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THE GREAT RESET AND THE NEAR-TERM IMPLICATIONS FOR THE CHINESE ECONOMY: A POST PANDEMIC OUTLOOK

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1 Introduction

During the recent 20th Party Congress of the Communist Party of China (CPC), Chinese President Xi Jinping emphasised the direction of the Chinese economy towards achieving "Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era" amidst the aftermath of the impact of the COVID-19 pandemic[3]. Accordingly, the Party Congress also elucidated the challenges that arose with the COVID-19 pandemic since 2020, which presented huge challenges before the Chinese economy. COVID-19 has emerged, arguably, as the deadliest pandemic that has spread worldwide in the 21st century. The pandemic has exposed the economic and healthcare systems in many countries in the Global North and South (Freed et al., 2020). Its spread has been disrupting economic linkages across the globe, regardless of political boundaries, ideological barriers, and economic differences (WHO, 2020a; 2020b) and had caused the largest number of virus-infected deaths ever seen in this century.

On 11 March 2020, the situation was declared a global pandemic, contributing to a global economic contraction of almost all the economies

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3 Accordingly, to "fully build a modern socialist China" a "two-stage development plan from 2020" was envisioned. The first stage (2020-35): PRC "will build on the foundation created by the moderately prosperous society" with this period "to see that socialist modernization is basically realized". In the second stage (2035-50): On "having basically achieved modernization", PRC will develop "itself into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful" (Xi, 2019: 4).

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during the first half of 2020 itself. In turn, this has produced symptoms of an already emerging extreme form of a global recession, known as the 'Great Reset'[4] (McKee and Stuckler, 2020; Ayittey et al., 2020; Nicola et al., 2020; Açikgöz and Günay, 2020; Gans, 2020; McKibbin and Fernando, 2020). The recent spur in infections in Global South and North, developed, developing, and least-developing countries (LDCs) are signs in that direction (The Lancet Editor, 2020; Peeri et al. 2020). The Great Reset has already led to a new form of recession, surpassing the 2008 crisis' impact (and similar to the 1929 Great Depression) (Schwab, 2020).

The Chinese economy has, in recent years, slowed down, both due to internal and external factors (CGTN, 2020b). In the current context, shrinking international demand will have its impact on China's exports, and this, in turn, will test China's foreign trade resilience and competitive edge, as well as the capacity of Chinese companies to explore new markets due to the disruptions to the global supply chain (WTO, 2020). The impact of COVID-19 exacerbated these risks that include, but are not limited to, politico-economic fragmentation of the markets of Chinese goods, namely, the European Union (EU) in the post-Brexit era, economic instability in other regions like West Asia and North African (WANA) region (China being the most significant investor), the South American countries and other regions connected under the Belt and Road Initiative (BRI), climate change-related issues, (and resulting politico-economic pressure from the US). The resulting fragmentation, and shock to the global supply chains, relatively large State-debt among institutions and enterprises, unsustainable corporate debts and related non-performing assets (NPAs) in public banks has only delayed recovery (IMF Blog, 2020; China Daily, 2020). These will have severe implications for China in terms of international trade, with implications on the global supply chain, much worse than the 2008 Financial Crisis and reminiscent of the Great Depression in the late 1920s.

In China, the global economy's impact would be more inimical for it than in most other countries - not just because of the interdependent nature of China in the global supply chain, but because of the ramifications this has on the political and economic stability for the rule of the Communist

4 According to Gopinath (2020): "[the current COVID-19 crisis is a] rare disaster, [and] has resulted in a tragically large number of human lives being lost... The magnitude and speed of collapse in the activity that has followed is unlike anything experienced in our lifetimes... [M]any countries now face multiple crises—a health crisis, a financial crisis, and a collapse in commodity prices, which interact in complex ways. Policymakers are providing unprecedented support to households, firms, and financial markets, and, while this is crucial for a strong recovery, there is considerable uncertainty about... the economic landscape. [This is] the worst recession since the Great Depression, and far worse than the Global Financial Crisis".

