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The Economic Crisis and Social Networks. The relationship between economic deprivation and social capital in Europe

The global financial crisis has generated worsening economic conditions, falling employment and declining wages for many households around the European states. The economic and social crisis with its devastating consequences for the income and living standard for large groups of the population might have several political and social consequences. There has traditionally been a strong focus on different types of active participation that might lead to integration of social groups and consequently to social

cohesion. A dramatic fall in citizens' income and living standard may thus lead to social exclusion and social isolation.

In this paper we are interested in the relative deprivation perceived by European citizens when they compare their actual living standard with the living standard before the economic crisis and how it affects the possibilities in building up social capital. The paper examines the relationships between the perceived economic deprivation during crisis and social capital in the European countries. Through multi-level regression analyses the paper is built around two general questions: Does perceived economic deprivation

exert an impact on the level of social capital in terms of social network, social isolation and community involvement?

Do the welfare regimes influence the relation between perceived economic deprivation and social capital? Theoretical we combine the relative deprivation theory with a capability approach in order explain how economic resources and welfare institutions affect people's ability to engage in social network and community activities. The empirical data are based on data from European Social Survey (ESS) round five 2010.