

# **THE GREAT RESET AND THE THEORY OF SOCIALLY RESPONSIBLE CAPITALISM**

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## **ABSTRACT:**

COVID-19 is not only a health crisis, but also a forthcoming restructuring of the global economic order. The purpose of this perspective paper is to elaborate a vision for the world economy in the post-pandemic era. The author of this paper tries to map how the rethinking of a new world economic order might be done, through the lenses of two existing economic concepts: The Great Reset initiative, and the Socially Responsible Capitalism (SRC). After situating the position of the SRC with respect to the Great Reset concept, and pointing out the ways in which the SRC is corresponding with the Great Rest, the author extrapolates the future of the world economy, from the perspective of the SRC theory, and points out to the contribution of the SRC in promoting policies that produce solutions, and build a more inclusive, resilient and sustainable economy for the future.

**Keywords:** The Great Reset; Socially responsible capitalism and management; COVID-19; Neo-liberalism; Stakeholder capitalism.

## **INTRODUCTION**

The world before COVID-19 and after cannot be the same, and the pandemic has created an opportunity for the global economic order to change.

The purpose of this perspective article is to make predication on how the new world economy will evolve in the post-pandemic era. It provides a vision for the future of the world economy, based on two theoretical frameworks: The Great Reset initiative of the World Economic Forum (WEF), and the Socially Responsible Capitalism (SRC) of the ISEOR International Research Center. The paper's main objective is to shed light on the changes that lies ahead in the foreseeable future.

The paper has four main sections. First, I shall highlight certain fundamental specifications of the Great Reset initiative. Second, I will introduce the SRC theory, as an alternate economic reality to neoliberal capitalism. Third, I will point out the ways in which the SRC theory is corresponding with the Great Reset concept. My objective here is to show that there are points of convergence in the agendas of the two concepts. Finally, I will extrapolate the future from the perspective of the SRC model, seeking to explain the changes needed to build a more inclusive, resilient and sustainable world for the future.

My aim from this perspective paper is to help readers grasp the dimension of the changes better suited to the needs of the future economy. At the very least of these changes that might be apparent in the foreseeable future are: 1) the augmentation of the importance and the primary role of human potential in the creation of economic value, 2) the ethical, human and rational use of technology and digitization, 3) a new logic of entrepreneurship spirit based on building of human potential, replacing the act of creative destruction, 4) the control of fake news to build trust among economic actors, 5) the viable and dynamic role of the state, and 5) the stagnation of globalization and the rise of nationalism.

## 1. THE GREAT RESET

“The Great Reset” is the World Economic Forum’s term for a world after the pandemic. It is an initiative to establish a new form of capitalism, *‘Stakeholder Capitalism’*, which essentially maintains that corporations have more expansive duties than maximizing profits for shareholders, and that the state has a bigger role to play in the economy.

The Great Reset initiative is a call to rethink the world economic system, as long as the existing system has shown many flaws, unleashing one world economic crisis after another, (including the stumbling of many countries in treating the Corona virus).

COVID-19 has been the excuse for the Great Reset’s argument: The pandemic has exposed the dysfunctionality of existing institutional settings, and (exposed the flaws of neoliberal capitalism); therefore, the world needs an alternate social and economic reality, a major transformation, or Great Reset.

As such, there has been a heated disagreement between the Great Reset and Neoliberalism. As a matter of fact, the authors of the Great Reset (Schwab & Malleret, 2020) have disputed neoliberalism, that has been in place since the late 1970s and until now, and hold it responsible for a number of problems.

Over the past fifteen years, the cracks in neoliberal capitalism have been increasingly evident, including the financial collapse, wage stagnation and antilabor practices, sexual discrimination, corporate personhood, tech monopolization, child labor and a world economy geared to efficiency rather than resilience and sustainability. However, the fault lines that were most commonly circulated by detractors of Neoliberalism were arranged into two main headings:

1. Inequality in income and wealth, (and extreme poverty): In many institutions, it is not unusual to find that the wage of the CEO is roughly half the number of its employees. In the United States for instance, “the gap between the income of the average CEO and that of the average U.S. worker is 325 to 1” (Boje D. M., 2017). Income gap between the ultra-rich and the other 99 percent has been applied also to states and governments, where wealth in general is concentrated in the hands of a very small number in each country. An Oxfam’s report reveals that “42 people hold as much wealth as the 3.7 billion who make up the poorest half of the world’s population (Elliott, 2018). Moreover, half of the world population, currently numbering 7.4 billion, live on less than \$2.50 a day, and 80 percent live on less than \$10 a day (Boje D. M., 2017).

