Discussion Papers

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Is the Regional Perspective Useful?
Rural and Urban Quality of Life – an Assessment

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Is the regional perspective useful?
Rural and urban quality of life – an assessment

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Abstract

In Germany, processes can be observed that have long been out of keeping with the principle of equality of opportunity. Unemployment is concentrated in the structurally weak peripheral areas, in Eastern Germany in particular; emigration of young and better-educated people to the West is not diminishing, but contrary to expectation is again on the increase; aging processes have set in already, and when it comes to the provision of infrastructure, e.g. in the field of professional training, some regions are already suffering from considerable problems. These difficulties are frequently interpreted as differences between East and West and are explained away as problems resulting from reunification, such as the deindustrialization and restructuring of the economy and the enormous decline in the birth rate in Eastern Germany. Although these problems cannot just be attributed to social transformation and the birth rate crisis alone, being subject to more general processes of intensified globalization and the aging of society, the increasing regional disparities are rarely considered in the overall context of regional development patterns throughout Germany. Moreover, the difficulty of even obtaining data for purposes of comparison generally means that an international yardstick is lacking when regional developments are analyzed. The present study investigates regional disparities over a period of time in the light of subjective and objective indicators of the quality of life for individuals. To this end, we make use of data from the Wohlfahrtssurvey [Welfare Survey] from 1978 to 2001, among other sources. On the basis of the Euromodule that has been established at the WZB, we compare current regional patterns in Germany with those in other European countries. This approach makes it possible to provide information on the scale of regional disparities in various different countries, and to identify privileged and handicapped regions with reference to standards of living and the sense of wellbeing. The study's findings show that, in the past twenty-five years, welfare in Western Germany has evened out at a higher level, but currently a trend towards increasing economic disparity is discernible. In comparison with other European countries, on the other hand, the differences (regional differences) within Germany are comparatively slight.
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1 Introduction

To an increasing extent there are processes to be observed in Germany that contradict the guiding ideal of equality of opportunity. Unemployment is concentrated in the structurally weak peripheral areas, of Eastern Germany in particular; emigration of young and better educated people from the East to the West is again on the increase; in some parts of the country massive aging processes – and also processes of population shrinkage – may be observed; and in several regions there is already a significant shortfall in the provision of infrastructure, for example in the fields of health care and professional training. These difficulties are frequently interpreted as differences between East and West and explained with reference to problems of reunification – that is to say, the deindustrialization and restructuring of society, and the enormous decline in the birth rate in Eastern Germany. This was the background to Federal President Horst Köhler’s statement of 12 September 2004, which called in question the constitutional ideal of equality of life conditions in Germany, and so triggered a heated discussion – once again based on the East-West perspective.

Such disparities are however not just attributable to social transformation and the birth rate crisis in Eastern Germany. They also result from increasing internationalization, an expanded Europe, a rise in local competition as we move towards a capitalist society based on the supply of information and services and the onset of demographic changes in society. In the last resort the regions are likely to diverge even more widely, and it is possible that the ideal of equal opportunity will have to be given up altogether.

This article is concerned with differences between the various regions in terms of quality of life, with a special emphasis on rural regions. There has not been a convincing explanation so far as to whether the development of the regions signifies a more radical East-West split or a differentiation right across the board. It is unclear too, whether we have to do with a similarly directed process involving different indicators or with contrary developments in certain subareas, or to what extent different objective conditions of life also reflect a different sense of subjective wellbeing.

In the second section we focus on the increasing significance of regional differences. In the third section we then present the subset indicators and the data on which the article is based, before going on in the fourth section to classify the rural districts. The fifth part is devoted to
developments over time, and in the sixth part, finally, we compare regional disparities on the pan-European level. The empirical information we have gathered enables us to demonstrate that tendencies towards uncoupling can be distinguished, if macroindicators are taken into consideration. On the subjective level, however, the disparities are less obviously evident. The comparison of conditions at the European level makes it plain that in the Federal Republic the continuing gulf between Eastern and Western Europe overlays persistent differences between urban and rural districts. The differences in productivity and 40 years of command economy in the former GDR (1949 - 1989) combined with the problematic way the reunification took place (concerning exchange rate of currency, principle of "return instead of just compensation" on the housing market, handling of national debts, etc.) and cultural differences still makes a real convergence difficult. Unemployment and population decline are consequences especially in peripheral regions of Eastern Germany. The role of regions as an active player to surmount problematic situations is focused by economic and political debate.
2 The regional perspective

The consideration of regional phenomena involves occupying a position at a middle level between the local community and the nation as a whole – a level that at the same time is definable in geographic and cultural rather than in administrative terms. Regions are the result of social actions, and constitute a space in which whole networks of social relationships evolve. In view of the socioeconomic structural changes that are moving us in the direction of a digital and transnational world, as a necessary counterpoise to this development an increasing importance has come to be attributed to the regions (Mau 2004; Stiens 2001, Braunerhjelm 2000).

