

## **THE IMPACT OF THE SOCIAL RISKS ON THE YOUNG EUROPEAN PEOPLE DURING THE LAST TEN YEARS**

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### **Abstract**

*The social risks, components of the system of risks affecting the individual, organizations, society as a whole, given determination and effects in the economic, social, political, cultural, etc. have become, an important issue for the health and viability of the nations, mainly through the young population that provides transmission medium and long term, of the system of values, ideas, behaviors. In the present study, ) highlighted, in dynamic, compared and correlated, major social risks – unemployment, impoverishment, etc., have an impact on young people, with economic motivations but also psycho-social*

**Keywords:** *social risk, income, risk of unemployment, risk of poverty, young European population*

**JEL classification:** *E24, I24, I32, O15, O52*

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### **1. Introduction**

The evolution of the global economy in the last few years, marked by convulsions, shocks, instability - economic, social, political - took shape dimensions, if not new, at least the “renewed” risk, both at the macro and microeconomic level.

The social risks are pure risks, with psycho-socio-economic and political determination, manifesting itself in different forms, having consequences, costs reflected in economic, social, psychological -, different from risk to the risk, from a conjectural situation to another, ranging in time and space.

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Unlike the entrepreneurial risks, or the risks specific to the individual as a consumer, although the anthropic factor is present in the occurrence and their development, social risks are not the result of intentional actions, made in the decisional process of production or consumption. If the decisional risk – in the business or the consumer, can be complete with the gain or loss, achieving social risks does not mean than loss. Achievement of some social risks do not involve any form of social protection. Therefore, the burden of their achievement becomes more consistent. Another angle of the issue, is that of the persistence effects on long-term of the social risks – on the individual himself, upon those with whom he interacts, and on society as a whole.

The segment of the young population, in training and in the processing, responsive to the dynamics of the environment, is perhaps the most vulnerable to the various forms of manifestation of these risks. Why? Because it is in the phase of release - growing lifecycle phase, costs related to social and individual development are high and if the 'benefits' are not at the least as 'loss', the loss at the individual or social level, on the short-term, but mostly medium and long term, will be huge. Economic loss but mostly psycho-social.

## **2. Types of the social risk**

Under the contemporary economic and financial crisis, the individual is subject to major social risks, more threatening and more aggravating in today's society. Of these, the specific problem raised unemployment and pauperization but also violence, intolerance, marginalization, cultural, religious, uprooting the alienation, the shortcomings of the social security schemes, etc.(Bouyssou, 1997).

On the European continent, strongly linked to the system of interdependencies in the global economic system, of the negative effects of the crisis stands a macrosocial risk manifested with virulence in these last couple of years in most European Union countries, mainly young population of the Central European countries and Eastern Europe, recent entrants into the EU system, yet sensitive to the impact of environmental factors — the risk of unemployment.

One of the derivatives of the risk of unemployment is another type of social risk – the pauperization. Pauperization and marginalization are an important parts of the population of the globe; even though, on the european continent, the problem does not meet the gravity of the other parts of the world, contemporary crisis has brought not only a larger number of people in a

situation of poverty, predominantly young and elderly people, but also a different attitude, a different style of life for the vulnerable population segments. Hence the necessity of rethinking, both in personal and social values and the system of relationships that we respect each other and cultivate on long-term.

Having as antecedent the low income or unemployment, pauperization, the system of risks shall be supplemented with other social risks social such as: violence, drug use, alcohol, prostitution, AIDS and others. The violence manifests itself in the form of either local or regional wars, inter-ethnic, religious or terrorist action by the formation of gangs, groups, and movements with the motivation for action, for political, ethnic, religious. The violence and the crime concern both the world experiencing poverty and underdevelopment, because here, the arguments in favour of such attitudes are manifold, but also developed European countries, where, on the outskirts of society, people struggling in the failure to secure a decent living, easy prey of large and dangerous scoundrels temptations which can cause the illusion of life needs. Violence is not specific only to drop the margins of society: a permanent longing, thirst and overwhelming greed for money and power, leading, in a society that had begun to forget what moral values, upon violence manifested in various ways.

In terms of economic and financial crisis, both the violence and the intolerance have found good land for development. Intolerance has large proportions in contemporary European society but of particular shapes delivering - exacerbated nationalism, religious fanaticism, racism, etc. are not representative for the european continent.

The evolution of the crisis of the European economy in general, the situation of the young population in particular, highlights the vulnerability of national economies and social security systems. Social risks originate in the economic, the consequences in the social, and, again in the economic. The interdependencies and the inter-influences: economic, social and political demonstrate that risks should be treated in a systemic vision. They may also be cause for a particular type of risk, but also effect for other type of risk.

