

## Appendix

Author accepted manuscript

Table 3: Labor Supply and Labor Demand Elasticities

|                                  | <i>Skill Level</i> |        |       |
|----------------------------------|--------------------|--------|-------|
|                                  | High               | Medium | Low   |
| <b>Labor supply elasticities</b> |                    |        |       |
| <i>Single Male</i>               |                    |        |       |
| Continental                      | 0.15               | 0.11   | 0.23  |
| Nordic                           | 0.27               | 0.21   | 0.34  |
| UK/IRL                           | 0.46               | 0.14   | 0.65  |
| Southern                         | 0.27               | 0.18   | 0.27  |
| Eastern                          | 0.15               | 0.17   | 0.24  |
| <i>Single Female</i>             |                    |        |       |
| Continental                      | 0.23               | 0.14   | 0.38  |
| Nordic                           | 0.19               | 0.11   | 0.36  |
| UK/IRL                           | 0.32               | 0.20   | 0.51  |
| Southern                         | 0.26               | 0.29   | 0.48  |
| Eastern                          | 0.09               | 0.10   | 0.24  |
| <i>Married Male</i>              |                    |        |       |
| Continental                      | 0.09               | 0.08   | 0.10  |
| Nordic                           | 0.11               | 0.09   | 0.14  |
| UK/IRL                           | 0.09               | 0.06   | 0.11  |
| Southern                         | 0.06               | 0.08   | 0.07  |
| Eastern                          | 0.08               | 0.08   | 0.08  |
| <i>Married Female</i>            |                    |        |       |
| Continental                      | 0.28               | 0.30   | 0.27  |
| Nordic                           | 0.18               | 0.17   | 0.22  |
| UK/IRL                           | 0.20               | 0.23   | 0.19  |
| Southern                         | 0.40               | 0.49   | 0.36  |
| Eastern                          | 0.11               | 0.12   | 0.11  |
| <b>Labor demand elasticities</b> |                    |        |       |
| Continental                      | -0.53              |        | -0.62 |
| Nordic                           | -0.48              |        | -0.55 |
| UK/IRL                           | -0.66              |        | -0.92 |
| Southern                         |                    | -0.58  |       |
| Eastern                          |                    | -0.66  |       |

*Note:* Supply Elasticities based on estimations from Bargain et al. (2014). The values refer to the mean value by country group. Where possible, elasticities are country-specific. If a specific country is not covered in Bargain et al. (2014), it is assigned the mean value within the country group. Demand elasticities are from Lichter et al. (2015), by adding an interaction between skill and country group to the main specification and setting the time trend to 2030. Due to insufficient empirical estimates, skill groups for the demand side had to be partly aggregated.