Party of China (CPC) in China (Sarkis et al., 2020; NPC, 2020). According to estimates, the recent pandemic crisis leading to the "Great Reset" has thirty times more impact than the 2008 Financial Crisis (Schwab, 2020; Gopinath, 2020). In relation to international trade and the global supply chain, there are strong downward pressures on the global engine, with rising uncertainties and destabilizing factors, within and outside China (Ibid.). What makes this worrying is that we are still some ways from deciphering when the negative economic effects might fully peak.

2 Research Methodology

This study attempts to analyze the impact of the COVID-19 pandemic on China, with implications for the global supply chain. Exploratory and descriptive research utilizing a mixed-methods approach has been undertaken for the study. The paper will explicate the technological innovation and adoption in China amidst the crisis through an analysis of a survey conducted as part of the research. Snowball sampling has been undertaken in selecting the sample population of interviewees and respondents. A special emphasis on preventing sample bias (through ensuring anonymity in academic and professional networking) has been undertaken. The study utilizes a mixed method approach using both qualitative and quantitative tools. The qualitative facets focus on cases studies and textual analysis, while quantitative facets focus on empirical data collection through disbursal of an online/digital survey questionnaire among a sample population in the PRC identified through snowball sampling between January and May 2021.

The surveys include interviews with experts and other stakeholders in policy institutions and industry across China. This study offers insights on the disruptions caused by COVID-19 in China. It also highlights the ripple effect and disruptions in the global supply chain which resulted from these impacts in China. The paper reviews the impact of the Great Reset on China during the COVID-19 pandemic, specifically during 2020-2021, explicating the overall trend of market demand, deteriorating condition of corporate debts, and economic constraints on the population, i.e., savings rate, consumption, and social security. The survey focuses on the impact, adoption and implications of emergent technologies across 63 businesses, companies, start-ups, institutions, organisations and enterprises involved in 56 types of industries, categories, services and/or related operations in China. The responses bring to the fore valuable insights on the impact and implications of emergent technologies across companies, enterprises, institutions, organisations and start-ups in China, particularly focusing on innovation and adoption of technologies. Further, steps have been taken to prevent or reduce, the instances of, investigator bias[5] and, to a large extent, problems related to social desirability bias[6].

3 China's response to the 'Great Reset'

Due to the impact of the Great Reset, China's primary response focus has been on production and healthcare, which has included stimulus packages, tax holidays, incentives, and other related institutional efforts (IMF, 2020). The institutional efforts have focused on encouraging the corporate sector, small and medium enterprises (SMEs) and individuals to ease "the tax and fee burden on industries" that were heavily hit (Mingfang, 2020). A special fund of 110.48 billion RMB (15.48 billion USD) was designated for combating the negative economic impacts (Cruz-Cárdenas et al., 2021; Aljazeera, 2020). By early March 2020, about 65 per cent of funds were allocated towards efforts to directly dealing with the COVID-19 pandemic. Further, China declared exemptions from VAT and administrative fees, as well as kept fiscal and monetary policy responsive to entail cash flow for "key companies" to fight the COVID-19 pandemic. The civilians (including donors) and health professionals involved in fighting COVID-19 were exempt from income tax (Mingfang, 2020).

The National Development and Reform Commission (NDRC) continued to encourage economic activities by foreign-based companies in PRC while emphasizing increasing the activities related to monitoring and assessment by the local authorities. The NDRC allotted 300 million Yuan (42.03 million USD) in the budget as an emergency investment for medical equipment and facilities for "centralized patients, centralized experts, centralized resources, and centralized treatment" (KPMG International, 2020a). This was mainly centered around the Wuhan Huoshen Mountain Hospital and Wuhan Leishen Mountain Hospital. In February 2020, the State Administration of Taxation released the "Guidelines for Preferential Tax Policies for the Prevention and Control of the Epidemic Pneumonia Caused by Novel Coronavirus Infection", which essentially emphasized tax reliefs related to COVID-19-related contributions. The Ministry of Finance of the PRC provided subsidies amounting to 99.5 billion Yuan (13.94 billion USD), of which 25.56 per cent was provided by the Centre (Ibid.).