### **3. The segment of the young population at European level - representation, education, employment**

**3.1. Representation.** The social risks affecting European young population must be analysed from the human potential of the continent in

terms of these demographic. In the period 2003-2012, the population aged 15-24 year olds in the EU dropped as share, from 12.9% to 11.7% (<http://epp.eurostat.ec.europa.eu/>, 2013). Continent-wide, the situation is differentiated from one country to another, as follows:

- reduction of the share of young people in the total population in most countries of Europe (25 of 35 analyzed), most in Ireland, Estonia, Latvia, Slovenia, Slovakia;
- maintaining the share of young people in the total population in Belgium, Austria, Iceland;
- increase significantly the share of young people in the total population in Denmark, Luxembourg, the Netherlands, Sweden, United Kingdom, Norway, Switzerland;
- in 2003, the lowest proportion of young population had Italy 10.8% and Denmark 11.1% and after 10 years, against the backdrop of contemporary economic and financial crisis, 11% threshold was lowered in several countries: Italy 10%, Spain 10.1%, Greece 10.2%, Portugal 10.8%, Slovenia 10.9%;
- in Romania, the share of young people decreased from 15.6% in 2003 to 12.8% in 2012.

**3.2. Education.** As regards young people's education, the situation on the continent reveals following (Tab.1) (<http://epp.eurostat.ec.europa.eu/>, 2013):

**Table 1: Distribution of the young persons depending on the level of education** (%)

Level of education/ Year	Persons with lower secondary education	Persons with upper secondary education	Persons with tertiary education
2003	22.9	65.0	12.1
2004	22.8	64.7	12.5
2005	22.6	64.7	12.7
2006	22.1	64.9	13.0
2007	21.9	65.0	13.1
2008	21.5	65.1	13.4
2009	21.4	64.9	13.7
2010	21.0	64.7	14.3
2011	20.5	64.8	14.7
2012	19.8	64.6	15.6

Source: <http://epp.eurostat.ec.europa.eu/>

a) the share of people with lower secondary education level has dropped to the level of the Union's 27 members, from 22.9% to 19.8%; a decrease pronounced from 25.7% to 21.7% took place in the 15 member states before integrating in 2004 other 10; significant decreases were recorded in Bulgaria, Cyprus, Latvia, Switzerland but the steepest declines of this segment of the population have been in Malta, from 54,9% to 26.4% and Portugal, from 52,1% to 32.5%; at the opposite pole lies Norway whose share increased from 6.3% to 28,7% in this period; in 2012, with high percentages of this segment of the population have been in Turkey, Iceland, Spain and >37% and lowest in the Czech Republic, Poland, Lithuania, Slovenia, Slovakia < 11%.

b) the share of people with upper secondary education decreased in the past 10 years, from 65% to 64,7% in European Union countries; Denmark, Luxembourg, Slovakia, Norway recorded the largest decrease of this indicator; in Malta, Portugal, Bulgaria the weight of this segment of the population has increased by over 10% (in Malta absolute increasing was 23.8%, relative increasing 71,68%); in 2012, Croatia, Slovenia, Ireland, the Czech Republic recorded weights of over 80% of this indicator, the lowest values below 50%, being held by Turkey and Spain.

c) the segment of the population with tertiary education was at European Union level, a rising trend in terms of the share in the total population. Contemporary economic and financial crisis has not diminished the interest of young people to form an intellectual career and to be able to say, at a higher level in european businesses. Maybe even the crisis - progress and its effect, 'persuaded' the younger generation that only a University can offer the chance of an economic recovery and the economic and social comforts desired of individuals. At the level of each country, however, the situation in the EU and outside the EU to present themselves differently: decrease in the share of this segment were: Ireland, Spain, France, Lithuania, Norway; in other countries the number of young with universitary education reported to the total young population has grown sensitive in Estonia, Bulgaria, Finland, very much in Italy, Slovenia, Slovakia, Czech Republic – over 3 times. In Romania, the increase was significant, from 3.6% in 2003 to 9.2% in 2012. In 2012 the young population has been consistent in number: Cyprus (29.5%), France (26.8%), the United Kingdom, Belgium, Ireland, Spain, in these countries, weights of more than 20% of the total young population; in the same year, the poorest countries in population with university education were: Austria, Croatia, Finland (4.2%), Iceland (3,3%). At this indicator, Romania is well below the European Union average, highlighting, for a country in

transformation, a relatively high risk to cover demand for high-skilled labor, with short-term effects but mostly medium and long term.