Table 4: Projected Total Population

| <i>Country</i>   | Million People |       |          | % Change |          |
|------------------|----------------|-------|----------|----------|----------|
|                  | Base           | tough | friendly | tough    | friendly |
| AT               | 8.4            | 8.3   | 9.1      | -1.2     | 8.7      |
| BE               | 10.8           | 11.7  | 12.5     | 8.1      | 15.1     |
| BG               | 7.6            | 5.8   | 7.2      | -22.9    | -4.5     |
| CY               | 0.8            | 0.9   | 1.0      | 10.4     | 23.9     |
| CZ               | 10.5           | 10.1  | 11.2     | -3.8     | 6.5      |
| DE               | 81.8           | 72.3  | 80.8     | -11.6    | -1.2     |
| DK               | 5.5            | 5.7   | 6.0      | 2.5      | 7.9      |
| EE               | 1.3            | 1.1   | 1.4      | -15.4    | 5.9      |
| EL               | 11.3           | 10.9  | 11.8     | -4.0     | 4.4      |
| ES               | 46.0           | 44.8  | 52.0     | -2.6     | 13.0     |
| FI               | 5.4            | 5.5   | 5.8      | 2.6      | 7.6      |
| FR               | 62.8           | 66.2  | 69.5     | 5.4      | 10.6     |
| HU               | 10.0           | 9.2   | 9.7      | -8.3     | -2.7     |
| IE               | 4.5            | 4.7   | 5.3      | 4.2      | 18.0     |
| IT               | 60.3           | 60.6  | 67.6     | 0.5      | 12.1     |
| LT               | 3.3            | 2.8   | 3.1      | -15.2    | -5.9     |
| LU               | 0.5            | 0.6   | 0.7      | 21.4     | 30.4     |
| LV               | 2.2            | 1.8   | 2.1      | -21.4    | -5.1     |
| MT               | 0.4            | 0.4   | 0.4      | -9.5     | 4.6      |
| NL               | 16.6           | 17.0  | 18.1     | 2.6      | 9.0      |
| PL               | 38.2           | 34.8  | 38.3     | -8.8     | 0.3      |
| PT               | 10.6           | 10.0  | 11.1     | -5.8     | 4.0      |
| RO               | 21.5           | 18.0  | 21.9     | -16.0    | 2.0      |
| SE               | 9.3            | 10.3  | 11.0     | 10.6     | 17.5     |
| SI               | 2.0            | 2.1   | 2.3      | 0.6      | 10.8     |
| SK               | 5.4            | 5.3   | 5.7      | -3.2     | 5.2      |
| UK               | 62.0           | 67.5  | 70.8     | 8.8      | 14.2     |
| Average          |                |       |          | -2.7     | 7.9      |
| Weighted Average |                |       |          | -2.3     | 7.4      |

*Note:* Own calculations based on population projections in Huisman et al. (2013) applied to EU-SILC data for 2030.

Table 5: Projected Total Labor Force

| <i>Country</i>   | Million Workers |       |          | % Change |          |
|------------------|-----------------|-------|----------|----------|----------|
|                  | Base            | tough | friendly | tough    | friendly |
| AT               | 5.7             | 5.2   | 5.6      | -7.7     | -0.9     |
| BE               | 7.1             | 7.3   | 7.6      | 1.5      | 6.3      |
| BG               | 5.2             | 3.7   | 4.6      | -28.6    | -12.3    |
| CY               | 0.6             | 0.6   | 0.6      | 0.4      | 12.4     |
| CZ               | 7.4             | 6.6   | 7.2      | -10.9    | -3.5     |
| DE               | 53.9            | 43.8  | 47.9     | -18.7    | -11.1    |
| DK               | 3.6             | 3.5   | 3.6      | -3.3     | -0.1     |
| EE               | 0.9             | 0.7   | 0.9      | -22.3    | -2.2     |
| EL               | 7.5             | 7.0   | 7.4      | -7.6     | -2.0     |
| ES               | 31.4            | 28.9  | 33.2     | -8.0     | 5.8      |
| FI               | 3.6             | 3.3   | 3.4      | -7.6     | -5.2     |
| FR               | 40.7            | 39.6  | 40.9     | -2.7     | 0.5      |
| HU               | 6.9             | 6.1   | 6.2      | -10.9    | -9.1     |
| IE               | 3.0             | 2.9   | 3.4      | -3.2     | 11.5     |
| IT               | 39.7            | 38.0  | 41.5     | -4.1     | 4.8      |
| LT               | 2.3             | 1.8   | 2.0      | -21.2    | -14.4    |
| LU               | 0.3             | 0.4   | 0.4      | 16.3     | 22.7     |
| LV               | 1.5             | 1.2   | 1.4      | -25.5    | -12.6    |
| MT               | 0.3             | 0.2   | 0.3      | -19.6    | -8.0     |
| NL               | 11.1            | 10.4  | 10.8     | -6.8     | -2.8     |
| PL               | 27.2            | 22.9  | 24.5     | -16.0    | -10.2    |
| PT               | 7.1             | 6.5   | 7.0      | -8.3     | -1.9     |
| RO               | 15.0            | 12.1  | 14.6     | -19.3    | -2.8     |
| SE               | 6.1             | 6.3   | 6.6      | 3.4      | 8.2      |
| SI               | 1.4             | 1.3   | 1.4      | -8.6     | -1.0     |
| SK               | 3.9             | 3.5   | 3.7      | -10.3    | -5.1     |
| UK               | 41.0            | 41.7  | 43.2     | 1.8      | 5.5      |
| Average          |                 |       |          | -9.2     | -1.0     |
| Weighted Average |                 |       |          | -8.7     | -1.4     |

*Note:* Own calculations based on population projections in Huisman et al. (2013) applied to EU-SILC data for 2030.

