



# GRANULAR

KNOWLEDGE TRANSFER ACCELERATOR

## Beyond GDP metrics for rural areas: measure what (really) matters

HIGHLIGHTS REPORT

19 March 2026

### Introduction

On the morning of 19 March 2026, the [European Association for Innovation in Local Development \(AEIDL\)](#) organised a webinar of the [GRANULAR Knowledge Transfer Accelerator \(KTA\) Bootcamp](#), titled "[Beyond GDP metrics for rural areas: measure what \(really\) matters](#)." The session brought together a diverse audience of policymakers, researchers, and practitioners to reflect on how development in rural areas is measured and how existing frameworks can be improved to better capture local realities.

Serafin Pazos Vidal from AEIDL opened the session by highlighting the central question guiding the discussion: whether current indicators truly reflect what matters for economic development and people's lives. While Gross Domestic Product (GDP) has long been the dominant measure of prosperity, he stressed that it fails to capture important dimensions such as well-being, territorial disparities, and the lived experiences of communities. This is a recurrent discussion at the start of negotiations of the EU Multi-Annual Financial Framework, where despite to overtures towards Beyond GDP often negotiations end up settling on the well-known if imperfect GDP as a criteria to measure prosperity. Hence this KTA is particularly timely as we are at the start of a new cycle of negotiations.

He also underlined that this discussion comes at a critical moment in the EU policy cycle, as new frameworks and funding instruments are being shaped. In this context, initiatives such as the [GRANULAR project](#) aim to move beyond aggregate indicators and develop more **granular, place-based approaches**, capable of identifying local needs, measuring policy impacts, and improving the targeting of public support. The webinar therefore set the stage for a broader reflection on how more comprehensive and context-sensitive metrics can support better policymaking for rural areas.

ORGANISER:



19 MARCH 2026



ONLINE



90 PARTICIPANTS

(research & education, public authorities, NGOs, civil society, EU institutions, rural communities, etc.)



PRESENTATIONS AND RECORDINGS [HERE](#).

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If you see this icon, click to see the video



# Beyond GDP Metrics in Europe: why, when and for whom?



**Laura Rayner**  
ZOE Institute for future-fit economies

**Laura Rayner** from the ZOE Institute for Future-fit Economies opened the session by setting the conceptual foundations of the “**Beyond GDP Metrics in Europe:**” debate, explaining why traditional economic indicators no longer provide a sufficient picture of societal progress. While GDP measures the market value of goods and services, it overlooks key dimensions such as well-being, environmental sustainability, and social inclusion.

She highlighted that these limitations are not new. Since its early development, GDP has never been intended as a measure of overall welfare, yet it has become the dominant benchmark for assessing development. This creates blind spots in policymaking, as important aspects such as unpaid care work, health, inequality, and environmental degradation remain largely invisible in economic statistics.

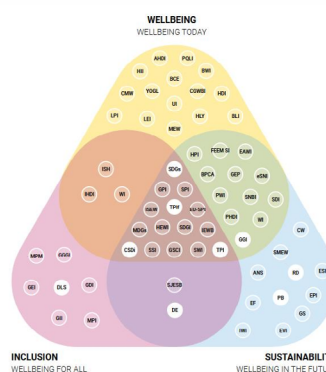
Ms Rayner also stressed that relying solely on GDP can lead to misleading conclusions. Economic growth may coexist with declining

quality of life, increasing inequalities, or environmental harm. As a result, policies based only on growth indicators risk overlooking what actually matters for people and communities.

In response, a wide range of alternative approaches has emerged. These include composite indices, such as the **Human Development Index**, as well as multidimensional dashboards that capture different aspects of well-being, sustainability, and inclusion. Ms Rayner clarified the difference between these tools: an index condenses performance into a single summary number, while a dashboard provides a broad spectrum of indicators to allow for a more nuanced view across different dimensions. She specifically highlighted the “Wise Triangle,” a tool developed for the **Wise Horizons project** that synthesises dozens of these metrics proposed at the national level. Rather than replacing GDP, these tools aim to **complement it**, providing a more comprehensive understanding of development.