Important players in business and decision makers are increasingly focusing on the regions as far as innovations, networks and creative milieus are concerned – for example on the basis of regional marketing, the strengthening of regional clusters and the linking together of research, the foundation of new companies and the value creation chain. In the current annual report on the status of German unity, we read the following: “Generally speaking, a more independent role will fall to the lot of the regions as ‘major players in designing the future’” (emphasis in the original) (Federal Government publication, 2004: 15). The important thing, in this view, is to discover and encourage endogenous regional potential, with a view to maintaining a favorable position in the field of national and international competition. Successful regions are seen as drivers of economic development, as model examples of networking and social integration, and as innovation centers for the development of new technology (Läpple 2001; Fürst 2001, Rhodes 1995). This argument however can also be read in a different sense – as implying that monostructural or economically weak regions that are off the beaten track cannot be economically successful on the basis of their own resources, and that local players are responsible for this, not overall social tendencies. In the end, as a result of drastic economic changes and the development of settlement patterns, the regional level has become more important – not least with reference to equality of living conditions, and so as a category of social inequality.

Internationally comparing studies have by this time not just established themselves as “independent windows on inequality” (cf. Mau 2004: 38); they are also gaining in importance in relation to the comparative divide represented by “inequality between states” (ibid: 44). Various studies (cf.: Hudson 1999, Huschka 2002; Mau 2004, Rodríguez-Pose 2003) have dis-
cussed the way in which competition between the regions may, in a Europe that is relatively homogenous in juridical terms, lead to the formation of geographico-economically isolated pockets. Regulation mechanisms at national and European level that are designed to encourage equality of life conditions can however balance out these disparities only to a limited extent, and with increasingly limited success, so that the thesis of a “re-regionalization of social inequality” comes to assume increasing significance. From a view of political sciences authors argue that the predicted rise of increased political power at the regional level has failed to materialize (e.g. le Gales/Lequesne 1998). In peripheral areas we find not only economic weakness, but also an impairment of social and cultural life. First of all the population starts to emigrate, and then the public and private institutions responsible for infrastructure also go elsewhere. The creation of opportunities for gainful employment, and the promotion of infrastructure and self-help, are therefore just as frequently found as items on the political agendas of rural communities today as the renovation of village housing (Henckel 2005: 53).

In contrary, regional culture and traditions may help to strengthen a sense of social identity, which constitutes a contrast and an anchor in relation to the influence of the international media, global lifestyles and uncertainties about future social developments. Folkloric cultural evenings, regional cooking and the arts and crafts are much in demand – as aids to social integration, as an orientation framework, with a view to encouraging regional consciousness and a sense of belonging or for that matter just as an expression of sentimentality – and all of these are put across to city-dwellers in a highly professional way (Richter 2005: 142-143). Regional styles define the criteria for the renovation of village buildings and also for aesthetic consumption (folk music, traditional folk dress, cabaret artists, etc.). At the same time, a peripheral location is associated with a slowing down of the pace of life, in which the inhabitants show reluctance to embrace the expectations of flexibility and mobility which are increasingly imposed on the workforce elsewhere (Matthiesen 2004). A good few inhabitants, moreover, may see the benefits of a rural location, as compensation for a lower standard of infrastructure. Regional communities can act as a counterweight to the homogenization and dislocation brought about by international economic processes (Giddens 1986; Stiens 2001: 530).

The drifting apart of upwardly mobile and stagnating urban and rural regions, as well as those that are subject to progressive depopulation, suggests the question whether and how rural localities can succeed in maintaining themselves in a situation of socioeconomic and demo-
The regional perspective

discographic transformation. It seems that here too there are some “talented” regions, like the Sauerland in Germany or Umbria in Italy for example, but there are also problem areas like those German regions along the Polish border, where the population is in gradual decline. Some peripheral regions, above all in Eastern Germany, seem to have cut loose from economic development and are subject to marked processes of aging and shrinkage – with all that this implies for the opportunities of the inhabitants to improve their chances, along with social inequalities and unequal developments. In the past there has been a consensus that the German government was obliged to provide support for disadvantaged regions. This is increasingly being abandoned in favor of the doctrine of adding clout to regions that are strong already (metropolitan regions), in the hope that these will then in turn become the driving force for the development of weaker localities as well. But in view of the limited availability of public funds, there is a considerable risk at present that weaker regions will fall behind. Regionally determined social inequality, on the other hand, contradicts standards of social justice that are generally accepted. Another danger presented by regionally defined conditions of social inequality consists in provoking a mindset based on an attitude of blockade (Heidenreich 2003).

In what follows we will be presenting an empirically based stocktaking assessment of regional disparities, in terms both of objective living conditions and subjective perceptions, with a special emphasis on the rural regions. Data show, that German society still is divided into two parts (East and West) regarding objective living conditions like GDP, income, consumption, etc.. This holds also for rural regions that face different problem constellations in both parts of the country. It might be, that some weak regions are able to improve living conditions based on endogenous potentialities; others may fall further behind the general development.

The delimitation of rural as opposed to urbanized regions, it has to be said, is becoming more difficult all the time. Processes of mobility and suburbanization have an ever-increasing radius and are supported by the ever more prevalent influence of the media, and these trends have led to an urbanization of the rural way of life and an extension of the “intermediate city” (Sieverts 1998). The cheap availability of land for development and a preference for living close to nature have led many urban families to move to the villages. In urban suburbs, where both the countryside and city culture are equally accessible, daily life adopts an insular pattern: for the various activities that are engaged in, spatial distances play a subordinate part. The mobile population results in a weakening of the sense of regional identification and loy-
ality, and the quality of life as perceived is less characterized by environmental factors and living conditions at the actual place where a person resides. The theses that have been advanced on the “despatialization of society” and “detrimentalization” give expression to these trends.

