

# The Great Reset: Corporate Socialism, or ‘Capitalism’ with Chinese Characteristics

by Michael Rectenwald



Welcome to my city – or should I say, “our city.” I don’t own anything. I don’t own a car. I don’t own a house. I don’t own any appliances or any clothes.

It might seem odd to you, but it makes perfect sense for us in this city. Everything you considered a product, has now become a service. We have access to transportation, accommodation, food and all the things we need in our daily lives. One by one all these things became free, so it ended up not making sense for us to own much.[1]

This is the vision of a blogger for the World Economic Forum (WEF). This report from the future to the past, our present, is not “a utopia or dream of the future,” we are told. Yet the future just so happens to meet all the criteria of the Great

Reset: low to no carbon emissions, nearly 100% reusable products, “sustainability,” a happy, compliant population.

We shall see that our concern about the Great Reset is not, as the *New York Times* would have it, a baseless conspiracy theory.[2] Rather, the Great Reset is not a conspiracy at all; it’s an openly avowed plan.

The Great Reset is a phrase first used by Klaus Schwab and the WEF to describe a new kind of capitalism. In their book, *COVID-19: The Great Reset*, WEF founder and executive chairman Klaus Schwab and Thierry Malleret write that the COVID-19 crisis should be regarded as an “opportunity [that can be] seized to make the kind of institutional changes and policy choices that will put economies on the path toward a fairer, greener future.”[3]

Thus, the Great Reset aims to use COVID-19 as an “opportunity” to reset capitalism in order to address climate change and to bring about so-called economic “fairness.” We know what the COVID crisis is, although we may disagree on its dangers and our governments’ responses to it. And we know what climate change is, although disagreements about its dangers and causes abound. But what is this “fairer” future, and how would the Great Reset bring it about?

The Great Reset would replace shareholder capitalism, or neoliberalism, and universalize “stakeholder capitalism.” Stakeholder capitalism involves the consideration of “customers, suppliers, employees, and local communities”[4] in addition to shareholders in the business operations of the world’s major corporations and governments. A stakeholder is anyone or any group that stands to benefit or lose from corporate behavior—other than competitors, we may suppose. Stakeholder capitalism involves changes to the behavior of corporations with respect to carbon use but also in terms of the distribution of benefits and other externalities that corporations produce. It means not only corporate cooperation

but also government intervention in the economy. Schwab and Malleret promote “the return of ‘big’ government.” If “the past five centuries in Europe and America” have taught us anything, they assert, it is that “acute crises contribute to boosting the power of the state. It’s always been the case and there is no reason why it should be different with the COVID-19 pandemic.”[5]

Schwab and Malleret typically pit “stakeholder capitalism” against “neoliberalism.” Neoliberalism is, according to Schwab and Malleret, “a corpus of ideas and policies that can loosely be defined as favouring competition over solidarity, creative destruction over government intervention and economic growth over social welfare.”[6] Although “neoliberalism” is a weasel word that changes meanings depending on the user, Schwab and Malleret deploy the term to refer to what is otherwise known as the free market. Stakeholder capitalism is thus opposed to the free enterprise system, to the competition of the free and open market. Stakeholder capitalism means economic planning so that production and consumption tend toward a greener, fairer economy. We may assume that the obverse of this is also true. That is, corporate-state endeavors that do not tend to benefit stakeholders, according to WEF principles, like the Keystone Pipeline project in the U.S. for example, must be abandoned.

Stakeholder capitalism includes not only the corporate-state response to ecological issues such as climate change, “but also rethinking their commitments to already-vulnerable communities within their ecosystems.”[7] This is the social justice aspect of stakeholder capitalism and the Great Reset. These special stakeholders include black, indigenous, and people of color (BIPOC), and other special identity groups.

The collectivist planners of the Great Reset intend to drive ownership and control of production to those enrolled in “stakeholder capitalism” and away from other, non-compliant companies. While these corporate stakeholders would not necessarily be monopolies *per se*, the goal of the WEF is to

vest as much control over production and distribution in these corporate stakeholders as possible, while eliminating producers whose products or processes are deemed either unnecessary or inimical. “Every country, from the United States to China, must participate, and every industry, from oil and gas to tech, must be transformed,” writes Schwab.

