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COVID-19 opportunities: moving towards a more evenly distributed economy

In 1972, the meteorologist, physicist, mathematician and computer scientist Edward Lorenz gave a lecture titled: "Predictability: Does the flap of a butterfly's wings in Brazil set off a tornado in Texas?". Humanity has just witnessed an application of the "butterfly effect" theory that is still ongoing and of which the chain reactions have only just begun. Small causes leading to massive effects of which the outcomes are extremely hard to predict and mitigate due to the widely varying reactions of various States. These notably include a total lack of coordination by the European Union, which remained in denial for several weeks. Other key factors include the initial lack of consideration given to the issue by the United States, as well as China's delay in making the world aware of a development that has become economically strategic!

So does this evolution stem from our over-exploitation of the Planet's resources? From the annihilation of spaces available to wild fauna, deprived of a refuge for the expansion of species and constantly drawn upon for unsuitable food? From the industrialization of animal husbandry devoid of any respect for life in order to feed an ever-growing population?

The answers will be either the consequences or the purpose of our actions through the choices we will make in the coming months! We are confronted with the necessity of triggering change within our system, because "Time is Out". The developments



under way following the emergence of COVID-19 are converging with two major historical developments in the history of humankind: the fact of people reaching retirement age in their hundreds of thousands over the next ten years; and on the other, the belated realization that Earth's resources are in fact finite and that their mode of use must be entirely rethought.

The weight of seniors

As per 2013 figures, **China's** population stood at 1.41 billion¹, including 178 million over the age of 60². That means there will nearly 350 million pensioners by 2030. With its current retirement age of 55 for women and 60 for men³, the country is facing the challenge of ensuring subsequent funding to cover the benefit scheme to which it has already committed. Economic development is of crucial importance to keeping the nation running.

Europe has a population of approximately 740 million – just over half that of China – and projections indicate it will be home to almost 120 million new pensioners by 2030. As everyone is aware, Europe comprises widely diverse populations and languages, adding to the complexity of undertaking American or Chinese-style joint efforts in order to represent a strong community. As explained on the <https://ec.europa.eu>

website, the European Union is a political project aimed at creating a peaceful area based on economic solidarity, along with sustainable social and territorial development in order to ensure its global influence. The COVID-19 crisis has severely challenged the European Union's spirit of solidarity and cooperation. This "disunity" was highlighted on March 27th at the Chinese Embassy in France, where the remark was made that: "Asian countries, including China, have been particularly successful in their fight against COVID-19 because they have the sense of community and civic-mindedness lacking in Western democracies".

President Xi Jinping sees this as confirmation of his stated conviction that: "great visions can only be realized through actions"⁴. Europe has failed in this field, leaving Italy in despair and under the illusion that borders are watertight. China has come to Italy's rescue based on the principle promoted by its "great helmsman" that "it intends to share its experiences and opportunities with all countries of the world and looks forward to welcoming them aboard the express train of China's development, in order to achieve common development"⁴.

"[... Asian countries, including China, have been particularly successful in their fight against COVID-19 because they have the sense of community and civic-mindedness lacking in Western democracies.]"

China has thus devoted significant resources to supporting countries around the world – which do not have the same hindsight based on experience – in taking steps to deal with COVID-19. It is currently able to manufacture several hundred million masks in record time to supply all those involved in fighting the disease, thereby creating openings for itself in every embattled State worldwide. A picture is worth a thousand words and this particular one is being circulating rapidly on social media, aptly summing up a key aspect of current reality.

Within this context, despite the fact that the **United States** with its 333 million inhabitants⁵ including nearly 55 million retirees – a figure expected to grow by more than 30 million by 2030 – has a centralized government, the weight given to its President has led the entire nation to suffer more severely from the current pandemic than many other countries.

It is precisely this kind of slippage in the functioning of a democratic system that reinforces what was said at the Chinese Embassy in France on March 27th.

Democracy, the European Union and the United States are all displaying the same degree of inefficiency!