5 It is a term used to refer to situations in which researchers convey to research participants in subtle or unconscious ways the results or patterns the researcher would prefer to see (Sage Research Methods, 2020).

6 The tendency to respond to questions in a socially acceptable manner (Sage Research Methods, 2020).

In the early months of Q1 (2020), the People's Bank of China (PBOC) took measures to enable and potentially "guarantee sufficient liquidity and offer financial support" to provide stability as well as fight the COVID-19 pandemic. These measures were taken in the direction of enabling a "bounce-back" in the face of a sharp decline in growth and development. Besides enabling the PBOC to have "regulatory forbearance," as a supplement the Central Bank could also increase the lending by domestic banks, reduce the pressure on external borrowing and thus keep the debt levels at manageable levels (CGTN, 2020b; 2020c). Further, based on 2020 Announcement No. 5, PRC announced relaxation and clearance for the export of medical supplies based on declarations and compliance of companies to standards approved by the National Medical Products Administration (NMPA) in China. In addition, green channels were set up for donated goods, tax reductions facilitated, and exemptions from procedures (like simplification of the inspection process) were also made available. There were further relief and exemptions on import duties, VAT, and the consumption tax. It also deferred (any) additional tariffs on US-origin goods for COVID-19 prevention (KPMG International, 2020a).

Besides "tax policies and financial relief measures" to reduce the economic impact of COVID-19, the Ministry of Finance in China also supported companies-based in China by focusing on increasing consumption rather than investment with the expectation that this could initiate revival and stabilization of the Chinese economy (CGTN, 2020a; 2020b). The PBOC lowered the RMB loan prime rate (LPR), the preferential lending rate provided by commercial banks. This mostly supports countries to move towards pre-crisis levels. According to Jacqueline Rong, a senior economist at BNP Paribas, the cuts to five-year LPR "could be interpreted as 'counter-cyclical relaxation' in the housing sector" (Zhou and Galbraith, 2020; ICBC, 2020). Commercial interest rates were lowered while increasing fiscal subsidies were expected to reduce real interest rates (Mingfang, 2020).

In the realm of labour policy, the Ministry of Finance "cut social insurance payments by RMB 1 trillion" for companies. As of late January 2020, workers' compensation and subsidies were announced as well. In terms of trade restrictions, "refund of unemployment insurance premiums" were provided to companies (with temporary difficulties) in major cities, namely Shanghai, Beijing and Guangdong (KPMG International, 2020a). More than six million migrant workers have reportedly returned to Guangdong province, which accounted for one-third of all migrant workers (Ibid.). According to the Ministry of Agriculture and Rural Affairs, the agricultural sector saw a 3.5 percent year-on-year (YoY) record growth in terms of value addition (Xinhua, 2020b). This provides a considerable spur to the availability of raw materials to industries, food security, poverty alleviation, and employment generation in the country. Agriculture thus seems to have emerged as an area where surplus labour could be diverted to be absorbed, thus provide viable financial stability to the population. Besides its goal of "self-reliance" (zi li geng sheng) and "indigenous innovation" (zizhu chuangxin) (Appelbaum et al., 2018: 45-71), PRC could focus on cooperation with countries of the Global North and enhancing South-South cooperation, could increase the inflow of capital and reduce the stress on household savings as well as consumption within PRC.

In order to increase banking liquidity, in February, the PBOC launched a "public market reverse repurchase operation" worth 1.2 trillion Yuan (170 billion USD). It also issued special re-loans and interest discount support to enterprises, as well as a medium-term lending facility (MLF) worth 200 billion Yuan. A seven-days reverse repo of 100 billion Yuan (14.01 billion USD) was provided to increase activities towards prevention and control of the COVID-19 pandemic at the grassroot-level. In March 2020, the PBOC announced a reduction in the mandatory reserve ratio of banks. This increased the liquidity to about 550 billion Yuan (77.6 billion USD). Additionally, an announcement for the opening of more than three-fourths of significant construction sites was undertaken. This could be a more reliable form of spurring growth, with the potential to rejuvenate and provide spillover effects on to other sectors as well. There was an announcement of the package supporting the digitalization of Small and Medium Enterprises (SMEs). Further, the State Council Executive meeting decided to reduce and exempt corporate social insurance fees (especially for SME's) in a phased manner, except for Hubei province. This was emphasized, especially in regard to "endowment insurance, unemployment insurance and industrial injury insurance" until April, and a housing fund payment until June 2020 was provided (KPMG International, 2020a).