2. Neoliberalism has created catastrophic effects on the environment. The onset of melting ice, pollution of the oceans and seas, the disappearance of a great deal of forests, a turbulent and extreme climate (rains in the summer and heat in the winter) are examples of important consequences on the environment that are unsustainable to all nations. Consequently, the global economic system is locked into a pattern of environmental damage, where positive changes and innovations are offset by continued growth of material consumption and pollution. Avoiding this environmental damage and its dramatic consequences requires new ways of thinking and models of production and consumption that reduce pressures on the environment while increasing human wellbeing, social and economic value.

The Great Reset reimagines a radically different global economic system, that actually address global challenges like extreme poverty, inequality and climate change. The paradigmatic core of this reset is a shift from neoliberalism to an interventionist approach, which is complemented by a shift from shareholder to stakeholder management (Roth, *The Great Reset. Restratification for Lives, Livelihoods, and the Planet*, 2020).

The Great Reset agenda would have three main components. The first would steer the market toward fairer outcomes. The second would ensure that investments advance shared goals, such as equality and sustainability. The third priority is to harness the innovations of the Fourth Industrial Revolution to support the public good, especially by addressing health and social challenges (Worrall, 2020).

So far, the Great Reset has entered the theoretical and intellectual economic arena, and has earned an audience of supporters, as well as enemies and detractors. And while it is being defended by its partisans, it is also being questioned by its detractors.

Many voices, so far, have praised the great reset agenda for its potential to make people more receptive to big visions of change. But many also were skeptical of the new form of internet governance, as required by the great reset, which includes developing digital health passports and contact tracing apps, which can be tools for state surveillance. Detractors of the Great Reset warned of the excessive use of high technology, which will give rise to digital dictatorships, that will monitor everyone all the time.

Another shortcoming was that Great Reset lacks the capacity to achieve change. Change is urgent, but the Great Reset fails to predict how things *should* or *will* change in the future, and fails to offer any specifics as to how the socio-political-economic overhaul could be achieved.

Away from this fray, I can say that the ideas of deliberately causing Great Reset, nurtured by the World Economic Forum initiative, are not new themes in contemporary discussions of social and economic crises. Long ago before COVID-19, there had been many calls to resolve inequality and to develop solutions to the socioeconomic crisis of neoliberal capitalism.

Pope Francis has called for new world economic order, criticizing global capitalism. "We want change, real change, structural change," the Pope said,

decrying a system that “has imposed the mentality of profit at any price, with no concern for social exclusion or the destruction of nature” (Pullella, 2015).

Alternative economic theories to prevent and manage economic crises and unemployment in advanced capitalist economies, have been found in a number of colloquium presentations, books published, and papers gathered by editors since several decades.

Klaus Schwab himself, the mastermind of the 'Great Reset', has been calling for transforming the world economic order since 1971.

I do not know how serious Klaus's calls for a new economic order was, but I know and I have heard a number of renewed academics and liberal economists, (long before the outbreak of COVID-19), offering strong critiques of neoliberal/finance capitalism, postulating the fading or even tumultuous demise of neoliberal capitalism, and calling for reflections and major actions to avoid an economic and social meltdown in the countries that intensely experience the effects of Neoliberalism (Boje D. M., 2017),

I have heard my teachers, Europe's most educated scholars of management and economics, blaming neoliberal capitalism for destroying and distorting all other forms of capitalism, proposing a viable alternative, and developing solutions to the socioeconomic crisis of global capitalism.

One such solution to the socioeconomic crisis of global capitalism, that preceded the announcement of the Great Reset, is present in the work of Henri Savall on a fresh form of capitalism: The Socially Responsible Capitalism.

