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1. Introduction

In the last weeks a growing debate among European economists has focused on how to fund the national expansionary fiscal policies of the euro-area countries that are required to deal with the negative economic impact of the Covid-19 crisis. The discussion is pointing to three alternative options: (i) the possible use of the various credit lines offered by the European Stability Mechanism, (ii) the issuing of a common debt instrument (the so-called corona-bonds/ Eurobonds) by other European institutions, and (iii) some forms of monetization of the national debt by the European Central Bank (ECB). The last option appears unfeasible since it would require profound changes in the European Treaties and in the ECB's statute. On the other hand, options (i) and (ii) do not contrast with the current European norms. The main difference between the two is that option (i) can dispose of potentially covered funds (around either 250 or 410 billion euro) but implies some forms of conditionality for the beneficiary countries, whereas option (ii) cannot rely on preexisting funds and introduces a certain degree of risk sharing among the EMU member states. As shown by the disappointing but temporary conclusions of the Eurogroup and European Council in their meetings at the end of March and beginning of April 2020, these trade-offs between options (i) and (ii) are hampering the possibility of striking a deal in the euro area (EA). In fact, they echo the recurrent debate between EA 'core' and EA 'peripheral' countries that led to long phases of stalemate in the evolution of European governance from 2010 to 2019 due to the contraposition between risk reduction and risk sharing (see for instance: Bastasin – Messori 2018).

The dramatic human, social, and economic problems caused by the Covid-19 pandemic require that this stalemate be overcome. Hence, the aim of our *Policy Brief* is to outline a new solution. This solution is centered on the possible centralization of the property rights of a part of the existing national infrastructures and of new ones at the European level. This move would also lead to a gradual implementation of the European single market for infrastructure. To outline the pivotal points of this solution, it is sufficient to make a few considerations.

To recover after the impact of the Covid-19 pandemic, the EA economies (as well as the European Union at large) will need a new massive European investment plan other than InvestEU.[1] This plan would have to merge various (tangible and intangible) infrastructure networks that are currently nationally-based but could be efficiently reorganized at the European level; and, in some cases, this re-organization could set in motion a stream of digital innovations. On the other hand, to face the short-term recessionary impact of the pandemic, each of the EA countries needs an immediate massive expansion in its national fiscal policy. However, EA high-debt countries cannot increase their government debt and, in the meantime, preserve the sustainability of this same debt in the long term. To avoid structural and fatal divergencies among subsets of member states inside the EA, a part of the financing of expansionary national fiscal policies thus needs a centralized European solution. It is unlikely that this solution will be based on some form of grants (as proposed in: Messori 2020) due to the contrasting positions inside the European institutions (mainly, the Eurogroup and the European Council). Hence, we need alternative solutions.

Our new tool is aimed at implementing a new European investment plan and at covering a part of the increased public spending in various EA countries, thus reducing the increases in these countries' government debts. In this sense, the plan can effectively improve the 'cooperative' competitiveness and convergence among the national economies within the EA, as well as the related process of sustainable development after the peaks of the pandemic crisis. In this last respect, let us recall that the European Commission has emphasized – at least since December 2017 – that the completion of the EA setting requires a European stabilization function to absorb symmetric and/or asymmetric economic shocks.[2] As shown by the Greek case, the economic and social stability of each of the EA member states represents an indispensable externality for the union as a whole, since it is a fundamental ingredient for the future

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[1] As is well known, InvesEU is the strengthened implementation of the old Juncker Plan and directly involves the European Investment Bank (EIB). In the Green Deal program of the new European Commission, InvestEU would be one of the main tools to start a European process of sustainable development. The European investment plan here suggested would be a supplement to InvestEU and would involve the EIB as far as this involvement is compatible with EIB's important role in the InvestEU. Let us add that, in the following, we refer to the EA even if our analysis can often be extended to the countries that currently belong to the European Union (EU) but not yet to the EA.

