

SYSTEMIC INTERDEPENDENCIES: UNEMPLOYMENT - PURCHASING AND CONSUMPTION BEHAVIOUR. AN EUROPEAN APPROACH

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Abstract: *The profound transformations in global economic system over the past 2 years, marked by crisis occurred at the level of all social and economic entities; the economic difficulties incurred by companies impacted severely on the consumer and have resulted in substance changes of the purchasing and consumption decision behaviour. This paper aimed to reflect the evolution of the unemployment in the EU system, before and during the economic crisis, the systemic interdependencies on macroeconomic level that involves and determines unemployment - aggregate demand variables, consumption expenditure analysis of the European consumers, highlighting the consumption correlation unemployment-expenditure in the European countries.*

Key words: crisis, unemployment, purchasing behavior, consumer expenditure, systemic correlations

JEL classification: E21, E24, J64, R21, R23

1. Introduction

Economic and financial crisis that marked the evolution of global economic system since 2008 has left deep scars in all macro and micro components and variables; among them, unemployment, macro-societal risk, manifested in all its dimensions – quantitative, structural, qualitative. Affecting a consistent proportion of the population, particularly in the case of economies entered in the domino effect of the crisis, rising unemployment triggered, among other things, significant changes in consumer and purchasing behaviour decisions of individuals. Special dynamics of European business environment in the last 20 years has again been shaken by the crisis wave, a crisis in which unemployment has monopolised not just economies freed from communism, but whole highly interdependent societal system.

2. The European unemployment - before and during crisis

After what, during in 2005-2008, sustained economic growth on the European continent led to the creation of approx. 9,7 million new job places, global economic crisis has eliminated from the business landscape - companies and jobs, forecast for the year 2009-2010 being the most pessimistic - loss of approx. 8,5 million jobs, even if the economic recession is nearly over (<http://ec.europa.eu/social/>, Employment in Europe 2009, European Commission, p. 11).

During 2000-2008 period at the EU level the situation of employment population, respective the size of unemployment may be presented as follows (Tab.1):

Table 1: Population, employment, unemployment rate in 2000-2008 period (thousand pers.)

Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008
Population – total	474.647	477.983	479.214	480.395	482.081	484.303	486.302	488.328	490.446
Population 15-64 years	319.598	320.968	322.184	323.183	324.209	326.311	327.846	329.164	330.375
Employed population - total	209.443	211.487	212.262	213.049	214.506	216.557	220.108	224.072	226.330
Employed population – 15-64 years	198.900	200.792	200.901	202.299	204.104	207.403	211.410	215.354	217.843
Number unempl.	19.508	19.201	20.211	20.517	20.907	20.759	19.241	16.943	16.768
Unemployment rate (%)	8,7	8,5	8,9	9,0	9,0	8,9	8,2	7,1	7,0

Source: Employment in Europe 2009, European Commission, p.155

It notes that over this period, the unemployment rate had a trend of relative stability, beginning to decline significantly in 2007. Period of decline lasted only 2 years during which the global financial and economic crisis occurred. In terms of distribution by sex, in 2008 unemployment rate was 6,6% for male

population and 7,5% for women highlighting social, psychological discrepancies and employment discrimination. Instead, because of economic problems faced by companies in the construction, automotive, transportation, storage, global economic crisis has had noticeable effects on men employment and to a lesser extent over women (Employment in Europe 2009, European Commission, p.17). Given the unemployment situation in different countries, we present it as follows (tab.2):

Table 2: Unemployment rate in EU countries during 2000-2009 (%)