The environmental crisis

Humankind takes advantage of nature which is consistently transforms. At the same time, it is an integral part of the environment that it is "destroying". By reducing areas dedicated to wildlife,

it is obliging the latter to adapt to new conditions – and the resultant mixing of species that are inherently incompatible leads to inappropriate contacts that pave the way for unknown viruses. The natural cycles of viruses in Nature are not all under control and the different origins are still obscure, although some are known to affect monkeys, chimpanzees, antelopes, bats and other creatures. By getting ever closer to these species and removing their habitat, humans are increasingly exposed to pandemics – one of which could threaten their very survival. One need only think of Ebola, HIV, SARS 2002...

It is true that the situation is offering certain investors opportunities for enrichment through vaccines, drugs, and antibody identifiers that are being or will need to be developed. Viewed from the perspective of a certain infinitely repeated logic, this implies a potential for perpetual growth in order to make money. But at the cost of how many lives? Economic growth is fuelling a "war" that is far more destructive than the bombs of a one-off conflict. This reality is even making certain people express the wish for an outbreak of hostilities in order to... reboot the economy.

Human beings are intent on occupying every possible space, including reclaiming land over water.

Time to reset

We must be prepared to note the partial failure of a system, not the entire system. We have been building a world against nature since the first industrial revolution, and now we must renew and rebuild it. We need to consider the finite nature of the space available for development and the time required to rebuild with the means available to us; as well as to reinstate an economic evolution (e.g. agriculture, fishing, animal husbandry, agroforestry, etc.) aligned with natural cycles and no longer driven by life-destroying methods.

We should put in place the kind of framework conditions that ensure that when development is based solely on profit-making criteria, we must be prepared to shoulder a proportional share of responsibilities that notably involves assuming the costs of both opportunities and potential damage. The community must be capable of putting a stop to the deployment of harmful activities. In this day and age, an educated and developed civilization should not be



undertaking zero-sum or one-sided development projects.

Within this context, developed countries have used their prerogatives in terms of technical, technological and logistical advancement to take possession of developing countries' assets. We are indeed facing a fundamentally different historical responsibility, and our capacity to respond to the current problems are incomparable with those of developing countries.

The right to well-being should not be the exclusive preserve of developed coun-



tries, or newly developed ones if we include examples such as China, Malaysia, Indonesia, Brazil and Russia.

Developed countries whose wealth is due to their historical evolution or to raw material resources that happen to be in one place rather than another, have a duty to accompany developing countries in their efforts to mitigate general negative impacts, be they climate-related, social and/or cultural. Maintaining and developing life on the only biodiverse planet in the solar system is an obligation, not a choice. The same goes for preserving the cultures that enrich the encounters and exchanges between the different peoples of the world.

The emphasis must be on sharing, cooperation and partnership, rather than confrontation or alignment. We are no longer in the 15th century when nations decreed that their enrichment called for colonization of virgin territories through intensive economic exploitation and subjugation through slavery. This led to an entirely one-sided

accumulation of wealth, whereas no one should acquire any form of ease at the expense of other people's misery.

Hopes amid COVID-19

Writing about hope at a time when cases of infection are reaching the 1.9 million mark should not be regarded as tone-deaf, but rather as resulting from confirmation that we have reached the end of a cycle. It is important to understand what has been achieved and to assess the opportunities for redeploying an economy that is more attuned to the environment.

"The forest has no debts. Yet humans, by driving deforestation, are making freshly replanted secondary forests into plant territories that exist on a vastly diminished scale, if not in fact living on credit. These new forests with their all but destroyed biodiversity are devoid of countless organisms – the very ones that had emerged through perpetual cycles of optimizing their various components and interactions within the primary forest community. Given that it takes about seven centuries for a forest to reach the peak of its construction, imagine all the value that is lost when a forest is razed⁶¹."

COVID-19, the environment, forests. These three determining factors share a capacity to enable humanity and the living world to exist – or cease to exist. The forest is a model of economic and social development that has been tried and tested for nearly 400 million years.

The forest represents a realm of expression involving zero waste, providing all its occupants with space to live according to their specific needs. The forest consumes only what is useful to it, giving back to the community that which should be freely available to each organism. This is a virtuous circle that should be regarded as a blueprint for development. Applying this to the system of human fulfilment and development corresponds to the principles of a circular economy.

For a circular economy to work, it is crucial to think of goods production not only in terms of the use thereof, but also in terms of having access to the source of each – representing components that can then be reinjected into the development circuit.

