

Beyond the Rural Happiness Paradox: The Geography of Multidimensional Subjective Wellbeing Across Welfare Regimes in Europe

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Abstract

Wellbeing research is increasingly used to move beyond GDP, yet empirical work on the geography of subjective wellbeing still often relies on single-item life satisfaction and a binary rural-urban distinction-choices that can conceal spatial inequalities in domains linked to social cohesion and mental health. Using European Social Survey Round 6 data for 24 European countries ($n \approx 30,000$), this study applies a multidimensional “Personal and Social Wellbeing” framework to map wellbeing across five settlement types (cities, suburbs, towns, villages, countryside) and five welfare-regime clusters. We construct composite indices for evaluative wellbeing, affective wellbeing, social wellbeing, basic psychological needs satisfaction, mental resources, and life satisfaction. Across Europe, the commonly reported “rural happiness advantage” in life satisfaction and affective wellbeing largely disappears after adjusting for demographic and socioeconomic composition. In contrast, advantages for villages and countryside persist for social wellbeing and mental resources, indicating that smaller settlements may provide protective environments for trust, reciprocity, belonging, and psychological resilience (i.e., dimensions central to contemporary concerns about loneliness, stress, and discontent). Welfare regimes condition these gradients: spatial disparities are comparatively muted in Nordic contexts, while stronger urban penalties, especially in evaluative wellbeing, are evident in parts of Eastern Europe. Country-level results further show that “wellbeing peaks” vary by dimension, underscoring that there is no single rural-urban hierarchy of subjective wellbeing. Overall, the findings demonstrate that spatial wellbeing is multidimensional and institutionally embedded, and that relying on life satisfaction alone can misdiagnose where (and in which dimensions) territorial wellbeing gaps emerge - an important implication for place-sensitive wellbeing policy and governance beyond GDP.

1 Motivation and contribution

Wellbeing has become a central object of inquiry in regional science and policy, reflecting “beyond GDP” agendas that emphasise lived experience, social cohesion, and the distribution of opportunities and risks across space. Yet the empirical literature on rural–urban differences in subjective wellbeing (SWB) still rests heavily on two simplifying conventions: single-item life satisfaction as the outcome and a binary rural–urban distinction as the spatial lens. These conventions are analytically limiting. Life satisfaction is a valuable summary indicator, but it captures only one dimension of SWB and is strongly shaped by socioeconomic composition. Likewise, binary settlement measures can conceal non-linear patterns along the settlement hierarchy and obscure the possibility that different settlement types support different wellbeing dimensions.

This study revisits the “rural happiness paradox” by adopting a multidimensional and context-sensitive perspective. Rather than asking whether rural residents are generally “happier,” we examine which wellbeing dimensions vary across the rural–urban continuum, and how these spatial patterns are conditioned by welfare-state regime contexts. This approach is aligned with emerging concerns about spatial inequalities in social connectedness, loneliness, and mental health: if the most policy-relevant territorial disparities are located in relational and psychological dimensions, focusing on life satisfaction alone risks misdiagnosing both the location and nature of wellbeing gaps.

The analysis makes three contributions. First, it applies a comprehensive multidimensional framework to rural–urban wellbeing research at European scale. Second, it distinguishes five settlement types-cities, suburbs, towns/small cities, villages, and countryside-allowing for non-linear gradients and “sweet spot” patterns. Third, it embeds spatial wellbeing in national institutional contexts by comparing settlement gradients across five

welfare regime clusters, testing whether welfare institutions compress or amplify territorial wellbeing differences.

2 Conceptual framework: why spatial wellbeing should be multidimensional

SWB is widely conceptualised as multidimensional, combining evaluative judgements (e.g., satisfaction), affective experience (positive/negative emotions), and broader aspects of functioning and social connectedness. Different settlement environments plausibly influence these dimensions through distinct pathways:

- Evaluative wellbeing reflects assessments of life circumstances shaped by income security, employment opportunities, housing conditions, and service access. These factors are often linked to agglomeration advantages but also to inequality and cost pressures in cities.
- Affective wellbeing is shaped by daily experiences and stressors, including environmental exposures such as noise, crowding, pollution, and access to restorative nature. However, affect is also influenced by adaptation and individual dispositions, suggesting weak and context-dependent spatial gradients.
- Social wellbeing captures trust, reciprocity, support, respect, safety, discrimination, and loneliness—dimensions closely tied to community scale, local social infrastructure, and interpersonal networks.
- Basic psychological needs satisfaction (autonomy, competence, relatedness) depends on both opportunities for agency and participation and the relational quality of everyday environments.
- Mental resources (e.g., resilience, optimism, coping capacity) may be supported by social support and lower chronic stress, but also by institutions that buffer life shocks.