**3.3. Employment.** Analyzing the situation of the young people employed in Europe, mainly the EU, we are seeing (table 2) (<http://epp.eurostat.ec.europa.eu>, 2013):

a) the degree of employment of the segment with pre-primary, primary and lower secondary education, in the period 2003-2011, has declined continuously, not solely determined by the economic and financial crisis. At EU level, the strongest decrease in the employability of this population segment took place during 2004-2005, 9.95% respectively; in 2011 the level of employment in the EU was 26% lower than in 2003. At continental level, the situation is this: over 50% of employment in Iceland (63,3%), Turkey, Denmark, less than 20% degree of employment in: Estonia, Cyprus, Latvia, Slovenia, United Kingdom, Hungary, Ireland, Poland, Lithuania, Bulgaria, Czech Republic, Croatia, Slovakia (4.9%). The degree of employment of the persons with pre-primary, primary and lower secondary education in Romania, it was in the year 2011, by 32,9 % therefore, above the average UE.

**Table 2: Distribution of the young employed persons depending on the level of education (%)**

<b>Level of education/ Year</b>	<b>Persons employed, with pre-primary, primary and lower secondary education</b>	<b>Persons employed, with upper secondary and post- secondary non- tertiary education</b>	<b>Persons employed, with first and second stage of tertiary education</b>
<b>2003</b>	37.7	51.2	11.1
<b>2004</b>	37.2	51.3	11.5
<b>2005</b>	33.5	55.1	11.4
<b>2006</b>	32.7	55.7	11.6
<b>2007</b>	32.4	56.1	11.5
<b>2008</b>	31.5	56.7	11.8
<b>2009</b>	30.4	57.3	12.3
<b>2010</b>	29.1	57.9	13.0
<b>2011</b>	27.9	58.7	13.4

Source: <http://epp.eurostat.ec.europa.eu/>

b) the degree of employment of the young persons with upper secondary and post-secondary non-tertiary education increased, at the level of the EU, over the whole period considered, with a relative increase in 14,64%. The biggest increases were in Malta (122%) and Portugal (75%). In Romania the increase was 8%, reaching 58% in 2011. At continental level, the decrease in the degree of employment of this segment of the population in 2011 compared to 2003, was registered in Belgium, Poland, Greece, Slovakia, Denmark, Hungary, the Czech Republic, Slovenia, Luxembourg. In 2011 the degree of the employment vary between 87,9% in Croatia, more than 80% in Slovakia, the Czech Republic, Bulgaria and under 40% in Portugal, Iceland, Spain, Turkey. The developed countries on the continent, including the EU members shall be placed in the range 40% to 70%.

c) in terms of the degree of the employment of young people with first and second stage of tertiary education, it has not decreased as a result of the economic and financial crisis. Compared to 2003, in 2011, the level of employment has increased in the EU with 20,72%, but the share in the total young population is relatively low, 13.4% in 2011, mainly driven by weights, less than 10% held by Iceland, Austria, Italy, Finland, Denmark, Germany, Switzerland, Croatia, Slovenia, the Czech Republic, etc. The best representations of this segment of the population they hold Cyprus (30.3%), Ireland, Belgium, Lithuania, France, Spain, the United Kingdom, with over 20% of the total young employed population. During the interval analyzed, the biggest increases in the share of young population with tertiary education, employed, were registered in the Czech Republic, Latvia, Portugal, Romania, Luxembourg, Slovenia, Greece, - with relative increases of 107% and 165%. In Romania, this ratio is increasing with 133%. The decreases were registered in Austria and Bulgaria – 21% respectively 1%. The evolution of this indicator illustrates the increased employment opportunity offered by the education level of the individual in circumstances in which the European economy has weathered a difficult time, marked by increasing the intensity and forms of manifestation of competition on the labour market affected by the decrease in production volume.

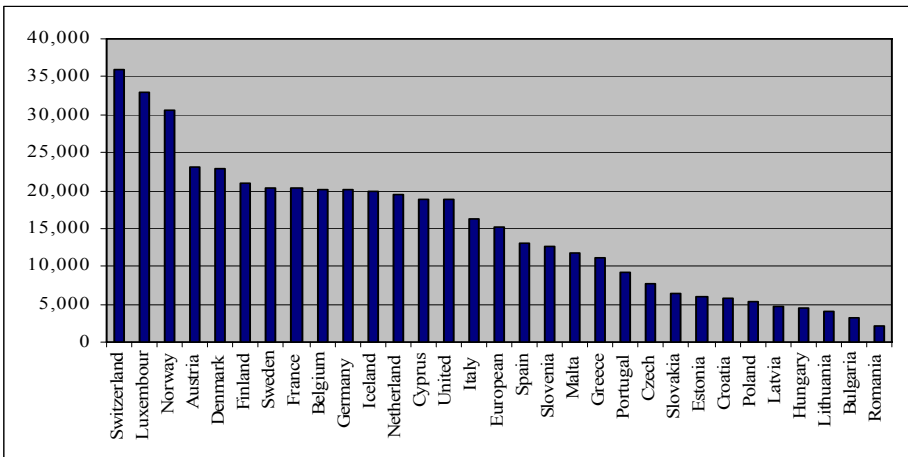
#### **4. Causal relationships: economic independence of the individual young person – the risk of poverty of its**

The economic independence of the individual is defined by its financial potential to ensure human development and according to the requirements and options to cover and meet the needs, the gradually. In this

sense, all the components that contribute to the individual's income are significant; to consider the proximity to the risk of poverty it should be noted the situation of income obtained from individuals, in this case, the young individuals from Europe, mainly from the EU, but also the situation of the unemployment among young people, as the macrosocial risk.