Table 6: Skill Shares

| <i>Country</i>   | Shares |       |       | Change in % Points |       |      |          |       |      |
|------------------|--------|-------|-------|--------------------|-------|------|----------|-------|------|
|                  | Base   |       |       | tough              |       |      | friendly |       |      |
|                  | low    | med   | high  | low                | med   | high | low      | med   | high |
| AT               | 22.8%  | 60.9% | 16.3% | -4.4               | 1.9   | 2.5  | -7.1     | -2.2  | 9.3  |
| BE               | 32.6%  | 36.7% | 30.7% | -8.6               | 2.4   | 6.2  | -10.5    | -0.6  | 11.1 |
| BG               | 25.4%  | 55.2% | 19.5% | -1.4               | -1.9  | 3.3  | -7.5     | -2.5  | 10.0 |
| CY               | 28.7%  | 39.5% | 31.8% | -8.0               | -1.5  | 9.5  | -12.1    | -1.8  | 14.0 |
| CZ               | 14.6%  | 71.0% | 14.4% | -1.6               | -2.8  | 4.4  | -4.6     | -5.7  | 10.3 |
| DE               | 21.0%  | 56.6% | 22.5% | -0.4               | -0.5  | 0.9  | -4.2     | -3.8  | 8.0  |
| DK               | 30.9%  | 40.6% | 28.5% | -7.4               | -0.6  | 8.1  | -9.3     | -4.5  | 13.8 |
| EE               | 18.3%  | 52.0% | 29.7% | 1.7                | -3.9  | 2.2  | -4.5     | -4.7  | 9.2  |
| EL               | 38.5%  | 40.5% | 21.0% | -9.3               | 4.1   | 5.2  | -11.1    | 0.6   | 10.4 |
| ES               | 48.4%  | 23.9% | 27.7% | -8.7               | 2.2   | 6.5  | -12.0    | -0.5  | 12.5 |
| FI               | 23.4%  | 45.6% | 31.1% | -5.8               | 1.0   | 4.9  | -7.9     | -4.0  | 11.8 |
| FR               | 31.8%  | 41.9% | 26.3% | -8.5               | -0.4  | 9.0  | -10.2    | -3.9  | 14.0 |
| HU               | 24.3%  | 58.5% | 17.2% | -4.7               | 0.6   | 4.1  | -6.9     | -3.0  | 9.9  |
| IE               | 29.5%  | 37.6% | 32.9% | -7.1               | 0.9   | 6.1  | -7.8     | -2.0  | 9.7  |
| IT               | 46.2%  | 40.8% | 13.0% | -11.5              | 7.5   | 4.0  | -9.7     | 0.3   | 9.3  |
| LT               | 16.5%  | 56.4% | 27.1% | 0.2                | -10.7 | 10.5 | -5.4     | -10.0 | 15.4 |
| LU               | 29.1%  | 40.6% | 30.3% | -4.7               | -2.6  | 7.3  | -6.6     | -4.9  | 11.5 |
| LV               | 19.5%  | 58.0% | 22.5% | 1.0                | -6.9  | 5.9  | -7.5     | -4.1  | 11.7 |
| MT               | 71.5%  | 16.9% | 11.6% | -11.7              | 4.9   | 6.8  | -14.4    | 1.7   | 12.7 |
| NL               | 31.4%  | 40.4% | 28.3% | -6.6               | 1.4   | 5.2  | -9.1     | -1.3  | 10.4 |
| PL               | 17.9%  | 62.4% | 19.7% | -4.4               | -6.3  | 10.7 | -6.9     | -8.9  | 15.8 |
| PT               | 67.3%  | 18.9% | 13.8% | -14.6              | 8.0   | 6.6  | -11.3    | -1.1  | 12.4 |
| RO               | 30.3%  | 57.9% | 11.8% | -3.1               | -1.9  | 5.0  | -11.0    | 0.5   | 10.5 |
| SE               | 25.7%  | 46.2% | 28.2% | -5.2               | -2.0  | 7.2  | -8.7     | -3.3  | 12.0 |
| SI               | 20.8%  | 58.9% | 20.2% | -5.7               | -1.0  | 6.7  | -5.0     | -6.8  | 11.8 |
| SK               | 16.0%  | 68.9% | 15.0% | -3.3               | -1.9  | 5.2  | -5.8     | -4.9  | 10.7 |
| UK               | 26.9%  | 43.0% | 30.0% | -5.2               | 0.4   | 4.8  | -6.7     | -2.9  | 9.6  |
| Average          |        |       |       | -5.5               | -0.4  | 5.9  | -8.3     | -3.1  | 11.4 |
| Weighted Average |        |       |       | -5.9               | 0.5   | 5.4  | -8.2     | -2.8  | 11.0 |