In April, through the Budget 2020-21, China adopted measures like tax reliefs and exemption from value added tax (VAT). It is also provided incentives for corporation income tax (CIT) as well as VAT and provided "[l]onger tax loss carry-forward period (from five to eight years)" for companies affected by (as well as working directly to tackle) COVID-19. This also provided for imports and donations for the "prevention and control of the epidemic" (Announcement No. 6), besides the extension of the "statutory tax filing deadline (Circular 19). The Ministry of Human Resources and Social Security in PRC issued Announcement No. 7, which provided guidelines and policies for local social security bureaus and enterprises to deal with COVID-19. Furthermore, Announcement No. 9 and Announcement No. 10 provided tax relief and exemptions to individual taxpayers and donations. In terms of fiscal policy, the Ministry of Finance retained five percent more tax revenue for local governments from March-June 2020. This is estimated to provide additional revenue of 110 billion RMB (16 billion USD). Moreover, additional quota bonds amounting to 1.2 trillion RMB (170 billion USD) was allotted, which saw a jump by two-thirds of the original quota (KPMG International, 2020b; Global Times, 2020).

By the end of the Third Session of 13th National People's Congress (NPC) in May 2020, Chinese Premier Li Keqiang emphasized that MSMEs "now provide over 90 percent of all jobs in China today." The Chinese State, it was posited, will look towards providing "vital relief to businesses and revitalize the markets," which according to Premier Li, the "money invested in the people will be able to generate new wealth, help protect and preserve tax sources, and make public finance more sustainable" (Xinhua, 2020c; 2020d; Han, 2020). The strategy ensured that the PRC would be focusing more on "targeted measures instead of massive stimulus to boost economic growth," as China would be focusing on viable responses to any new emergencies and critical conditions that may arise. According to Premier Li:

> Just as water is important to fish farming, sufficient liquidity is important to economic development... But excessive liquidity will induce froth in the marketplace where some people may attempt to muddy the waters and fish for arbitrage. [PRC will also] implement the foreign investment law, shorten the negative list for foreign investment, further open up the service sector, and improve the business environment (Ibid.).

In the "two sessions" (lianghui) of May 2020, the central bank representatives, as well as the report of the Standing Committee of the NPC, entailed a revision to the Law of the People's Republic of China on Commercial Banking Law. The current proposals pertain to the implementation of classification supervision, expansion of business scope, strengthening of corporate governance, risk disposal and market exit mechanisms, protection of consumer rights and interests, internal management, and enhancement of regulatory effectiveness. There have been suggestions to let go of restrictions as well as operational limitations of commercial banks under Article 3, and on comprehensive banking (li quanmian yinhang lei) and mixed banking operations (yinhang hun ye jingying) under Article 43 of the law. Meanwhile, the Banking and Insurance Regulatory Commission's recommended upgrading standards and procedures in the banking sector (Li, 2020).

Besides the thrust on monetary and fiscal responsiveness, the PRC has specifically entailed on enabling (pro)active global cooperation through multilateral platforms (Xi, 2020). Moreover, the Chinese President Xi Jinping has asserted the need for "innovation of institutional integration" to enable "bold innovations and [to] ensure enduring progress" (Xinhua, 2020a). This will be a significant primer in providing PRC's advancements in the high-technology sector, directly linked with achieving 'Great Power Status' on the economic front. PRC's focus has always pertained to the emphasis on policies and strategies that adhere to "Socialism with Chinese Characteristics... Xi Jinping Thought on Socialism with Chinese Characteristics in the New Era... and realizing the Chinese Dream of national rejuvenation" (Wang, 2019: 19). These include the five-sphere integrated plan, namely "to promote coordinated economic, political, cultural, social and ecological advancement," as well as the four-pronged comprehensive strategy: "to finish building a moderately prosperous society in all respects, deepen reform, advance law-based governance, and strengthen Party self-governance" (Ibid.: 1)[7]. Besides the measures in industrial, trade, fiscal, and monetary policy outlined earlier, there have been continuing steps towards further fostering multilateral institutional cooperation.