Because the Great Reset vests power and control in major corporations and the state, it does not represent standard “socialism” or “communism” in the usual senses of those terms. It does, however, represent a kind of socialism. I have referred to this system variously as “neo-feudalism,”[8] “corporate socialism,”[9] and as “capitalism with Chinese characteristics.”[10] Each of these designations captures something about this system that the Great Reset envisions and aims to bring about. The WEF anticipates a neo-feudalist, corporate-state-run socialism that would resemble the Chinese communist system of state-run capitalism under Communist Party rule, only with corporate partners controlling much more decision-making than in China. It involves a decidedly two-tiered system, with favored corporations and the state on top, and “actually existing socialism” for the vast majority—like state socialism, only with the role usually reserved for the state under standard socialism undertaken by corporate-state partners of the stakeholder economy—like feudalism, only with an enhanced, supposedly comfortable serfdom.

The Great Reset would bring about what I’m calling “corporate socialism” or “‘capitalism’ with Chinese characteristics.” I’ll explain.

First, by corporate socialism, I don’t mean what Democratic socialists and other leftists mean by that term—“corporate welfare” including tax cuts and bailouts for corporations at the expense of workers, etc. My use follows the late historian and Hoover Institute scholar, Anthony B. Sutton:

Old John D. Rockefeller and his 19th century fellow capitalists were convinced of one absolute truth: that no great monetary wealth could be accumulated under the impartial rules of a competitive laissez faire society. The only sure road to the acquisition of massive wealth was monopoly: drive out your competitors, reduce competition, eliminate laissez-faire, and above all get state protection for your industry through compliant politicians and government regulation. This last avenue yields a legal monopoly, and a legal monopoly always leads to wealth.

This robber baron schema is also, under different labels, the socialist plan. The difference between a corporate state monopoly and a socialist state monopoly is essentially only the identity of the group controlling the power structure...We call this phenomenon of corporate legal monopoly—market control acquired by using political influence—by the name of corporate socialism.[11]

I recognize that monopolies are rare, and that corporate socialism is never fully achieved. I point to a *tendency* toward corporate socialism via a relational networking of the state with preferred corporate producers. The corporate socialist tendency is toward a two-tiered economy, with would-be monopolies and the state on top, and “actually existing socialism” for the majority. As Roger Scruton noted, “[a]ctually-existing socialism” is a “[t]erm used in the former communist countries to describe them as they really were, rather than as the official theory required them to be.”[12] Corporate socialism involves a new actually existing socialism.

‘Capitalism’ with Chinese characteristics, on the other hand, represents a play on the Chinese Communist Party’s description of its economic system. Several decades ago, as China’s growing reliance on the for-profit sectors of its economy could no longer be credibly denied by the CCP, its leadership approved the slogan “socialism with Chinese characteristics”

to describe its economic system.[14] Formulated by Deng Xiaoping, the phrase became an essential component of the CCP's attempt to rationalize Chinese capitalist development under a socialist political system.

According to the party, the growing privatization of the Chinese economy was to be a temporary phase—lasting as long as a hundred years according to some party leaders—on the way to a classless society of full socialism-communism. The party leaders claimed, and still maintain, that socialism with Chinese characteristics was necessary in China's case because China was a “backward” agrarian country when socialism was introduced—too early, it was suggested. China needed a capitalist booster shot.

With the slogan, the party was able to suggest that China had been an exception to the orthodox Marxist position that socialism arrives only after the development of capitalism—although Marx himself deviated from his own formula late in life. At the same time, the slogan allowed the CCP to confirm the orthodox Marxist position. China's socialist revolution had come before developed industrial capitalism—an exception to orthodox Marxism. Capitalism was thus introduced into China's economic system later—a confirmation of orthodox Marxism.

Stripped of its socialist ideological pretensions, socialism with Chinese characteristics, or the Chinese system itself, 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 did not.

Whether the CCP leaders believe their own rhetoric or not, the ideological gymnastics on display are nevertheless spectacular. On its face, the slogan embeds and glosses over a

seemingly obvious contradiction in an attempt to sanctify or “re-communize” Chinese capitalist development as a precondition of full socialism-communism.