*Note:* Own calculations based on population projections in Huisman et al. (2013) applied to EU-SILC data for 2030.

Table 7: Employment Rates

| <i>Country</i>   | Percent | % point change     |          |                           |          |
|------------------|---------|--------------------|----------|---------------------------|----------|
|                  | Base    | Demographic Effect |          | Demographic + Wage Effect |          |
|                  |         | tough              | friendly | tough                     | friendly |
| AT               | 64.12   | -2.62              | -1.93    | -1.62                     | 0.11     |
| BE               | 62.70   | 0.82               | 1.60     | 1.43                      | 3.21     |
| BG               | 72.03   | -0.90              | 1.31     | -3.57                     | -0.69    |
| CY               | 68.18   | 1.03               | 2.22     | 3.34                      | 4.66     |
| CZ               | 61.76   | 0.74               | 1.89     | 4.12                      | 6.15     |
| DE               | 62.77   | -2.50              | -1.18    | -0.70                     | 1.37     |
| DK               | 76.97   | 0.68               | 1.12     | 1.08                      | 1.92     |
| EE               | 75.11   | -1.49              | 0.59     | -2.25                     | 0.10     |
| EL               | 59.14   | -1.15              | -0.52    | -0.05                     | 1.28     |
| ES               | 65.20   | -1.39              | -0.10    | -1.87                     | 0.23     |
| FI               | 73.25   | 1.15               | 1.93     | 0.96                      | 2.41     |
| FR               | 66.55   | 0.34               | 0.79     | -0.02                     | 0.95     |
| HU               | 62.80   | 1.24               | 1.74     | -1.56                     | -0.18    |
| IE               | 67.01   | -0.98              | 0.48     | -1.28                     | 0.14     |
| IT               | 63.12   | 0.15               | 0.02     | -1.55                     | -1.12    |
| LT               | 69.99   | 0.74               | 2.68     | -0.45                     | 2.30     |
| LU               | 64.25   | -1.20              | -1.22    | 1.31                      | 2.22     |
| LV               | 73.08   | 0.21               | 1.81     | -1.32                     | 1.08     |
| MT               | 56.83   | 3.80               | 4.66     | 3.79                      | 5.78     |
| NL               | 68.37   | 0.29               | 0.95     | 0.06                      | 1.43     |
| PL               | 57.90   | 2.58               | 3.76     | 3.59                      | 5.13     |
| PT               | 66.47   | 0.78               | 0.10     | 0.69                      | -0.14    |
| RO               | 55.57   | -1.72              | 2.06     | -0.02                     | 3.66     |
| SE               | 78.94   | 1.22               | 2.01     | -1.36                     | 0.13     |
| SI               | 63.51   | -1.72              | -1.09    | -1.66                     | -0.55    |
| SK               | 67.62   | 0.79               | 1.75     | 0.17                      | 3.46     |
| UK               | 66.82   | -0.26              | 0.58     | 0.43                      | 1.73     |
| Average          |         | 0.02               | 1.04     | 0.06                      | 1.73     |
| Weighted Average |         | -0.34              | 0.59     | -0.15                     | 1.38     |

*Note:* Own calculations based on population projections in Huisman et al. (2013) applied to EU-SILC data and labor demand and labor supply elasticities.