[2] The stabilization function was one of the original components of the proposed EA budget, to be included in the EU Multiannual Financial Framework (MFF). The meeting of the European Council in December 2018 put an end to the implementation of this function since it approved a very light budgetary instrument for the EA, aimed at financing convergence and competitiveness programs and omitting any reference to a stabilization program. On 14 June 2019, the European Council agreed on a Term sheet that confirmed the decisions taken in the previous December and set out further details. Finally, in October 2019, the Eurogroup launched an EA budgetary instrument for convergence and competitiveness (BICC). The BICC will be run by the Commission under the guidance of the EA member states. The strategic priorities will be established in the framework of the Euro Area Recommendations, and member states will be entitled to submit reform and investment packages as part of the European Semester. Projects eligible for financing through the BICC will be chosen amongst these proposed packages. The size of the BICC will be determined within the 2021-2027 MFF.

cohesion among European citizens and for a healthy balance between competition and cooperation within the EA.

2. The new European investment plan

Our European investment plan is based on two pillars: brownfield projects and greenfield projects.

With respect to the first pillar, the European Commission could purchase, on behalf of the European Union (EU) and with the technical and financial support of the European Investment Bank (EIB: see section 4), those existing national infrastructure networks (tangible and intangible) that EA member states currently (directly or indirectly) own and are ready to sell. Each actual purchase, as well as each actual sale, would be based on a free and independent decision made by – respectively – the European Commission and the countries involved following a political endorsement by the European Council and a phase of confidential bargaining between the parties. This bargaining should determine the network's exchange price, its utilization rules, and the new improving investments to be made by the purchaser or its concessionary agent by predetermined future dates. If the two parties reach an agreement and the exchange is implemented, the EU will become the new holder of the property rights and can delegate the European Commission to directly or indirectly utilize the infrastructure network under the European and national regulations (including the commitments on future investments) stipulated in the exchange contract. In this last respect, it is important to stress that the transfer of property rights cannot weaken either the previous national regulation or the previous national investment plan.

With respect to the second pillar, the European Commission could invest on behalf of the EU, with the technical and financial support of the EIB, and in agreement with each of the EA member states involved, in the building of new European or national infrastructure networks (tangible and intangible). In some cases, these greenfield investments could be complementary to the previous brownfield investments. However, it would also be possible to direct greenfield investment towards infrastructural sectors that are new for the country involved. Also in this second case the investment can be implemented only if three conditions are met. First, each of the EA countries potentially involved must express a general and non-constraining preliminary agreement on the specific investment proposed by the European Commission in its territory. Second, the latter must elaborate a detailed plan for each investment, including the timing for its completion and the monetary penalties if the plan's clauses are not honored, and for its future utilization and regulation. Finally, each plan must be submitted to and definitively approved by the country involved. If the two parties reach an agreement and a given investment is implemented and successfully completed, the EU will become the new holder of the property rights of the resulting infrastructure network and can delegate the European Commission to directly or indirectly utilize this infrastructure under European and national regulations, as specified in the signed contract. The regulation of the network invested must be at least aligned to the previous national regulation in this or in a similar network.

The implementation of the brownfield and greenfield projects raises a number of serious and differing questions. Let us recall just three. A first question concerns a rough specification of the infrastructural perimeter that could be involved, and an assessment of its current fragmentation; these aspects are important for understanding why we are referring to a European 'Marshall Plan'. The second question is related to the financing of these long-term (pan-European) infrastructural investments (tangible and intangible): how can the European Commission afford purchases and investments that, at least in principle, require the mobilization of a huge amount of money (in our guess, based on a rough assessment of the first question, from 1.6 to 2.3 trillion euro)? The third question refers to the need of being more precise in the details characterizing the possible brownfield and greenfield agreements between the EU and the member states; it is quite evident that these details are crucial to assess the feasibility and the benefits of each of these projects.

In the following, we will be unable to exhaustively address these three questions. We will limit ourselves to offering a few provisional data with respect to the first point (see section 3). Then, also thanks to these data, we will explain why our European 'Marshall Plan' can be sustainable, in the sense that the European Commission is in the condition to obtain the required amount of financing with the help of the EIB (see above and section 4). Finally, we will shortly refer to the potential demand in the European financial markets and, without entering into details on the possible agreements relating to these projects, we will list a few features that are necessary conditions for their implementation (see our concluding remarks: section 5).