Globally, there has been an increasing call from multilateral and international agencies for support, cooperation and "collective action in global health governance" (Jin and Karackattu, 2011). These also include the effective use of United Nations (UN) and related institutions, the WTO to stabilize, liberalize and facilitate the multilateral trading system as well as other regional groupings of which China is part of. The UN released 15 million USD from the Central Emergency Response Fund (CERF) to support the global campaign to contain the COVID-19 pandemic. This is expected to be channeled through the WHO and UNICEF to undertake "essential activities" in affected countries. The WHO has called for the constitution of a 675 million USD fund to fight COVID-19 (WHO, 2020c). This is besides undertaking activities "to contain the spread of the virus." Moreover, the focus is currently on "strengthening surveillance, conducting thorough outbreak investigations to identify contacts and applying appropriate measures to prevent [the] further spread" (Youde, 2018; WHO, 2020c).

4 Survey findings

Technology innovation and adoption in China during COVID-19 pandemic

The unprecedented manifestation of COVID-19 during the course

7 Delivered at the Second Session of the Chinese People's Political Consultative Conference on 3 March 2019.

of research has revealed how unforeseen transformations are occurring in countries where COVID-19 has exposed economies (and healthcare systems therein) across the globe (Freed et al., 2020; Gülseven, 2021; Ullah et al., 2021; Wang et al., 2020; 2021; Cruz-Cárdenas et al., 2021) to an entirely unforeseen situation[8] (McKee and Stuckler, 2020; Ayittey et al., 2020; Nicola et al., 2020). The pandemic tested the competitive edge and the capacity of Chinese companies to explore new markets "due to the disruptions to the global supply chain" (WTO, 2020; Albertoni and Wise, 2021; Umair et al., 2021).

Numerous scholarly literature and work have focused on the impacts of COVID-19 pandemic for mobile payments, digital healthcare, location services, education, electric cars, digital nativity amongst university faculties, and consumer behaviour and so on (Zhao and Bacao, 2021; Wang et al., 2021; Guo et al., 2021; Zhang and Bray, 2021; Hu et al., 2021; Zhao and Zhao, 2021; Cruz- Cárdenas et al., 2021). This paper incorporates a unique survey in that an effort has been made to gauge the implementation of emergent (digital) technologies in China – specifically, technology innovation and adoption. To do this, a bilingual questionnaire in simplified Chinese and English was circulated among 130 respondents from 63 companies, start-ups, businesses, institutions, organisations and enterprises involved in 56 types/categories of industries, services and/or related operations in China.

The industries and/or related operations included: Artificial Intelligence, Automobile, Autonomous Vehicles, Banking, Bicycles, Branding, Business, Business Intelligence, Consultancy, Cryptocurrency, Data Analytics, Design, Digital assets, Digital Marketing, Digital Services, Digital Technology, Economy, Education, Electrical, Electronics, Energy, Equity Market, Export-Import, Finance, Fintech, Fitness, Healthcare, Human Resources, Internet technology, Investment, Information Technology (IT), Law, Logistics, Merger and Acquisitions (M&A), Machine Learning (ML), Manufacturing, Media, Media Intelligence, Medicine, Multimedia, Music, Naming, Recruitment, Renewables, Research, Robotics, Smart Homes, Social Networking Service, Sourcing, Sporting Goods, Telecom, Tourism, Trade, Travel, Video-on-demand, and Website Designing (Table 1). The survey was administered online owing to COVID-19 travel restrictions globally, between January 2021 and May 2021.