I’m not the first to make a play on the CCP’s rationalization of China’s capitalist development with the phrase “capitalism with Chinese characteristics.” Yasheng Huang et al. have written a book by the same title.<sup>13</sup> But for my purposes, the work of scholar Wei Zhao ably characterizes the Chinese system in “What is capitalism with Chinese characteristics?”:

[The] Chinese social structure is a kind of relational market, which has a tributary State on the top and [the] remaining part is composed by small merchant capitalists, without any middle class in between. Therefore[,] there is no separate sphere of “economy” or “market” from [the] political State or communitarian society.[15]

The Great Reset, I am suggesting, effectively represents the development of the Chinese system in the West, only in reverse. Whereas the Chinese political class began with a socialist political system and introduced “capitalism” (or privately held for-profit institutions) later, the West began with capitalism and is aiming to implement a socialist political system now. It’s as if the Western oligarchy looked to the “socialism” on display in China, and said, “yes, we want it.” This Chinese-style system would include vastly increased state intervention in the economy on the one hand, and the kind of authoritarian measures that the Chinese government uses to control the population, on the other.

Now that the objectives, as I see them, are on the table, let’s look at contemporary phenomena and how they are moving us in this direction.

First, the lockdowns. The COVID-19 lockdowns have been moving us toward the corporate socialism of the Great Reset. The draconian lockdown measures employed by leaders of nation-

states, regions, and cities just so happen to be doing the work that corporate socialists like the WEF and their collaborators want done. In addition to destabilizing nation-states, these policies and politics are helping to destroy small businesses, thus eliminating competitors.

As the Foundation for Economic Education (FEE) points out, in the U.S., the lockdowns and riots have combined to level a one-two punch that is knocking out millions of small businesses – “the backbone of the American economy” – all across America. FEE reported that

7.5 million small businesses in America are at risk of closing their doors permanently. A more recent survey showed that even with federal loans, close to half of all small business owners say they’ll have to shut down for good. The toll has already been severe. In New York alone, stay-at-home orders have forced the permanent closure of more than 100,000 small businesses.[16]

As small businesses have been crushed by the draconian lockdowns, corporate giants like Amazon have thrived like never before. As BBC News noted, at least three of the tech giants—Amazon, Apple, and Facebook—appreciated massive gains during the lockdowns. During the three months ending in June 2020, Amazon’s “quarterly profit of \$5.2bn (£4bn) was the biggest since the company’s start in 1994 and came despite heavy spending on protective gear and other measures due to the virus.”[17] Amazon’s sales rose by 40 percent in the three months ending in June.

As reported by *TechCrunch*, Facebook and its WhatsApp and Instagram platforms saw a 15 percent rise in users, which brought revenues to a grand total of \$17.74 billion in the first quarter.[18] Facebook’s total users climbed to 3 billion in March 2020, or two-thirds of the world’s internet users, a record. Apple’s revenues soared during the same period, with quarterly earnings rising 11 percent year-on-year to \$59.7



billion. “Walmart, the country’s largest grocer, said profits rose 4 percent, to \$3.99 billion,” during the first quarter of 2020, as reported by the *Washington Post*.<sup>[19]</sup> (It is interesting to note that the owner of the *Washington Post* is also the founder and CEO of Amazon. And the *Post* has supported state lockdowns and closures that have greatly benefitted Amazon.)

More recent Yelp data indicates that 60% of business closures due to the mandated coronavirus lockdowns, closures, and partial closures are now permanent.<sup>[20]</sup> Meanwhile, the corporate giants have consolidated their grip on the economy, as well as their power over individual expression on the Internet and beyond. Thus, it would appear that the covid lockdowns, shutdowns, and partial closings are just what the Great Resetters ordered, although I am not hereby suggesting that they did order them. But the lockdowns have done much work toward resetting the economy in the direction of the Great Reset. They have eliminated competition for the corporate would-be monopolists and moved us in the direction of the two-tiered, neo-feudalistic, corporate-socialist economy.