Before addressing these specific aspects, it is worthwhile to spend a few words on the general implications of our proposal. Its novelty is mainly due to the transfer of investments and property rights from the EA member states to the EU. These transfers have – at least - three positive implications and can contribute to progress in European governance.

First, they allow all the EA member states that have a preexisting high stock of government debt on their GDP and thus cannot afford adequate national expansionary fiscal policies to limit increases in this stock in the long term, to weaken their budgetary constraints in the short term and to benefit from efficient investments without additional spending. In fact, the countries involved could immediately cash their sales of existing national infrastructure networks and their citizens and firms could utilize new more efficient infrastructures. Second, our proposal could have a positive impact on the relaunch of the new European industrial policy. European economists agree that the EA and the EU cannot compete with the other most advanced economic areas (the United States and China) without consolidating some of their infrastructure networks for a long time (see Nijkamp *et al.* 1995; Héritier 2001; Zhang *et al.* 2005). For instance, as shown in section 3 below, this consolidation is a necessary condition to reduce the European gaps in digital innovations and telecommunications. European brownfield and greenfield projects could be the first crucial step in this direction, transforming a potentially disruptive shock into an exploited opportunity. Third, as a byproduct of the previous point, the concentration of the property rights on a part of the EA infrastructure networks at the European level could start the reorganization of these networks and their gradual merger into a unified set of European networks. The latter would improve the regulation of the involved

infrastructures, since the signed contracts would require the adoption of the previous national best standard.

In terms of European governance, our proposal could imply that an increasing portion of the national industrial policies and – as a consequence – of national fiscal policies will be designed and co-managed by the European institutions; and this would represent a decisive step to complete the monetary union, since it would favor the creation of a European Finance Ministry with a robust EA budget.[3]

3. The possible perimeter of the plan

The specification of the perimeter of the projects involved in the investment plan is key to defining its possible implementation. The set of the national infrastructure networks that could be purchased by the EU is potentially extensive. As a first approach, we could refer to all the EA regulated non-financial services sectors. The latter roughly encompass transport (railways, roads and motorways, waterways, maritime ports, airports, postal services), communications and energy (electricity, gas) networks. Obviously, a number of these networks are fully or largely owned by private companies, and are not taken into account in this paper as far as brownfield projects are concerned (see also below). Moreover, some infrastructures (in particular, gas and electricity) and the related networks play strategic roles which often go beyond purely economic problems; their consolidation at the European level would first require complex political and defense agreements. Hence, even if their consolidation is an essential component of a complete single market, these networks too are disregarded here with respect to the brownfield projects. The existing infrastructures included in the plan comprise the transport networks, which in the EA are fully owned by the national governments, and that part of the telecommunications networks that is state owned.

An estimated value of the net total fixed assets (stocks) of the EA transport networks roughly amounts to 2.3 trillion euro. This latter value can be increased to around 2.7 trillion euro, if we also include in the calculation the net total fixed assets value of the EA telecommunication networks which are state owned.[4] To this latter value, we should add the greenfield projects in all the different networks. A roughly estimated total value of these latter projects should amount to 300 billion euro.

The actual purchasing of various national networks is a complex endeavor, involving technical and regulatory challenges. This complexity will become even harder, if the final aim of these purchases is not just an ownership concentration but also an organizational merger at the European level of part of the

[3] In this regard, the so-called Meseberg declaration, which was signed by Germany and France two years ago (June 2018) and which still represents the highest point of their possible compromise, proposed: "[..] establishing a Eurozone budget within the framework of the EU to promote competitiveness, convergence and stabilization in the euro area, starting in 2021".