In villages the social structure has come to be assimilated to that of the cities, as a result of economic structural changes and the influx of population, although there are important aspects where significant differences are still seen – as for instance in the greater number of children, the relative scarcity of exceedingly rich individuals and persons belonging to the upper social strata and the prevalence of traditional lifestyle groups. The differences become more pronounced at a greater distance from major cities, and the more so when the public transport connections are inadequate (Bertram/Henning 1996; Bohler 2005; Spellerberg 2004).

At institutional level, the European Union has shown that it is aware of the existence of unequal conditions not only as between nations but also between different regions, by setting up a Committee of the Regions. The European Fund for Regional Development (EFRD) has the task of ironing out the more serious regional disparities in the community (Martin 2003; Schoneweg 1996: 811). The transfer of funds in support of particularly disadvantaged regions is an attempt to assimilate them in economic terms, and so also to encourage equality of living conditions as far as possible even on the level of smaller administrative units. Periodically published reports provide detailed information about what has been achieved already and the scale of the disparities that still need to be dealt with. Peripheral regions seem to be at risk due to restructuring of economy accompanied by public finance crisis. In conclusion there are a few factors weakening the influence of regions on living conditions, but in fact most of them support regional action opportunities.
3 Rural regions: data sources and indicators

Regions can be defined by factors of landscape and culture, and so also on the basis of social activity. However, on a statistical level there is no comprehensive typology for the Federal Republic based on regional identity in existence at the present time. Data for the classification of regions throughout the Federal Republic are made available above all by the Bundesamt für Bauwesen und Raumordnung [Federal Office for Building and Regional Planning] (BBR: the Inkar 2003 scheme). In view of the problems referred to above of defining what constitutes a region, basically the only consistent yardstick is the population factor, rurality being related to low levels of settlement (Milbert 2004). We will rely on the BBR’s data and the population density factor\(^1\) with a further specification in order to emphasize true rural areas. For the purposes of this study we have selected just those districts that have fewer than 140 inhabitants per square kilometer and in which, in addition, at least 40 percent of the inhabitants live in small communities. This means that the influence of high-density urban districts on rural regions is taken into an account. (We included 71 percent of the “rural area” according to BBR typology.) On the basis of the districts selected it becomes possible on the one hand to carry out analysis at district level on a small scale, while on the other hand regions will be only registered as administrative units. Unfortunately, factors of landscape and culture cannot be considered in our definition due to lack of data.

The following data about demographic trends and migration, economic power and infrastructure cast light on the distance that separates peripheral and more centrally located areas\(^2\). Of the 129 districts defined here as being rurally structured, 83 are located in Western and 46 in Eastern Germany. The districts selected (cf. Illustration 1) have an average population density of 96 inhabitants per square kilometer (with a spread of between 41 and 140 inhabitants per square kilometer). They differ from the federal average in view of the higher percentage of

\(^1\) The typology of BBR distinguishes, on the basis of municipal or district data relating to population density and commuter connections, between three basic types of settlement structure: agglomerations, urbanized areas and rural areas. These types are divided into further subordinate classes (urbanized areas into three sub-groups, rural areas and agglomerations each into two). In the BBR’s typology the type “Rural area with high population density” indicates less than 150 inhabitants per square kilometer without a significant municipal center (< 100,000) resp. with municipal center and a density < 100 inhabitants per square kilometer. “Low population density rural areas” stand for less than 100 inhabitants per square kilometer even when a significant center is present (Böltken/Irmen 1997; Strubelt 2001).

\(^2\) Indicators are percentage of families, the elderly, adolescents, out migration, migration of the elderly, medical infrastructure, unemployed, social benefit, access to highways, productivity, sectors of economy, productivity secondary sector, level of education
children and households with families (an average of 2.4 as opposed to 2.1 individuals to the household). The percentage of elderly individuals has risen to a more than average degree in recent years. The rate of unemployment, including young people, is frequently lower than that of urban districts in Western Germany (an average of about 7 percent); in Eastern Germany on the other hand it is exceedingly high, at more than 17 percent. It can be expected that in these areas a considerable percentage of young adults are leaving, looking elsewhere for a job. In rural districts people receive a lower education the proportion of qualified workers is likewise lower (5.5 as compared with 9.1 percent).

Figure 1:
Typology of rural districts

In West German rural districts the percentage of people working in farming is below the 2 percent mark, in Eastern Germany the corresponding figure is 5.5 percent. The economic
strength of rural regions cannot measure up to that of urban districts, as defined by the GDP, gross value added and the percentage of employees working in the service sector. The development of the GDP in recent years however is significantly higher than that for other areas (a rise of 20.6 percent in the years 1995 to 2000 as compared with a general average of 15.1 percent), which points to a gradual process of economic assimilation. Welfare payments and housing subsidies are well below the levels to be found in the towns. As regards health care, there have been enough general practitioners available hitherto, though problems are beginning to be felt in Eastern Germany. On average you can reach the nearest expressway within 20 minutes; to reach a major city will take you twice as long.