"There is fundamentally no real comparison between them and the exit from this crisis could be very different, with multiple positive prospects."

"We don't need to shut down the Planet to repair it."



With the three converging factors of the senior boom, the environment and viral spread, we have reached a crucial moment in our economic and overall development. We are confronted with the imperative need to modify a societal model. Does this mean we should ditch everything? No, on the contrary, history merely offers a rear-view mirror look at the path we have travelled, which should enable us to learn which approaches are judicious and which mistakes prove detrimental to the common good. While there is no such thing as absolute truth in this area, it is important that no one is left by the wayside. These "freeze frame" weeks enable us to see that we can live without frantic consumerism, and that it is possible to have a home and to share with our family. We will still be able to welcome our friends there in the future. Time has apparently stood still, yet the sun has risen in the east each morning. We can slow down an insane rhythm, propelled by the consumption-innovation cycle towards complete exhaustion of resources. We were caught up in an incredible acceleration in the pace of novelty, futility and abstraction, an attitude that appeared to have taken over from the existing headlong onward rush. It seemed like a kind of new market phenomenon which was no longer for the common good or that of individuals, but instead representing collective endeavours benefiting only certain individuals. We had lapsed into what amounted to a consensual feudal regime, of which the ultimate expression lay in putting cameras and trackers in the streets and on our mobile phones. Exactly the kind of technology serving to congratulate us for our behaviour, but also to punish us for our bad actions, and to usher us into a consumer system governed by artificial intelligence.

The idea of exploring COVID-19 hopes is rooted in this global awareness, during this abrupt yet beneficial pause.

We do not need to shut down the Planet to repair it. We simply need to recapture that good old countryside common sense, which consists of living in symbiosis with the cycles of the Earth and transitioning towards a desirable world after a journey of great developments. And to do

so by taking the opportunity to enact the necessary profound changes and readjustments that also represent opportunities.

We are not in 1929...

For many pundits, we are on the verge of a 1929- or 2008-type crisis.

The 1929 crisis ensued from a very specific process. During the 1920s, the United States experienced strong growth, resulting in a 50% rise in industrial production. At the same time, the New York stock exchange had risen by more than 300%, driven by speculators entirely out of touch with economic reality. It is worth noting that neither wages nor productivity reflected this euphoria. As early as 1928, sectors such as the automobile industry began to suffer, and industrial production fell by 7%. Any available capital was poured into stock market speculation, leading to a lack of financing for the real economy. On Thursday October 24th 1929, with promises of very short-term capital gains fading, there were no more short-term buyers and prices dropped by 22%. Investors who had borrowed on credit to speculate sold in order to limit their losses in view of the short-term deterioration and Monday October 28th marked the start of a tumble that was not stopped by the banks. The initial 3% drop was followed the next day by a 12% freefall and within 22 days, industrial stocks plummeted by more than 40%.

This was followed by a sharp drop in household consumption. The banks cut off credit, resulting in the failure of numerous businesses and even small banks, which led to a major banking crisis.

In the aftermath, world trade fell by 66% over the next four years. It took a decade of government interventionism for the global economy to recover. Roosevelt's "New Deal" played a key role in the recovery of the American economy and financial markets were also cleaned up.

... nor in 2008

The 2008 economic crisis, also known as the subprime crisis, stemmed from subprime mortgages granted to American households, with low family incomes implying high repayment risk.

The multiple loans granted since the 2000s, at low interest rates, proved to be deadweight losses for banks and investors all too eager for easy short-term gains. Borrowers found themselves unable to meet their repayment schedule as interest rates rose from 1% to 5%, resulting in an unsustainable financial burden. This had a

snowball effect, with credit defaults leading to a drop in house prices, along with an inability to resell them at the price of the mortgages granted by banks, while lenders saw their money vanishing with no hope of return due to an explosion of non-repaid loans.

Perception and reality in 2020

In January, stock markets were still on the rise since the recovery that began on March 11th 2009, apart from an interruption in 2015, after which they climbed to new peaks in the wake of Donald Trump being elected on November 8th 2016, before sinking amid a crisis linked to the COVID-19 pandemic. Does this situation compare with the crises of 1929 and 2008? There is fundamentally no real comparison between them and the exit from the crisis could be very different, with multiple positive prospects.