Table 8: Hours worked

| <i>Country</i>     | Mill. Hours | % change           |          |                           |          |
|--------------------|-------------|--------------------|----------|---------------------------|----------|
|                    |             | Demographic Effect |          | Demographic + Wage Effect |          |
|                    | Base        | tough              | friendly | tough                     | friendly |
| AT                 | 148.0       | -11.1%             | -3.1%    | -9.4%                     | 0.1%     |
| BE                 | 177.9       | 4.7%               | 11.8%    | 3.5%                      | 11.3%    |
| BG                 | 179.0       | -27.4%             | -8.6%    | -30.7%                    | -12.1%   |
| CY                 | 17.0        | 2.5%               | 16.7%    | 2.5%                      | 16.6%    |
| CZ                 | 221.4       | -8.6%              | 1.0%     | -8.9%                     | 1.8%     |
| DE                 | 1442.5      | -20.3%             | -10.1%   | -19.8%                    | -9.4%    |
| DK                 | 109.4       | -0.3%              | 3.9%     | 0.1%                      | 5.2%     |
| EE                 | 29.8        | -20.9%             | 2.3%     | -23.1%                    | -0.6%    |
| EL                 | 218.1       | -9.0%              | -2.9%    | -10.0%                    | -3.2%    |
| ES                 | 910.5       | -6.2%              | 9.5%     | -8.0%                     | 7.7%     |
| FI                 | 110.2       | -4.4%              | -0.3%    | -5.9%                     | -1.0%    |
| FR                 | 1080.2      | -0.2%              | 4.5%     | -2.6%                     | 2.6%     |
| HU                 | 188.5       | -8.2%              | -5.0%    | -14.0%                    | -9.9%    |
| IE                 | 82.1        | 2.0%               | 19.0%    | -0.4%                     | 15.2%    |
| IT                 | 1169.6      | 1.1%               | 10.3%    | -5.0%                     | 4.6%     |
| LT                 | 69.6        | -17.6%             | -7.5%    | -19.6%                    | -9.1%    |
| LU                 | 9.5         | 17.3%              | 24.7%    | 17.4%                     | 26.1%    |
| LV                 | 51.6        | -22.6%             | -6.5%    | -25.6%                    | -9.9%    |
| MT                 | 6.7         | -12.5%             | 2.1%     | -13.7%                    | 1.6%     |
| NL                 | 270.6       | -4.6%              | 0.9%     | -4.1%                     | 2.2%     |
| PL                 | 745.3       | -11.1%             | -3.2%    | -12.3%                    | -3.9%    |
| PT                 | 206.5       | -4.4%              | 0.5%     | -7.1%                     | -1.7%    |
| RO                 | 376.3       | -22.3%             | -0.5%    | -22.2%                    | -1.3%    |
| SE                 | 177.9       | 7.0%               | 13.7%    | 4.3%                      | 11.8%    |
| SI                 | 40.3        | -8.8%              | 0.0%     | -10.4%                    | -1.2%    |
| SK                 | 119.5       | -7.3%              | -0.8%    | -8.1%                     | -0.8%    |
| UK                 | 1033.9      | 3.1%               | 8.6%     | 3.1%                      | 9.1%     |
| Unweighted average |             | -7.0%              | 3.0%     | -8.5%                     | 1.9%     |
| Weighted average   |             | -6.8%              | 2.2%     | -8.4%                     | 1.0%     |

*Note:* Own calculations based on EM input datasets reweighted for 2010 and 2030 and labor demand and labor supply elasticities.