In terms of the annual mean income of the population in the age group of 16-24 year olds, in 2003-2012, had an ascending trend even though contemporary economic and financial crisis has made their mark throughout the european economic system, including, in particular, on the situation of the consumer, by reducing its purchasing power, behavior change in consumer purchase decision, consumption structure change, lifestyle change, etc. At EU level, the annual mean income in 2011 was 15.132 euro versus the 12.764 euro in 2005. In 2011, the highest levels of the mean incomes of the young European population were held by Switzerland – 35.976 euro followed by Luxembourg, Norway, Austria, Denmark, Finland, Sweden, France, Belgium, Germany, each with annual mean income/young pers. over 20.000 euro (fig.1). At the extreme negative per capita income situation, on place the ex-Communist countries, including Bulgaria, with an income/young pers. of 3.304 euro and Romania with 2.081 euro/young pers. These differences are reflected in the quality of life of young consumers from different countries of Europe.

**Figure 1: The mean income of the young population in Europe in 2011 (euro)**



Source: <http://epp.eurostat.ec.europa.eu/>



In terms of unemployment, particularly youth segment, compared to 2003, in 2012 the unemployment rate has risen the most in Ireland (the relative growth of 249%), Cyprus, Spain, Hungary, Portugal, Greece – the relative growth of over 100%. In Romania the unemployment rate grew by 16%. In other countries, such as Belgium, Finland, Malta, Norway, Germany, Poland - the unemployment rate has been falling in 2012 compared with 2003, signifying lessening the risk of impoverishing and other types of risks. Beyond the trend followed by unemployment, notably the size of this risk that unemployment macrosocial during the analysis period. In 2003, the unemployment rates of over 20 % were registered Poland (41,9%), Croatia, Slovakia, Greece, Bulgaria, Lithuania, Italy, Spain, Belgium, Finland, Estonia and the levels of less than 10% in Denmark, Cyprus, Ireland, Iceland, Austria, the Netherlands. In 2012 the situation of the unemployment for this age group worsened, reaching alarming rates in Greece (55,3%), Spain (53.2%), Croatia, Portugal, Italy, Slovakia, Ireland. In Romania, the unemployment rate for this segment was 22, 7% in 2012. Only in the Netherlands, Austria, Norway and Germany, in the 2012, the unemployment rate for the segment of young population was less than 10%. In conclusion, the risk of impoverishing trend, during the review, has been growing. The situation present the differences according the sex, indicating, at EU level, in the year 2012, a higher level of the unemployment in the case of the male population, but differed from one country to another, as a result of the impact of their cultural environment.

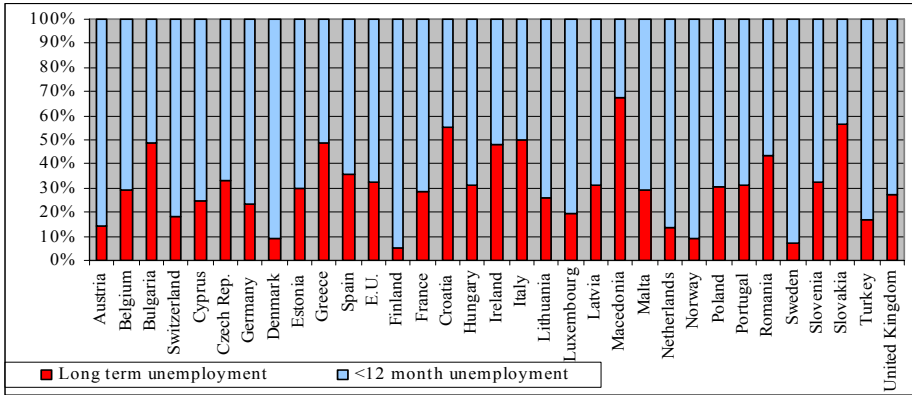
If the unemployment rate generally creates other risks economic and psycho-social effects in the short term and long-term unemployment (12 months and more) is the generator of the psychological and social effects, primarily associated with the adverse economic effects. Paul Samuelson said that “in periods of high unemployment, material considerations are proliferating, people's feelings and damaging family life and ... unemployment leads to damage to health both physical and mental fitness: increase the number of heart patients, cases of alcoholism and suicide”. Consequences of long-term unemployment are not just for those who are in this instance - family, the circle of acquaintances, relationships founded on values, attitudes, behaviours will suffer irreparably, perhaps permanently. Can be definitively and loss of professional values revealed in the production process, both the person concerned and of those involved and affected by default. The economic and financial dimension of the problem of the unemployment is visible to the entire national economic system – possible to quantify the relative short term, difficult on the long-term. Loss of opportunity is probably among the worst

track on which an economy that cannot efficiently manage resources in general, human resources mainly, has to endure.

