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Social Cohesion and Well-Being in the EU

Abstract

At European level, social and economic policies are currently ordered and organised around achieving the goals of the Europe 2020 strategy - high levels of employment, productivity and social cohesion (1). It is widely recognised, however, that social cohesion is declining or at least under new pressures as a consequence of the economic and employment crisis, but also due to longer-term trends including growing inequality, immigration and increasing cultural diversity (2). A new report on 'Social justice in the EU' from the Bertelsmann Stiftung shows that social disparities in the EU are increasing in relation to poverty, labour market access, health, equitable education as well as intergenerational justice (3). At the same time, social cohesion is generally valued in and of itself, as it reflects solidarity and social harmony, while also being regarded as an important resource for economic success and quality of life.

In general terms, well-being has become established as a fundamental objective of EU policies; Article 3 of the Treaty on the Functioning of the European Union (TFEU) states that the Union's aim is to promote 'the well-being of its peoples'. Likewise the European Sustainable Development Strategy of 2006 cites the well-being of present and future generations as its central objective. Europe 2020 aims to put people first to create 'more jobs and better lives'. It has adopted a number of targets that go beyond conventional measures of economic performance, with goals to reduce poverty and social exclusion, to promote education and employment.

Over the past decade there have been growing demands from politicians, the media and public opinion to develop better approaches to measure economic and social progress and to monitor well-being in a more comprehensive way (4). In particular, the European Commission's (2009) Communication on 'GDP and beyond' underlined the need for measurement of quality of life and well-being as outcome indicators, and highlighted the importance of more accurate reporting on the distributional aspects and corresponding inequalities. It concluded that "ultimately, national and EU policies will be judged on whether they are successful in delivering (social, economic and environmental) goals and improving the well-being of Europeans." (5).

This policy brief examines how significant social cohesion is for the well-being of people in Europe. It considers, in particular, how income inequalities are related to social cohesion and well-being. It is based upon existing reports (2,4) and specifically upon the analyses in a report prepared for the Bertelsmann Stiftung (6).

Keywords

European Union, social cohesion, income inequality, well-being

Comments

Suggested Citation

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Social cohesion and well-being in the EU



Eurofound

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Foreword

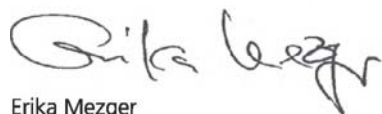
The united Europe is currently experiencing the effects of the most severe economic and financial crisis of the last 70 years. It is still unclear what its deeper implications will be, or what long-term repercussions it will have on the societies of EU Member States: How will it affect social cohesion? What impact will the crisis have on quality of life and subjective well-being in Europe? What is clear, however, is that in view of the challenges ahead, a well-targeted and precisely calibrated Europe-wide social policy is needed to counter the polarizing and fragmenting forces in Europe.

Substantial challenges call for substantial efforts. It is against this background that Eurofound and the Bertelsmann Stiftung decided to pool their expertise and to jointly explore the relationships between social cohesion and subjective well-being in the European Member States. In particular, we have closely examined the impact of income inequality on social cohesion and the well-being of European citizens.


In order to develop effective and focused strategies to uphold social cohesion and improve happiness and quality of life in Europe, it is above all necessary to understand how complex social developments interact with each other. In particular since – as this study amply demonstrates – the different circumstances in the individual EU Member States demand flexible measures that can be adapted to each specific situation.

Thanks to its European Quality of Life Survey (EQLS), Eurofound already has very detailed information about subjective well-being in Europe, how it has changed over recent years, where differences exist between the various Member States and which factors contribute to a higher level of well-being. The Bertelsmann Stiftung, meanwhile, has been exploring the topic of social justice and social cohesion in Europe. Through its Social Inclusion Monitor (SIM), continuous monitoring of social policy in Europe was established in 2014, while its Social Cohesion Radar offers a sophisticated tool to measure and compare social cohesion in different countries and over time. By combining the complementary skills of Eurofound and Bertelsmann Stiftung, we are extending our scope, initiating further learning and facilitating complex and in-depth analysis.

This Policy Paper has been prepared in this spirit of collaboration and of making the results of our work available to the wider public.



Erika Mezger
Deputy Director
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Director Living Values
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Introduction

At European level, social and economic policies are currently ordered and organised around achieving the goals of the Europe 2020 strategy – high levels of employment, productivity and social cohesion (1). It is widely recognised, however, that social cohesion is declining or at least under new pressures as a consequence of the economic and employment crisis, but also due to longer-term trends including growing inequality, immigration and increasing cultural diversity (2). A new report on ‘Social justice in the EU’ from the Bertelsmann Stiftung shows that social disparities in the EU are increasing in relation to poverty, labour market access, health, equitable education as well as intergenerational justice (3). At the same time, social cohesion is generally valued in and of itself, as it reflects solidarity and social harmony, while also being regarded as an important resource for economic success and quality of life.