The second element that I’ll explain in terms of the Great Reset may not be as obvious as the first, because it is ideological. Just how do the planners mean to establish the reset ideologically? That is, how would a reset of the mass mind come to pass that would allow for the many elements of the Great Reset to be put into place—without mass rebellion, that is? After all, if the Great Reset is to take hold, some degree of conformity on the part of the population will be necessary—despite the enhanced, extended, and more precise control over the population that transhumanist technology and a centralized digital currency would afford.

This is the function of ideology. Ideology, as the Marxist historian of science Richard Lewontin has argued, works “by convincing people that the society in which they live is just

and fair, or if not just and fair then inevitable, and that it is quite useless to resort to violence.”[21] Ideology establishes the “social legitimation” that Lewontin sees as necessary for gaining the assent of the ruled. “The battleground is in people’s heads, and if the battle is won on that ground then the peace and tranquility of society are guaranteed.”[22] Ideology on this account is not the same as world view. It is rather the mental programming necessary for domination and control short of the use of force. Ideological indoctrination is easier, less messy, and less expensive than state and state-supported violence.

Some might argue that the ideology of the Great Reset is simply socialist. After all, in many respects, socialist ideology supports what the Great Reset promises to deliver. There are those who would welcome, on socialist grounds, the “fairness,” “equality,” or “equity” that the Great Reset promises. Socialists might overlook or excuse the oligarchical control of society on the basis of the supposed fairness, equality, or equity among the mass of the population, and on the presumption that the oligarchy will be overthrown in the not-so-distant future. Socialism embeds a levelling predisposition that puts a premium on “equality” among the visible majority, even when that equality comes as a great loss for many otherwise “middle-class” subjects. In fact, when I briefly entertained the rantings of members of the Revolutionary Communist Party, USA,[23] including its leader, Bob Avakian, they admitted to me that worldwide socialism would mean reduced standards of living for much of the world, especially in the United States. They had no problem with this; in fact, they seemed to relish the prospect. No doubt, Ludwig Von Mises suggested, socialism is fueled by resentment and envy for the property owner. Much could be said about socialists’ apparent approval, or at least conditional and temporary acceptance, of big monopolistic oligarchical corporatists and their preference for big business over small.[24] Socialists see monopolization under capitalism as

inevitable, as necessary for producing a more consolidated target to be overthrown, and as a sign of the imminent collapse of capitalism and the coming socialist-communist apocalypse.

Although socialist ideology supports the Great Reset, wokeness actually suits it better. As I write in *Beyond Woke*, “[a]ccording to the social justice creed, being ‘woke’ is the political awakening that stems from the emergence of consciousness and conscientiousness regarding social and political injustice. Wokeness is the indelible inscription of the awareness of social injustice on the conscious mind, eliciting the sting of conscience, which compels the newly woke to change their beliefs and behaviors.”[25] Wokeness is enhanced awareness of social and political injustice and the determination to eradicate it. But what could wokeness have to do with the Great Reset?

Wokeness is not aimed at the sufferers whose complaints, or imagined complaints, it means to redress. Wokeness works on the majority, the supposed beneficiaries of injustice. It does so by making the majority understand that it has benefitted from “privilege” and preference—based on skin color (whiteness), gender (patriarchy), sexual proclivity (heteronormativity), birthplace (colonialism, imperialism, and first worldism), gender identity (cis gender privilege), and the domination of nature (speciesism)—to name some of the major culprits. The list could go on and is emended, seemingly by the day. This majority must be rehabilitated. The masses must understand that they have gained whatever advantages they have hitherto enjoyed on the basis of the unfair treatment of others.

And what are the effects of being repeatedly reprimanded as such, of being told that one has been the beneficiary of unmerited “privilege,” that one’s relative wealth and well-being have come at the expense of oppressed, marginalized, and misused Others? Shame, guilt, remorse, unworthiness. And what

are the expected attitudinal and behavioral adjustments to be taken by the majority? They are to expect less. Under woke ideology, one will be expected and more likely to forfeit one's property and rights, because even one's property and rights, nay, especially one's property and rights, have come at the expense of others.