8 The "Coronavirus Disease 2019 (COVID-19) is a new strain of [the] CoV family of viruses" (WHO, 2020a; 2020b) that is currently causing the largest number of virus-infected deaths ever seen in the 21st century. COVID-19 was declared a Public Health Emergency of International Concern (PHEIC) by the "Emergency Committee" convened by the World Health Organisation (WHO) (Ibid.; Guo et al., 2021).

Table 1: Respondent affiliations (based in China)

Businesses/ Companies/ Organizations/ Start-ups/ Institutions/ Council	Category/ Industry/ Service
AGS Group	Healthcare
ANewR Consulting Ltd	Consultancy/Digital Services
Ant Group	Fintech/Banking/Finance
Baidu	Internet technology/AI/ML/AV
Bank of China (HK)	Banking
Becoming 99	Website Designing/Multimedia
BIPO Service	Human Resources
Brainsway	Healthcare
Bytedance	Internet Technology/AI/ML
Caixin Global	Media
China Anglo Education Consultancy	Education/Consultancy
China Britain Business Council	Trade/Investment
China Central Television (CCTV)	Media
China Central Television Plus (CCTV+)	Media/Video-on-demand
Chinatimes	Media
Chiyu Banking Corporation Limited	Banking/Finance
Cosgrove Nigeria	Smart Homes/Digital technology/AI/ML
Deepwisdom	AI/ML
Dun & Bradstreet	Data Analytics/ Business Intelligence
EDC Global (Business Group)	Export-Import/Research/Logistics
European Union Chamber of Commerce in China	Business/Economy
Fahrrad-XXL Group GmbH	Bicycles/Fitness/Sporting Goods
FBA Sourcing China	Sourcing/Logistics
FinTeix Holding Group Inc	Telecom/Finance/Energy/Healthcare
FluentSoon	Education
Foo Bar	IT
GOIP Aula Ltd	Telecom
Guangzhou Puppy Robot Technology Co., Ltd. (Beijing Branch)	Robotics/AI/ML
Headhunter China	Recruitment/Human Resources
Homesun Technology Ltd	Export/Manufacturing
Huobi Global	Cryptocurrency/Digital assets

IAUSS	Education
IM2CHINA	Digital Marketing/Branding
International Carbide Technology Co. Ltd.	Manufacturing
JiZhuangke Inc	Website Designing/Multimedia
Labbrand Group	Branding/Naming
LMU-China Academic Network (LMU-ChAN)	Education/Research
Ministry of Energy/ National Energy Commission	Energy
Netease Inc	Internet technology
Novartis	Medicine
Parsons Music Corporation	Music/Manufacturing
PCE Power China Ltd.	Renewables/Energy
Performars Inc.	Business/Digital Marketing/Branding
Psonerh Creative Investment Management Beijing Co. Ltd.	Investment/Banking
Seltech International	Electronics/Electrical/Manufacturing
Shanghai Osens Creative Co., Ltd	Education/Design
Sino Health International Business Co., Ltd	Healthcare
sMedia	Automobile/Digital Technology
South China Morning Pos	Media
Storymaker China	Design
Suning Holdings Group Co. Ltd	Investment/Equity Market
Telum Media	Media Intelligence/Research
The Globe and Mail	Media
The Mandarin Lab	Education
The Paper (newspaper)	Media
The Teh Group	Media
TikTok	Social Networking Service
Universal Beijing Resort	Tourism
University of Hong Kong	Education
Valuetang	Investment/Law/Media/M&A
WildChina	Travel/Tourism
Xinhua News agency	Media
Zh travel	Travel/Tourism

Source: Compiled by the Author

To the question: “Since the Coronavirus (COVID-19) outbreak began, how have the business activities been affected?”

- about 55 per cent of the respondents felt that there had been a negative impact of COVID-19 on the operations of businesses and companies in China.

- about 10 per cent of the respondents felt that the situation had worsened while 18 per cent of the respondents felt that business activities have been positive since the outbreak of the COVID-19 pandemic.

