From : Mrs X	**To :** - The Communication Department - Web-Eco-Droit-Management - Atrium
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« Recovery Policy and Austerity Policy »

In order to manage its debts in relation to its GDP, the State diversifies its expenses and taxes. There are two theories based on the indicator known as *« The Multiplier »*.

The Recovery Policy is based on an indicator higher than 1. According to this theory, the State spends money to make all the companies creating wealth, work. The wealth created is 5 times as high as the amount committed.

The opponents to this theory are convinced that the Multiplier is lower than 1. According to them, as the State increases the expenses, the households fear that the taxes increase. So they anticipate it. They choose to spend less and to save money. So the public debt increases faster than the wealth created.

Yanikan Aslihan, BTS CG1
Translated into English by Cyril GILLET, BTS AG2