At the end of March and beginning of April, the professional and private activities of nearly two billion people were in a state of pause. Entire sectors of the economy are either at a standstill or are operating at a far slower pace. The automotive sector has recorded an almost 80% drop. Tourism and the hospitality industry are down by almost 90%. The furniture, cosmetics, mechanical engineering, plastics, textile and construction sectors have experienced falls of around 80%, depending on the country. The aviation and service industries have been likewise almost brought to a grinding halt.

We are facing a brutal lockdown affecting the economy in successive waves around the world. The first epicentre was in Wuhan, China, successively followed by Asia, Europe and finally the United States.

If a resumption of economic activity were to become increasingly probable, the advantage of the shutdown lies in its planet-wide nature, based on States' decisions to fight a pandemic unique in its kind and leading to concertation between national authorities and central banks. This has resulted in citizens being given "orders" that are chronologically convergent, albeit somewhat disordered.

We are indeed facing a new approach to an economic shutdown that lies in the consensus of all stakeholders on behalf of a common destiny.

The circumstances are quite different from the two historical occurrences in 1929 and 2008. These two benchmark events started from the United States, the engine of economic growth on the reference dates, whereas in the present case, the crisis was triggered in China, the new economic growth driver. China is a consumer of fossil fuels, raw materials and technological knowledge that fuels its own research and development on the one hand, while on the other enabling it to catch up in just a few decades with what the West took nearly a century to build.

Over the last 30 years, China has been a profit leverage Eldorado for the entire Western hemisphere, which has found propitious conditions there including cheap labour and initially minimalistic environmental rules. Western businesses have thus been able to relocate a maximum number of industrial and technological production centres, whether in the textiles, automotive or chemical industries.

The current pandemic has revealed the construction of our voluntary dependence on a single State whose current population is almost equivalent to that of the entire planet at the turn of the 20th century. China built its fortune by welcoming Western companies, working under extreme conditions and becoming the world's factory. This means we are facing a country that deliberately built its external growth by "selling off cheap" both its environment and its workforce. Nonetheless, it also engaged in

a second phase of doing what it took to ensure that the domestic economy could meet its own need, while a third phase has seen it investing in order to become the world's leading country in terms of mitigating our impact on the environment.

In 2013, with a view to ensuring long-term growth and promoting its socio-economic model, China launched the New Silk Road.

China wants to trade, but not only that...

From 1100 to 1800, China was the world's leading economic power before subsiding into the background until the mid-20th century.

In the course of this 700-year period, it was the world's largest steel producer and as well as a leader in textile production, trading with much of West Asia, Africa, the Middle East and Europe. It was responsible for many innovations in the fields of paper, printed books, firearms

“Over the past 30 years, China has been a profit leverage Eldorado for the entire Western hemisphere...”

and tools, as well as boasting a highly advanced navigation system.

The basis for China's development has been "non-interference in the internal affairs of its trading partners", a precept cultivated by President Xi Jinping. Conversely, the West – whether the British Empire and various colonizing countries or the United States since World War II – has brutally intervened around the world in order to adapt local economies to its own needs. Even today, armed conflicts are still fought in areas of influence and a quest for control directly related to the exploitation of raw materials in formerly colonised countries. While China declined sharply in 1800, its rebirth in around 1950 stemmed from its agrarian reform, infrastructure construction, as well as the granting of credits and technical assistance to hundreds of millions of peasants and workers. It has built up "human capital" in the shape of a motivated, educated and healthy workforce⁷. Admittedly, the country has pushed its "responsible" social development by experimenting with rating systems to sanction or reward individual behaviour. Are young people complaining about this development? In a recent interview, the following statement was even made: "We are doing very well and in fact who is buying up your companies? China is stronger than before and the whole world is watching! I feel very proud of my country. We are buying your companies; we are the best in new technologies ..."⁸.

The Han dynasty opened the first Silk Road, which started in Xian, China, and had trade routes passing through Central Asia and ending in the Mediterranean region, after a 7,000 km journey. The route was opened in the second century BC to trade in silk, a precious material that was a state monopoly and whose production secrets were held by China alone.