The long-term unemployment situation in the case of population aged 15-24 years, at EU level, highlights a decrease in its level from 33.1% in 2003 to 23.2% in 2009; after the global financial and economic crisis, raising it to intervene 'in force' (32.4 % in 2012) (fig. 2).

**Figure 2: The unemployment of the European youth in 2012**

(%)



Source: Processing <http://epp.eurostat.ec.europa.eu/>

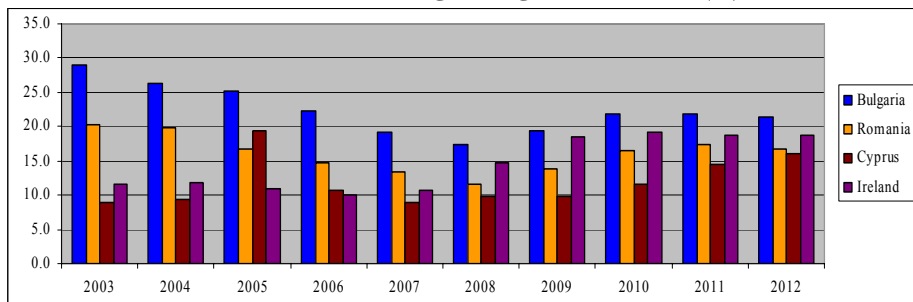
The biggest increases in long-term unemployment in 2012 compared to 2003, were registered in the United Kingdom (the relative growth of 119%) and Ireland (107%). The countries that have controlled the phenomenon and have managed to master are: Estonia, Cyprus, Hungary, Germany, Bulgaria, Italy, Romania, Poland and Slovenia. In terms of the dimension of this type of unemployment, in 2003, most European countries recorded rates of long-term unemployment of more than 20% of total unemployment – Italy, Slovakia, Bulgaria, Slovenia, Romania and Croatia reaching rates of over 50%. In the year 2012, suffering because of the inherent effects of the crisis, only Macedonia, Slovakia and Croatia have recorded rates of long-term unemployment over 50%; other countries, including Romania, have diminished the level of this type of risk but remained still as a threat both at the macroeconomic level but especially in microeconomic profile, individually; with values under 20% were: Luxembourg, Switzerland, Turkey, Austria and Netherlands and less than 10%: Denmark, Norway, Sweden,

Finland. Just as in the case of unemployment, long-term unemployment is on average, mostly male population (by country, and there are specific differences).

A concern for the health social environment of a country is unemployment specific handle incoming young population in the course of employment or education, training, etc. The EU average for this type of unemployment in 2003 was 13% reaching the 13,2% in 2012. In 2003, the highest values of the indicator were recorded in Bulgaria and Romania – over 20% of total unemployment and the lowest values in the Luxembourg, Netherlands, Iceland. In the year 2012, Turkey, Bulgaria, Italy, Greece hold the largest proportion (over 20%) and Luxembourg, Norway, Netherlands, Iceland - the smaller ones. In Romania, the share of this segment of the population has decreased, reaching the 16.8% in 2012.

Another form of unemployment is the young population not employed in specific work nor in any form of education or training. This is perhaps one of the most serious since the risk to predispose individuals are in this situation to other types of social or psychosocial risk – isolation, apathy, depression, suicide, committing various economic or no economic crimes, etc. is very high. Analyzing the situation in Europe in 2003, Bulgaria and Romania had weights of this form of unemployment of over 20 %. In the year 2012, Turkey, Macedonia, Bulgaria, Italy, Greece have become countries with highest unemployment of this type – over 20% but the biggest relative increases in 2012 compared with 2003, registered in Cyprus, Ireland, United Kingdom, Spain – more than 50%. The economic and financial crisis has increased obvious the upward trend of this indicator (fig. 3).

**Figure 3: The evolution of young people not in employment and not in any education and training during the 2003-2012 (%)**



Source: Processing <http://epp.eurostat.ec.europa.eu/>

The highlight of the economic situation of individuals is achieved, inter alia, in terms of quantity and quality with the risk of impoverishing. Poverty highlights the monetary, financial and material potential of the individual, which is below the minimum of a decent existence, being determined by the inequality of opportunities and earnings inequality in income distribution and redistribution at the macroeconomic level. Taking into account the prospects that can be addressed in general, poverty, - psychological, sociological and economic situation (Popescu, Gavrilă, Ciucur, Popescu, 2008) for the young population segment, the psychological perspective is perhaps the most important, taking into account that the development of the individual along his life, building a career, the potential intellectually, creatively, relational, etc. are marked by its behavior in release phase in life.