Unemployment rate	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Belgium	6,9	6,6	7,5	8,2	8,4	8,5	8,3	7,5	7,0	7,9
Bulgaria	16,4	19,5	18,2	13,7	12,1	10,1	9,0	6,9	5,6	6,7
Czech Republic	8,7	8,0	7,3	7,8	8,3	7,9	7,2	5,3	4,4	6,8
Denmark	4,3	4,5	4,6	5,4	5,5	4,8	3,9	3,8	3,3	6,0
Germany	7,5	7,6	8,4	9,3	9,8	10,7	9,8	8,4	7,3	7,5
Estonia	12,8	12,4	10,3	10,0	9,7	7,9	5,9	4,7	5,5	14,0
Ireland	4,3	4,0	4,5	4,7	4,5	4,4	4,5	4,6	6,3	11,8
Greece	11,2	10,7	10,3	9,7	10,5	9,9	8,9	8,3	7,7	...
Spain	11,1	10,3	11,1	11,1	10,6	9,2	8,5	8,3	11,3	18,0
France	9,0	8,3	8,6	9,0	9,3	9,2	9,2	8,3	7,8	9,4
Italy	10,1	9,1	8,6	8,5	8,1	7,7	6,8	6,1	6,8	...
Cyprus	4,9	3,8	3,6	4,1	4,7	5,3	4,6	4,0	3,7	5,3
Latvia	13,7	12,9	12,2	10,5	10,4	8,9	6,8	6,0	7,5	17,6
Lithuania	16,4	16,5	13,5	12,5	11,4	8,3	5,6	4,3	5,8	14,0
Luxembourg	2,2	1,9	2,6	3,8	5,0	4,6	4,6	4,2	4,9	5,7
Hungary	6,4	5,7	5,8	5,9	6,1	7,2	7,5	7,4	7,8	10,0
Malta	6,7	7,6	7,5	7,6	7,4	7,2	7,1	6,4	6,0	7,0
Netherlands	2,8	2,2	2,8	3,7	4,6	4,7	3,9	3,2	2,8	3,5
Austria	3,6	3,6	4,2	4,3	4,9	5,2	4,8	4,4	3,8	5,0
Poland	16,1	18,3	20,0	19,7	19,0	17,8	13,9	9,6	7,1	8,2
Portugal	4,0	4,1	5,1	6,4	6,7	7,7	7,8	8,1	7,7	9,6
Romania	7,3	6,8	8,6	7,0	8,1	7,2	7,3	6,4	5,8	...
Slovenia	6,7	6,2	6,3	6,7	6,3	6,5	6,0	4,9	4,4	6,0
Slovakia	18,8	19,3	18,7	17,6	18,2	16,3	13,4	11,1	9,5	11,9
Finland	9,8	9,1	9,1	9,0	8,8	8,4	7,7	6,9	6,4	8,2
Sweden	5,6	4,9	4,9	5,6	6,3	7,4	7,0	6,1	6,2	8,3
United Kingdom	5,4	5,0	5,1	5,0	4,7	4,8	5,4	5,3	5,6	...
UE average	8,7	8,5	8,9	9,0	9,0	8,9	8,2	7,1	7,0	8,9

Source: Employment in Europe 2009, European Commission, p.155-183 and <http://epp.eurostat.ec.europa.eu/>

The data present clear differences from one country to another:

- EU countries prior to 2004 had in 2000 an unemployment rate between 2,2% in Luxembourg and 2,8% in the Netherlands and 11,2% in Greece respectively 11,1% in Spain;
- countries that entered in EU in 2004 and 2007 registered in 2000, values ranging from 4,9% unemployment rate in Cyprus and 18,8% Slovakia, 16,4% in Lithuania and Bulgaria - countries at that time in the transition to a market economy;
- compared with 2000, in 2008 decreases in unemployment rate were registered, most in: Bulgaria - from 16,4% to 5,6% and Lithuania - from 16,4% to 5,8%; decreases of unemployment rate in almost all EU countries, however, developments over the period was a sinusoidal one; few instances of increases in unemployment - the most in Luxembourg, from 2,2% to 4,9% and Portugal from 4% to 7,7%.
- compared with 2008, the year 2009 marks an increase in unemployment rate in all 27 EU countries heavily affected by global economic crisis but differently depending upon crisis' installation, the existing economic and financial situation on crisis' onset and of the economic policies implemented to diminish its effects on business environment and population.

The year 2009 and projections for 2010 show strong increases in unemployment rate amid prolonged economic downturn as follows (<http://epp.eurostat.ec.europa.eu/>):

- if the EU average is at the end of 2009, 9,6%, the forecast for March 2010 indicates an unemployment rate of 10%;

- for December 2009, with values above average fall 10 of the 27 EU countries: Estonia 15,5% Ireland 13%, Greece 10,2%, Spain 18,9%, France 10%, Latvia 20,5 %, Lithuania 15,8%, Hungary 10,6%, Portugal 10,1%, Slovakia 14,2%.
- in December 2009, the lowest values of the unemployment rate recorded for the Netherlands and Austria, both under 5%.