One object of this empirically based stocktaking of regional disparities lies in the examination of the question whether the quality of life as perceived in the selected regions is different from that in the other regions, and which indicators give particularly clear notice of the differences. For the description of the quality of life in the regions we will use the data of the Wohlfahrts-surveys [Welfare Surveys], a survey that has been carried out on eight occasions since 1978. The survey was based on questionnaires submitted to representative sectors of the population. It was carried out for the first time in Eastern Germany in 1990, and then in 1993, 1998 and 2001 both in the West and in the East. The main emphasis of the Welfare Surveys is on the measurement of the objective conditions of life in various different areas, such as work, housing conditions, income, leisure and social relationships, and on subjective assessments and perceptions related to these areas – as well as global questions of wellbeing. For the year 2001 the macrodata from the BBR database have been linked to the data of the welfare survey. This enables us to check whether differences in the standard of living as found in the different regions find corresponding expression in the different grades of wellbeing experienced by the individual. Changes over time, on the other hand, will be mapped on the basis of a regional and city classification, as there is no other variable available for the identification of rural areas in the welfare survey. We refer to housing conditions, as a reliable indicator of objective standard of living. We presume that compensation effects and comparison processes have an impact on the subjective sense of wellbeing, with the result that the level of satisfaction in

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3 The classification divides communities rather coarsely into the following types: small villages (<2,000), small towns (2,000 - 49,999) medium sized towns (50,000 - 100,000) and large cities (>100,000). It recodes one very precise classification undertaken by survey interviewers from 1978 on and another by BIK from 2001. The latter represents 10 community types: > 500,000 inhabitants, 100,000 - 499,999, 50,000 - 49,999 each divided in core and outskirts of town; 20,000 - 49,999, 5,000 - 19,999, 2,000 - 4,999 and <2,000 inhabitants, cf. Arbeitsgruppe Regionale Standards 2005 (Working group Regional Standards 2005)
rural regions is not notably worse than that found in urbanized areas - even if there are differences in objective living conditions. Research on the relationship of objective and subjective indicators of quality of life show, that in the majority we find consistent pairs: people that are better off are more satisfied with living conditions than people with lower living standards. On the other hand, comparisons with relevant groups and personal experiences intervene. Paradox results of low level of living standards and high satisfaction can be found as well as good living conditions combined with dissatisfaction (Noll 2004; Veenhoven 1994).

Finally, with the help of the European Social Survey of 2002/03, we will compare the regionally defined levels of satisfaction with the corresponding patterns that are to be met with in other European countries. This will enable us to integrate regional inequalities relating to the subjective dimension in an overall European context (on objective regional disparities, cf. Christoph, Noll 2003; Heidenreich 2003; Irmen/Bach 1996; Stiens 2003).

As a first step in this empirically based stocktaking, we will now carry out a systematic classification of the districts that have been defined as rural on the basis of the conditions of life and social problems, which they experience. Here we will make use of indicators relating to economic strength, population patterns, migration and infrastructure. As demographic change enhances the regions’ tendency to develop apart, it is important not just to refer to economic indicators but also to take into account significant movements of population if we are to form an estimate of the potential of any given region. Population levels and population increase are further associated with certain demands on the infrastructure. From a technical angle, the labeling or classification of the districts in question will be based on cluster analysis and major component analyses. As a first result of this analysis, it becomes plain that the districts are strictly divided between Western and Eastern Germany. This means that the economic and demographic situations in the West and in the East are quite different, so that different strategies of action are called for. Overall, on the basis of the indicators we have described, we can distinguish between three typical groups in the West and two in the East (cf. Illustration 1).

### 3.1 Western Germany

A relatively small first group of privileged rural districts (n=15) – indicated by the dark shade in the illustration – is distinguished by positive values for the GDP, as also in terms of gross

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4 Programm SPSS; varimax-rotation, Eigenvalue >1; iterative cluster analysis based on factor values.
value added, income levels and the social infrastructure. At the same time they do not reach the average values for the old federal states overall. 62 percent of those in employment are working in the third sector. Fertility rates, and also the life expectation of the inhabitants, are above the average. These districts tend to be quite heavily populated (112 inhabitants to the square kilometer), with a 5.7 percent proportion of foreigners. 30 percent of the population is living on their own. These 15 privileged rural districts are quite widely distributed in regional terms. Examples are Bad Tölz-Wolfratshausen, Hersfeld-Rotenburg, Main-Tauber, Miesbach, Mühldorf am Inn, the Schwalm-Eder district and Traunstein. We have to do here with districts that are fortunately positioned, reachable from urban centers, or else they are regions that work as a tourist attraction.

The second group of western districts (n=37) is distinguished above all by dynamic population movements. Birth rates are high, household size is accordingly large, many families have recently moved to the region, and also the natural population balance reaches positive levels, with population growth in the 1990s amounting to an average of 12 percent. Trainees however, and persons looking for work, emigrate more frequently. Industrial jobs (49 percent) and employees with few qualifications are found more often. At 1.4 percent, the number of people receiving welfare is well below the average. The economic strength of these communities is only just inferior to the level of the first group. These districts also are situated comparatively close to cities – as are for example Alb-Donau, Biberach, Dillingen, Donau-Ries, Hohenlohe and Neckar-Odenwald.

