

# COVID-19: The 4 building blocks of the Great Reset



A missed opportunity ... a centenary re-enactment of the football match between the German and Allied troops during the Christmas Truce of 1914. Image: Reuters/Eric Vidal

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- New ideas are needed to catalyze the Great Reset after COVID-19.
- Change can be as simple as adjusting our mindsets.
- Greater connection between leaders and the people, and between people, has the potential to effect the most change.

The World Economic Forum's [Great Reset initiative](#) seeks new ideas in order to use this unique moment in history provided by the disruption to economics, politics and our everyday life to catalyze a new approach to how our societies are run.

Here are four important building blocks needed to make this happen: Mindset, Metrics, Incentives and Connection.

## 1. Change our mindset – if we made it up once, we can make it up again

The first change will have to be to our mindset. Two powerful new books, [Thomas Piketty's \*Capital and Ideology\*](#) and [Rutger Bregman's \*Humankind\*](#), show how our current outlook

is based on fundamentally wrong assumptions and that dramatic transformation is possible with a change of mindset.

Piketty challenges a basic assumption of capitalism – that inequality is just an unfortunate by-product of progress. Inequality, he argues, is a political choice based on a flawed ideology – the market will provide – and not the inevitable result of technology and globalization. He demonstrates it is neither true, nor irreversible.

Rutger Bregman explodes an even more deep-seated myth: that humans are intrinsically selfish, uncooperative and aggressive, and without the civilizing influence of governments and leaders, order would soon break down and chaos reign. His research over 200,000 years of human history shows that we are in reality hardwired to be kind, cooperative and caring. But we run our countries, civic institutions, companies, schools, often even our families based on this deeply negative and incorrect assumption about human behaviour. He shows that when this assumption changes, everything changes – with real-world examples from the Norwegian prison system to a real world *Lord of the Flies*.

What both these books show is that our view of the world was simply made up. And made up by a surprisingly small but depressingly influential number of individuals – from Machiavelli and Adam Smith, to Milton Friedman and William Golding. But if we made it up once, we can make it up again, and there are plenty of people out there with great new ideas to work with if we started to take them seriously.

COVID-19 has shown the truth on both of these counts. What is important, to quote Henry Ford is to realize, “Whether you think you can, or you think you can’t – you’re right.”

## **2. Create new metrics – measuring what matters will change everything**

GDP measures the wrong things. Measuring the right things will give governments, business and citizens the knowledge they need to take the brave and challenging steps required to move to a more people- and planet-centred way of living.

GDP fails on so many levels – it measures wealth and ignores its distribution. It fails to even register the human and financial costs of capitalism, “externalities” such as social welfare, environmental degradation and the social, mental and physical health costs of innovations.

Dissatisfaction with GDP is widespread, and there are [many alternatives being trialled](#) that focus on the well-being of people and planet: for example the UN’s Human Development and Social Development Indexes, WellBeing metrics, Genuine Progress Indicators, a Happy Planet Index and an initiative to use Gross National Happiness.

“What gets measured gets managed” is the old adage. The Great Reset needs to take that lesson firmly to its heart and start the transformation by refocusing on what really matters.

### 3. Design new incentives – you get what you pay for

Inextricably linked to metrics are incentives. In 1996, the Tomorrow's Company inquiry from the UK's Royal Society of Arts (which I was involved in) showed that shareholder value as the only indicator of company success was damaging both the companies and to society, and didn't even do a good job for shareholders. About every five years, there is another big initiative somewhere saying much the same, the most recent being the damascene conversion of the US Business Roundtable to a point of view that sees a changed purpose for companies [“To promote an economy that serves all Americans.”](#)

But in the real world, it has been business as usual on incentives all this time. Venture capital companies - and even mainstream institutional investors - rarely include even the most basic questions about social and environmental risks in their investment criteria when piling cash into digital wonder companies.

Those sorts of tricky questions are left to environmental and social governance (ESG) funds, which, though growing, are a sideline to the main event – making as much money as possible in the shortest possible time.

So until these incentives change and those with money really put it where their mouth is, or at least where the words in their investment brochures and Davos speeches are, things will stay exactly the same.

### 4. Build genuine connection – distance is the danger

In *Humankind*, Rutger Bregman shows the heartbreaking consequence of the distance between leaders and the lives of the rest of us, and how that is the biggest problem of all. He

finishes his book with a look at the 1914 Christmas Day truce at the start of the First World War. Over 100,000 troops laid down their arms on the front line to play football, share stories, photos, food and drinks. But it wasn't just a Christmas Day thing; in some places, this lasted a number of weeks, with many servicemen remembering it as the highlight of their lives. It could easily have escalated into full-scale peace as both sides were reluctant to restart. Only the dogged perseverance of generals far away who used propaganda to stir hate and instilled obedience through orders to court-martial anyone for "friendly gestures" towards the enemy managed to kickstart the war again. These leaders' distance from the people was the critical factor.

Digital technologies have given many of us a lifeline during lockdown, but also provide an illusion of connection. Anonymity provides cover for trolling, fuels polarization and allows all to feel superior to others from the comfort of our own little bubble. Our disconnection from nature helps us airbrush the effects of climate change, environmental degradation and animal suffering from our minds. The ultimate distance provided by autonomous weapons will allow detachment from the death and destruction (of 'them') at the press of a button.

Meanwhile, back at all our homes, as COVID-19 has shown most clearly, we are blithely trusting total strangers, helping our neighbours and communities, giving time and money to charities near and far and providing billions of large and small kindnesses to each other every single hour of every single day. Which of course goes unremarked.

## What is the World Economic Forum doing to champion social innovation?

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Show

Finding ways for technologies to harmonize, not polarize, and for us all to make deeper, more meaningful connections with each other and with the natural world will reduce the distance that allows us to see our fellow human as we truly are: not "other", but just like us.

This is probably the most important building block of all to make the Great Reset the transformation our generation can look back on with pride – and probably amazement.

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