A serious situation is recorded for the younger population segment in which case, the average unemployment union's rate population, between 15 and 24 years is 20,3%, double, comparative with EU average; moreover, at the level of several countries, unemployment figures are alarming: Estonian 32,1%, Spain 39,3%, Latvia 41,3%, Lithuania 30,4%, Slovakia 32,2%.

At the level of EU countries, the negative long-term unemployment evolution may have serious effects on: economic development and growth, aggregate demand, the country's human capital, quality of life of individuals etc. Among EU unemployed population, in 2008, 2,6% were in such a position for more than 1 year and among these, 50% are unemployed for over 2 years. The situation varies depending on individual qualification; most affected are people with secondary education – 9,8% in 2008 compared with those with higher education – 3,4%. All this information reflect the status of integrated European nations in recent years and their many consequences, converted to potential or actual risks, on the community, individuals and, not least, on the environment.

3. Unemployment – determinative for purchasing and consumer behaviour

The impact of unemployment is both economically - as a “waste of precious resources” and social “issue of deep suffering” (Samuelson, 2000, p.666). From an economic point of view, P. Samuelson considered that losses in periods of high unemployment are several times higher than those produced by monopolies or customs duties and quotas for goods. From a social perspective, the effects are humane and psychological, materialized as physical and mental health damage both for the one directly affected and for the family to which it belongs.

In the “General Theory of Employment, Interest and Money” J.M.Keynes observed that “consumption will depend on aggregate income level and, consequently, on the level of employment ..., unless there are changes with regard to propensity towards consumption” (Keynes, p.88); also workload which entrepreneurs decide to employ depends on the amount between the expected consumption and new investment, therefore, in Keynes' conception, on actual demand; because effective demand is a function of aggregate offer, Keynes concluded in his theory of employment that, in balance, labour volume depends on: the aggregate offer function, propensity for consumption and investment volume. Given the fundamental psychological law of consumption, the growth of employed labour (and therefore of income) involves the growth of consumption volume but not to the same extent; therefore, Keynes concludes that difference between the price of the aggregate supply of production and consumption of households, that reached entrepreneurs in the form of income, is directly proportional to the employed volume of labour. If the investment is increasing, it stimulates growth of aggregate offer, of the employed labour, aggregate offer and aggregate demand balance and thus stimulating consumption. If the investment does not increase, aggregate offer is balanced with aggregate demand at the level where is not trained and the growth of employment so as Keynes showed, at a level of under-use of labour force (Keynes, p. 89). This level of under-use of labour force involves an “underuse” level in demand, therefore in consumption. Therefore, we infer that, in terms of aggregate supply and demand balance a certain level of unemployment is possible, level involving changes in purchase and consumption behaviour, but if that level is mastered and the propensity to consume does not change radically, balance is restored without excessive costs to society. If employment level falls very much, the lowering of income may even lead to a situation where consumption exceeds income - both for individuals and institutions that will use the use of reserves but also in the case of government that will have to ensure social protection of population and, possible, resorting to loans. However, even in circumstances where employment degree decreased greatly, equilibrium is restored due to the decrease in consumption on lower extent than income decrees (Keynes, p.160).

A side of unemployment's impact, apparently on economic nature, is its decisive action on consumption and purchasing behaviour. This problem must be defined on two levels:

- determine the purchasing behaviour of the unemployed person and his family, reflected in the purchase and consumption decisions different from the previous situation of unemployment;
- psychological impact on other employees of the company, industry, activity sector and even the overall economy, reflected in changes in the propensity for consumption due to the subjective choice of individuals to “create a reserve for unforeseen situations” (Keynes, 2009, p.170).

The economic recession determines reduces in revenues and expenditures in the national economy. The potential customers reduce their total expenditure, but, in particular, those that provide higher order needs; they are mainly limited to the purchase of goods strictly necessary for subsistence, the motivation being unemployment itself or just “the fear of job loss”. The demand for the durable goods, leisure services, entertainment etc., decreases much. The psychological variables specific to individuals - the fear, resistance/refrain from buying certain goods to potential customers should be analyzed and managed properly by the decision-persons of firms to attract, convince and trigger the buying decision (E. Hill, T. O’Sullivan, p. 36). Also, the managers should consider that, although consumers’ income prevails in purchase and consumption decision, many individual motivations are neither rational nor conscious and the company can intervene by activating the needs and desires (Blythe J., p. 33).