The third group consists of the weakest West German districts (n=31). They are less densely populated than the groups described above (96 inhabitants to the square kilometer), and are farther from urban centers. On average, 23 minutes is needed to reach the nearest expressway. The increase in population is only half the level of that found in the second group. As in the first group, the number of those living alone comes to 30 percent. The migration balance for young adults is significantly on the negative side. The proportion of senior citizens (18 percent) and the dependency ratio for senior citizens (28 percent) are both comparatively high. Average wages are at the extreme end of the West German scale (€2,400) and are also €100 below the average for the whole of Germany. The GDP, gross value creation and tax revenue likewise are well below typical West German levels. At 8.2 percent, however, the unemployment level is a high one for West German rural districts. The habitable area available is on the other hand high, with a ratio of on average 45 square meters per head. Here we may refer to
Bernkastel-Wittlich, Cham and Wittmund as examples. This group is typified by structurally weak peripheral regions, for example in the Eifel region or in the north along the former border between East and West Germany.

### 3.2 Eastern Germany

Here we can draw a distinction between two types of districts, each represented by an amount of $n=23$, based on the concentration of problems found.

With 75 individuals to the square kilometer, the first group is the most thinly populated, and also shows a negative population balance. On average these districts lost 7.5 percent of their population in the 1990s, a maximum level of loss being reached at 14 percent. This decline is to be put down both to the natural movement of population and to emigration in search of training and job placements. Mean life expectation is 72 years for men, six years lower than the national average; in the case of women (79.6) the difference is less marked. The percentage of children younger than six is no more than 4 percent. The economy is weak and unemployment levels high (20 percent, reaching a maximum of 26 percent), above all with young people. Not surprisingly, many people commute to work. 5.9 percent of the workforce is employed in the primary, and 63 percent in the tertiary sector. At €2,000 gross, the average wage is €700 lower than West German and €200 lower than East German mean values. 25 minutes are needed to reach the nearest expressway. Typical examples we can point to are Demmin, Nordwestmecklenburg, Sangerhausen, Stendal and the Unstrut-Hainich district.

The second group of East German districts by contrast shows positive population development – even allowing for the very low birth rate of just 1.16. These districts are closer to urban centers. Considerable numbers of families and pensioners have moved into these areas, so that the growth of population in the nineties showed a relatively positive balance, at just short of 3 percent. Young adults, it must be said, are moving away in considerable numbers, but not quite to such an extent as in the other group of Eastern German districts. The ratio of both incoming and outgoing commuters is likewise higher. 36 percent are still employed in industry, and unemployment is 17 percent. Economic strength is hardly any better than in the group described earlier. Economic assistance is on a wide scale (€1,860 per inhabitant in the years 1990-2000). The supply of doctors, adult education courses and psychotherapists, on the other hand, is well below the average. In this group we find Bördekreis, Dahme-Spreewald, Jerichower Land and Saalkreis.
In conclusion we can state that considerable and specific problems can be identified in small spatial units, which can be bound to general problem clusters (e.g. the north of Eastern Germany or Hunsrück/Eifel in the southwest). The rural districts sector alone shows that in some cases the differences between them are not so much in terms of economic strength but are rather to be seen as being based on population potential and infrastructure factors. In Eastern German rural districts the problems are significantly more urgent, and are located in different areas as compared with Western Germany: in light of these differences, there has been no detectable approximation of life conditions between the East and the West. The division into two groups is based not so much on the economic situation, which is equally desolate in either case, but more on the factors of population potential and infrastructure. The Eastern German districts considered here do not even approach the weakest communities in the West, and the loss of population means that their problems are different from those faced by the old Federal States.

In keeping with the heterogeneous situation, different strategies of action to maintain or improve living conditions are inevitable. Economic assistance and measures relating to the infrastructure are certainly on the agenda: to call them into question would just be to send out a further negative signal. But they need to be applied in a strategically precise way, if the continuance of the downward spiral is to be prevented.

### 3.3 Subjective wellbeing

In the next step of this investigation we combine the BBR data with the data from the Welfare Survey 2001, with a view to taking the subjective level into consideration. The starting point, then, is the question what influence do contextual factors and conditions of life in the regions have on the individual’s sense of subjective wellbeing. The Welfare Survey not only referred to objective conditions and standards of living, but also registered perceived quality of life by the individual. The supposition that the inhabitants of rural regions not only have poorer conditions of life in objective terms, but also suffer from a relative lack of wellbeing, must at first glance been revised. With reference to life quality as perceived – that is to say, in connection with symptoms of anomie, levels of happiness, feeling of exclusion or levels of satisfaction with life generally – there are hardly any differences to be found in Western Germany between the inhabitants of rural and urban areas. The discrepancies between town and country in terms of subjective wellbeing are not so marked as might have been expected on the evi-
dence of the macroindicators. Other areas of life that are positively assessed – like family, leisure and health for example – clearly constitute, along with the comparison of one’s own with other reference groups and processes of adaptation, a counterweight to the below average living standard. We know from research into social indicators that when it comes to personal happiness and general satisfaction with life, health and social relationships play a much more important part than do income and affluence (cf. Diener 2003; Glatzer 2001; Noll 1997; Zapf/Habich 1996).
4 Time factors

It is not just in the public debate alone that we find the assumption that there is a progressive development of the regions in divergent directions – first of all in terms of differences between Western and Eastern Germany, but also involving trends between north and south or between centrally and peripherally located communities. But another important distinguishing feature is that which separates urban centers from the surrounding communities – a phenomenon resulting from suburbanization. Illustration 2 shows that since the mid-seventies there has been a steadily divergent trend involving sectors of the workforce depending on their distance from urban agglomerations.