## What Alternatives Exist

- Statistical/Composite measures:
  - Sustainable and Inclusive Wellbeing Dashboard, Human Development Index (HDI), Genuine Progress Indicator (GPI), Social Progress Index.
- Wellbeing & subjective indicators:
  - life satisfaction surveys, mental health, time use.
- Environmental metrics:
  - Ecological Footprint, Adjusted Net Savings, carbon budgets.
- Policy frameworks:
  - OECD Better Life Index, UN SDG indicators, Eurostat’s sustainable development indicators.



Source: beyond-gdp.world/wise-database/wise-metrics

Figure 1. Beyond GDP Metrics in Europe, Laura Rayner, ZOE Institute.

She also pointed to significant institutional progress, such as the integration of Sustainable Development Goal (SDG) monitoring into the European Semester and the WHO’s “One Health” approach, which encourages finance ministries to consider the health impacts of fiscal

policies. At the UN level, she noted upcoming reforms to the system of national accounts and reports from the High-Level Expert Group on Beyond GDP.

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She further emphasised that "beyond GDP" is not just about measurement, but about how and when indicators are used in policymaking. Integrating broader metrics can improve agenda-setting, support long-term planning, and enhance policy evaluation by identifying issues that GDP alone cannot reveal. For instance, using median income or wealth data can reveal who is being left behind, as GDP per capita often masks stagnation for the average citizen. Similarly, time-use data is essential to identify how unpaid care work (predominantly performed by women) limits labour opportunities. She also suggested that tools like green or

social budget tagging could better align spending with environmental and social objectives.

Finally, Ms Rayner underlined that these approaches are relevant for a wide range of actors (from policymakers to local communities) and that involving citizens in defining priorities can strengthen both the legitimacy and effectiveness of policy decisions. She cited the "Well-being of Future Generations" work in Wales and the "Doughnut Cities" as leading examples of this practice. Engaging citizens to define long-term goals for 2040 or 2050 provides "political cover" for difficult decisions; for example, a community that collectively decides it wants a greener, safer city is better prepared for the trade-offs involved when a local authority must reduce parking spaces to improve urban mobility. Overall, she concluded that moving beyond GDP is essential to better reflect the realities of people's lives and to support more sustainable and inclusive develop.

## Measuring what matters: Wellbeing, quality of life and what else?

The second part of the session moved from conceptual reflections to practical measurement approaches, focusing on how well-being and quality of life can be captured through concrete indicators. It brought together EU-level perspectives and empirical evidence to explore what should be measured and how these dimensions can better inform policymaking.

## Sustainable and Inclusive Well-being Indicator



**Peter Benczur**

Joint Research Centre, European Commission

**Peter Benczur** presented the Joint Research Centre's ongoing work to develop a [framework for measuring sustainable and inclusive well-being](#), aimed at complementing GDP with a broader and more policy-relevant set of indicators.

He began by situating this initiative within recent EU policy developments, particularly the [Strategic Foresight Reports](#), which have progressively emphasised the need to move beyond purely economic measures. This renewed interest gained momentum in the aftermath of the COVID-19 crisis, which highlighted the limitations of traditional indicators in capturing people's lived experiences and societal resilience. He noted that while the [2023 Strategic Foresight Report](#) represented a "peak" in interest for this work, the 2025 report officially marked the resulting dashboard as "mature enough" to be embedded into policy evaluation and investment decisions.

He defined "sustainable and inclusive well-being" as the well-being of all people, including current and future generations, as well as the planet. The proposed framework is built around a multidimensional understanding of well-being. It distinguishes between **well-being today**, which includes aspects such as income, health, and life satisfaction, and **well-being tomorrow**, which relates to sustainability and the resources available to future generations. These dimensions are complemented by cross-cutting elements such as resilience, inclusiveness, and institutional capacity. Notably, the framework treats "nature and planetary boundaries" not just as a resource, but as a fundamental foundation for all other dimensions.

## From GDP to sustainable and inclusive wellbeing



Figure 2. From GDP to sustainable and inclusive wellbeing, Joint Research Centre, European Commission.