Table 9: Change in gross income between 2010 and 2030 ( $\alpha$ )

| Country          | Total $\alpha$ |          | $\alpha_d$ |          | $\alpha_w$ |          |
|------------------|----------------|----------|------------|----------|------------|----------|
|                  | Tough          | Friendly | Tough      | Friendly | Tough      | Friendly |
| AT               | 4%             | 8%       | -9%        | -8%      | 14%        | 17%      |
| BE               | 3%             | 7%       | -3%        | -2%      | 6%         | 10%      |
| BG               | -10%           | -4%      | -11%       | -4%      | 0%         | 0%       |
| CY               | 3%             | 14%      | -5%        | -3%      | 9%         | 18%      |
| CZ               | -5%            | -1%      | -8%        | -6%      | 4%         | 5%       |
| DE               | 8%             | 4%       | -11%       | -8%      | 22%        | 13%      |
| DK               | 4%             | 14%      | -2%        | -3%      | 6%         | 17%      |
| EE               | 0%             | 3%       | -7%        | 0%       | 7%         | 2%       |
| EL               | 3%             | 3%       | 1%         | 2%       | 2%         | 1%       |
| ES               | 5%             | 11%      | -2%        | 1%       | 8%         | 10%      |
| FI               | 4%             | 12%      | -4%        | -4%      | 8%         | 16%      |
| FR               | 5%             | 12%      | -4%        | -4%      | 8%         | 16%      |
| HU               | -10%           | -8%      | -5%        | -3%      | -5%        | -5%      |
| IE               | 16%            | 10%      | 4%         | 5%       | 12%        | 5%       |
| IT               | 10%            | 11%      | 4%         | 4%       | 6%         | 6%       |
| LT               | 0%             | 3%       | -3%        | 1%       | 3%         | 2%       |
| LU               | 4%             | 9%       | -4%        | -3%      | 8%         | 12%      |
| LV               | -8%            | -4%      | -7%        | -1%      | -2%        | -3%      |
| MT               | -11%           | -4%      | -7%        | -3%      | -4%        | -1%      |
| NL               | 8%             | 11%      | -3%        | -3%      | 11%        | 14%      |
| PL               | -4%            | 1%       | -3%        | 0%       | -1%        | 2%       |
| PT               | 9%             | 11%      | 6%         | 5%       | 3%         | 5%       |
| RO               | -7%            | -8%      | -7%        | 3%       | 1%         | -11%     |
| SE               | 5%             | 10%      | -1%        | -2%      | 6%         | 13%      |
| SI               | 1%             | 0%       | -8%        | -7%      | 11%        | 7%       |
| SK               | -13%           | -9%      | -13%       | -12%     | 0%         | 3%       |
| UK               | 12%            | 14%      | 0%         | 1%       | 12%        | 14%      |
| Average          | 1%             | 5%       | -4%        | -2%      | 6%         | 7%       |
| Weighted Average | 5%             | 7%       | -3%        | -2%      | 9%         | 9%       |

*Note:* Own calculations based on EUROMOD input datasets reweighted for 2010 and 2030 and EUROMOD version F6.0.  $\alpha$  represents the total change in monthly average household original income between 2010 and 2030. This is decomposed into the part due to demographic change,  $\alpha_d$ , and the part due to wage changes,  $\alpha_w$ .