## **2. THE THEORY OF SOCIALLY RESPONSIBLE CAPITALISM (SRC)**

The SRC is a new form of capitalism, an alternative to prevailing macro-economic theories associated with neoliberalism and global capitalism. It is a viable and pertinent alternative to the contemporary economy, offering an alternative understanding of what is possible in capitalism, supporting a socially responsible capitalism.

The socially and sustainably responsible capitalism is the theoretical and practical framework of the socio-economic theory of companies and organizations (SEAM); a framework that reconciles the two levels of analysis that have been excessively differentiated: the company and the social and economic environment (Savall, 2018).

The authors of the SRC were strongly inspired by the economic thoughts and the pioneering works of the Spanish economist, Germán Bernácer (1883-1965) (Savall, Péron, Zardet, & Bonnet, 2017).

Drawn from European economic thought, and developed by Henri Savall, the prominent French scholar at IAE Lyon, Université Jean Moulin in France, Socially Responsible Capitalism (SRC) is not an ideological approach that corresponds to the spirit of globally financialized neoliberalism or a post-Keynesianism that has been on the rise in some academic circles. Rather, since its foundation in 1979, the SRC objective has been to touch the deepest roots of economic problems, and define and build a macroeconomic framework that allows companies and organizations to improve economic and social performance (Murad, 2020). The SRC model aims at reengineering the economy and stimulate domestic production through the development of human potential (Murad, 2019).

The "Socially" segment is not to be confused with Socialism. The "Socially" element of the model instead refers to maintaining good working conditions. "SRC does consider the private property of the means of production means as well as the responsibility for the public policies to orchestrate the production of goods and services, to create necessary infrastructures and regulate their utilization. It recognizes democratically elected public powers, an eminent role in stimulating health, education, security, justice, and solidarity practices arbitrage" (Buono & Savall, 2015).

The SRC is a synthesis of usual theories of economic thought, and includes elements common to other economic ideologies. It can be compared with other economic models, as "third ways" of capitalism (between laissez-faire economic liberalism and socialist economics), including Tony Blair's Third Way, French dirigisme, the Dutch polder model, the Nordic model, Japanese corporate capitalism, and the contemporary Chinese model.

The main elements of the SRC model are the followings:

- It approaches economic growth from a human resource perspective.
- It reconciles the two levels of analysis: The micro and the macro-economic framework.
- It proposes an innovative management techniques and tools (SEAM management) that allows companies and organizations to improve economic and social performance.
- The SRC economic model provides a dramatic and useful contrast to the rentier economic model.

Like all other economic theories, the SRC is questioned by its detractors and defended by its partisans. COVID-19, and the novel way of working (teleworking, working from home), challenged some philosophical and practical premises of SRC (SEAM) managing and leadership approach. The SRC (SEAM) management philosophy is subject to many questions about the relevance of its management approach to the working from home model (WfH). SRC (SEAM) management approach is about human interaction, connectivity, communication, sharing, and this is far more difficult or impossible with a virtual working environment.

Another shortcoming is the narrow and limited perspective of the macro economic framework of the SRC. The SRC (SEAM) approach has focused on the question of corporate responsibility, which has already been widely researched and investigated, but not to concentrate on the somewhat neglected issue of the financial instruments, mechanisms and institutions that hold the keys to such socially responsible capitalism.

### **3. SRC VS GREAT RESET: OLD WINE IN NEW BOTTLE**

The objective of this section (of this opinion paper), is to show that there are points of convergence in the agendas of the SRC and the Great Reset. As a matter of fact, the underlying principles of the SRC carries traces of the fundamental specifications of the Great Reset. The ideas of the Great Reset initiative are barely any smarter than the underlying principles of the SRC theory.

#### **3.1 Income inequality**

One objective of the Great Reset initiative is to force a more equitable distribution of global resources (Slobodian, 2020); to encourage companies to play a clear, responsible and specific role towards society and future generations. Reseters want an end to the profit-at-all-costs mentality.

The idea of equitable wealth distribution has been trending for quite some time. It is, therefore, not new to scholars with backgrounds in a broad scope of discipline from management science and economics. In other words, the idea is not precisely unpopular in business and economics studies either.