[4] We have calculated these figures on the basis of Eurostat and ISTAT annual national accounts (data year 2016). Note that, adding the energy networks, the total value of the net fixed assets would become close to 3.9 trillion euro. The corresponding gross values amount to – respectively – 4.3 trillion euro for the transport networks and to 7.3 trillion euro for all the networks mentioned (energy included).

homogenous networks located in various member states (as stated above). However, it must be noted that, despite the enormous difficulties, establishing and developing trans-European networks (TENs) in the areas of transport, telecommunications and energy to connect all the European territories have been a long-term goal for the EU, at least since the Maastricht Treaty (1993). The Treaty on the Functioning of the European Union (TFEU) explicitly specifies this goal in Articles 170, 171 and 172. The implementation of the TENs policy would have to integrate interoperable European infrastructures in the three sectors just mentioned; and this integration was considered a necessary component for the development of the European single market.

After all, in the past years, some progress has been made in that direction. At the end of 2013, a fundamental reform of the trans-European transport network was achieved; and in 2018, the European Commission presented a proposal for a regulation on streamlining measures to continue the implementation of the TEN-T network.[5] Moreover, in order to pursue the environmental and sustainable program of the new Commission, it will be necessary to make further progress; therefore, the gradual activation of the plan being proposed could be an effective tool to do just that.

The partial integration of the European rail network offers an example of the efforts which were required and which will still be required for its completion. Over the years, national rail networks have developed different technical specifications for their infrastructures; and these national differences make it too difficult and too costly to run a train from one country to another. To overcome these different transport modes and to improve intermodality, it would be necessary to make uniform the different gauge widths, the different electrification standards, the specific safety and signaling systems, and so on; moreover, it would be necessary to simplify the complex current procedures for the authorization of rolling stock across the EU's rail network. A specific EU legislation already exists to promote interoperability and to overcome such differences with the aim of creating a Single European Railway Area;[6] and the European Railway Agency already plays an important role in furthering the networks' integration and in harmonizing technical standards. However, the most direct way to achieve a full cooperation among EA Member States is to centralize the ownership of rail networks in the hands of the EU.

The same applies to other infrastructure networks which are completely fragmented at the national level and which would have to do some significant catching up in terms of the delays that the EA experiences have cumulated with respect to the other most advanced economic areas (China and the United States) on various technological frontiers. The most evident example is offered by the telecommunication networks. Currently, each of the EA member states has its own telecommunication network; and, in some cases, policy makers are assessing the possibility to build other and most advanced (full fiber) national networks.

[5] The European Parliament approved this initiative at first reading in February 2019, and the ordinary legislative procedure is currently ongoing.

[6] Following the opening of the European railway sector to competition, three packages and a recast were approved from 2001 to 2011. A fourth package, designed to complete the Single European Railway Area, was adopted in April 2016 (the technical pillar) and in December 2016 (the market pillar).

Conversely, to compete with the Chinese and US firms in the field of digital innovation, European firms would at least need to utilize an advanced and unified EA communication network.

These considerations show that the European Commission, acting on behalf of the EU, must be prepared to invest a huge amount of liquidity to buy the property rights of a portion of the existing European infrastructure networks (transport and telecommunication) and to invest in new ones. Moreover, the new owner or its agents will have the complex responsibility to re-organize these networks, overcoming their national fragmentations and constructing integrated trans-European frameworks.

We are aware that, at least as a first step, this investment plan should be limited to the subset of the two European infrastructure networks here selected and to the greenfield projects. We are also aware that some of the EA countries will be opposed to delegating the investment processes in the case of the greenfield projects and to giving up the ownership control on their strategic national networks in the case of the brownfield projects. Moreover, as mentioned above, in some cases these networks are owned by private companies; and it would be too complicated to extend the transactions to include contracts between the EU and these companies, unless the latter were ready to preliminarily transfer their property rights to the national government.[7] Finally, we have already specified that the European Commission can freely decide on each of its purchases. Despite these aspects, it remains true that the investment plan here proposed can be successful only if it meets two minimum thresholds: a significant amount of infrastructure networks; the involvement of a significant number of EA countries.