Regarding the evolution of poverty risk rate, calculated as 60% of median income, after social transfers in the period 2003-2012, young people aged 18-24 years, versus total population, observe the following:

- at EU level, the average risk of poverty, for the total population ranged between 2005 and 2011, 16.4% from 16.9%, while the risk of poverty rate calculated at the level of the population between 18 and 24 years old ranged from 19.5% in 2005 and 21.7% in 2012;

- in 2005 (in the years 2003 and 2004 are not available for all countries information) this indicator is calculated at the level of entire population highlight the highest rate, ranging between 19% and 20.5%, in the case of countries: Lithuania, Poland, Ireland, Spain, Greece, Portugal, Latvia, United Kingdom; in 2011, going over the impact of the economic crisis, Bulgaria, Romania, Spain, Greece, Croatia, Lithuania, Italy, Latvia recorded the highest poverty risk rates on the total population covered by 19% and 22.3%;

- in 2005, the highest poverty risk rates for young population were between 19% and 33.9% in countries: Denmark, Norway, Sweden, Poland, United Kingdom, Finland, Italy, Greece, Lithuania; in 2011, the young population was affected by the risk of poverty in weights of over 19%, reaching up to 42.4% in Denmark. Other countries affected by this risk: Norway, Romania, Greece, Finland, Lithuania, Sweden, Spain, Italy, France, Estonia, Bulgaria, Latvia, Croatia, Netherlands, Portugal, Poland, United Kingdom, Germany;

- the economic and financial global crisis has affected mainly young population, both in ex-Communist countries, and the developed nations of the continent;

- in 2005, the ratio between the share of young people and the share of total poor population highlights the situations of 2.87: 1 in the case of Denmark, 2.82: 1 in the case of Norway, 2.67: 1 in the case of Sweden and 2.09: 1 in the case of Finland. Other situations that reflect discrepancies between the share of the poor population in the country and the share of young poor people are specific to Iceland, the Netherlands, France; the EU average in the case of this indicator is 1.19: 1. At the opposite pole is placed countries like Malta or Cyprus, the ratio is 0,59:1 respectively 0.66:1.

- in 2011, the ratio between the share of young people and the share of the total poor population has increased for Denmark, reaching the 3,26: 1, Norway – 3,53: 1 as well as in the Netherlands. In other countries, in which discrepancies were high in 2005, – be maintained in 2011, or be decreased slightly.

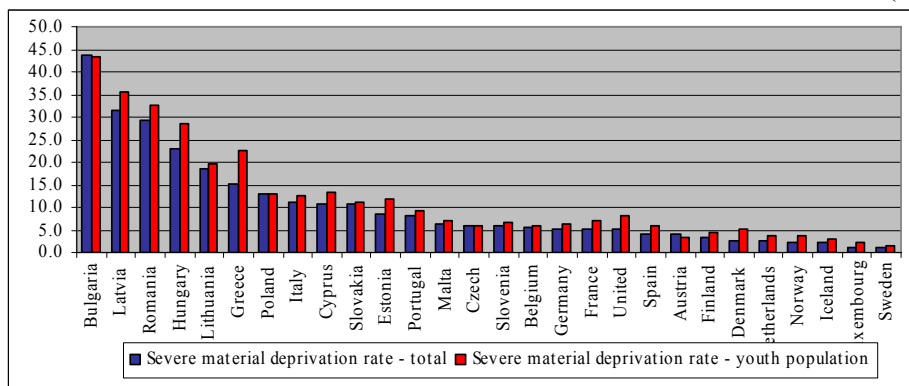
- the situations mentioned illustrate the adverse effects of the crisis on young population, mainly the large discrepancies between the segments of the population but also the attitude of least are involved in poverty vis-à-vis their social and economic situation and its prospects. Considering the problem of the high level of poverty for young segment in the Nordic countries compared with the total in the country, an argument could be that of social policies in these countries, beyond the positive dimension concerned for society as a whole, can create over time a passive behavior versus the desire for immediate employment after graduation and extension of economic dependence of financial backers.