With a similar outlook, The SRC prioritizes people over profit, and incorporates wealth redistribution in its socio-economic management. Under the pretext of SEAM management approach, corporate decisions are made in negotiation with labor and community stakeholders, in order to close the gap between the 1 percent and the 99 percent living on what is left over (Boje D. M., 2017).

To address the problem of income inequality, the SRC proposes to change organizations, through socio-economic interventions in the way corporations operate, and in curbing the runaway speculative (gambler) markets.

The SRC refutes the common belief that the sole purpose of work is profit; work is to serve employees and society as well as owners (Conbere, 2017). Therefore, the SRC model challenges common premises of traditional business and management, that focuses solely on the profit. By employing SEAM management, the SCR helps to grow socially responsible organizations, that develop their people, contribute to the society, and bring together profit-oriented capitalism and care for human beings.

#### **3.2 The role of the state**

The Great Reset calls for “fairer outcomes” and the redirection of investment towards a more “sustainable future” (Slobodian, 2020). And in order to do that, the state will have a bigger role to play in the economy. This means that instead of leaving the market completely to the rules of supply and demand, the state has to intervene, takes some taxes from the rich and spends them in the form of education, health care programs, and social insurance for the poor. Funds need to be invested in people for long-term jobs.

According to the World Economic Forum website, the Great Reset is an attempt to reassert the authority of governments over capitalism, and to make some kind of control so that life goes on. Klaus Schwab, one of the architect of the Great Reset, considers that to build a better society, we will require stronger and more effective governments (Schwab & Malleret, 2020).

This proposal (bigger role for the state) logically found support from politicians, who found their role enhanced as a result. The magnitude of the current

economic crisis, and citizen strong fears, justified the relevance of government intervention. Thanks to COVID-19, Keynes' propositions of a Welfare State that can help poor, and defenseless citizens found a favorable echo and a strong reception. We saw governments favoring the emergency call for the "Interventionist State", rolling out stimulus measures, to support businesses, households and the economy (Murad, 2020).

This proposal raises serious concerns about the future of freedom and democracy, and it is believed to threaten Western society and the "liberal" economy. As a matter of fact, the return to a planned, centralized economy might be dangerous for political democracy.

The state has an irreplaceable role to play in the development of socially responsible capitalism. But the SRC proposes a viable and dynamic role for the state in the economy, calling for more radical and more durable economic and financial policies than vain monetary manipulations or ineffective gesticulations. The state's role is carried out through its sovereign missions integrated into the reflexes of everyday life and the recurring operation of the economic and social systems. The servitude of the state mainly lies on the principle of a state which is respectful of the individual and private, associative and public social decentralized groups. "SRC is opposed to centralized forms of planned, distant, and bureaucratic management practices that control economic and social activities, sanctioned by history such as political, military or popular dictatorships" (Buono & Savall, 2015). The state, in socially responsible capitalism, ensures the respect of everyone, in terms of freedom, dignity, and personal or collective development (Savall, Péron, Zardet, & Bonnet, 2017).

The method for achieving the state's mission is by democratic dialog, and in the frame of a hybrid economy system (Savall, Péron, Zardet, & Bonnet, 2017). SEAM concept of cognitive interactivity is an essential principle of social responsibility, which is based on the fact that all the actors from all over the company should have their say in the decision-making or implementation process, in the vicinity of their local territory (Buono & Savall, 2015). As well, the Socially Responsible Capitalism offers a new form of democracy, which is a non-elective democracy, that has to be lived and built every day in the reality of human relationships. As a matter of fact, the concept of daily and proximity democracy (which an element of SEAM management), contributes to, and reinforce both practical and political democracy.

### **3.3 Sustainability and sustainable development**

There is an overwhelming global trend towards sustainability in almost every economic sector. But it is important to know that integrating sustainability and sustainable development into economic sector is something not new. Various efforts were being conducted already, and the Great Reset initiative "is a rebranded, tightened-up version of the UN's decades-old "Sustainable Development" agenda ("Agenda 21"). The same policies and ideas are contained in "The Green New Deal," which was defeated in 2019 in the US Congress" (Rudin, 2021).