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Over the past decade there have been growing demands from politicians, the media and public opinion to develop better approaches to measure economic and social progress and to monitor well-being in a more comprehensive way (4). In particular, the European Commission’s (2009) Communication on ‘GDP and beyond’ underlined the need for measurement of quality of life and well-being as outcome indicators, and highlighted the importance of more accurate reporting on the distributional aspects and corresponding inequalities. It concluded that “ultimately, national and EU policies will be judged on whether they are successful in delivering (social, economic and environmental) goals and improving the well-being of Europeans.” (5).

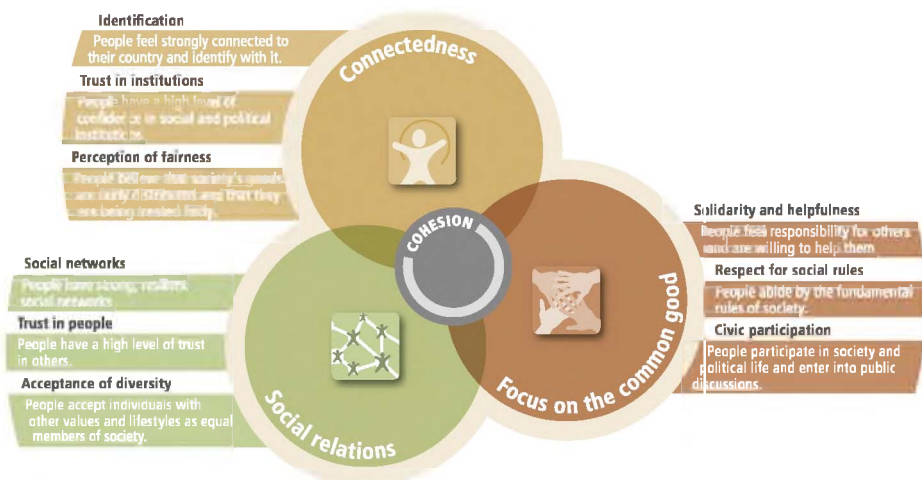
This policy brief examines how significant social cohesion is for the well-being of people in Europe. It considers, in particular, how income inequalities are related to social cohesion and well-being. It is based upon existing reports (2,4) and specifically upon the analyses in a report prepared for the Bertelsmann Stiftung (6).

Concepts and indicators

There is no consensus on the definition or measurement of either of the overarching concepts – social cohesion or well-being – both of which are multidimensional. However, it is clear that social cohesion refers to a quality of a collectivity of people, not of individuals; societies – or regions, cities and neighbourhoods – can be more or less cohesive, while individuals can experience higher or lower levels of well-being. The approaches developed by both Bertelsmann and Eurofound are the products of extensive review and debate.

The definition developed by the Bertelsmann team determines that “A cohesive society is characterised by resilient social relations, a positive emotional connectedness between its members and the community and a pronounced focus on the common good. Social relations, in this context, are the horizontal network that exists between individuals and groups within the society. Connectedness refers to the positive ties between individuals and their country and its institutions. A focus on the common good, finally, is reflected in the actions and attitudes of the members of society that demonstrate responsibility for others and for the community as a whole. These are the three core aspects of cohesion.”

Figure 1: Domains of social cohesion and their respective dimensions



Source: own diagram

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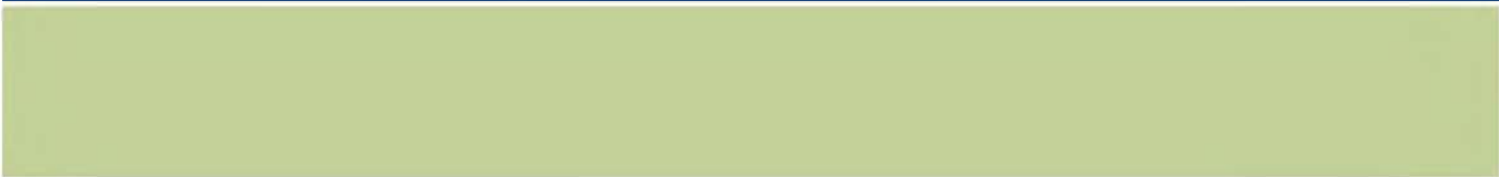


Figure 1 visualises the concept, organised in three domains, and each domain into three constitutive parts. These nine dimensions of social cohesion combine to form a measurable construct. This framework makes it possible to compare the state of social cohesion in different countries and to describe trends over time, in specific dimensions and in an overall index.

The relevance and usefulness of subjective indicators of well-being was underlined in the recommendations of the Commission on the Measurement of Economic Performance and Social Progress (the Stiglitz-Sen-Fitoussi Commission) which reported to the French government in 2009 (7): “Research has shown that it is possible to collect meaningful and reliable data on subjective as well as objective well-being. Subjective well-being encompasses different aspects – cognitive evaluations of one’s life, happiness, satisfaction, positive emotions such as joy and pride, and negative emotions such as pain and worry; each of them should be measured separately to derive a more comprehensive appreciation of people’s lives.” (p.16)

The positive and negative emotions (or affects) are considered to reflect relatively short-term or transitory well-being states, and together are discussed as emotional well-being. Among the more stable elements of well-being are the cognitive assessments of life satisfaction or of happiness, presented here as life evaluation. Finally there are dimensions of well-being which relate to psychological functioning and social well-being and which may be considered as pre-conditions for individual well-being. This framework reflects the most developed current approaches to the concept of subjective well-being and all these dimensions can be measured with the European Quality of Life Survey (EQLS)(8); the selection of well-being indicators follows closely OECD guidelines for measuring well-being presented in 2013 (9).