In the present context of economic globalization, but globalization and consumption behaviour too, macrosocietal and global interdependencies, the increasing role of information in decision-making process of purchasing and consumption, and, not least, the technical, biological revolutions etc., outlining new dimensions or new valences of dimensions existing in consumer’s behaviour of goods and services. On the European continent, the integrated system creates gradually conditions for convergence of consumption values of countries that have entered in the system after 2004 with those of developed and experienced countries in terms of values market economy (Miron M., p.IX, X). At this point, however, the ex-communist economies recently entered in the EU system are facing, as the whole global economic system, with global financial and economic crisis, have lost the march in force that it already started falling again, and even deeper, into economic decline. The prove are the statistics showing substantial differences from the developed countries, including, perhaps primarily, differences in terms of quality of life of individuals. Unemployment rates increase in all European countries but especially in the ones yet fragile has impacted heavily on the budget of households and their options in a bid to meet their needs.

To highlight the changes in buying behaviour of individuals from European Union on average and on countries, I have selected some of the countries facing high unemployment rate increases, specifying the index of consumer expenditure growth, 2000 year being considered the base year. We took into consideration that such a dynamic is determined by the evolution of prices of goods and services that form the individuals’ consumption (Tab.3):

Tab.3: Household expenditure per habitant (volume index, 2000=100)

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU	100,0	101,3	102,0	102,8	104,7	106,0	107,3	108,4	107,9	...
Denmark	100,0	99,7	101,1	101,7	106,3	110,1	113,7	116,0	114,9	108,9
Estonia	100,0	116,9	116,4	126,0	140,0	153,9	171,3	183,9	174,6	144,1
Latvia	100,0	105,1	118,4	128,6	141,7	156,8	192,5	223,7	212,2	162,5
Lithuania	100,0	106,0	113,2	125,4	138,9	156,6	172,9	190,4	197,4	167,6
Nederland	100,0	100,9	101,2	100,6	101,7	102,5	102,4	104,2	105,1	101,4
Hungary	100,0	106,1	112,8	120,7	122,8	127,1	130,7	129,7	129,0	120,4

Source: <http://epp.eurostat.ec.europa.eu> / Household expenditure per habitant (volume index, 2000=100)

All presented cases illustrate the decrease in consumer expenditure amid the economic crisis, population incomes decrease and a sharp increase in unemployment. In Latvia, like other ex-communist countries, over the analyzed period, consumption expenditure increased with 112,2%, following that in 2009, as compared to 2008, to decrease with 23,43%. For the 6 analyzed countries the rates of unemployment and consumption expenditure in 2008-2009 period looks as following (Tab.4):

Tab.4: Evolution of the unemployment and consumption expenditure in 2008-2009 period

Country	Unemployment rate (%)			Evolution of consumption expenditure (year 2000=100)		
	2008	2009	Unemployment rate (%)	2008	2009	Expenditure decrease (%) 2008=100
Denmark	3,3	6,0	81,81	114,9	108,9	5,22
Estonia	5,5	14,0	154,54	174,6	144,1	17,46
Latvia	7,5	17,6	134,66	212,2	162,5	23,42
Lithuania	5,8	14,0	141,37	197,4	167,6	15,09
Nederland	2,8	3,5	25,00	105,1	101,4	3,80
Hungary	7,8	10,0	28,20	129,0	120,4	6,66

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

- with the unemployment increasing decreased the consumption expenditure but not to the same extent;
- in Denmark and the Netherlands the unemployment rate increase is high but, the levels reached in 2008 and 2009 are considered normal rates of unemployment, therefore, not-dangerous;
- increased the consumption expenditure in the Baltic countries, during 2000-2008, highlights the dynamics of consumption prices and inflation but also changes in the structure of household consumption;
- lowered expenditure in 2009 compared with 2008, in high proportion with Baltic countries is dictated by the overall state of the economy in these countries, declining revenue, increased employee vulnerability situation and, not least, the risk of unemployment and installed unemployment.