The Great Reset encourages one to think about policy frameworks to deal with both people and the planet; to design policies to align with investment in people and the environment.

The SRC likens sustainable development to a long-term metamorphosis; the development of sustainability is built on the internal organizational energies, and

it takes place inside the enterprise. “Sustainably responsible capitalism energizes everybody—the individual, team, company, territorial organization (local, regional, national, and international)—through the decentralized creation of companies, associations, jobs, products (goods and services), artistic activities, and cultural and spiritual activities” (Buono & Savall, 2015).

The notion of sustainability, in socially responsible capitalism, is intrinsic to the notion of individual and collective responsibility. This latter should not be ephemeral and has to be maintained by day-to-day practices, in the proximity of actors.

The authors of *Socially Responsible Capitalism*, (Savall, Péron, Zardet, & Bonnet, 2017) address the problems of unsustainability, and they start with fundamental socioeconomic reform of companies, government agencies and nonprofit organizations. They assume that a new form of organization is possible, one that builds the human potential of workers and incentivizes workers to achieve innovation and efficiency, while developing sustainable strategies (Boje D. M., 2017). The authors of *Socially Responsible Capitalism* start from fundamental reforms of socioeconomic practices of companies and propose to curtail runaway speculation markets that have all but drained productive markets of their capacity to build viable companies capable of anything like sustainable business practices (Boje D. M., 2017).

The socially responsible capitalism refuses the destruction of the environment. But we must not create regulatory shackles that de-motivate management and damage our entrepreneurial activities. In other word, we must not be allowed to “kill the goose that laid the golden egg”.

Environmental concerns should not lead to speculation or corruption and then forgetting our entrepreneurship model, but on the contrary, one must answer to the challenge of these environmental dramas by taking into account the innovative spirit that belongs only to humankind (Savall, Péron, Zardet, & Bonnet, 2017).

The SRC maintains that policies must prioritize planet over profit. But there should be a balance between the necessity to foster an entrepreneurial risk taking environment to create a vibrant economy and the need for a balanced yet rigorous regulatory environment. For if we want to ensure a vibrant economy, we must not reduce the business community’s appetite for risk and enterprise. Everything possible must be done to prevent the regulatory environment from becoming a burden that causes managements and boards to retain lawyers and accountants to oversee their activities curtailing their enthusiasm for growth and willingness to take appropriate risk (Savall, Péron, Zardet, & Bonnet, 2017).

Finally, I think that with a global consensus emerging on the need to collectively address the challenges posed by climate change, there is a heightened need to proactively apply ecological policies to reap the benefits and complete the transition to a green economy. Such transition is an opportunity to create high quality jobs in emerging sectors, and to build resilience against the adverse impact of climate-related events, which disproportionately affect those already at risk.

### **3.4 The place and importance of technology**

The third priority on the agenda of The Great Reset is to permeate digital technology in every aspect of citizens’ life.

As we entered the Fourth Industrial Revolution, plainly both business and industry have moved profoundly to more virtual and distant operations. Moreover,

working from home has brought about a lot higher dependence on technology for many people.

In the SRC, technology is not end in itself. The legitimacy of technology is proved when it serves humanity because this is its *raison d'être*.

Socially responsible capitalism favors the mastering of technology. But it proposes a human-centered rewiring of the relationships between the individual and the technology-driven corporate world. It maintains that humanity and technology are not in conflict and it emphasizes the importance of remaining human in a technology-driven world. In this regard, human concerns are not separate from technological advances at all, but integral for organizations looking to capture the full value of the technologies they've put in place.

#### 4. THE NEW PATH FORWARD

COVID-19 can pave the way for major transformation processes in the world economic order. But the biggest question put forward is how? What transformation we may experience in the coming period? What are some of the milestones of the new world economy?

The author of this paper attempts to extrapolate what lies ahead from three angles:

1. The author resorts to economic lessons gleaned from historical pandemics to help grasp what lies ahead.
2. The author uses the SRC theory as basis for identifying some elements better suited to new form of capitalism.
3. The development of guidelines for a new global economy was reinforced by the professional and academic experience of the author of this paper.