Method

The analyses are based upon data for the EU27 countries (thereby, omitting Croatia from the current European Union as relevant data were not available at the time the Social Cohesion Index was developed). It is based upon the Social Cohesion Index developed for the Bertelsmann Stiftung (2) and information on individual subjective well-being (SWB) from Eurofound's 2011/12 Quality of Life Survey (4).

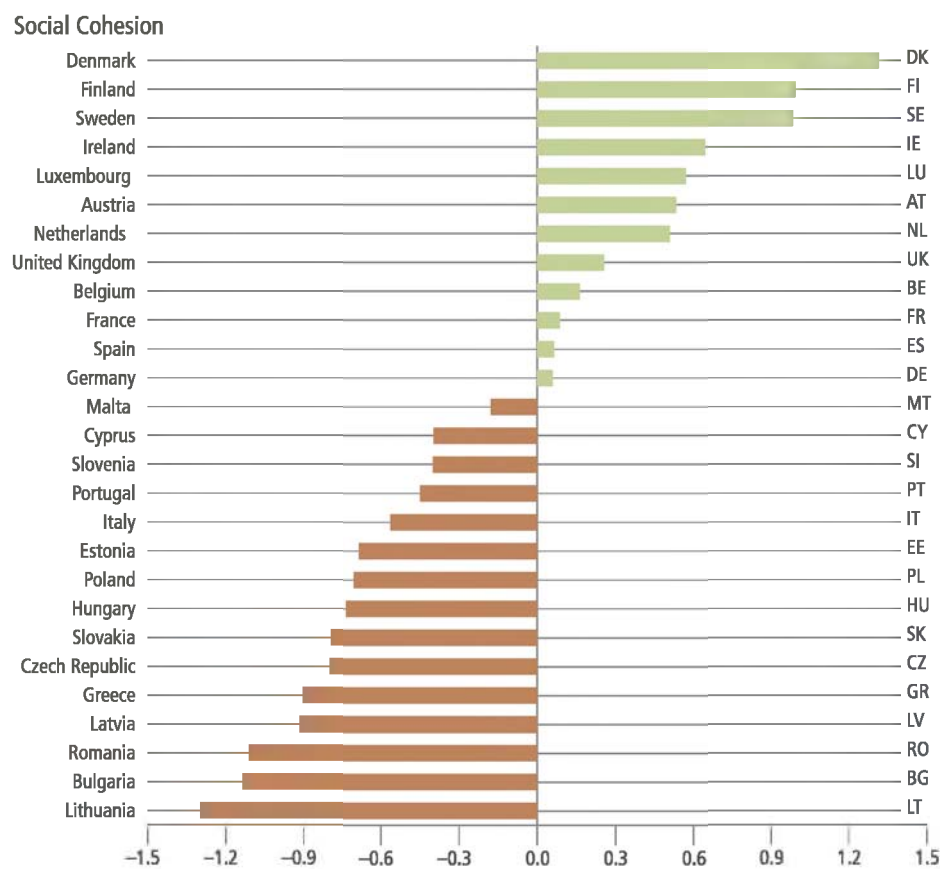
This report examines the influence of social cohesion and its three domains (see Figure 1) on various aspects of individual well-being. It thus attempts to study the role of a societal characteristic in determining individual outcomes. From the mushrooming literature on well-being it is evident that various personal characteristics have an important influence on SWB. At the same time, socio-economic societal characteristics such as the affluence of a nation and the distribution of this wealth among the population in terms of income inequality have been shown to have an effect both on social cohesion and subjective well-being.

In order to adequately control for the possible confounding effects – the socio-economic sphere of a society, on the one hand, and the population composition, on the other – in the relationship between social cohesion and well-being, it is essential to accommodate both levels in the analyses. The most suited analytical framework for this purpose is that of multilevel regression.

Country differences in social cohesion and subjective well-being

Details of the construction of the social cohesion index are available in the first report (2) and on the project website; essentially the domain scores are the average of the scores (derived from factor analysis) for each of their three constitutive dimensions, and the overall social cohesion index is the average of the scores for the three domains. Figures 2 and 3 present the strength of social cohesion and its three domains in the third wave of the international comparison covering 2003–2008.