The country is counting on reviving winning formulas by reopening a "New Silk Road" based on the slogan: "One belt, one road".



This new development will enable China not only to ensure its economic development, but also to orchestrate a new form of globalization via major cooperation in the fields of culture and tourism. Inland and maritime transport will involve nearly a hundred countries, which will enable Chinese companies to find multiple sources of growth in light of the routes involved. These are regions where economic development potential could remain entirely out of reach for the West, because China is not so much involved in the concept of "venture capital" but rather "opportunity capital". The weight of history lies in this fundamental difference that is paralyzing Western investors, who tend to remain caught up in the quest for immediate profit.

China is building a strong and centralized State, capable of taking decisions rapidly and imposing them within a short period of time. But it is gradually ensuring global dominance over an area that will already encompass nearly 7.1 billion inhabitants in 2030. It can well afford the luxury of neglecting the Americas and Oceania, which will represent only about 1.1 billion people, amounting to 80% of its own population.

While China is directly connected to such an area of interest, it is interesting to note that the end of the "One belt, one road" is in fact Europe. The very Europe that has demonstrated disunity when it came to mutual assistance during the COVID-19 crisis and which will remain in a phase of structural decay if it does not succeed in forging a true federal democratic union, thereby guaranteeing individual freedoms and promoting joint interests.

Might it be advisable to face up to the Chinese socialist system of a people's democratic dictatorship with a regime based on liberal federalism?!

Whatever the case, the strength of China's development also stems from the weakness of our attitude as well as our way of grasping and approaching the future.

Moving towards a more evenly distributed economy

All the pieces of the puzzle required to effect change already exist. We must all collaborate and have the necessary information in terms of the impacts our choices will have on the environment and on society.

No one has asked for the current situation and governments are in no hurry to change, yet the aforementioned convergence of our deteriorating habit, the historic senior boom that is a ticking time bomb, along with repeated health crises, all offer a unique opportunity to

build a future that is not only desirable, but fully achievable if we act today. Tomorrow will be too late, meaning the time is definitely now.

The two billion people currently experiencing unprecedented confinement for democratic countries show us that we can change habits and return to values in tune with the way time is ticking on a human and Earth-related biological clock.

Everyone has had to rethink, among other things, their way of life, their priorities, their needs and their means of communication. Although technology naturally plays a part in what is happening, it cannot meet all the challenges; it is a facilitating instrument and not the determining factor in the success of a day. We are getting to know our neighbours, chatting with others while queuing in shops, phoning people we hadn't seen or heard from for a long time, talking with our children, taking our cars out less – in short, taking time for time.

We have also become aware that the concentration of production in a single hub can effectively – in this instance via a viral crisis – stop the economy in its tracks, with collateral effects that will leave their mark.

This results in a clear need to rethink the distribution model of the economy. It is vital to imagine diversified production of economies in multiple regions and for different sectors. This applies to heavy industry as well as to finished products and agriculture. It is time to consider the costs of transporting raw materials, parts or semi-finished or finished products and to closely align these approaches with consumers' needs.

The search for the lowest wages and "accepted" pollution zones ultimately represents a cost borne by all and which is higher than the short-term savings involved due to the devastating collateral effects. The important thing is to ensure that human capacities, along with the appropriate knowledge, are available in all places of production.

China could be the epicentre of production in Asia, with Europe and Africa representing a second axis, and the Americas a third – each with their own capacities that can also be shared.

Such constituted zones in no way preclude lateral exchanges in terms of specific goods and services.

Unlike globalization or the assertion of globalist realism that unifies development models, such an approach

would offer the advantage of preserving particularities and developing lateral economic exchanges of goods and services providing they are efficient and environmentally compatible.

Perhaps such an approach might appear utopian, but why not bring back local industries to Europe? Taking car manufacturing as an example, this would not mean ceasing any purchasing from China, but instead of ensuring smooth flows and short paths to consumers. This is one of the things that the Japanese automotive industry achieved during the 1980s crisis by building production centres in different parts of the world.

Agriculture is also concerned by such an approach. We have our own production and processing capacity areas around the world. Returning to them also means ensuring the serene development of our society.