##### 4.1 Augmentation of the importance of human potential

The first assumption better suited to the needs of future economies is that:

**In the post-pandemic era, and more than ever before, human capital will continue to be the most important factor, the primary factor, that creates economic value. Firms will be under pressure to pay less attention to shareholders and more to workers.**

This premise is partially derived from economic lessons gleaned from historical pandemics.

The history of previous epidemics shows that there were always gains on the human resources side, at the expense of fixed capital. The Black Death that ravaged Europe from 1347 to 1351, workers discovered for the first time in their life that the power to change things was in their hands. Barely a year after the epidemic had subsided, textile workers in Saint-Omer (a small city in northern France) demanded and received successive wage rises. Two years later, many workers' guilds negotiated shorter hours and higher pay, sometimes as much as a third more than their pre-plague level. Similar but less extreme examples of other pandemics point to the same conclusion: labor gains in power to the detriment of capital (Schwab & Malleret, 2020).

The above-mentioned premise is also based on the SRC focal tenet of putting human beings at the heart of action to enable the production of sustainable economic value.

The pandemic had an impact on the journey of sustainability. The deep disruption caused by COVID-19 globally has offered societies an enforced pause to reflect on what is truly of value and sustainable. Changing course will require a shift in the mindset of business and economic leaders, to make the kind of institutional changes and policy choices that will put sustainable deployment on a new path towards greater focus and priority on the well-being of all citizens, where the notion of development of human potential evolves.

One implication of COVID-19 is to hear statements that institutions and territories need to do more with less. In the future, converting intangible assets to tangible results necessitates an innovative way of management thinking and requires a macro mechanism, which revolves around the optimization of human resource potential (Murad, 2020).

#### **4.2 Measurement of hidden cost of economic activity – Measurement of value-added destruction**

Another assumption better suited to the needs of future economies is that:

**The measurement and the monitoring of the determinants of value creation, including the human resources, will be a driver for the true health of the future economies.**

The GDP indicator is incomplete and erroneous, because it only considers a limited view of value creation. It disregards the value potentially destroyed through certain types of economic activity. It omits the value created through work carried out in the household. Certain types of financial products, which through their inclusion in GDP are captured as value creating, are merely shifting value from one place to another or sometimes even have the effect of destroying it.

For these reasons, Klaus Schwab has been calling in his new Book for an updated GDP that reflects the real situation of the economic reality. And reality here means the value-added destruction, waste, hidden costs. (Schwab & Malleret, 2020).

The true health of an economy will need to be better measured and monitored, including the determinants of productivity, such as human capital and innovation ecosystems, which are critical for the overall strength of a system. Furthermore, the capital reserves upon which a country can draw in times of crisis, including human capital will need to be tracked systematically.

The SRC theory is very relevant in this regard. “In matter of economic policy, the main issue for socio-economic theory is helping to explain macroeconomic performance, by focusing on each citizen’s responsibility in national economic value creation” (Buono & Savall, 2015). The academic and practitioner efforts, by ISEOR, to create a measurement framework for the value of human capital, can be praised in this regard.

Indeed, ISEOR’s research focuses on misused human potential, (unemployed, under-employed or over-employed) insofar as such a state of affairs leads to relationship conflicts and sources of value losses whatever the organization typology studied, and entails a plethora of hidden costs.

ISEOR’s research team has created an indicator called the hourly contribution to value-added on variable costs (HCVAVC). The objective of this indicator is the

measurement of human capital and the factors which contribute to the sustainable development of human capital through time.

This economic productivity indicator is different from physical productivity because it measures the individual responsibility in value creation. This indicator takes into account not only the physical productivity from all the actors and support functions, but also of the negotiation ability of the company within its environment. This global productivity indicator of an organization measures effectiveness and efficiency of human potential (HP) which, all things being equal, constitutes the primary value creation factor, composed of human energy, competencies, and behaviors.

The HCVAVC could be qualified as nano-GDP because it is measuring the individual contribution of a person to his own prosperity, to his company's prosperity, and his own nation. The GDP and HCVAVC isomorphism shines the spotlight on the link between the person, the organization, and the national territory by focusing on different scales of economic responsibility.