In response to the question: “In the last five years, how was your company/organisation/enterprises’ adoption of technologies?”

- an overwhelming 85 per cent of respondents perceived that the innovation and adoption of existing and emergent technologies in companies, organisations, institutions, start-ups and enterprises in China have been on the rise.

To the question: “What is the trend of your organisation’s total, enterprise-wide revenue spent on digital technologies?”

- 61% of the respondents reported that the organisation’s total, enterprise-wide revenue that has been spent on digital technologies has increased, while a minuscule number of respondents (less than two per cent) reported a decrease in spending.

For the macro-picture, in response to the question: “What share of your organisation’s total, enterprise-wide revenue is spent on digital technologies?”

- 19 per cent of respondents reported up to 10 per cent of the share of the organisation’s total revenue is spent on digital technologies,

- 11 per cent of the respondents reported it to be between 21 per cent to 30 per cent,

- 6 per cent of the respondents reported it to be between 11 per cent to 20 per cent,

- close to five per cent of the respondents reported it to be more than 30 per cent.

Interestingly, to the question: “Which of the following types of risks does your organization consider relevant to its adoption of technology?”

- 62 % of respondents answered that cybersecurity is the biggest risk to innovation and the adoption of technologies, followed by issues relating to regulatory compliance and personal/individual privacy with 41% each.

- Around 31% felt that the organizational reputation would be affected, while almost a quarter of respondents felt that the displacement of the strength

(25.78%) and explainability[9] (25%) would be the main risks for innovation and technology adoption during this period.

- Nearly 17 per cent of the respondents felt that national security and equity and fairness[10] would be the most affected aspect in relation to the impact on technological innovation and adoption.

- An equally insightful response was that of roughly 13 per cent of the respondents, who felt physical safety requirements[11] (of new technology and its adoption) would be a huge risk with the innovation and adoption of technologies.

- Interestingly, less than 9% of respondents considered that political stability has become a prominent issue and/or is relevant to the adoption of technology in a company and/or organization.

To the question: "To date, how successful has your organization been at meeting its targets for technology initiatives?"

- 76 per cent felt that Chinese companies, institutions, start-ups and enterprises have been successful in meeting targets for technology initiatives, while less than per cent of the respondents reported being unsuccessful in meeting their targets for technology initiatives.

To the question: "How do you expect the size of your organization's enterprise-wide investment in technology to change, if not all, over the next three years?"

- Nearly 76.74 per cent of the respondents felt that there would be an increase in investment for technological innovation, adoption and adaptation over the next three years, while around three per cent of the respondents expected a decrease in investment for the next three years.

5 Going Forward

In the era of social distancing and loss of human-manual labour, industrial robotics will revolutionize export-dependent countries like China. An important reason for this was the decline in exports even during the pre-COVID period. The 'robotic revolution' gained momentum in PRC, particularly

9 Risk of inability to explain why a certain decision was made. It is mostly important in the adoption of AI/ML technologies, algorithms and processes. This is important in decision--making for companies, enterprises and startups that utilise technology-related processes to determine their actions and activities in the market.

10 Risks associated with the issues of in economic gains.

11 Risk of physical injury to people or damage to equipment from the adoption of new technologies. This is very important for automation-related technologies and the risk for workers and their safety requirements.

in the aftermath of the Global Financial Crisis of 2008 (Yu and Sharif, 2017). Xu Zhigang, a researcher at the Shenyang Institute of Automation of the Chinese Academy of Sciences (CAS), opined how about one-fourth of ammunition factories in China saw “smart machines” replace manual labour. This reduced the number of accident-related hazards and exposures to human workers. It improved the safety of workers and increased the profits of companies in the sector. With the integration of artificial intelligence (AI), the production tripled, the productivity increased up to five times, and a peak level of performance for efficiency. Interestingly, this scenario has led to the creation of new type of jobs like “control optimization, hardware maintenance and technical upgrades” (Leary, 2018).