To translate this approach into practice, the Commission undertook a large-scale mapping of existing indicators across more than 20 EU and international frameworks. From an initial pool of over 1,000 indicators, this process resulted in a **streamlined dashboard of around 50 indicators**, designed to provide a balanced and comprehensive overview while remaining usable for policymaking. Selected metrics include specific indicators such as the “farmland bird index” for nature, “standardised preventable and treatable mortality” for resilience, and “NEETs” (those not in employment, education, or training) for material living conditions.

One of the key insights from this work is that development patterns are highly heterogeneous. Countries may perform well in certain dimensions of well-being while lagging in others, meaning that a single aggregated indicator such as GDP can obscure important differences. The dashboard approach allows for a more nuanced analysis, highlighting trade-offs and complementarities across policy areas.

The framework also enables comparisons over time and across countries. For instance, Dr Benczur presented a global comparison between the EU and the United States of America (USA). While traditional GDP per capita suggests the USA is leading, an “augmented GDP” metric (which adjusts for life expectancy and income distribution) shows that the EU is actually performing higher and progressing more steadily than the USA. Hence, analysis shows that when considering broader well-being indicators,

trends can differ significantly from those suggested by GDP alone.

In addition, Dr Benczur emphasised the importance of moving towards more **granular levels of analysis**. Tools such as the **EU Social Progress Index** (available at the NUTS2 regional level) demonstrate how regional and local data can reveal disparities within countries. The index shows that while social progress is generally higher in cities than in rural areas, there are systematic regional patterns in countries like Italy and Spain that GDP alone would mask. This aligns closely with the objectives of the GRANULAR project, which seeks to better capture place-based realities.

Overall, the presentation highlighted both the progress made and the challenges ahead. He argued that just as GDP was created as a single number to demonstrate economic output, a “well-being ecosystem” could serve as a “natural uniter” to break through “silo thinking” in government departments. While the conceptual framework and indicators are now relatively well developed, their integration into policy evaluation and decision-making remains ongoing. Strengthening the use of these tools will be essential to ensure that EU policies better reflect sustainable and inclusive development outcomes.

# Indicators for rural wellbeing and quality of life



**Gundi Knies**  
Thünen Institute

**Gundi Knies** (Thünen Institute) presented findings from the **GRANULAR project** on “**Wellbeing and quality of life in rural areas**”, highlighting the importance of adopting a multidimensional and place-based perspective when assessing development outcomes.

She began by emphasising that wellbeing extends far beyond economic conditions, including family, community relations, values, and freedom as key factors alongside income. While income and employment remain important, subjective wellbeing is also shaped by social relationships, environmental quality, and personal resources such as autonomy and resilience. This is particularly relevant in rural areas, where strong community ties and connections to natural environments often play a central role in people’s quality of life.

Her analysis shows that wellbeing should be understood as a **multidimensional concept**, combining personal wellbeing (such as life satisfaction and emotional states), psychological functioning (satisfying needs for autonomy, competence, and relatedness), and social wellbeing, including trust and support within communities. This approach goes beyond standard indicators like the Commission’s sustainable and inclusive wellbeing (SIWB) metrics, which often rely heavily on single measures such as life satisfaction. She noted that these dimensions can interact differently; for instance, a beautiful natural environment might boost affective wellbeing while a lack of local economic opportunities simultaneously dampens evaluative wellbeing.