Two studies, within the context of ISEOR's academic and practitioner efforts, can be inspirational to see concrete method to measure value-added from a macroeconomic perspective. The first one by (ABJEAN, BONNET, ROCHAT, & SALMERON, 2017) , that demonstrates the monetary value of the Intangible Investments in Qualitative Development of Human Potential (IIDQPH), by setting up socio-economic dashboards and tested it, using the ISEOR qualimetric research-intervention method in two examples of integration structures in the Lyon region. The second study was an evaluation in monetary value the hidden performance, and the unrealized human potential in the technology and innovation sector in Lebanon (Murad, 2020).

### **4.3 Humanizing technology**

Without a doubt, the use of technologies and digitization in operations will increase. However, there is a significant challenge related to the extending reach of technology into our lives: overuse and ill-use of technology.

For optimal output, the following premise might be relevant:

#### **Adapting the workforce to the requirements of automation, digitization, and other technologies.**

During lockdowns, technology emerged as an inevitable reality. Many of the tech behaviors that we were adopted during confinement will through familiarity become more natural. Moreover, the demand of robots, machine learning, internet of things, big data, artificial intelligence, augmented reality and all similar new digital tools and technologies will be more prominent for the quality of life and well-being of the individual.

COVID-19 showed that technology can augment work, but it does not replace what is needed from humans.

The belief that the basis for an increase in productivity is to be found in mechanization and automation betrays a pessimistic view of human ability. Robots have shown their performance, if work is not organized along lines that make for much greater human involvement.

Organizations will have an opportunity to push the envelope in the ways they integrate teams of humans and technology. Organizations shall evolve their thinking about technology from taking a purely substitution view (replacing humans with technology) to using technology as an augmentation or collaboration

strategy. The latter view can allow organizations to not only streamline costs, but to also create value and ultimately, provide meaning to the workforce as a whole.

Technologies will continue to be necessary for the success of organizations. However, humans and technology will be more powerful together than either can be on their own.

#### **4.4 Controlling infodemic and building trust**

**In tomorrow's world, the concept of societal trust will be more-timely, because building trust will bring progress and prosperity.**

One implication of the existing ecosystem is the proliferation of fake news, misinformation, disinformation, and alternative facts.

The proliferation of fake news is contributing to mistrust of the media also. In the past, before the pandemic, people chose media that reinforced their views among the most trusted; however, today with the lack of quality information and the challenges of misinformation and disinformation, trust in all news sources, including both traditional and social media, has hit record lows. People are viewing media as biased and unethical, and instead of promoting democracy, social media is undermining it.

This "epidemic of misinformation," has fueled a culture of institutional mistrust. Trust across institutions was broken, and people quit trusting societal structures.

Trust is a foundation for financial prosperity. Scholars have found that it is unimaginable for countries to prosper without trust since it is the powerhouse for economic development. The economist J. Arrow once wrote, "Virtually every commercial transaction has within itself an element of trust [and] ... much of the economic backwardness in the world can be explained by the lack of mutual confidence" (Arrow, 1972).

Building trust cannot be a single act. This will require a more adjusted trust balance between businesses and governments. In addition, media should be required to modify its image as the "arbitrator of truth."

It is important of rebuilding the world's social and economic systems with more equity. Building "trust equity" in governments, in the economic system and among citizens can be achieved by making institutions worthy of trust.

The battle for trust will be fought on the field of ethical behavior, such as media autonomy, its relationship with capital, level of governance, ethical codes and sphere of influence, which have been increasingly questioned in recent years.

#### **4.5 Creative destruction vs. Building without destruction**

Global capitalism favored creative destruction over government intervention and economic growth over social welfare. But in 2020 the process of creative destruction did not take place in the typical manner.

The new economic system might favor the SRC entrepreneur over the Schumpeterian entrepreneur of creative destruction.

The SRC model proposes the entrepreneur, who is doing start-ups and building industry after industry. This is not the Schumpeterian entrepreneur of creative destruction but rather a purveyor of the continuous improvement of human potential.