4. The financing of the plan

Reaching sufficient scale is the prerequisite for the plan to ensure an adequate response to the problems raised by short-term expansionary fiscal policies and by long-term initiatives for competitiveness of the EA countries and for the completion of the single market. In the absence of an appropriate scale as determined by the minimum thresholds outlined at the end of the previous section, this plan could be perceived as a rescue initiative of the EA peripheral countries on the brink of unsustainability, with the related political stigma (a sophisticated version of the "Coliseum sale" in Italy). Even if it is difficult to fix the quantitative measure of these thresholds, the rough data analyzed above suggest that the implementation of an actual European 'Marshall Plan' would require an amount of brownfield investments covering at least half (around 1.3 trillion euro) of the total value of that part of the EA infrastructure networks, as previously specified, and the involvement of at least two thirds of EA member states. On the other hand, it would be unrealistic to forecast an amount of investments higher than three fourths of this total value (around 2.0 trillion euro). Adding the expected 300 billion euro of greenfield investments, these figures are huge: they are between

[7] Needless to say, each government has several tools to encourage or incentivize a private company to sell its infrastructure network. However, this is not a crucial issue in an emergency phase. Hence, in the following, we disregard this possibility.

12% and 18% of the EA 2019 GDP. Hence, the credibility of our plan requires a convincing explanation of its financial sources.

Let us firstly emphasize that, if we assume that the European Commission efficiently selects its investment purchases and its investment processes in the European infrastructure networks and then effectively utilizes the consequent assets, its demanded amount of financing and the related financial charges will be fully covered by the discounted values of the future total revenues flowing from these assets. Proving this result will be easy, if we introduce two specifications. First, we assume that the Commission will exploit the technical skills of the EIB to select its brownfield and greenfield investments in the European networks. Secondly, as far as the brownfield projects are concerned, we leave aside a problem which could also affect the terms of the various exchange contracts and, in particular, the exchange prices of the different national networks: a large part of the national state-owned networks are already given in concessions, and these concessions can last for many years, usually cannot be rescinded due to changes in the allocation of the property rights, and have often very low or even negative net returns.[8]

Acting on behalf of the EU, the Commission finances its planned purchases of infrastructure networks and its investments in new networks by issuing European bonds on the primary financial markets; then, it specifically defines the terms of temporary concessions for the utilization of each of these newly owned networks. The temporary concessions can be entrusted to different sets of actors. To simplify the matter, let us refer to a unique and standard solution for each of the concessions: a coalition of private and/or public managing companies which prevail in the formal European tender designed by the Commission. The consequent agent-operator would be devoid of any conflict of interest and would reliably ensure a competitive and efficient access to the given network for all the European service providers. The agent-operator of each network will pay a yearly fee, fixed by the tender's clauses, to the Commission for the concession periods. These fees follow a predetermined trend that approximates a series of riskless cash flows. Hence, to obtain our expected result, it is sufficient that the total amount of the discounted values of these riskless cash flows, which also depend on the concession length,[9] cover the investment value and the financial charges borne by the Commission to acquire the property rights of each network on credit.

[8] In the case of brownfields investments, these aspects of the problem would introduce complex time lags in the analysis. Let us emphasize that different but significant time lags would also characterize the elapsing period between the initial implementation of a greenfield investment and the utilization of the new related networks. However, these complications would not make our conclusions substantially incorrect. This is the reason why the different time lags in the concessions and utilization can be disregarded in the following (see also footnotes 9, 10, and 11).

[9] The optimal concession length of each infrastructure network depends on several factors. For instance: this length should not be exaggerated, since it must be compatible with the competition 'for the market' between the current network operator and its potential challengers; it should not be too short, since it must incentivize the network operator to implement maintenance as well as structural investments. In our scheme, this length must also satisfy a binding constraint: to ensure the matching between the discounted values in the flows of fees and the amount of financial obligations underwritten by the European Commission. Obviously, this conclusion would require a number of limitations, if the European Commission had to wait a long time for

If we applied the IFRS accounting rules to the European MMF, we would need to record the sinking fund of a new productive asset in each of the yearly budgets of its expected economic life.[10] Hence, our 'Marshall plan' would not imply an accounting deficit in the current and following MFFs.[11] The European Commission would limit itself to issuing an amount of European project bonds equal to the values of the brownfield purchases or greenfield investments, with different maturities and financial charges aligned to the series of the fees arising from its new assets. These project bonds would be fully guaranteed by the riskless returns of the corresponding assets and, if needed, over-collateralized by the underlying network. Hence, they can be defined as European safe bonds. The 'Marshall plan' would thus create a crucial positive by-product: the completion of the European financial markets thanks to the creation of a liquid segment of safe assets.