Table 10: Decomposition of the change in the Gini coefficient

| Gini             |      |      |      |      |      | Total effect |          | Demographic effect |          | Wage effect |          |
|------------------|------|------|------|------|------|--------------|----------|--------------------|----------|-------------|----------|
|                  | 1    | 2    | 3    | 4    | 5    | Tough        | Friendly | Tough              | Friendly | Tough       | Friendly |
| AT               | 0.26 | 0.27 | 0.27 | 0.27 | 0.26 | 3.6%         | -1.4%    | 2.7%               | 3.0%     | 0.9%        | -4.4%    |
| BE               | 0.26 | 0.26 | 0.26 | 0.26 | 0.26 | -0.9%        | -0.7%    | -0.5%              | -1.2%    | -0.3%       | 0.5%     |
| BG               | 0.35 | 0.35 | 0.34 | 0.35 | 0.35 | 2.0%         | 0.9%     | 0.5%               | -1.2%    | 1.6%        | 2.1%     |
| CY               | 0.37 | 0.36 | 0.36 | 0.35 | 0.36 | -3.5%        | -1.0%    | -1.0%              | -1.8%    | -2.5%       | 0.8%     |
| CZ               | 0.25 | 0.26 | 0.26 | 0.26 | 0.27 | 3.4%         | 8.2%     | 3.8%               | 3.7%     | -0.4%       | 4.5%     |
| DE               | 0.29 | 0.30 | 0.29 | 0.29 | 0.29 | 2.7%         | 0.7%     | 3.3%               | 2.6%     | -0.7%       | -1.9%    |
| DK               | 0.23 | 0.24 | 0.24 | 0.25 | 0.27 | 6.3%         | 15.5%    | 2.1%               | 3.0%     | 4.2%        | 12.5%    |
| EE               | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 | 1.8%         | -0.3%    | 1.6%               | 0.7%     | 0.1%        | -1.0%    |
| EL               | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 1.1%         | 0.3%     | 0.1%               | 0.8%     | 0.9%        | -0.5%    |
| ES               | 0.33 | 0.34 | 0.34 | 0.32 | 0.32 | -2.8%        | -3.8%    | 1.6%               | 0.8%     | -4.3%       | -4.6%    |
| FI               | 0.28 | 0.29 | 0.29 | 0.30 | 0.31 | 8.0%         | 12.4%    | 4.6%               | 4.9%     | 3.4%        | 7.5%     |
| FR               | 0.25 | 0.26 | 0.26 | 0.25 | 0.26 | 0.5%         | 2.1%     | 3.4%               | 3.3%     | -3.0%       | -1.2%    |
| HU               | 0.27 | 0.26 | 0.26 | 0.26 | 0.25 | -2.9%        | -5.5%    | -1.1%              | -1.2%    | -1.8%       | -4.3%    |
| IE               | 0.29 | 0.29 | 0.29 | 0.28 | 0.27 | -4.2%        | -5.1%    | -0.2%              | -1.3%    | -4.0%       | -3.8%    |
| IT               | 0.34 | 0.35 | 0.35 | 0.35 | 0.34 | 2.1%         | 1.6%     | 4.1%               | 4.2%     | -2.0%       | -2.6%    |
| LT               | 0.35 | 0.35 | 0.35 | 0.35 | 0.35 | 0.2%         | -1.3%    | 1.2%               | -0.4%    | -1.0%       | -0.9%    |
| LU               | 0.26 | 0.27 | 0.26 | 0.25 | 0.24 | -2.7%        | -4.3%    | 4.2%               | 3.5%     | -6.9%       | -7.9%    |
| LV               | 0.37 | 0.38 | 0.37 | 0.37 | 0.36 | 1.4%         | -0.9%    | 3.0%               | 1.4%     | -1.7%       | -2.3%    |
| MT               | 0.29 | 0.29 | 0.29 | 0.29 | 0.29 | 0.2%         | 0.4%     | 1.5%               | 0.5%     | -1.4%       | -0.1%    |
| NL               | 0.26 | 0.27 | 0.26 | 0.26 | 0.26 | -0.6%        | 0.9%     | 1.2%               | 0.9%     | -1.8%       | 0.0%     |
| PL               | 0.33 | 0.34 | 0.34 | 0.33 | 0.33 | -2.5%        | -1.1%    | 0.6%               | 0.2%     | -3.1%       | -1.4%    |
| PT               | 0.38 | 0.41 | 0.41 | 0.38 | 0.38 | 0.9%         | 1.3%     | 8.2%               | 8.2%     | -7.3%       | -6.9%    |
| RO               | 0.34 | 0.33 | 0.32 | 0.32 | 0.30 | -7.4%        | -12.8%   | -2.3%              | -5.6%    | -5.1%       | -7.2%    |
| SE               | 0.25 | 0.25 | 0.25 | 0.26 | 0.28 | 2.1%         | 10.4%    | 0.2%               | 0.2%     | 1.9%        | 10.2%    |
| SI               | 0.29 | 0.29 | 0.29 | 0.29 | 0.28 | 1.9%         | -3.1%    | 2.2%               | 2.4%     | -0.3%       | -5.5%    |
| SK               | 0.23 | 0.24 | 0.25 | 0.25 | 0.27 | 8.0%         | 15.0%    | 5.0%               | 6.0%     | 3.0%        | 9.1%     |
| UK               | 0.33 | 0.34 | 0.33 | 0.32 | 0.32 | -3.0%        | -3.4%    | 0.5%               | 0.1%     | -3.5%       | -3.5%    |
| Average          | 0.30 | 0.31 | 0.30 | 0.30 | 0.30 | 0.6%         | 0.9%     | 1.9%               | 1.4%     | -1.3%       | -0.5%    |
| Weighted average | 0.31 | 0.31 | 0.31 | 0.30 | 0.30 | 0.0%         | -0.1%    | 2.1%               | 1.7%     | -2.1%       | -1.8%    |