With regard to the risk of severe poverty, especially notable is that at the level of the EU, the share of the population in this status dropped from 10.7% to 8.8%; a similar evolution recorded the young population and the share of young people in severe poverty dropping from 13.1% to 10.7%. Another positive aspect is the decrease in the share of population in severe poverty in case of the new entrants into the EU from 31.3% in 2005 to 19.2% in 2011, including in the case of young people, from 32.7% to 20.4%. A significant discrepancy between the proportion of the population affected by severe poverty is one of the developed countries of Europe and the ex-Communist countries. Thus, if, in the year 2005, the share of severe poverty in Luxembourg was 1,3 for the total population, respectively 1,8 for the young population in Latvia was 38.9 respectively 38.4. In 2011 too, the rate of severe poverty has seen major differences between developed countries and the ex-Communist countries (fig.4). In 2005, the top 5 positions in the hierarchy of severe poverty are occupied by the ex-Communist countries (Romania and

Bulgaria did not provide information in Eurostat, year 2005). In 2011, Romania and Bulgaria were ranked in the top 3 positions in the hierarchy of severe poverty in Europe and last, respectively, the least affected by this 'syndrome' are Sweden and Luxembourg.

As it illustrates the realities and the statistical information too, poverty is, for the most part, undeveloped societies attribute with economic, social and political structures insufficient commitment or finding another route, and an identity of their own. It is considered to be justified, „a process that depends on the education of those who, up to a point, the marginalized, the intentions of their decisions, to use and to capitalize on opportunities for integration have created or to be created by the system”. Extension in time and space of social risk, perhaps in the slightest as found on the european continent, will lead, sooner or later „broad discontent, hatred and unrest that, at some point, to overthrow the world” (Popescu, 2012).

**Figure 4 – The sever material deprivation rate - total and 18-24 years, in 2011 (%)**



Source: Processing <http://epp.eurostat.ec.europa.eu/>

Another type of social risk is severe deprivation of housekeeping, material facilities (% of total population calculated) (<http://epp.eurostat.ec.europa.eu/>, 2013) in turn, the risk-effect to the other economic and social risks: discrepancies between income levels, unemployment, poor access to education, etc. The size of this type of risk reveals that, in 2011, if for the total population levels for more than the European average 8.8% were registered in Bulgaria (43.6%), Latvia (31.4%), Romania (29.4%), Hungary,

Lithuania, Greece, Poland, Italy, Cyprus, Slovakia, for the young population segment is this situation even more serious, like this:

- European average for a young population that is ahead for total population – 10.5% versus 8.8%;
- with the exception of Austria, in all the countries analysed, the share of young people affected by this type of risk is higher than the share of the population as a whole;
- the countries most heavily affected by this type of risk, with levels exceeding the European average, add Estonia;
- the share of young people severely material private are placed on the extreme respectively, in Bulgaria (44.7%), Latvia, Romania – over 30% and in Sweden (1.5%), Switzerland, Luxembourg – less than 3%;
- the evolution of this type of risk, during 2008-2011, shows that the European average has declined in the years 2009 and 2010 compared to 2008, rising again in 2011;
- in 2011, the proportion of young population severely material private has increased by 205,13% in Estonia, by 102,27% in Latvia, dropping with 32,29% in Poland and 20,14% in Slovakia; in Romania registered a decrease of 2.08%;
- even if, in 2011, in the developed countries of the european continent, the share of young people affected by this risk was small, dynamic phenomenon illustrates the increasing share in 2011 compared to 2008, in Luxembourg with 360% in the Netherlands - 208.33% in Iceland - 166,67%.

##### **5. How much depends on poverty young people of the level of income?**

The poverty of the young population must be regarded as an issue of major concern for the viability and the long-term existence of a nation. The economic health status of the young people and correlated social and psychological can create or conversely reduce the long-term benefits of a country. To highlight the causality links between income levels and the share of people affected by poverty in total people, in 29 European countries (26 countries in the European Union (Ireland did not provide information for all years analyzed) and Switzerland, Norway, Iceland) have used statistical Pearson correlation coefficient for each of the years included in the period 2007-2011, separately for two groups of the population: young population and total population (table 3). The goal was to observe the dynamics of intensity of

these indicators (and not the type of connection, obviously the reverse), taking into account the transition through the contemporary economic crisis and the negative evolution of the unemployment of young people.

**Table 3: Statistical correlation Pearson coefficients calculated for the total population respectively for young people 16 to 24 years**

<b>Year</b>	<b>Statistical correlation Pearson coefficients – total population</b>	<b>Statistical correlation Pearson coefficients – young people, 16-24 years</b>
<b>2007</b>	-0,64358	-0,49839
<b>2008</b>	-0,70231	-0,46358
<b>2009</b>	-0,68254	-0,3924
<b>2010</b>	-0,67402	-0,51926
<b>2011</b>	-0,68407	-0,51225

Source: Processing <http://epp.eurostat.ec.europa.eu/>

The analysis highlights the following:

A. The case of population - total

- in each of those 5 years, between average net income levels and share of population affected by poverty, there is a reverse connection, moderate intensity (with values in the range (-0.5,-0.75));
- intensity correlation increases from 2007 to 2008, from -0.64358 to -0.70231, while still maintaining in later years, the higher levels of 2007, before the economic crisis on the european continent;
- moderate intensity correlation between the two indicators highlight that on the european continent, poverty also has other forms of causality.