These mechanisms imply that settlement differences in SWB are unlikely to be uniform across dimensions. Smaller settlements may provide relational benefits (belonging, trust), while cities may offer opportunity and amenities but also expose residents to stressors and weaker community embeddedness. Welfare regimes matter because they structure risk exposure and service equalisation across territory. Universalistic regimes may compress spatial gaps; regimes with more fragmented provision may allow sharper territorial gradients.

3 Data and measures

We use European Social Survey (ESS) Round 6 (2012/13) data from 24 European countries ($n \approx 30,000$ with complete data on wellbeing, settlement type, and key covariates). Germany is split into East and West to reflect persistent historical and socioeconomic differences relevant to wellbeing.

Settlement type is measured using the ESS domicil item, distinguishing: (1) big city, (2) suburbs/outskirts, (3) town/small city, (4) country village, and (5) farm/home in countryside. This subjective classification is appropriate for SWB research because perceived residential context is often central to how place is experienced.

Subjective wellbeing outcomes are operationalised using items aligned to the ESS “Personal and Social Wellbeing” framework. We analyse single-item life satisfaction for comparability with the dominant literature, and construct composite indices for five wellbeing dimensions: evaluative wellbeing, affective wellbeing, social wellbeing, basic psychological needs satisfaction, and mental resources. Negatively worded items are reverse-coded so higher values consistently indicate higher wellbeing.

4 Methods

To operationalise multidimensional SWB, we construct composite indices using the Mazziotta–Pareto Index (MPI), a non-compensatory approach developed for multidimensional quality-of-life measurement. MPI standardises indicators and penalises imbalance across components, reflecting the idea that wellbeing dimensions are not perfectly substitutable. Each index is scaled to a European mean of 100 with a standard deviation of 10, facilitating interpretation of settlement differences across dimensions.

The empirical strategy proceeds in three stages:

- Descriptive comparisons of wellbeing means (and confidence intervals) across settlement types and welfare regimes.
- Baseline settlement gradients, estimating bivariate differences between settlement types.
- Adjusted settlement gradients, estimating OLS models for each wellbeing measure controlling for standard SWB covariates: age, sex, citizenship, marital and household circumstances, health limitations, education, labour market status, and household income decile. In pooled models, we include country fixed effects to isolate within-country settlement contrasts.

To capture institutional context, countries are grouped into five welfare regime clusters (Nordic; Old European non-Nordic; Central European; Mediterranean; Eastern European), using an outcome-based classification with theoretically motivated refinements (including separate East/West Germany and Nordic distinctions). Models are then estimated within regime groups to assess how welfare institutions condition spatial wellbeing gradients.

5 Results

5.1 Settlement structure varies across welfare regimes

Settlement structures differ substantially across regimes, indicating that “rurality” is not uniform across Europe. Mediterranean contexts tend to have large village populations, while Nordic countries have a distinctive rural structure with a higher share of dispersed countryside dwellings. Several Eastern European countries exhibit comparatively high city residence. These differences matter because village-based and dispersed countryside living imply different forms of social interaction, service access, and environmental exposure-factors that are likely to map onto different SWB dimensions.

5.2 Pooled Europe-wide patterns: the “rural advantage” is not general

Pooled descriptive results show modest rural–urban gradients for several outcomes. However, adjustment for compositional differences changes the interpretation:

- Life satisfaction: apparent advantages outside cities largely attenuate after controlling for socioeconomic and demographic characteristics, indicating that much of the observed gradient is compositional rather than contextual.
- Affective wellbeing: similarly, baseline rural advantages tend to weaken and often become statistically indistinguishable from zero in adjusted models.
- Social wellbeing: in contrast, village and countryside residents retain clear advantages over city residents even after extensive adjustment, suggesting robust contextual differences in trust, reciprocity, support, safety/respect, and loneliness.
- Mental resources: advantages for villages and countryside also persist after controls, pointing to stronger resilience/optimism/coping-related resources in smaller settlements.
- Evaluative wellbeing (composite): shows a more mixed pattern than life satisfaction; some countryside advantages remain more robust, consistent with broader reflective assessments (meaning, purpose) varying differently across settlement types than single-item satisfaction.
- Basic psychological needs satisfaction: differences are generally modest and context-dependent, with some evidence of small village advantages once heterogeneity is accounted for.