R&D is one of the key elements in profitable exchanges, if the objective is no longer about competing for first place in a ranking that is not sustainable and by nature ephemeral.

We form a unit of societal development endowed with particularities that have forged the richness of humanity. This time we are being given can be used to establish a development model geared towards returning to a local approach, while remaining involved in global exchanges that are all about playing complementary rather than competitive roles. One of the drivers of this change will be the autonomy of fossil fuels, with green energies, which is totally in line with the necessary and indeed indispensable energy transition.

COVID-19 is thereby teaching us that we are not in an effective crisis, but rather in a transition that began several years ago and extends across various levels.

A crisis, or a forced transition towards infinite opportunities today?

The 2008 crisis highlighted the "Too big to fail" concept, namely that financial institutions are so important to a country's economy that their failure could have disastrous systemic effects on the economy as a whole, and that it is therefore essential to support them financially in case of a proven risk of failure. In this respect, analysts pointed out that "big" was not necessarily a matter of size, instead relating to the strategic position within the system

of a given sector and the consequences of a domino effect.

The objective was thus to put in place the short-term measures required to support the financial system as a whole in order to keep the economy functioning.

With COVID-19, we are in a "too diffuse to fail" context. SMEs are the lungs of the economy, accounting for almost 99% of businesses and around two-thirds of jobs, depending on the country. As a result, they provide States with income from taxes and duties, the financial capacity for consumption, along with savings that are made available to the companies themselves and thus ensure the economic circuit runs smoothly as well as financing the share capital of financial institutions, etc. Everything works in a kind of financial sector circular economy.

States are keenly aware of this, since governments have spontaneously unblocked access to credit complete with guarantees and reasonable repayment periods as well as support for reduced working hours (RWH). At the same time, central banks, with governmental support, have taken steps in coordination with banks to safeguard firms' immediate cashflow. Nationalisations are even being considered in some countries in order to keep strategic companies afloat.

All these actions make 2020 different from 1929 and 2008. Yes, there will be a recession in quantitative terms, since we will have at least two quarters of lower GDP. A reduction in growth was in any case anticipated. The good thing is that it has come about for a limited period and that measures are being taken. The financial capacity of certain companies and individuals will be adversely affected, with an impact on specific sectors and inevitable bankruptcies, some of which would not have taken place in any other form of crisis.

A return to normal activity will not make up for certain lost revenue. However, certain sectors are witnessing a postponement of investments that will have a beneficial effect a few quarters down the road.

One could even say that the abruptness of the start of the crisis and its globalization is serving to create a salutary levelling off, since the market rises of the last few quarters had created the illusion of permanent wealth creation.

As mentioned earlier, the fact that this has occurred at a time of an environmental crisis leading us headlong towards a destruction of life on the only biodiverse planet in the solar system enables us to see positive impacts around the worlds from a certain way of life that has

been imposed on us but is proving beneficial to the environment.

It is therefore well worth considering the many areas of development that are conducive to the creation of jobs and hence to generating taxes and taxation for States. Sectors such as construction, agriculture, energy, transport, retail trade, luxury goods, and so on will all need to be rebuilt. This process will involve their production chain as well as the origin of the materials used and their reuse. A hitherto untapped source of opportunities for the redeployment of economic production can emerge thanks to this manner of considering the place of each object, whatever its nature, within the context of a truly circular economy.

In evaluating short-term losses and medium- and long-term opportunities, our greatest chance now is to create sustainable value.

This implies several prerequisite conditions. The first is that the world of finance regain a sense of the real economy by making efficient credit lines available. Speaking of credit also implies attributing value to a company and its management in order to achieve its objectives. This same financial sector must abandon the quarterly publication of results, which imply basing decisions of granting credit value solely on sustained growth. The sector should also have the courage to do away with financial products that no longer have any counterpart related to the real economy. This would offer the advantage of releasing genuine fortunes that exceed the economy's requirements for redeployment. In this respect, States should agree to tax financial speculation, heavily targeting all capital gains made within a short period of time (a few days are enough to stop speculation) and to reduce corporate taxation to the level of the dividends paid to shareholder-entrepreneurs by applying the same principle of reducing the fiscal burden on the taxation of theoretical wealth.