Analyzing the absolute expenditure, afferent to households consumption in 2000-2008 (2009 is not yet reported by all EU countries) the continuous upward trend in the period 2000-2008 is observed after which a consumption decrease comes as follows: Denmark increase the consumption volume from 81.409,6 million Euros (unit. volume based in chain, ref. year 2000) in 2000 to 96.269,7 million Euros in 2008, following that, in 2009, to decrease to 91,726,8 million Euros; Lithuania - from 8118,8 million Euros increased to 15.378,6 million Euros then decreased to 12.987,8 million Euros in 2009 (Tab.5).

Tab.5: Final consumption expenditure of household (million € chain volumes, ref. 2000)

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Denmark	81409,6	81463	82778	83585,2	87629,5	90957,6	94319,1	96570,7	96269,4	91726,8
Italy	727204,7	730818,5	730038,6	734494,1	741027,1	748256	758594,6	765907,9	758445,9	743931,9
Netherlands	205578	209035	210906	210704	213642	216043	215961	220416	223178	216301
Lithuania	8118,8	8561,7	9111	10050,3	11068,6	12404,9	13613,1	14914	15378,6	12987,8
Hungary	28945,1	30633,7	32470,3	34661	35172,5	36334,8	37319,8	36960,6	36699	34203,4

Source: <http://epp.eurostat.ec.europa.eu/> Final consumption expenditure of household (mil.€, chain-volumes, ref. 2000)

In figures 1 and 2 we represented the evolution of final consumption expenditure of households for four EU countries before 2004 (Fig. 1) and after 2004 (Fig. 2). The biggest reductions were suffered by the economies that recently exit the phase transition to a market economy, still vulnerable to external shocks.

Fig.1 - Final consumption expenditure of household, in EU, before 2004 year members

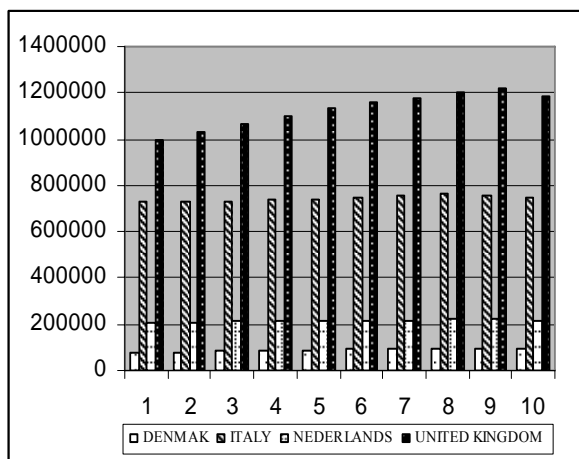
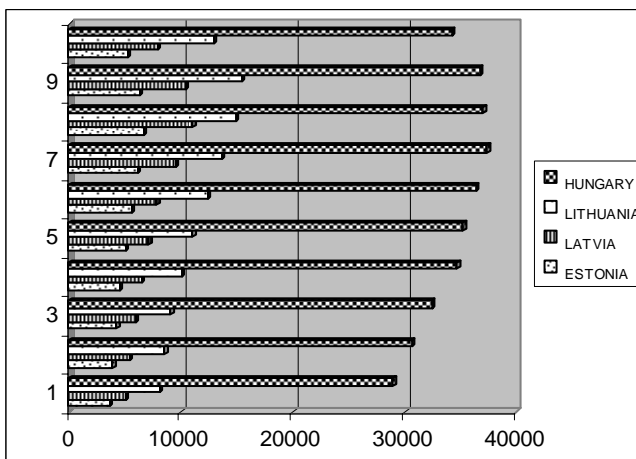


Fig.2 - Final consumption expenditure of household, in EU, after 2004 year members



Source: <http://epp.eurostat.ec.europa.eu/> Final consumption expenditure of household (mil.€, chain-volumes, ref. 2000)

The correlation between the unemployment level and the consumption expenditure of households in the European Union can be determined, inter alia, by the Spearman rank correlation coefficient using the formula:

$$r_s = 1 - \frac{6 \sum d^2}{n(n^2 - 1)} \quad (1)$$

We separately analyzed the two groups of countries respective developed countries, integrated until 2004 + Cyprus and Malta and ex-communist countries, which joined the EU in 2004 and 2007 (tab.6)

and tab.7) taking into account 2008.