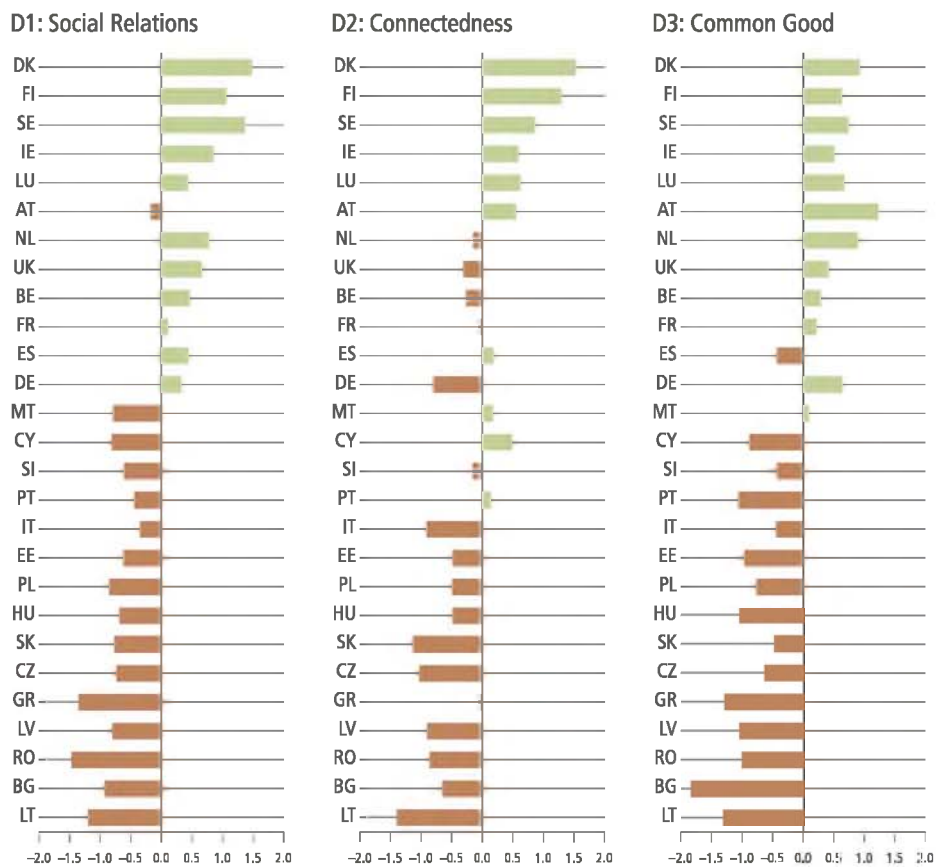
Figure 2: Overall index of social cohesion (2003–2008)



Source: own diagram

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Figure 3: The three domains of social cohesion (2003–2008)



Source: own diagram

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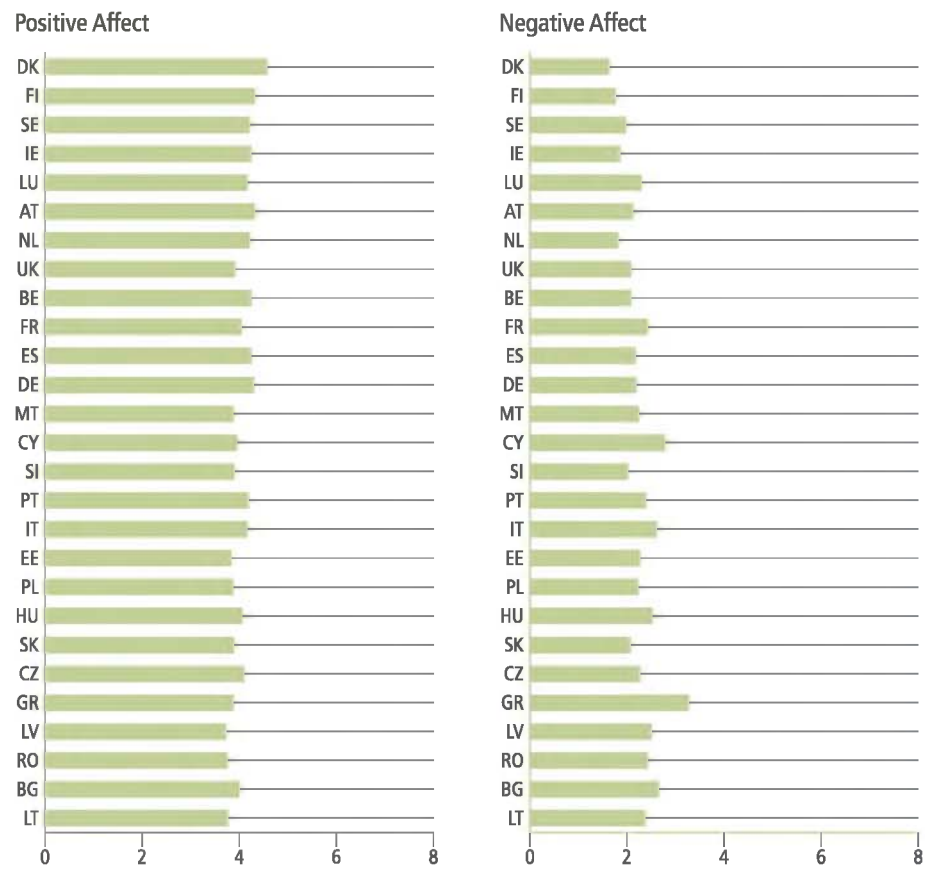
Data from the third round of the European Quality of Life Survey (EQLS) primarily relate to the year 2011. The country standings on social cohesion and its three domains as well as two further contextual variables tapping on country wealth and income inequality are taken from the third wave of the Social Cohesion Radar and cover the period preceding the 3rd EQLS, namely 2003–2008.¹

¹ Please note that the most recent available results of the Cohesion Radar span the years 2009–2012. However, it is not meaningful to use them as a predictor of well-being retrospectively.