These same States that have taken out large debts to support the current crisis would in return be rewarded by the income generated by the full employment potential of those engaged in the economic transition that must be accelerated and in sustainable development. Again, this would imply a period of inevitably rising deficits. The pivotal point for these states in balancing their budgets will then come from greater solidarity and cooperation in meeting the social costs associated with the senior boom.

As we have seen in recent quarters, several social crises have swept through various countries. On the one hand, there are those who want more and more state-funded social security cover! On the other, there are those who

advocate individual responsibility. We all have a societal responsibility to ensure that the State and any pension scheme is properly funded. This requires contributions that must be in line with the level of expected benefits as well as individual life expectancy. This involves reviewing retirement ages, the effective length of a working career for each person based on their expectations, their own abilities and the added value that can be brought to the company and to society. It also involves the freedom to work beyond a set theoretical retirement age. But that's another story.

The current crisis is salutary in more ways than one, and although two billion human beings have partially ceased their usual activities, we wake up every morning with needs that have not disappeared.

Tomorrow will be positive

Within the context of our societal development the COVID-19 crisis is salutary in the medium and long term if we dare to take advantage of it.

If SMEs are the lungs of the economy, finance is the blood that flows among stakeholders.

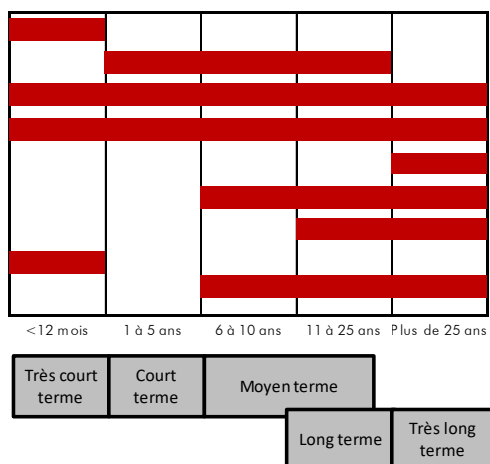
Meanwhile, savings are the foundation on which governments, individuals and individual or group pension schemes can build to ensure a desirable future.

The diagram below shows the structure of the requirements that vary for each individual:

Couverture des besoins propres et épargne

- Besoins courants
- Éducation des enfants
- Engagements privés
- Logement
- Plan retraite
- Développement société
- Assurances vie
- Frais spécifiques
- Épargne et placements financiers

Horizon d'investissement



ual:

Investment of these savings is a factor that deserves consideration. Since the 1990s, the value of "long term" has been regarded three months, with the nanosecond as the "short-term" unit. Everything has been built up between

these two time periods. Coming back to individuals, the table opposite attempts to reconstruct savings investment times. This is of course based on each individual's capacity in terms of available funds, which notably depend on income sources and how much they need to maintain their lifestyle.

As can be seen from this table, financial investment is a process that must encompass various timespans and diversified opportunities. It is important for any private investor to have a plan to cover their needs and not to speculate on their temporarily available assets.

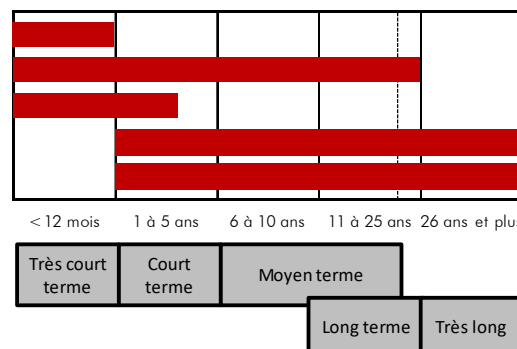
For pension plans that are accustomed to reviewing their results quarterly due to competition from financial establishments, this has led to what is commonly known as index-based management. This form of management tends to amplify market volatility, fuel short-term speculation models of the high-frequency trading type and feed all financial instruments that are not confined to the real economy.

The table below shows the investment horizons in relation to certain pension schemes (e.g. pension funds).

