

Great Reset Initiative

What is the Great Reset?

The Great Reset initiative has been conceptualised by the founder of the [World Economic Forum \(WEF\)](#), Klaus Schwab.

- The idea has been evolving over the years and is based on the premise that the world economy is in deep trouble.
- According to Schwab, the situation has been aggravated by many factors including the COVID-19 pandemic, climate change and the unravelling technological revolution.
- He proposes that every government in the world should act swiftly and participate in the effort to make the world a better place. This transformation needed also encompasses every industry, from oil and gas to tech.
- The concept says there is a need to revamp all aspects of economies and societies such as working conditions, education, social contracts, etc.
- According to Schwab, the pandemic presents an opportunity to instigate what he calls ‘stakeholder capitalism’.
 - Stakeholder capitalism is an approach to capitalism in which corporations are oriented to serve the interests of all their stakeholders which include customers, employees, suppliers, and local communities.
 - This is in contrast to the traditional capitalist system where firms try only to maximise profits for their shareholders.

There are many issues that the Great Reset talks about. Three of them are the most important ones.

1. Reforming capitalism – Calls for practising stakeholder capitalism which goes beyond the traditional capitalist concept of maximising profits for shareholders only.
2. Climate crisis – Envisages government and private partnerships that support low-carbon and climate-resilient growth.
3. Growing difficulty of global cooperation – the Forum wants to promote global cooperation which has been difficult to achieve. The harmony that accompanied the liberalisation of the 1990s has given way to intense competition in not just the political sphere but also in the domains of technology and economy.

Components of the Great Reset

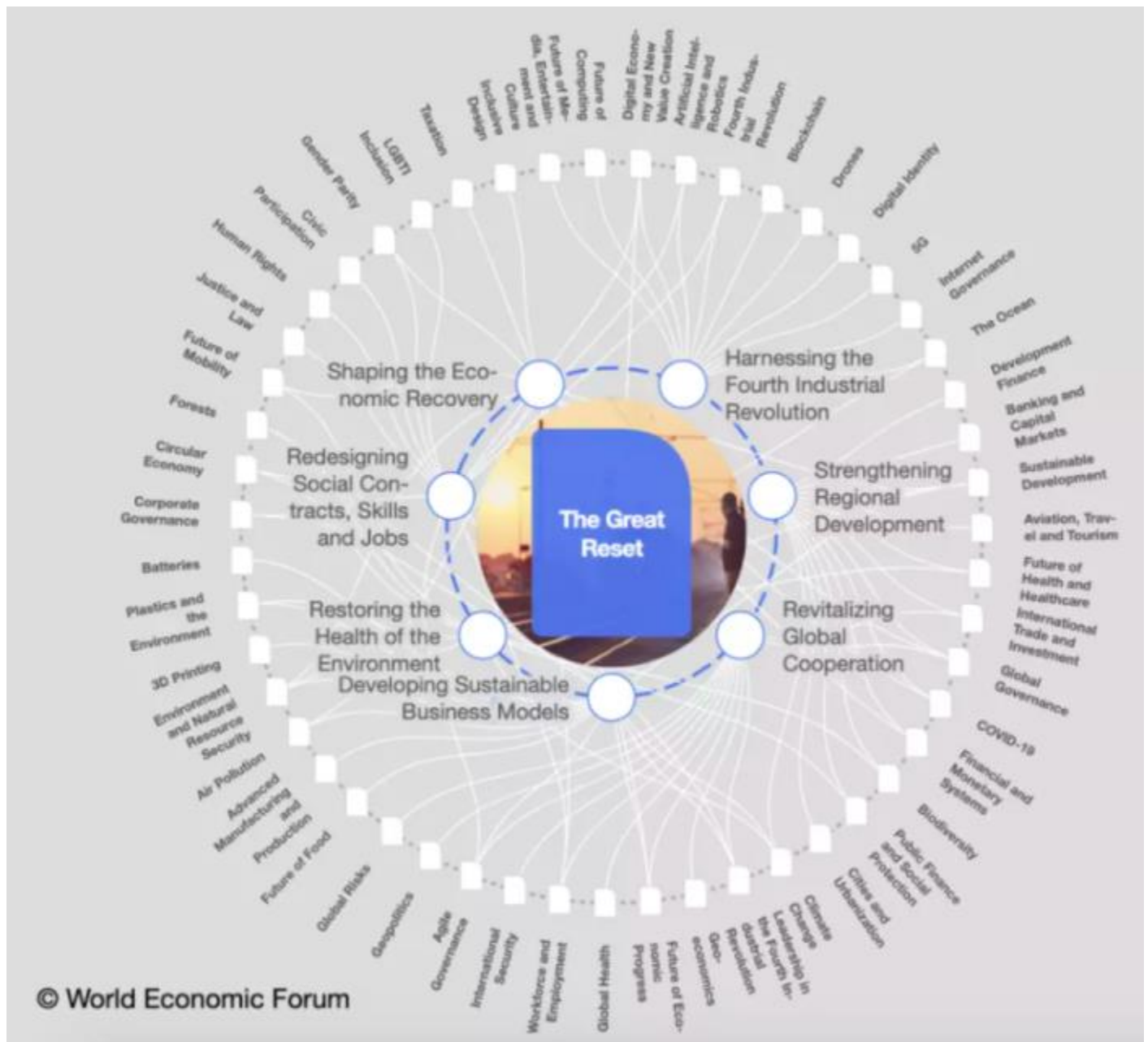


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The promoters of the initiative have outlined three main components of the Great Reset. They are discussed below.

1. The first component is focused on steering the markets towards **fairer outcomes**. Governments should embark upon reforms that promote equitable outcomes and create conditions for a stakeholder economy. Some of the measures might include removing fossil fuel subsidies, changes to wealth tax, new rules governing IP, etc.

2. The second component is about investments that boost shared goals, such as equality and sustainability. This could imply, for instance, building “green” urban infrastructure and creating incentives for industries to improve their track record on environmental, social, and governance (ESG) metrics.
3. The third component is about harnessing the innovations of the Fourth Industrial Revolution to promote the public good, particularly by addressing health and social challenges.

Great Reset Initiative Response

While some sections have supported the Great Reset Initiative of the WEF, others have dismissed it as being too vague and without any clear objectives or action items. There have also been conspiracy theories associated with the initiative.