Tab.6: Correlation unemployment – consumption expenditure for developed EU countries (2008)

Country	Unemployment rate	Rank (x)	Cons. expend. (mil.euro)	Inhabitants (mil.)	Cons.exp/ inh. (euro)	Rank (y)	d=x-y	d ²
Belgium	7,0	6	143186.2	10.7	13381.89	11	-5	25
Denmark	3,3	16	96269.4	5.5	17503.53	3	13	169
Germany	7,3	5	1183031.0	82	14427.21	9	-4	16
Ireland	6,3	9	66472.6	4.5	14771.69	7	2	4
Greece	7,7	3	139754.0	11.2	12478.04	14	-11	121
Spain	11,3	1	491038.6	45.8	10721.37	15	-14	196
France	7,8	2	941379.0	64.3	14640.42	8	-6	36
Italy	6,8	7	758445.9	60	12640.77	13	-6	36
Cyprus	3,7	15	10530.4	0.8	13163	12	3	9
Luxemburg	4,9	13	11768.8	0.5	23537.6	1	12	144
Malta	6,0	11	3657.2	0.4	9143	16	-5	25
Netherland	2,8	17	223178.0	16.4	13608.41	10	7	49
Austria	3,8	14	130070.7	8.3	15671.17	5	9	81
Portugal	7,7	4	85400.1	10.6	8056.613	17	-13	169
Finland	6,4	8	81260.0	5.3	15332.08	6	2	4
Sweden	6,2	10	150521.4	9.2	16361.02	4	6	36
Great Britain	5,6	12	1216526.0	61.7	19716.79	2	10	100

Source: <http://europa.eu.com/>

Using data from Table 6, based on formula (1), we calculated Spearman rank correlation coefficient for developed countries in the European Union, EU member before 2004 + Malta and Cyprus, giving a value of - 0.49 meaning that, between analyzed indicators - the unemployment rate and consumption expenditure per capita is an inverse relationship, of medium intensity.

Tab.7: Correlation unemployment – consumption expenditure for the ex-communist EU countries (2008)

Country	Unemployment rate	Rank (x)	Cons. expend. (mil.euro)	Inhabitants (mil.)	Cons.exp/ inh. (euro)	Rank (y)	d=x-y	d ²
Bulgaria	5,6	7	15485.6	7.6	2037.58	10	-3	9
Czech Republic	4,4	9	43696.7	10.5	4161.59	5	4	16
Estonia	5,5	8	6304.1	1.3	4849.31	2	6	36
Latvia	7,5	3	10450.6	2.3	4543.74	4	-1	1
Lithuania	5,8	5	15378.6	3.3	4660.18	3	2	4
Hungary	7,8	2	36699.0	10	3669.90	7	-5	25
Poland	7,1	4	157929.6	38.1	4145.13	6	-2	4
Romania	5,8	6	55238.7	21.5	2569.24	9	-3	9
Slovenia	4,4	10	16576.3	2	8288.15	1	9	81
Slovakia	9,5	1	18512.1	5.4	3428.17	8	-7	49

Source: <http://europa.eu.com/>

Applying the formula (1) to data of Table 7 it resides a Spearman rank correlation coefficient of - 0,41 with significance between the two analyzed indicators, respectively, the unemployment rate and the consumer expenditure per capita, in the case of the countries recently entered in the EU system, there is an inverse relationship, of medium intensity. The lower value intensity of Spearman coefficient for ex-communist countries compared to the developed countries is sustained by households' consumption profile in these countries, namely the large share of food expenditure, relatively stiff to the price increases, changes of the incomes or other conditions of demands.