Overall, these results indicate that the rural happiness narrative is partly driven by the dominance of single-item measures. The most persistent settlement differences appear in dimensions most closely related to contemporary social concerns: social wellbeing and mental resources, not life satisfaction.

5.3 Welfare regimes condition spatial wellbeing gradients

Stratifying by welfare regime reveals systematic institutional patterning:

- Nordic regimes exhibit comparatively high wellbeing levels and muted spatial gradients, consistent with strong territorial equalisation and universalistic service provision.
- Eastern European regimes show more pronounced spatial contrasts in some dimensions, with evidence of urban disadvantages in evaluative wellbeing relative to smaller settlements.
- Central European and Old European non-Nordic regimes display clearer rural/village advantages for social wellbeing and mental resources, and, in some cases, for broader evaluative wellbeing.
- Mediterranean regimes show less consistent rural advantage and some indications that intermediate settlement types (e.g., suburbs) can perform well in social wellbeing, compatible with “sweet spot” arguments.

Across regimes, the strongest and most robust gradients are again in social wellbeing, with mental resources showing similar though somewhat more heterogeneous patterns. This supports the interpretation that relational environments and psychosocial resources are key components of spatial wellbeing inequality, while national institutions shape the extent to which opportunity-related dimensions translate into territorial wellbeing gaps.

5.4 Country heterogeneity: no single settlement type dominates

Country-level patterns reveal further heterogeneity within regimes. The settlement type with the highest wellbeing differs across dimensions and countries: cities can lead in some contexts for evaluative or affective wellbeing, suburbs or towns can emerge as local maxima, and rural dominance is most consistent for social wellbeing but not universal. This heterogeneity underscores the limits of binary rural–urban classifications and indicates that Europe’s wellbeing geography is best described as a set of dimension-specific settlement profiles embedded in national institutional contexts.

6 Discussion and implications

Two implications are particularly relevant for “beyond GDP” agendas and spatial policy.

First, measurement choices shape diagnosis. Life satisfaction is widely used in official monitoring, but it can understate or obscure territorial inequalities in relational and psychological dimensions. If policy concerns centre on loneliness, social fragmentation, resilience, and discontent, then multidimensional measurement is essential for identifying where deficits and assets are located across the settlement system.

Second, spatial wellbeing is institutionally embedded. Welfare regimes appear to condition the magnitude and direction of settlement gradients, suggesting that territorial wellbeing disparities cannot be understood-or addressed-through place-based policy alone. The same settlement type can produce different wellbeing outcomes under different institutional arrangements. This points toward integrated strategies that combine welfare-state capacity (risk buffering, service accessibility) with place-based investments in social infrastructure and community life.

Substantively, the findings suggest reframing the “rural happiness paradox.” Rather than treating rural wellbeing advantages as puzzling given objective disadvantages, the evidence supports a profile view: smaller settlements show distinctive strengths in social wellbeing and mental resources, even when differences in socioeconomic composition are accounted for. Cities, meanwhile, may concentrate opportunities but also face challenges in social cohesion and psychosocial wellbeing-dimensions central to contemporary debates about urban malaise, polarisation, and discontent.

7 Limitations and future research

The analysis is cross-sectional, limiting causal inference. Settlement type is self-reported and may not capture objective spatial features such as density, accessibility, or service provision. MPI is one approach to composite measurement; alternative aggregation or latent-variable approaches could be explored. Future work could link multidimensional SWB outcomes to objective spatial indicators (green space, housing costs, service access), examine subgroup heterogeneity (age, migrants, disability), and assess temporal change as new ESS wellbeing modules become available.

Keywords: subjective wellbeing; multidimensional wellbeing; rural–urban continuum; welfare regimes; social cohesion; loneliness; resilience; beyond GDP; European Social Survey.

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