The EQLS, like the Social Cohesion Radar, covers the EU27 Member States. The questionnaire provides tried-and-tested item batteries for the measurement of the various components of subjective well-being; and response rates on these items are high, so there is little missing information. Details of the construction of the five indicators of subjective well-being are presented in the background paper (6). The country averages are presented in Figure 4a + b, ordered in relation to the overall index of social cohesion, and thus already giving some picture of the relationship between social cohesion and well-being.

Figure 4a: Country mean scores on five components of well-being (2011/12)

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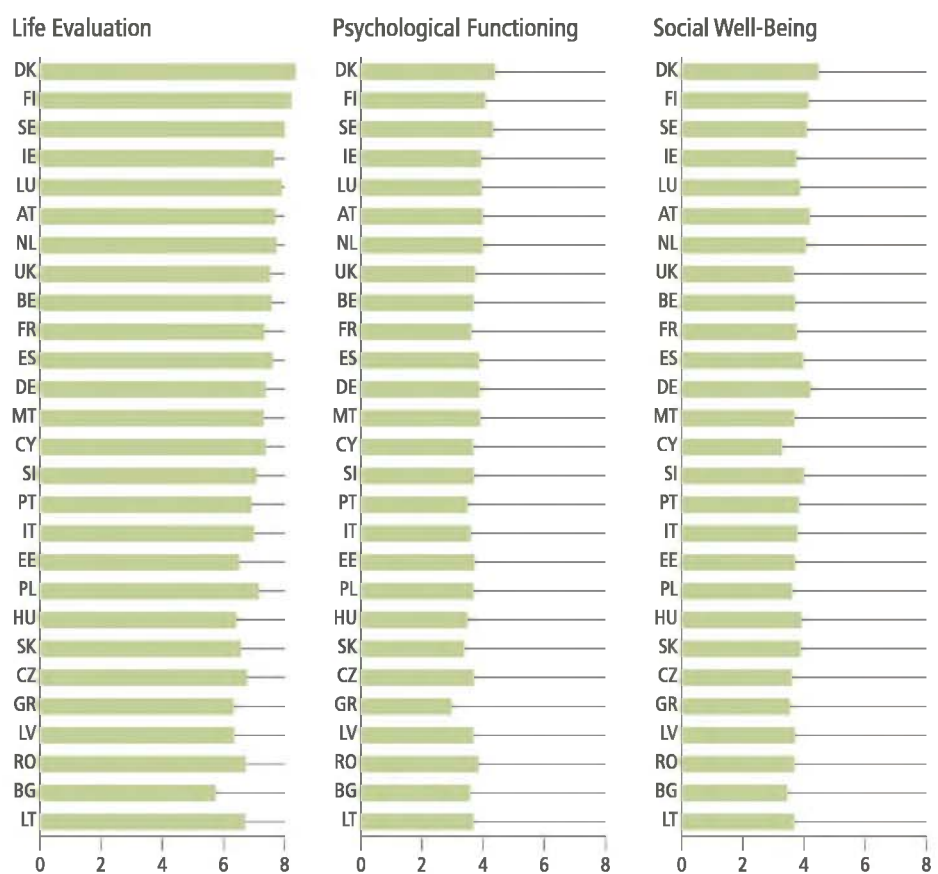


Source: own diagram

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Figure 4b: Country mean scores on five components of well-being (2011/12)

Continued from previous page



Source: own diagram

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The link between social cohesion and subjective well-being

Since, by definition, a socially cohesive society is more mutually supportive, more connected and more cooperative it would not be surprising to find this linked to higher levels of subjective well-being. The first Bertelsmann report (2) examined the link between social cohesion and life satisfaction in a comprehensive way, and found a clear positive correlation. The Nordic EU Member States are high in both social cohesion and life satisfaction, while the Baltic and South-Eastern European countries have weaker cohesion and much lower levels of life satisfaction.

However, the global analysis may be missing important patterns or relationships between different elements of cohesion and the various dimensions of subjective well-being. The new analyses establish that the five elements of well-being are relatively separate and therefore do relate to different aspects of well-being rather than overlapping ones. In examining which components of well-being are influenced by social cohesion the analysis controls for a country's wealth and level of income inequality.

There are positive effects of social cohesion on four of the five components of well-being, shown in Table 1.

Table 1: Effect of country characteristics on individual well-being

Well-being dimension	Cohesion	Affluence	Inequality
Positive affect	0	0	0
Negative affect	↓	↑	0
Life evaluation	↑	0	0
Psychological functioning	↑	↓	0
Social well-being	↑	0	0

Note: Results based on multi-level regression analysis with N (countries) = 27 and N (individuals) = 35,153.

