Summary of Ernst & Young (2020)  
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**Summary**

Infrastructure investments are one of the key policy levers for economic recovery. Ernst & Young (2020) recommend a mix of small (maintenance) projects, which are often backlogged in order to stimulate local economies, positively impacting inequality and long-term capital projects, which have the potential to unleash new sources of economic growth and re-structure the economy for good of everyone, benefiting environmental recovery.

**Implications for infrastructure**   
Apart from solid investment advice, the report emphasizes the importance of “InfraTech" as digital infrastructure will become even more important than physical infrastructure in post-COVID-19 society.

**Stock-and-flow diagram**

The very aggregate co-flow structure of this diagram represents the main argument that financial resources (including liquidity) go hand in hand with infrastructure development. So that, small projects can create quick finances and liquidity in the economy, while long-term projects set the stage for long-term income sustainability despite having a short-term negative effect on liquidity.



Figure 1. Stock-and-flow diagram based on Ernst & Young (2020). The dotted arrow is an assumption induced from the document.

**References**

Ernst & Young (2020) *Repairing the damage from COVID-19: How infrastructure spending can help economies return to full strength.* https://www.ey.com/en\_ie/covid-19/how-infrastructure-spending-help-economies-return-strength accessed on 26 October 2020.