Figure 2:
Changes in employment levels in comparison with the federal average: Western Germany


In Western Germany overall, the percentage of persons in gainful employment has developed over the last two decades in favor of the suburbs and to the disadvantage of urban centers. In suburban areas the numbers of those employed rose in the years from 1976 to 2001 by around 13 percentage points, while in urban agglomerations over the same period the very same figure is found as a minus value. In forecasts from the year 2001 the tendency is continued further. Both the peripheral regions and regions that are thinly populated show a slight rise in
employment throughout (4.5 percent and 3 percent respectively in 2001), and these values remain constant in forecasts since 2001. Urban agglomerations overall continue to show a drop in employment levels (minus ca. 2.5 percent on average). This makes it plain that a recovery of urban centers is not to be expected. In West Germany, deconcentration is here to stay. In Eastern Germany it is the other way around: here a further drop in employment is to be expected, above all in the rural regions. This means that we can anticipate a further thinning out – that is, something of a polarization between town and country.

In other areas relating to the objective conditions of life, however, progress may also be observed. One example, based on the data of the Welfare Survey, is housing conditions. The presence of central heating is an indicator of the quality of living conditions in the villages and in small to medium-sized towns and cities. It is plain that the serious differences that still existed in 1993 between Eastern and Western Germany were rapidly reduced in the following years, and by 2001 only slight differences remain to be seen. In the year 1993 still 53 percent of village dwellings in Eastern Germany were still without central heating; this percentage has shrunk within eight years to only 4 percent.

Figure 3:
Housing conditions in urban and rural areas

Source: Wohlfahrtssurveys [Welfare Surveys], accumulated datasets, our own calculations. See note 3 for information on the rural urban split.
Although in relation to the centrally important dimension of ‘employment’ objective living conditions have deteriorated, in terms of housing conditions marked improvements can be discerned. So what effect does this have on the individual’s assessment of the general circumstances of his or her life? Are the inhabitants of rural districts less satisfied with their lives than people in urbanized areas?

**Figure 4:**
**General satisfaction with life based on the East/West division, type of community and year**

Satisfaction with Life (Mean Values on a Scale 0 - 10)

- Village
- Small Town
- Medium Sized Town
- City
- Overall

Source: Wohlfahrtsurveys [Welfare Surveys], accumulated datasets, our own calculations. See note 3 for information on the rural urban split.

We can say that there is a tendency for satisfaction with life in Eastern Germany to be lower than that in the West, in keeping with the lower standard of living in the period we are observing. In Western Germany reunification was followed by a clear zenith of life satisfaction values (with an average rise of 0.5 from 1984 to around 8.8 in the year 1993), but this values decline again in the following five years to fall below the 1984 value and yet again falls slightly in 2001. In Eastern Germany a drop in satisfaction is likewise perceptible: this trend continues right through to the year 2001, and is now a whole point on the scale lower than it was even in 1993. At the same time we can say that there is only a very slight difference in general life satisfaction to be made out between the different types of community. With the exception of the positive values in the Eastern German small towns in the year 2001, there are
no notable differences. The major difference thus continues to be that between Western and Eastern Germany.

5 Regional disparities compared across Europe as a whole

On the international scale of comparison, the European Union is a privileged geopolitical community that is distinguished by thoroughly positive economic patterns, associated with a high standard of living for its citizens. And yet we should not lose sight of the fact that the EU is not a homogenous structure, but is rather characterized by considerable differences in living conditions between the various member states. These differences are also the result of historic development and progressive structural changes, seeing that the former autonomous nation states already in the past evidenced different levels of economic performance and quality of life. In connection with the eastward expansion of the EU, the heterogeneity that has developed over time is increasingly becoming an object of discussion (cf. Heidenreich 2003; Zapf/Delhey 2002, among others). In the long term the EU can only hope to maintain a successful existence if its endeavors to bring about social and economic integration bear fruit and a sufficient measure of coherence is achieved.

Here there is a unanimous consensus that on the level of the economy, and in relation to other objective aspects, the existing regional differences between the different EU member-countries are considerable. With reference to development over time, we can anticipate a continuing divergence of the circumstances of life in the regions, even if in some respects the member states are on average approaching proximate assimilation. Without wanting to deny the successes that have certainly been achieved by regional subsidization policies, we still find ourselves faced with an increasing divergence between the regions. In this connection, we would like here to take a look at the situation from a particular point of view – that of the subjective evaluation of the circumstances of life by the citizens themselves. Heidenreich (2003) poses the important question at what point differences become problems, and answers it by referring to a contribution from Peter M. Blau (1977): In Blau’s view, we can only speak of inequality when people actually realize it, that is to say, when they compare themselves with other groups relevant for purposes of comparison. We would like to cast more light on this idea as we compare regions throughout Europe.
The European Social Survey 2002/03 has been used to provide a data basis for our analysis. This was a survey of the opinions and attitudes of the citizens of 22 countries, on a representative basis and in relation to seven thematic areas. For our purposes here, a rough counterposing of the inhabitants of “major cities and their suburbs” against those living in “rural villages and small farming communities”\(^5\) should be sufficient. In this way the comparative variables will present structurally defined patterns, which in terms of geographical location may be widely distributed within a country.