0 denotes a non-significant effect; ↑ denotes a significant positive effect ("increases the respective well-being indicators"); ↓ denotes a significant negative effect ("decreases the respective well-being indicator").

Green/red colour denotes whether an effect can be evaluated as positive or negative, i.e. leading to higher/lower well-being.

It appears that psychological functioning is most strongly influenced by social cohesion among the five subjective well-being measures. Individuals who live in more cohesive societies are more optimistic about the future, have a stronger feeling that their lives are purposeful and feel greater freedom to decide how to live their lives (the items used to construct psychological functioning).

The results further point to an insignificant influence of the level of inequality (measured with the Gini coefficient) on all five components of well-being, once cohesion has been taken into account. As to the effect of a country's wealth (measured in terms of GDP), there is a positive association with negative affect, above and beyond the effect of social cohesion. Thus, affluence seems not to be a blessing au naturel; indeed, negative emotions tend to be higher, the richer a

society is. The finding related to psychological functioning is similar – individuals living in more affluent societies at similar levels of cohesion report lower psychological functioning. The wealth of a nation does not influence positive affect, life evaluation or social well-being over and above the effect of social cohesion.

When the three domains of social cohesion are considered separately it is clear that not all domains are equally conducive to well-being; the results are presented in Table 2.

Table 2: Effect of social cohesion domains on individual well-being, controlling for affluence and inequality

Well-being dimension	Social relations	Connectedness	Common good orientation
Positive affect	0	0	0
Negative affect	↓	0	↓
Life evaluation	↑	↑	↑
Psychological functioning	↑	↑	↑
Social well-being	↑	0	↑
Notes: Results based on multi-level regression analysis with N (countries) = 27 and N (individuals) = 35,153.			
0 denotes a non-significant effect; ↑ denotes a significant positive effect ("increases the respective well-being indicators");			
↓ denotes a significant negative effect ("decreases the respective well-being indicator").			
Green/red colour denotes whether an effect can be evaluated as positive or negative, i.e. leading to higher/lower well-being.			

The domains social relations and orientation towards the common good show significant associations with negative affect, life evaluation, psychological functioning and social well-being. Individuals who live in societies where people have a stronger network of contacts, trust others more and accept diversity more (the domain social relations), experience less negative emotion and evaluate their lives in more positive terms. They also have a higher degree of psychological functioning and higher social well-being. The same applies to individuals who live in societies characterised by stronger solidarity, higher acceptance of social rules, and stronger civic participation (the domain orientation towards common good).

Connectedness to a country/society is the domain that is less frequently associated with well-being. It influences only the degree of life evaluation and psychological functioning. These findings indicate that in societies where people feel more attached to their countries, have more trust in institutions and have a stronger perception of fairness, they are happier and more satisfied with life (life evaluation) and function better psychologically.

In line with the effect of overall cohesion, none of the three cohesion domains influences positive affect.

Subjective well-being is highest in Denmark, Finland, Netherlands and Sweden, lowest in Bulgaria, Greece, Hungary, Latvia and Romania. It might be hypothesised that social cohesion gains in importance for individual well-being in richer societies. This would be compatible with the idea that in affluent societies the drivers of life satisfaction and happiness are less materialistic, drifting away from 'having' to 'loving and being' (6). The 27 Member States can be divided into more affluent and less affluent groups with 16 in the former and 11 in the latter. As the results in Table 3 show, social cohesion does appear to be somewhat more important for well-being in richer countries.

The split according to the wealth of societies into more affluent and less affluent countries does not uncover any relationship with positive affect. Furthermore, the generally positive impact of cohesion on social well-being now appears lost in both groups of more and less affluent societies. As to the rest of the well-being indicators, the mitigating effect of social cohesion on negative affect applies only to the group of richer countries. Likewise, the psychological functioning of individuals benefits from strong cohesion only in the richer countries. In contrast, the positive influence of social cohesion on life evaluation holds for both country groups alike. No matter whether Europeans live in richer or poorer societies, social cohesion is conducive to their life satisfaction and happiness.

Table 3: Differential effect of social cohesion in rich and poor countries, controlling for inequality

Well-being dimension	Poor countries (AC-11)	Rich countries (EU-15 + Malta)
Positive affect	0	0
Negative affect	0	↓
Life evaluation	↑	↑
Psychological functioning	0	↑
Social well-being	0	0
Notes: Results based on multi-level regression analysis. AC-11: N (countries) = 11 and N (individuals) = 12,883. EU-15 + Malta: N (countries) = 16 and N (individuals) = 22,270.		
0 denotes a non-significant effect; ↑ denotes a significant positive effect ("increases the respective well-being indicators"); ↓ denotes a significant negative effect ("decreases the respective well-being indicator").		
Green/red colour denotes whether an effect can be evaluated as positive or negative, i.e. leading to higher/lower well-being.		