The Schumpeterian model of entrepreneurship incorporates conflict, discord, demolition, undermining, and challenge, while the SRC's model raises the status

of communication, unity and harmony that entrepreneurs may need to innovate and create new solutions. And the use of these values does not diminish their potential for achievement, creativity and innovation?

The SRC “propose a framework based on a socially, economically and sustainably responsible regenerated capitalism, built on an entrepreneurship spirit, tending to behavioral exemplarity that emphasizes social responsibility” (Buono & Savall, 2015).

The SRC entrepreneurs use their dreams and passions as fuel to create extraordinary value for customers, team members, suppliers, society and investors - for the whole gamut of stakeholders.

#### **4.6 The dynamic and viable role of the state – Rethinking the role of the state**

The epidemic has made the state playing a conservative role, and this has been particularly clear in the supportive and recovery measures taken by the public authorities.

But welfare pension and aid programs are insufficient and surely unsustainable in the long run. Governments which attempt to bolster social safety nets and support businesses, found that these efforts may not be enough to build for the future in unprecedented times. It is therefore necessary to have a social ideology that is in the direction of public policies of investment, productivity, education, employment and living wages that give substantiveity to a social justice regime.

The mission of the state, as created by the SRC theory is very relevant in this regard. One aspect of a state’s purpose, in the SRC, is to contribute to the smooth operation of society as a whole. The principle of solidarity is at the heart of this mission, and define the scope of business responsibilities in the long term.

Another aspect of the state’s mission in SRC is that development planning cannot be a purely intellectual or technical exercise. This is apparent in the concept of decentralized synchronization, where the political authority must be closely involved in the definition of development objectives and in the selection of methods of implementation. Here the involvement of all parties concerned is paramount, and decentralized planning should be organized in such a way as to involve all the actors.

Part of this robustness, as suggest by the SRC, will be achieved through bigger government interventions in the functioning of the economic system and social dynamics.

#### **4.7 Globalization vs. Nationalism**

In difficult times like these, it is crucial to ask the hard questions. Even if the answers haven’t been found yet. Is COVID-19 going to push the global economy toward more globalization or localization?

In my opinion, globalization is in flux, and in 2020, we witnessed the partial retreat from globalization and the rising of nationalism.

Every nation is trying to move towards certain forms of self-sufficiency, and a reduction in global output.

The stagnation of globalization means that more multinationals will have to operate as federations of national businesses and will be unable to reap the full efficiency gains from being run as a single globally integrated organization.

And as the size of government expands everywhere locally, the levels of regulation and taxes will inevitably rise. Each state will be striving to serve the interests of its population before planning to support other countries in need.

Separating the "national" from the "international" is impossible in the global economy. Every action - even if its motive is "national" - will have universal effects, and I think this is the key to understand what is happening today between China and America.

## 5. CONCLUSION

The novel COVID-19 is similar to other pandemics that took the world by storm years ago. To confront this foe, we are applying the same strategies that were used before. The mask, panics, and closures are almost similar. One could argue that people are changing, but the basics are still the same. This principle was acknowledged by the Torah: "What has been is what will be, and what has been done is what will be done, and there is nothing new under the sun" Book of Kohelet (Ecclesiastes) Chapter 1:9 (Murad, 2020).

Pandemics are known agents for major economic and societal shifts. It will not be prophetic to predict that much will not be "the same" after this process. But the pandemic may not completely transform the world. "There is really nothing new under the sun, and life has not changed much. Human history seems to move in cycles, with the same events repeated every few decades" (Murad, 2020).

Any development of the global economic system should not be at the expense of basic economic principles. Development does not mean revocation, but improvement. Development does not mean canceling the basic principles, but rather clarifying what is ambiguous in them to improve economic performance. Development does not mean erasing the past, but rather fortifying the basic principles.

What comes next might be a balance of the "old" norm with the "new" norm. Previous solutions and models to fix capitalism in its current form, which is doing more harm than good in the world, can help. The *socially responsible capitalism* lays down the road to sustainable and equitable prosperity, allowing the global capitalism to move along to a new epoch of capitalism.

But the SRC theory should renew itself, and rewrite some of its underlying principles and assumptions, in light of the new reality.

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