Engagements des régimes de retraite

- Frais de gestion
- Capitaux/Rentes en cours
- Capitaux transitoires /Mutations
- Rentes différées des affiliés
- Capitaux de retraites affiliés

Horizon de déploiement

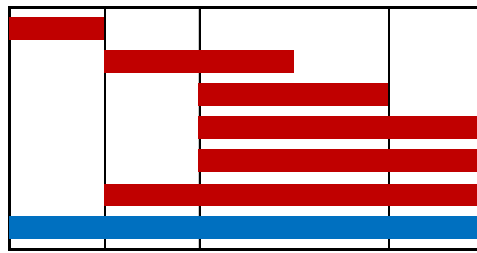


A diversified investment portfolio can be put together by taking into account these two elements: commitments to be covered and available savings. Controlling liquidity needs to cover each commitment also provides a better grasp of a stock market crisis and the inevitably related economic crisis, since the stock market is by definition always wrong, as it always rises too high and falls too sharply. Seen from another angle, the stock market is always right, because it always anticipates crises and recoveries. A question of point of view!

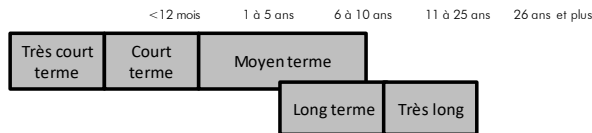
Consequently, maintaining an investment strategy in line with a given investor's short-, medium- and long-term commitments means that, in the wake of the current crisis, he or she will reconstitute his/her capital and develop it beyond cyclical crises.

Type d'investissements

Liquidités / Obligations indigènes
Obligations monnaies étrangères
Microfinance / Infrastructure
Actions/P rivate E equity
Immobilier direct, indirect
Autres alternatives économie réelle
Investissements combinés



Horizon d'investissement



Having said that, there are numerous opportunities. Admittedly, governments and central banks having provided liquidity resources that many consider unbelievably generous. In light of the opportunities offered by current developments, the economic transition phase linked to the environment as well as the fact that, as repeatedly stated, billions of human beings continue to wake up each morning and have proven individual needs, investments remain a good opportunity to invest one's savings according to the timeline available.

It is important to remain active in the market, because when a rise has come and gone one has well and truly missed it; whereas conversely, a drop can always be made up for, providing careful planning ensures that financial needs are covered at all times.

The economy will return to a growth path; it will be different from what it was before COVID-19, but in any case, tomorrow is already an opportunity.

We can hide from what is happening before our eyes. There is no point in being alarmist at this juncture, yet we cannot ignore the three converging factors we have identified in this reflection.

We live in a world of perpetual change. One day's achievements are no guarantee for the next.

Humanity is at a historical watershed and has plenty of chances on its side, providing it climbs aboard the train of change.

There will always be those who do not want to commit themselves! Never mind, it is not a matter of accusing and condemning, since we are all stakeholders in what has happened. We have all the necessary and useful means for moving forward. It must necessarily involve a painful stage, but revolutions have always led to a better tomorrow. Since this is not the aggression of one State against another, but rather the consequence of a negative development, let us make time for time and give everyone a chance at this desirable future, so that tomorrow will be positive.

¹ <https://countrymeters.info/fr/China>

² National Bureau of Statistics

³ In China, the legal retirement age is: 60 years' old for working men and female managers; 55 for female employees; 50 for other working women; 55 (men) and 45 (women) for people who have a hard or dangerous job-
Chine-info.com | <http://www.chine-info.com/french/columnist/Pierre-Pic-quart/20140904/156933.html>

⁴ XI JINPING – *THE GOVERNANCE OF CHINA*, SECOND EDITION – Foreign language editions, China

⁵ [https://countrymeters.info/fr/United_States_of_America_\(USA\)](https://countrymeters.info/fr/United_States_of_America_(USA))

⁶ *LA NOUVELLE RÉVOLUTION ÉCONOMIQUE* - Olivier Ferrari – Published by ECONOMICA, Paris – 2016

⁷ *DISSIDENT VOICE* – China's Rise, Fall, and Re-Emergence as a Global Power – James Petras – March 7th, 2012

⁸ *L'OBS* – *CHINE LA DICTATURE HIGH-TECH* – special edition in issue n° 2801 from July 12 to 18, 2018

Sincere thanks to the artists for accepting to share their drawings via WhatsApp, vividly expressing concepts that would have taken far longer to convey in writing.