Regarding the distribution of consumption expenditure by type of expenditure items is concerned, in 2005 (latest year for which Eurostat gave relevant information to this problem), on the EU level is

presented as follows (Eurostat hbs_exp_t121): 14,57% food expenditure and non-alcoholic beverages; 2,27% expenditure with alcoholic beverages, tobacco; 5,73% clothing and footwear costs; 28,12% of housing costs, water, electricity, gas, other fuels; 5,74% furniture costs, household items, maintenance; 3,22% health costs; 12,48% transport costs; 3% communication expenditure; 8,87% for recreation and culture expenditure; 0,96% expenditure on education; 5,75 % expenditure on restaurants and hotels; 9,29% other expenditure. The situation is different in the member countries due to the economic development level and the cultural environment variables, mainly. In Romania, from the total expenditure incurred, 44,22% is allocated to the food expenditure and non-alcoholic drinks and 15.62% of housing costs, water, electricity, gas, etc., while in the Great Britain 29,59 % is consumed for housing, water, electricity, gas etc. and only 9.88% for food and non-alcoholic beverages etc.

Given the socio-occupational status, the consumption expenditure made by the unemployed occupied, on average, in 2005, on EU level, 70,62% of the expenditure incurred by workers in industry and services, 55,69% of the expenditure incurred by other employees in industry and services, 55,08% of the expenditure incurred by employees on their own; the motivations - the low quality of life of those in such position, even if their number did not rise concern for society. At the level of the various countries of the Union the qualitative state of unemployed life is highlighted with higher discrepancies than the European average - the average unemployed consumption expenditure in Malta was in 2005 50,18% of consumption expenditure made by the industrial and services workers and 38,61% of consumption expenditure made by the other employees in industry and services, while in Cyprus the average consumption expenditure of unemployed were 95,96% from consumer expenditure made by workers in industry and services and of 69,48% of consumption expenditure made by other employees in industry and services. The differences are given by the relative number of unemployed (the unemployment rate in Malta in 2005 was 7,2% and 5,3% in Cyprus) and social protection systems of the disadvantaged.

Significant is that, on the macro-societal level, risk of unemployment, major social risk, interrelated with other types of risks in the risk system, being costs generator in the consumer-business-environment triad (Danu, MC (2001), p. 87-88), as follows:

- the negative implications on unemployment on individual materialize into: loss of the income, impoverished, the minimize of the consumption, quality of life damage, the psychosocial risk of individual, alienation, marginalization etc. The unemployment affects the consumption and purchasing behaviour by reducing consumer expenditure and their structural change undesirable by society and individual;
- the negative implications of unemployment on the economy, society as a whole, embodied in economic and social costs (Popescu, C., Gavrilă, I., Ciucur, D., Popescu, Gh. (2008), p.621), including: the labour resources wastage, reduced of the intensity of economic development, increasing the spread between real GDP and potential GDP, profit loss, minimizing of the consumption, decrease state revenues and expenditure, increased government expenditure to manage unemployment and unemployment benefits, social protection of unemployed etc.;
- the negative implications of unemployment on macro-societal level, by inter-conditioning and perpetuating effects, on economic and financial possibilities of the economy affected by this major risk, to properly and permanently manage the relationship with the environment.

4. Conclusions

Global Economic Crisis brutally interrupted sustained economic growth on the European continent in 2005-2008 period, after a long route of the adjustment and harmonization of the interests those aimed at integration. The consequences were negative for companies, individuals and society. The tempered unemployment and controlled by the outbreak of the crisis has made its presence felt in all the integrated economies in different levels and forms. Having as premise the problems recorded in sectors' level – construction, automotive, transportation, etc., unemployment was felt with more force on the male population and young Europeans.

The uncertainty on business environment and on the possibility of providing a decent living has seized the purchasing and consumption decision of individuals. There were shifts in decision-making, in many cases, on the first place, being lower order needs and delaying the covering of those on higher ranks. It might seem paradoxical that the effects of high unemployment developed in most EU countries and on average, involve both economic and social costs growth on macroeconomic level and decrease consumer expenditure. If the former should be reduced as much as possible, however, the need to promote an optimal and balanced use for individuals and their economic and social welfare needs no longer to be proven. Even though the impact was negative on the whole population and its option on

consumption directly affected individuals, the unemployed have suffered the most profound changes on economic and personal, social and relational level. The statistics and research methodology illustrates at a time the relationship between income and consumption, unemployment and consumption, GDP and consumption etc. but, on long term, the effects, specially psychological ones, are difficult to quantify. Therefore, the support of macroeconomic decision for reducing unemployment, and, generally, on the whole suite of issues generated by crisis, is information.

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