The intricacy is that European accounting is based on the ESA10 rules, which require the recording of the full payment of each infrastructure network on the European yearly budget that coincides with the execution date of the corresponding transaction or investment. Hence, even if we disregard the short-term or long-term time lags (see footnote 10), each European Commission's investment in an infrastructure network would imply deficits in the European balance sheet absorbed just at the end of its first concession period (see footnote 9). These imbalances, not being reabsorbed in the short time (the yearly budget), would be incompatible with the European Treaties.

A possible solution would be to postpone and break the payments with respect to the actual brownfield investments in each network and the launch of its related concessions: these payments would gradually be executed in accordance with the time series of the corresponding fees. However, even if we put the remaining accounting problems (existence of a commercial debt) aside, this solution contradicts one of the features of our European 'Marshall Plan' (see above, sections 1 and 2). This plan also aims at covering the short-term expansionary fiscal policies of the EA member states in order to limit the increase in their government debts; hence, it is necessary that the sellers of the networks are able to immediately cash the entire amount of the transactions. The right solution is thus resorting to an additional and temporary buyer, offering a financial *portage* to the Commission.

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stipulating a new concession; and analogous limitations apply to the cases in which it takes time for the greenfield investments to be completed.

[10] For the sake of simplicity, we assume here that this expected economic life lasts for the period of the first temporary concession stipulated by the European Commission. This assumption would not work, if the European Commission had to wait to stipulate the desired concession in the brownfield purchases or for completing the investment in the greenfield projects. In any case, in the following, we will relax this assumption.

[11] In principle, we could state that this financial equilibrium applies to each of the European yearly budgets which overlap the first concession length of the different networks, stipulated by the European Commission. In fact, the greenfield and – partly – the brownfield investments imply time lags in the early phases of each process. This would be even more true, if the European Commission had to wait to stipulate a new concession in the case of a brownfield project or to complete the investment in the case of a greenfield project. It could even happen that the old concession or the construction period would last beyond the MFF duration. In these cases, the non-deficit condition in the MFF would not be met; and the European Commission would make recourse to a financial portage (see below)

Due to its previous involvement as a technical advisor in the Commission's networks investments and due to its role as financial investor, there is an obvious candidate: the European Investment Bank (EIB). It must be noted that the latter would have to temporarily buy the largest part of the property rights of each network. Let us assume for the sake of simplicity that the EIB, as a temporary co-owner of a given network, agreed to give up its rights on the yearly fees of the corresponding concessions in favor of the final owner (the EU). Then, at the beginning, the EIB would have to buy the difference between the total value of each network and the first flow of fees; and it will be fully repaid by the Commission according to the time series of the remaining fees.

5. Conclusions: some further details

To appreciate the various implications of the suggested solution and to assess the market's capacity to absorb the financing of the European 'Marshall Plan', it is necessary to emphasize two further points. The first is that the EIB is already engaged in another European Investment Plan, the InvestEU (see footnote 1); and that, in the upcoming days, the Eurogroup and the European Council will involve this institution in the financing of some investments requested by private firms to face the pandemic shock. These commitments will probably wear out all the EIB's current leverage power. Hence, unless the European Stability Mechanism (ESM) was involved in a peculiar long-term financing of the EIB,[12] the latter could execute a financial *portage* towards the European Commission only thanks to an important increase in its capital. EIB's recapitalization will largely be charged on the EA countries' balance sheets. This charge, however substantial it may be, would represent a negligible part of the revenues cashed by the sales of the infrastructure networks. The second point underlines that the EIB's intervention would slacken but would not cancel the European Commission's issuances of project bonds, which can be assimilated to safe bonds.