In our pan-European comparative analysis we have taken four relevant indicators into account: Satisfaction with the country’s economic situation, and the evaluation of the financial position of a person’s own household, represent assessments of objective living standards. General satisfaction with life and feelings of individual happiness, on the other hand, are global measures of subjective wellbeing.

In the first instance the situation in Germany occupies a foreground position. Here we contrast urban centers in both parts of the country with the rural regions in which we are interested – considering, as it were, two extreme positions. For this purpose we indicate the distance that divides urban centers and rural regions, with reference to the indicators selected. If for example the differential value is zero, this means that people living in the rural regions judge that their quality of life is in no way inferior to that of people living in urban communities.

In the new Federal States there is more discontent felt, both in rural regions and in urban centers, than in the old, and a comparatively small percentage of the population have no problems in managing on the basis of their household income. Our regional comparison actually points to the fact that the situation is nonetheless seen in a more positive light in rural regions than in the urban centers. A further point that stands out is the number of other European countries where regional differences present a greater contrast. Three to eleven countries covered by the ESS show wider differences than the old Federal States. If we take Eastern Germany as a point of reference, this becomes between two and eighteen countries.

\(^5\) Those are categories provided by the ESS data. The middle categories “town or small city” was suspended in order to emphasize rural vs. urban regions. For more information on the ESS see: http://www.europeansocialsurvey.org/
Regional disparities compared across Europe as a whole

Table 1:
Wellbeing in European rural areas and urban centers

<table>
<thead>
<tr>
<th>General satisfaction with life</th>
<th>Satisfaction with the country’s economic situation</th>
<th>Happiness</th>
<th>Evaluation of the financial position of the individual’s own household</th>
<th>Percentage of positive responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-10</td>
<td>0-10</td>
<td>0-10</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Old Federal States</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural regions</td>
<td>7.2</td>
<td>2.9</td>
<td>7.5</td>
<td>90.7</td>
</tr>
<tr>
<td>Urban centers</td>
<td>7.1</td>
<td>3.2</td>
<td>7.3</td>
<td>85.4</td>
</tr>
<tr>
<td>Differences in Western Germany</td>
<td>0.1</td>
<td>-0.3</td>
<td>0.2</td>
<td>Difference: 5.3 percent points</td>
</tr>
<tr>
<td>Number of European countries covered by the ESS showing wider divergences</td>
<td>9</td>
<td>3</td>
<td>8 + D(E)</td>
<td>11 + D(E)</td>
</tr>
<tr>
<td><strong>New Federal States</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural regions</td>
<td>6.6</td>
<td>2.6</td>
<td>7.1</td>
<td>83.7</td>
</tr>
<tr>
<td>Urban centers</td>
<td>6.3</td>
<td>2.6</td>
<td>6.7</td>
<td>77.2</td>
</tr>
<tr>
<td>Differences in Eastern Germany</td>
<td>0.3</td>
<td>0.0</td>
<td>0.4</td>
<td>Difference: 6.4 percent points</td>
</tr>
<tr>
<td>Number of European countries covered by the ESS showing wider divergences</td>
<td>3</td>
<td>18 + D(W)</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Divergence between East and West (centers)</td>
<td>0.8</td>
<td>0.6</td>
<td>0.6</td>
<td>8.2</td>
</tr>
<tr>
<td>Divergence between East and West (country)</td>
<td>0.6</td>
<td>0.3</td>
<td>0.4</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Data derived from European Social Survey 2002/03, and our own calculations

How should we now assess regional differences in terms of the quality of life within Germany against the comparison scale of Europe as a whole? How much inequality, that is to say, do we find in other European countries? Do people in urban centers or in country regions have a better deal? Are there groups of countries with marked regional differences?

The following table is designed to provide an answer to these questions. Here again we are above all concerned with the measure of the divergence between urban and rural regions in the various European countries. These are then compared with the level of inequality in Germany as a whole. Regional differences may be more or less marked. If there are none, these countries have been indicated as neutral. The stronger the shading that appears on the vertical scale, the greater the regional differences within the country under consideration. Starting
from the value zero (neutral – no indication by a bar), the ranking of the countries can be read either in an upward or in a downward direction. A higher position in the table indicates a greater divergence between urban and country regions. But an “upward” tendency also means that evaluations derived from rural regions are significantly more positive than those from urban centers. The differences that result, in divergence from zero, as we go down the table show to what extent the quality of life in rural regions is judged to be poor in comparison with urban districts.

With reference to satisfaction (measured on a scale from 0 to 10), the range of regional differences found comes to 1.2 and 0.8 points on the scale. In comparison with Germany we find significantly larger differences appearing in some European countries. All the same, regional inequalities in the Federal Republic are a problem that should not be underestimated. Only with reference to the indicator “General satisfaction with life” does Germany achieve a position in the mid range of the countries where no differences, or just minor differences, between town and country are to be observed. On the other hand, we find a poorer rating of the economic situation in rural areas. And it also appears that people evidently manage better on the basis of their household income than they do in urban centers. Overall it is striking that in connection with three of the four indicators many countries show notably wider regional divergences than Germany, while a majority give a higher rating to the quality of life in rural regions. When it comes to evaluation of the country’s economic situation, on the other hand, in many countries we find more positive attitudes in urban centers. So there is no general pattern here to the disadvantage of thinly populated areas. Evidently people balance out the disadvantages of living in the country – like the comparatively poor infrastructure and high cost of mobility – against advantages like clean air, more living space and closeness to nature, or else these evaluations are comparatively independent of geographical considerations, as perhaps having reference to social integration and private life factors.
### Table 2: Divergence between rural areas and urban centers in terms of wellbeing for various European countries