The impact of social cohesion on the relationship between inequality and subjective well-being

Higher income means higher life evaluation, but not to the same extent in all countries

Subjective well-being is generally related to income, typically reflected in indicators of material deprivation and reporting difficulty in making ends meet (8). People living in households where per capita income is in the highest income quartile score their life satisfaction on average 1.1 points higher and their happiness 0.9 points higher than those in the lowest quartile. This difference between the richest and poorest groups is not universal across countries: in Bulgaria it is over two points, while in Austria, Cyprus and Denmark there is no significant difference. In Portugal, income seems to be important for life satisfaction but not so much for happiness. Usually, well-being differences between income groups are smaller in countries which are wealthier and where average level of life satisfaction is higher.

For the EU27 as a whole, the relationship described above between income and subjective well-being remains clear when breaking the population into smaller income segments, with each income quintile and decile more satisfied and happy than the previous one. Again, however, the pattern differs somewhat between countries. The gap in life satisfaction between the richest and poorest 10% of the population is as high as three points in Slovakia, but less than a point in Austria, Denmark, the Netherlands and Spain. In a few countries, especially Hungary and Lithuania, households in the lowest 10% income category constitute a separate group from the rest, with life satisfaction and happiness as high as those with medium incomes; subjective well-being in these countries is found to increase with income starting from the second 10% (the group with the lowest subjective well-being). On closer inspection, the lowest income group in these countries is less likely to live alone and is younger than the subsequent groups, which might in part explain their higher subjective well-being (4).

There is, likewise, an important relationship between unemployment, particularly long-term (more than 12 months) unemployment and subjective well-being, particularly for life evaluation and social well-being. The large effects of unemployment are interesting because they persist even after controlling for income (8). Job security and work-life balance factors were also found to be important for different domains of subjective well-being.

At country level, indicators of the degree of income inequality have been associated with a wide range of health and social problems (10); it is suggested that higher well-being emerges in more equal societies. Higher levels of income inequality, expressed as a Gini coefficient, are associated with weaker social cohesion (2).

To sum up, income inequality also means inequality in terms of well-being. But since the extent of gaps in well-being varies between different countries, it can be asked if it is social cohesion which comforts individuals (i.e. enhances their well-being) and compensates for the income differences. In other words, it can be asked whether cohesion either mediates or moderates the effect of inequality on citizens' well-being.

Does cohesion compensate for the negative effect that inequality has on well-being?

There are marked differences in the levels of both subjective well-being and social cohesion in different countries; both tend to be higher in more affluent parts of Europe. To answer the above question rigorously and to understand if well-being differences appear due to income inequalities or are also affected by social cohesion, certain steps were undertaken in analysis:

- First, when assessing the influence of inequality on individual well-being, country differences in wealth were controlled for (and this control was kept for the next steps as well).
- Second, the effect of inequality on well-being of Europeans was assessed with and without controlling for cohesion, and effects were compared (this exercise assesses if cohesion 'mediates' the effect of inequality on well-being).
- Third, the negative influence inequality has on well-being was assessed separately for a group of countries with high cohesion and for a group of countries with low cohesion, and the extent was compared (this exercise assesses if cohesion 'moderates' the effect of inequality on well-being).

The mediation scenario implies a causal mechanism such that income inequalities undermine the level of social cohesion which in turn reduces individual well-being. To examine this, the effect of inequality on each well-being indicator was assessed before and after the impact of social cohesion was introduced; the country GDP was controlled in both steps. The results are presented in Table 4 which shows that income inequality has an initial (before introducing cohesion) effect only on negative affect and psychological functioning. Europeans who live in societies with greater inequalities experience stronger negative affect and lower psychological well-being. It appears that inequality is most important by negatively affecting feelings of psychological functioning such as optimism, purpose in life, or autonomy. Adding to the picture, the negative correlation between

the level of inequality and the degree of social cohesion offers an explanation as to why inequality is bad for negative affect and psychological functioning: higher income inequality reduces the strength of cohesion in society which in turn lowers well-being.

Table 4: Social cohesion as a mediator or moderator of the inequality effect on well-being

Well-being dimension	Initial effect of inequality (controlling for country affluence)	Cohesion as mediator of the inequality effect	Cohesion as a moderator of the inequality effect	
			Low cohesion countries	High cohesion countries
Positive affect	No	No	No	No
Negative affect	Yes	Yes	Yes	No
Life evaluation	No	No	No	No
Psychological functioning	Yes	Yes	No	Yes
Social well-being	No	No	No	Yes
Notes: Results based on multi-level regression analysis. Initial effect and Mediation analysis: N (countries)=27 and N (individuals)=35,153. Moderation analysis, low cohesion: N (countries)=15 and N(individuals)=18,125; high cohesion: N (countries)=12 and N (individuals)=17,028.				
Countries were assigned on the basis of having values above (high cohesion) and below (low cohesion) 0.0 in Figure 2. Green/red colour denotes whether an effect can be evaluated as positive or negative, i.e. leading to higher/lower well-being.				