The more gradual issuances of these fully-guaranteed and over-collateralized safe bonds would *a fortiori* imply that their market demand would not be lacking. It is true that, at the maturity of the EIB's financial portage, the total amount of these issuances and the related supplies could reach the maximum expected value of 2.3 trillion euro. However, it is sufficient to take into account a few data to state that even this huge amount of bonds can be absorbed by the potential demand of private investors. From 2012 to 2019 the accumulated surpluses in the trade accounts of the EA as a whole towards the rest of the world were above 3.4 trillion euro. This is equivalent to stating that, in the same period, the EA accumulated positive differences between aggregate savings and aggregate investment can be approximately valued to largely exceed 3.0 trillion euro. A growing portion of this EA accumulated net savings, which was part of the more than 18.0 trillion euro of the net financial wealth held by EA households in fall 2019 (and of around 25.5 trillion euro of the corresponding financial assets), flew to liquidity. In the second half of 2019 the hoarded liquidity (cash and deposits) held by households in the EA was slightly below 8.4 trillion euro; and in the

[12] The ESM Treaty currently in force does not preclude the possibility of the ESM itself providing funding to other European institutions, including the EIB.

last months, this amount has probably increased. These figures are strengthened by the growing trends in the European bank deposits held by EA depositors. At the end of February 2020, the latter almost reached 19.0 trillion euro.

This huge amount of hoarded liquidity in the EA is looking for safe financial investments at non-negative interest rates; and, even if at different degrees, the same applies to the liquid part of the financial portfolios held by households located outside the EA. Moreover, the previous figures do not fully include the financial wealth managed by institutional and professional investors and completely overlook the own quasi-liquid wealth held by the EA banking groups, insurance companies, and other financial intermediaries. Finally, they disregard the fact that the availability of a safe bond would imply a significant reallocation even in the less-liquid components of households' and financial investors' portfolios. Our forecast is thus that the demand for a safe bond issued by the European Commission would be a very high multiple of the issuances required to finance the purchase of a significant part of the EA national infrastructure networks.

The strong points of the European 'Marshall Plan' are not limited to its financial coverage. This plan would be able to overcome the trade-off between conditionality and risk-sharing, ensuring not only financial and economic sustainability, but also political feasibility in the countries involved. In this regard, it is worth focusing on some sensitive elements for this plan to be appropriately set.

First, the access to the sales contracts of the various national networks (brownfield investments) must be decided by the EA countries that originally own these networks on a voluntary basis only; and the launch of the EU greenfield investments in a national territory must be voluntarily agreed by the country involved in advance. Secondly, the EU as the new owner cannot decide on the important investments and re-organizations of the acquired infrastructure networks which are not included in the signed sales contract or, failing this, without the explicit consent of the original national owners. Thirdly, a late involvement of additional shareholders (public and/or private) in the ownership of these same networks should be previously authorized by the same original national owners. Fourthly, the various sales are not irreversible in the sense that, at any point in time, the selling countries keep the opportunity to buy-back one or more of their original national networks at prices which are based on the previous exchange prices and on the investment and improvements made by the EU and other possible new owners. Finally, if the buy-back concerns a network merged with a larger European infrastructure, the original owner can still re-acquire this national network; however, the repurchase price must incorporate the merging costs and the cost of the negative externalities thus produced.

The conclusion is that there exist all the necessary ingredients to implement a European 'Marshall Plan' to timely support and relaunch the EA (and EU) economies affected by the crisis. This plan is needed by: the most fragile EA countries to gain room for their expansionary fiscal policies in the short and medium-long term; the set of EA countries wishing to improve the functioning of the single market for the European infrastructure networks and to implement innovative trajectories in the digital economy; households and the institutional and professional investors who are looking for safe assets. Hence, our European 'Marshall Plan' is apt to relaunch the role and the ambition of the EA by strengthening the single market, the stability and convergence among its member states, and its institutional evolution. In the long term, the new

European infrastructure networks would offer positive externalities to facilitate innovations, would support the competitiveness of the most innovative European firms, and would endow the European Commission with a strategic role and financial resources (the fees obtained after the first concession) which could favor the creation of a European Finance Ministry with its own budget.

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