system is proposed with no real obvious ways forward. The pathway towards this more 'equitable' future with Mother Nature is thus opaque. Fears associated with the failure to push for a Great Reset (i.e., violent revolutions, conflicts) seem to be one of many possible outcomes from trying to institute the total change of so many different socio-economic and culturally-situated systems of living. With no clear way forward to evaluate in terms of both boons and perils, Schwab and Malleret whitewash a seemingly optimistic future post-Great Reset with buzz words like equity and sustainability even as they functionally jeopardize those admirable goals.

The volume itself was published by Forum Publishing, the WEF's internal publisher, in July of 2020 –within a mere six months of COVID-19 becoming an issue outside of China. In the introduction, first, and final chapters, the authors mention that they were still writing in June (only a month prior to publication). The process of writing, submitting, editing, and publishing a book often takes many months longer. Although not impossible, the speed at which a book on this particular topic, proposing these theses, was produced does play into the conspiratorial aesthetic that the book has since induced. Even though the authors are transparent about writing and publishing the book within a month's time, this neither confirms the veracity of such claims nor dispels suspicion from those who question its expediency. If true, I wonder whether Schwab and/or Malleret have ever considered offering a master class in book writing given the feat it

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would take to have a final, proofed, 'semi-academic' book manuscript written and published in a single month.

Ultimately, Schwab and Malleret construct a tale for us that is both precautionary and anticipatory. They lay out a story of where the world was going pre-pandemic, and how the pandemic has since 'reset' much of this momentum. In so doing, the volume covers a lot of ground. Yet it is not monolithic, and the authors write with even-handed prose. Stylistically and in good academic fashion, they draw from debates across many domains and various sectors to map out a landscape of the viewpoints and ideologies that govern the current apex of thought. Although the authors themselves rarely make their normative claim explicit, the work approaches a soft determinism of the current technological trend towards evermore digitalisation. That being said, they ultimately advocate for a substantial (if not complete) socio-political-economic overhaul without offering any specifics as to how this could be achieved. They fail to do so even while arguing that the overhaul is not only necessary, but also in need of expedient execution. Despite their explicit position on the benefits of doing so, they ultimately risk undermining their aim given the opacity of how to achieve it. In sum, beware of those who roar "this is the way".