Thus, wokeness works by habituating the majority to the reduced expectations of the Great Reset. Wokeness indoctrinates the majority into the propertyless future (for them at least) of the Great Reset, while gratifying the left, its main ideological propagators, with a sense of moral superiority, even as they too are scheduled to become bereft of prospects.

Cancel culture is a tool of woke ideology, a weapon for debunking the "privileged," a levelling perfectly aligned with resetting the economy. Cancel culture not only reduces the status of its victims but also it serves a premonitory role for others, the onlookers of cancellations. Cancel culture keeps the majority in line as wokeness erases their "privilege," drawing down the majority into the propertyless future.

Woke ideology extends well beyond its application to social groups, however. It is being institutionalized in schools, cultural institutions, the media and social media, and, most critically for the Great Reset, in corporate policies and even on the stock exchanges. The market has instituted an environmental, social, and governance index (ESG) to allow investors to direct investments toward ESG-worthy companies. While this index serves merely as a recommendation at present, indications are that banks, asset managers, and other networked corporate institutions may use the scores as means for squeezing non-compliant, non-woke players out of the market.

Blackrock, Inc., the world's largest asset manager, is solidly

behind the woke Great Reset program. In a 2021 letter to CEOs,[26] Blackrock CEO Larry Fink declares that “climate risk is investment risk,” and that “the creation of sustainable index investments has enabled a massive acceleration of capital towards companies better prepared to address climate risk.” Linking the pandemic to climate change, Fink states that the pandemic accelerated rather than decreasing the flow of funds toward sustainable investments. Using the language of the WEF, Fink suggests companies that take corporate stakeholders into account will see the lion’s share of investments in the future:

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.

Coming from the CEO of Blackrock, Fink’s letter is more than a report to CEOs. It is an implicit threat.

Big Tech stands to gain directly from the Great Reset agenda. This cartel’s attempts to eliminate competing platforms and views are part of its monopolistic consolidation efforts. Mainstream and social media players censor all views that run contrary to the promoted, official narratives regarding climate change, COVID, vaccines, systemic racism, transgenderism, and all the other essential narrative elements of the Great Reset. In sum, Big Digital Tech represents the leading edge and the ideological communications apparatus of corporate socialism.

While every aspect of the Great Reset involves technology,

according to Schwab, the Great Reset will be expedited by “the Fourth Industrial Revolution.” The Fourth Industrial Revolution is a topic worthy of book-length treatises. I will merely offer a rough sketch today. The Fourth Industrial Revolution involves transhumanism, which includes the expansion of genomics, nanotechnology, and robotics and their penetration into human bodies and brains. Of course, with the greater incorporation of robotics in production, the fourth Industrial Revolution involves the redundancy of human labor in increasing sectors, to be replaced by automation. Estimates are that 47% of all current jobs may be eliminated by 2030. But moreover, Schwab hails the use of nanotechnology and brain scans to predict and preempt human behavior.

The Great Reset means the issuance of medical passports, soon to be digitized, as well as the transparency of medical records inclusive of medical history, genetic makeup, and disease status. But it could include the implanting of microchips that would read and report on genetic makeup and brain states such that “[e]ven crossing a national border might one day involve a detailed brain scan to assess an individual’s security risk.”[27]

On the genomic front, the Great Reset includes advances in genetic engineering and the fusion of genetics, nanotechnology, and robotics.

In military terms, the Great Reset entails the creation of new battle spaces including cyberspaces and the human brain as a battle space.

In terms of governance, the Great Reset means increasingly centralized, coordinated, and expanded government and “governmentalities,” the convergence of corporations and states, and the digitalization of governmental functions, including, with the use of 5G and predictive algorithms, real-time tracking and surveillance of bodies in space or the “anticipatory governance” of human and systems behavior.

All this being said, the Great Reset is but a coordinated propaganda and public relations campaign shrouded under a cloak of inevitability. Rather than a mere conspiracy theory, the Great Reset is the “wishful thinking”[28] of socioeconomic planners to have corporate stakeholders and governments adopt the desiderata of the WEF. Judging by the WEF’s extensive list of corporate partners,[29] and the participation of nation states, it appears to be succeeding.

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