China is one of the world leaders to embrace the industrialization wave that is linked to robotics. A decline in exports was evident in many countries, mainly due to the burgeoning increase in labour costs as well as growing concerns over workers’ safety among companies and other institutional actors. Countries such as China, that were more reliant on exports, were more concerned about this, while USA and other West European countries were increasingly concerned about bringing back investment and manufacturing-based capital back into the countries (Yu and Sharif, 2017). According to estimates, vast imports of industrial robots have been shipped to PRC, which accounts for nearly one-third of the total worldwide (IFR, 2017; Sun and Zhang, 2018). The recent strides and developments show signs of China’s progress to becoming a global leader in industrial robotics in the upcoming decades. China has also begun exporting industrial robots for countries focusing on the transition from labour-intensive to capital-intensive manufacturing. Being one of the top exporters of industrial robots will unequivocally strengthen PRC’s role in its aspirations towards ‘multilateral economic governance’ and its reforms.

6 Conclusion

There has been a decline in overall market demand in the PRC, causing a dip in the global FDI growth rate and exports for the during the COVID pandemic. The impact on Chinese banks have created a fiscal imbalance and have a significant negative impact on infrastructure development and the labour industry, along with the deteriorating condition of corporate debts poses further challenge to the Chinese economy. In addition to these, job-losses related to COVID-19, coupled with the decline in the global demand, has imposed economic constraints on the population, increased precautionary savings rate, muted consumption, and weakened the sense of social security. All of these can create long term conditions for recession within China, with implications for the world, exacerbating the effects of the ‘Great Reset’.

For the first time in decades, China is facing issues related to negative growth in many of its sectors. The allegations of ‘biological warfare’ or ‘quasi-economic warfare’ due to the current COVID-19 pandemic crisis still creates hindrances for China’s foreign relations. This is not a situation in which the CPC or its leadership wants to have the Chinese economy lingering amidst the effects of the ‘Great Reset’. The PRC has engaged in furthering fiscal stimulus packages domestically, incentivizing production, and undertaking reforms of the economy in challenging circumstances since 2020. Moreover, China has (and should) focus on increasing (technological) innovation and related research to assert itself in the high-technology sector.

The survey undertaken during the study analysed the impact of the COVID-19 pandemic on innovation, adoption and integration of digital technologies in China. As per the survey, COVID-19 hugely impacted businesses, enterprises, companies, and organisations in China, negatively even as digitalisation activities and the innovation and adoption of existing and emergent technologies have concurrently been on the rise. More importantly, there have been various risks and challenges in regard to the innovation and adoption of technology, which include cybersecurity, regulatory compliance, privacy, organisational reputation (branding), workforce/labour displacement, and challenges to decision-making through technology, national security, equity and fairness, physical safety and political stability. Interestingly, projected investment in technological innovation, adoption and adaptation over the coming years shows an increasing trend.

Overall, the Great Reset has a severe impact on the Chinese economy, creating serious implications domestically, and on the global supply chain; overall exports have dropped to the US, the European Union, East Asia, and some countries within South Asia and to some extent in Southeast Asia. Domestic demand and consumption played an essential role in maintaining as well as promoting growth and development in China. So far, the internal domestic factors that could create hindering blocks in dealing with the COVID-19 crisis. This includes issues related to ineffective fiscal policy (at the provincial-level) as well as lack of transparent financial institutions (at the national-level). The external factors seem to exacerbate the current situation, both internally as well as in the supply chain. These include the slowdown of export-oriented manufacturing in China due to issues related to domestic constraints and a decline in global demand, which can exacerbate due to increasing tensions with the US.

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ABSTRACT
The Great Reset has had a severe impact on the Chinese economy, with implications domestically, and on the global supply chain. One consequence has been the decline in the overall market demand in China, with a significant negative impact on infrastructure development and the labour industry. A unique aspect is a survey is to analyze the impact of COVID-19 on innovation and integration of digital technologies in China. The authors analyse the impact of the Great Reset on the Chinese economy, the implications on the supply chains that China is a crucial part of, and the global implications thereof.

KEYWORDS
Great Reset; China; COVID-19.

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