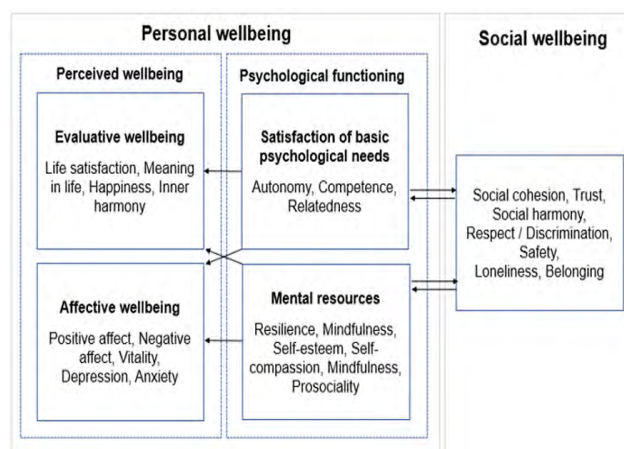
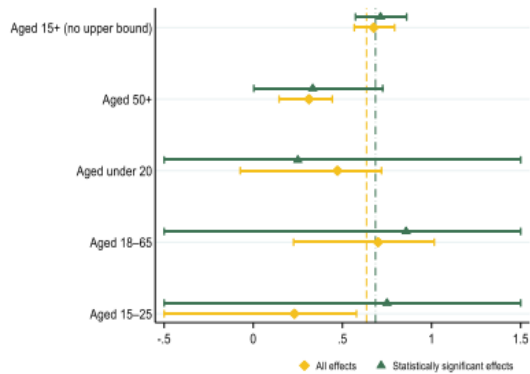


Figure 3. Indicators for rural wellbeing and quality of life, GRANULAR Project.

Empirical findings from an analysis of 28 European countries presented during the session indicate that **rural areas can exhibit a wellbeing advantage**, with 63% of reported effects in a review of literature showing higher rural wellbeing, but this is not universal. Outcomes vary depending on age groups, definitions of rurality, and the specific dimensions of wellbeing considered. For example, while some rural populations report higher life satisfaction, **younger (aged 15–25) and older (50+) groups may experience lower levels of wellbeing** compared to their urban counterparts. Furthermore, she pointed out that rural advantages often disappear if the definition of “rural” is expanded to include small towns or sparsely populated areas.

The results also show that **different dimensions of wellbeing are associated with different types of territories**. Social wellbeing tends to be stronger in rural areas, while other aspects, such as access to services or opportunities, may be more favourable in urban settings. The study found that villages and the countryside score highest in life satisfaction in only about 50% of the countries studied, highlighting the importance of avoiding one-size-fits-all conclusions about rural development.

### Rural wellbeing advantage by age of population



### Rural wellbeing advantage by rural definition

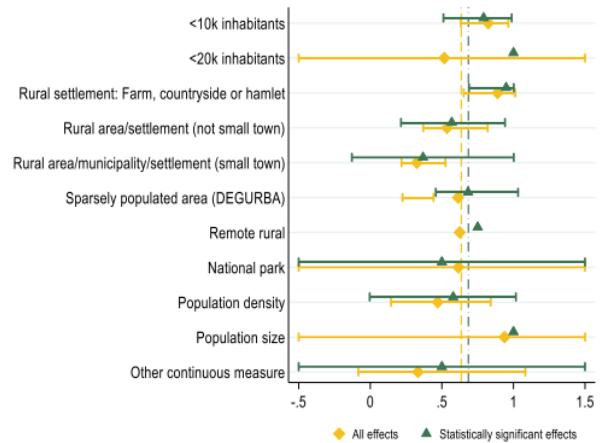


Figure 4. Rural wellbeing advantage by rural definition and by age of population, GRANULAR.

A key message from the presentation is that **local context matters significantly**. Using detailed data from Britain covering 2009–2023, the research demonstrates that factors such as neighbourhood characteristics, service availability, and local socioeconomic conditions play a major role in shaping well-being outcomes. This data showed a consistent 0.15 point rural advantage in life satisfaction, but 30% to 50% of this is explained by neighbourhood and individual characteristics. Notably, the strongest predictor of wellbeing in rural areas was found to be the lifestyles of the local population, whereas in urban areas, it was area deprivation and access to services.

Moreover, these factors operate differently in rural and urban contexts, reinforcing the need for place-sensitive analysis. This data showed a consistent 0.15 point rural advantage in life satisfaction, but 30% to 50% of this is explained by neighbourhood and individual characteristics. Notably, the strongest predictor of wellbeing in rural areas was found to be the lifestyles of the local population, whereas in urban areas, it was area deprivation and access to services.