<table>
<thead>
<tr>
<th>Conditions in rural areas evaluated as</th>
<th>General satisfaction with life</th>
<th>Satisfaction with the country's economic situation</th>
<th>Happiness</th>
<th>Estimate of the financial situation of the individual's own household</th>
</tr>
</thead>
<tbody>
<tr>
<td>significantly better (more than 0.3 points on the 0-10 scale or 3 percent of those interviewed)</td>
<td>AT GB</td>
<td>PT NL</td>
<td>AT GB DK</td>
<td>LU AT BE IL DE I NL IL DE DK</td>
</tr>
<tr>
<td></td>
<td>NL</td>
<td>NO IE BE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>somewhat better than in urban centers</td>
<td>DE DK FR SI PL CH IL IT</td>
<td>BE DK</td>
<td>GR CH FR ES CZ IT BE NO</td>
<td>CH GB NL NO FI SE IT</td>
</tr>
<tr>
<td>Neutral: no regional differences between rural areas and urban centers</td>
<td>CZ ES SE FI PL IL</td>
<td>PL IL</td>
<td>PL SE FI SI</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>somewhat worse than in urban centers</td>
<td>PT LU GR GB CH</td>
<td>GR FI AT</td>
<td>LU</td>
<td>ES IE</td>
</tr>
<tr>
<td>Conditions in rural areas evaluated as significantly worse (more than 0.3 points on the 0-10 scale or 3 percent of those interviewed)</td>
<td>HU FR SI NO IE HU CZ LU</td>
<td>PT HU</td>
<td>SI FR CZ PL GR PT HU</td>
<td></td>
</tr>
</tbody>
</table>

Data derived from European Social Survey 2002/03, and our own calculations

Finally, we would like to throw light on the question whether there are countries that show particularly high regional differences. Hungary and – surprisingly – the Netherlands are both found in the respective group showing a high level of regional divergence, though with contrasting estimates in each case. Austria too is characterized by a relatively high degree of inequality. The Scandinavian countries on the other hand show balanced levels for the regional quality of life. Sweden and Finland for the most part fall in the neutral zone where regional differences are minimal. In Norway and Denmark the differences are slightly more
marked. Poland too can be counted to a certain extent as one of the countries where life conditions are homogenous. The surprising feature of these findings is that it is countries with thin population, spread over a wide geographical area, where the quality of life is perceived as being equally high in the urban centers and in the country. In view of the greater distance to be covered and associated high cost of mobility, we would rather have expected a greater concentration of economic, cultural and social life in the metropolis, along with all the negative implications to be anticipated for the quality of life as perceived by people living at a distance from these centers.
6 Conclusions

Both from an economic and from a demographic point of view, East German rural regions (and a few western ones) are at risk of falling into a descending spiral. Deterioration in this respect does not apply simultaneously to all areas of life alike, as is illustrated by the housing factor for example. Opportunities of betterment in peripheral, structurally weak areas – which are also suffering from the effects of depopulation – are unequally distributed as compared with areas that are economically strong and more centrally located.

Objective economic data in the country are poor as compared with urban districts. Only in a few cases, however, is this reflected in poorer values for the subjective sense of wellbeing, and to some extent conditions of life in the country are evaluated as being better than those in urban communities. The plainly evident disadvantages of a rural location are balanced out by influential variables that have hitherto attracted little or no notice – like family life, quality of the environment, closeness to nature and associated leisure opportunities, better law and order and the lower cost of living. The sense of wellbeing is moreover characterized by factors that are independent of the limiting economic conditions that apply to the region, such as for instance social relationships, health care or for that matter just the chance of living in the place of your dreams. As was already shown in the typology of rural districts, it emerges that the major differences subsist between Eastern and Western Germany, and overlay the differences between town and country. The quality of life in Eastern Germany is given a significantly more negative rating than in the West – though it must be said that developments connected with the subjective indicators point in a negative direction in both parts of the country.

When we compare the different countries of the EU, Eastern Germany shows relatively large discrepancies between urban and rural regions. As at the same time a relatively large discrepancy can be made out between Western and Eastern Germany, this finding implies that there is a wide range of divergence in terms of life quality for Germany as a whole. Within Germany we must find a new approach to living with increasing social disparity. Questions of equality standards, and the political consequences of regionally defined social inequality, will remain an item on the agenda. In Germany it makes sense to focus on the broader picture of East-West-differences as well as on the very detailed pattern of regional disparities.
For statistical information this means that findings should be indicated on an East-West level – or better still, with more detailed classification relating to the regions – as in terms of poverty ratios, unemployment, the housing market and demographic considerations the differences will be more than evident. As the prognosticated differences in regional economic performance and population developments between West and East are showing a tendency to increase further, we can still speak – with all due caution – of two societies, above all in rural districts. This has not been planned by politicians, nor is it a welcome result, but a consideration of the average values found shows that unitary estimates are increasingly failing to come anywhere close to the reality of the situation.
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