B. The case of young people – 16-24 years

- in the period 2007-2009, the degree of association between average net income levels of the population and the share of young people affected by poverty, of the total population, it is acceptable to moderate, hovering between -0.25 and -0.5;
- the dynamic intensity correlation between the two indicators is decreasing, from -0,49839 in 2007 to -0,3924 in 2009 - highlighting that the share of poor young people on the european continent in the economic crisis, though, has not had as main motivation decrease the level of income;
- starting in 2010, the intensity of the correlation between the two indicators becomes moderate, dropping in 2011 compared with 2010.



Decrease the level of intensity correlation between level of income and the share of poor population, for young population segment, during the economic crisis, in conjunction with increasing intensity over the period ahead, the relative stabilization of the economic situation, highlighting significant causal relationships between the phenomenon of poverty and economic and social factors of that unemployment is the most significant but also the noneconomic factors.

Of these, psychological risk, affecting young and individual mentality manifesting itself through indifference, disinterest, inactivity, irresponsibility, etc. (Neculau, Ferreol, 1999] – is perhaps the worst and most dangerous on medium and long term, both for the formation and development of the individuals concerned and for the state.

The evolution of correlation between the two intensity indicators for young people, somewhat in reverse with the evolution of the correlation between the intensity for total population, reflects the fact that mature populations and the third age is determined by the evolution of the level of revenue.

Moderate intensity correlation between the two indicators, for total population is explained by the effect of moderation which it exercised over the outcome, the degree of association between the two indicators in the case of young people.

Psychological causality is fundamental in the behavior and decision-making of the acts of individuals, as economic and social beings. Contemporary economic and financial crisis has brought with it problems and new situations, challenges and imperatives of adapting to these individuals. If psychologists affirm that in the face of such situations, the individual fails to respond effectively, returning to the feelings of uneasiness, which „in his history proved viable” the problem becomes more serious as the individual young person does not have such a history. The reactions of the individual young person may result in: demand of the application or additional protections attention from authorities, denying the reality and crisis behavior unsuitable maintenance or even adopting a diametrically opposed position behavior (such as the rise in consumption), depressive, experiencing feelings of helplessness, restlessness, anxiety, abandoning efforts to overcome the crisis. (<http://www.psychologies.ro/>, 2013).

Beyond the psychological side of poverty “accepted” by the individual young person, another issue that requires proper attention and manage both personal and national, is attracting and using youth in the shadow economy, as

potential labour force dynamic, adaptable, little or no attached to a particular job. The use of youth employment in the black economy has, however, adverse consequences both for the individual and for society, being “creative” costs, without possibility of recovery, for all economic and social entities involved.

Young people falling into the trap of „commitment” in these activities are the first to lose service, unable to benefit from the rights and welfare of the state or of the employer. However, it appears that some young people, once dumping situation any hopes to be able to survive, expose themselves to the risk of working in the underground economy (<http://www.neweasterneurope.eu/>, 2013). But to avoid these attempts, resulting in many situations, the state is responsible through optimal development policies of the business environment, providing opportunities to professional and personal fulfillment, social protection, because „as the market is imperfect, but most effectively in the economy, so the state is imperfect but the mechanism more efficient in the management of social risks and collective needs” (Zamfir, 2011).

## **6. Conclusions**

The social risks affecting the European young people have passed through the 'filter' risk management - identified, assessed, treated, controlled. The responsibility for managing their continuously returns to national decision-makers in collaboration with individual-level decision-makers, organizations. The role of the individual in the prevention or control of diversity and their severity is vital. Reducing the representation of the European young population at the national level, through the share in total population, the default role diminishes, the reunited force in prevention and control of the social risks.

In the past 10 years, a positive evolution registered youth orientation in terms of education, reducing the number of those who have a lower secondary education and increasing the share of those with undergraduate degree. This evolution has been the effect of the negative dynamics of employment of young persons with a lower secondary education and positive in the case of those with upper and tertiary education.

Although it represents a favorable situation to increase the average annual income of the young population in the past 10 years, it should be seen, in addition, with the increase in the level of unemployment of young population segment. Thus, rising unemployment and the impact of

psychological factors increased the risk of impoverishing the young European, risk who had a positive dynamic up to the manifestation of the contemporary economic crisis on the european continent, followed by negative dinamic that risk during the crisis, after which he started, restoring the relative social and economic balances.

The quality of the business environment and preparing the economy to assimilate and develop harmonious human young resources are important prerequisites in the reduction of the social risks but the psychology of individuals, in turn, subject to economic conditions, constitutes the key to efficient management of these types of risk.

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