Dr Knies also illustrated the existence of **policy trade-offs**, using the example of wind turbine deployment in Germany between 2000 and 2020. While renewable energy infrastructure contributes positively to environmental goals and economic development, its local impacts on well-being may vary depending on proximity and intensity. Her analysis found that while average impacts on mental health are small, there is evidence of negative effects on mental health-related quality of life for residents with high exposure to turbines within a 4-kilometre radius. This underlines the importance of combining objective indicators with local-level data to fully understand policy effects.

Overall, Dr Knies' presentation reinforced the idea that measuring development in rural areas requires **granularity and multidimensional indicators** that reflect both objective conditions and lived experiences. She concluded by advocating for the "over-boosting" of local cases in national surveys to improve place-based analysis and stressed the need for better access to administrative data to support future rural-proofing efforts. Such approaches are essential to design policies that are better tailored to the diversity and complexity of rural territories.



# Group discussion

## Moderated by Serafin Pazos-Vidal (AEIDL)

The concluding part of the webinar featured a moderated discussion led by Serafin Pazos Vidal (AEIDL), bringing together reflections from the speakers and questions from participants on how “beyond GDP” approaches can be translated into practical policymaking. The exchange connected EU-level measurement frameworks with local realities, particularly focusing on data availability, territorial diversity, and citizen engagement.

A participant opened the discussion with a question on **data coverage and comparability**, asking why certain countries were not included in specific analyses. In response, Gundi Knies explained that the datasets used require complete and consistent information across countries, which can lead to the exclusion of cases where data is missing. This highlighted a broader challenge in developing robust indicators while maintaining a high level of granularity.

The discussion also addressed whether **cultural and traditional practices** should be considered as part of well-being indicators. Peter Benczur noted that such dimensions are often included in national frameworks, particularly in countries that integrate identity and cultural aspects into well-being measurement. However, he pointed out that

incorporating these elements at EU level is more complex, as it requires balancing comparability across countries with sensitivity to local contexts.

Building on this, Laura Rayner emphasised the importance of **citizen engagement** in defining what should be measured. She highlighted that involving communities in identifying priorities can improve both the relevance of indicators and the legitimacy of policy decisions, particularly when addressing long-term societal goals.

The discussion then shifted to the **practical challenges of measuring well-being at local level**. Gundi Knies underlined the difficulty of collecting detailed, place-based data, noting that capturing the diversity of rural contexts often requires resource-intensive approaches. At the same time, participants recognised that such granular data is essential to better understand policy impacts and avoid one-size-fits-all solutions.

Overall, the exchange reinforced the need to complement EU-level frameworks with **more granular, context-sensitive approaches**, while acknowledging the trade-offs between data availability, comparability, and policy relevance.

# Conclusion



**Maite Iglesias Leon**

European Association for Innovation in Local Development (AEIDL)

In conclusion, the webinar brought together a range of perspectives on how moving beyond GDP can lead to more meaningful and context-sensitive approaches to measuring development, particularly in rural areas. Across the presentations and discussions, speakers consistently highlighted that traditional economic indicators fail to capture the complexity of people’s lived experiences and the diversity of territorial realities.

Rather than proposing a single alternative metric, the session emphasised the need for **multidimensional frameworks** that combine economic, social, and environmental indicators. This includes integrating subjective well-being, improving the use of existing data, and developing tools that better reflect local conditions and policy impacts.

At the same time, the discussion underlined that advancing beyond GDP is not only a technical challenge, but also a **governance and implementation issue**. Ensuring that indicators are relevant, usable, and embedded in policymaking requires stronger links between EU-level frameworks and place-based evidence, as well as greater involvement of citizens in defining priorities.

In her closing remarks, **Maite Iglesias (AEIDL)** highlighted that this webinar forms part of the [GRANULAR Knowledge Transfer Accelerator \(KTA\)](#), which aims to foster dialogue between researchers, policymakers, and practitioners. She encouraged stakeholders to remain engaged with the [KTA community](#) to continue exchanging knowledge and supporting the development of more inclusive, place-based approaches to rural policymaking.

