**Case Study – Spanish people protect over economic policies**

* Huge protests have taken place in Spain as people and business leaders voice their worries over the government’s economic policy.
* The Spanish Government’s finances are deeply in debt so it is having to cut government spending and increase direct and indirect taxes. The country’s annual GDP fell last year and is expected to decline again in 2013. Living standards are falling – especially amongst the growing numbers of unemployed. About 23% of the total workforce are now unemployed.

**Activity 26.4**

* Using the case study above.

1. Explain what is meant by ’the country’s GDP feel last year’.

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1. Explain how falling living standards could affect:
   * A farm producing milk
   * A manufacturer of luxury goods.

Milk: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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Luxury Goods: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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1. Identify and explain **two** reasons why the Spanish government might aim to reduce the level of unemployment.

Reason 1: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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Reason 2: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
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