With regard to moderating or 'buffering' effects of social cohesion, these will be found if cohesion shielded citizens from reduced subjective well-being associated with large income inequalities. To assess moderation effects, separate analyses were made for each well-being indicator for the set of countries characterised by low cohesion and those characterised by high cohesion. There is some evidence of the hypothesised moderating role of social cohesion in the relationship between inequality and well-being for three out of the five well-being indicators (the exceptions are positive affect and life evaluation). Perhaps surprisingly, inequality plays out more negatively in cohesive societies, specifically for psychological functioning and social well-being. Perhaps this is because obvious inequalities reduce feelings of optimism, purpose in life, and autonomy; and promote self-perceptions of being left out of society. The evidence for a buffering effect of social cohesion is inconclusive.

Discussion

Results from the analysis can be summarized in four main findings:

1. Taking the countries' affluence and income distribution into account, **social cohesion enhances people's well-being** in four of the five domains: better psychological functioning (strongest effect), less negative affect, higher life evaluation and higher social well-being.
2. The contribution of social cohesion to subjective well-being **arises mainly in the domains social relations and orientation to the common good**, which perform very similarly. A high level of emotional attachment of citizens to major societal institutions (connectedness) seems to be of secondary importance, as compared to the other two cohesion domains.
3. The positive effect of **social cohesion is felt more strongly in the richer (West European) part of Europe**, than in the less rich one. In the less affluent Member States of the European Union, life evaluation – life satisfaction and happiness – is enhanced by strong cohesion, but other dimensions of individual well-being are not.
4. Income differences are strongly related to well-being but the degree of inequality in a society has few direct effects on well-being; impacts in the two relevant domains of negative effect and psychological functioning were mediated by social cohesion (i.e. inequality weakens social cohesion, which in turn decreases some aspects of well-being). Further, inequality typically plays out more negatively among cohesive societies than among less cohesive societies. In other words: living in a cohesive place does not shield Europeans from the negative role of inequality – **social cohesion is not an effective buffer**. This means that it is necessary to tackle inequality more directly (than via social cohesion) in those societies that already have achieved advanced levels of affluence and cohesion.

There are several pointers for policy:

Social cohesion promotes well-being and must therefore be addressed by policy-makers.

Social cohesion has proved to be a positive factor for many aspects of citizens' well-being. If the goal of public policy is to make a society more 'liveable' then the promotion of well-being through building of social cohesion appears a smart as well as inclusive approach. The strengthening of social networks, trust and tolerance and motivating people to show solidarity, to obey social rules and to engage in civil society are promising roads towards higher well-being. These are, of course, challenging goals, particularly regarding increasing trust in others. But reducing tensions or lack of

trust between social groups can improve well-being for all and is an established element of social policy. The promotion of civic participation is a key route to promoting not only the sense of a common good, but also connectedness (11). This is particularly the case for the EU-15 countries.

Social cohesion does not have detrimental effects on any domains of individual well-being, at least for the general population. The relationship between an individual's social capital and subjective well-being appears to vary somewhat for population sub-groups (12) and the impacts of social cohesion on different social groups need to be investigated in more detail in future research. However, the current research indicates that both resource-rich and resource-poor populations benefit from a cohesive society.

Social cohesion, and not just affluence, matters increasingly for well-being when an economy grows. The fact that social cohesion shapes individual well-being more powerfully in the richer parts of Europe chimes with theories on the post-materialisation of happiness. Cross-national comparisons show that citizens in richer countries put more emphasis on 'loving' and 'being' and less emphasis on 'having', as compared to citizens in poorer countries (still, 'having' is the most important pillar in rich countries as well – the shift is one of relative importance). Since cohesion relates primarily to 'loving' and 'being', it is no surprise that social cohesion appears more important for well-being in more affluent societies.

Country differences, more than the extent of income inequalities within societies, account for the well-being disparities among Europeans. The differences in well-being of Europeans are caused by differences in national wealth and level of cohesion more than by the level of inequality within a society. However, two words of caution are warranted. In this analysis, inequality is considered in terms of income distribution only, which is but one form of inequality; maybe other inequalities, such as in health or wealth, are more relevant to people's subjective well-being. Furthermore, income inequality plays out more negatively among the group of more cohesive societies; it is possible that the extent of inequality, and people's dislike of it, is indeed important for well-being among rich-Europe's citizens.

Measures to combat poverty and unemployment are key for well-being. The negative effects of low income and unemployment on subjective well-being are clear and apply across all Member States. The Europe 2020 strategy has established targets for both poverty reduction and employment growth, neither of which is being achieved (13). Measures to reduce long-term unemployment and social exclusion are vital both directly for subjective well-being and as drivers of social cohesion.

Regional differences in social cohesion need better documentation and more attention.

There is growing divergence, such as in wealth and unemployment, between countries (4) but growing inequalities are also a feature of the economic and social crisis within many Member States (13). This paper has focussed on social cohesion as a characteristic of individual countries, but there is evidently also increasing concern about differences between (clusters of) Member States and how this diminishes both actual and perceived social cohesion. In fact, the territorial dimensions of social cohesion and subjective well-being underline the need to better document and examine differences at the regional level (14) and between rural and urban areas (15).

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