*Note:* Own calculations based on EM input datasets reweighted for 2010 and 2030 and EUROMOD version F6.0. Column 1 shows the baseline scenario (2010). Column 2 shows the 2030 tough scenario without wage adjustment. Column 3 shows the 2030 friendly scenario without wage adjustment. Column 4 shows the 2030 tough scenario with wage adjustment. Column 5 shows the 2030 friendly scenario with wage adjustment.

Table 11: Decomposition of the change in the P90/50 ratio

| P90/50           | 1    | 2    | 3    | 4    | 5    | Total effect |          | Demographic effect |          | Wage effect |          |
|------------------|------|------|------|------|------|--------------|----------|--------------------|----------|-------------|----------|
|                  |      |      |      |      |      | Tough        | Friendly | Tough              | Friendly | Tough       | Friendly |
| AT               | 1.74 | 1.75 | 1.77 | 1.79 | 1.70 | 2.7%         | -2.1%    | 0.8%               | 1.6%     | 1.9%        | -3.7%    |
| BE               | 1.69 | 1.67 | 1.67 | 1.65 | 1.68 | -2.3%        | -0.1%    | -1.2%              | -1.2%    | -1.1%       | 1.1%     |
| BG               | 2.20 | 2.22 | 2.24 | 2.28 | 2.33 | 3.9%         | 5.8%     | 0.9%               | 1.7%     | 3.0%        | 4.1%     |
| CY               | 1.98 | 2.12 | 2.12 | 2.05 | 2.24 | 3.7%         | 12.9%    | 7.2%               | 6.9%     | -3.4%       | 6.0%     |
| CZ               | 1.76 | 1.87 | 1.87 | 1.87 | 1.95 | 6.1%         | 10.3%    | 5.8%               | 6.1%     | 0.3%        | 4.2%     |
| DE               | 1.85 | 1.89 | 1.89 | 1.91 | 1.86 | 3.0%         | 0.5%     | 2.2%               | 2.4%     | 0.8%        | -1.9%    |
| DK               | 1.61 | 1.62 | 1.64 | 1.71 | 1.86 | 6.1%         | 15.2%    | 0.8%               | 1.6%     | 5.4%        | 13.6%    |
| EE               | 2.05 | 2.09 | 2.11 | 2.07 | 2.05 | 1.1%         | -0.1%    | 1.7%               | 2.7%     | -0.6%       | -2.8%    |
| EL               | 2.13 | 2.15 | 2.17 | 2.16 | 2.18 | 1.2%         | 2.3%     | 0.9%               | 1.7%     | 0.4%        | 0.6%     |
| ES               | 2.02 | 2.10 | 2.09 | 1.99 | 1.97 | -1.1%        | -2.4%    | 4.3%               | 3.6%     | -5.4%       | -5.9%    |
| FI               | 1.78 | 1.81 | 1.83 | 1.87 | 1.97 | 5.3%         | 10.7%    | 2.0%               | 3.0%     | 3.3%        | 7.7%     |
| FR               | 1.83 | 1.86 | 1.87 | 1.81 | 1.85 | -1.2%        | 1.2%     | 1.4%               | 2.0%     | -2.5%       | -0.7%    |
| HU               | 1.80 | 1.77 | 1.78 | 1.72 | 1.69 | -4.4%        | -6.4%    | -1.9%              | -1.1%    | -2.5%       | -5.3%    |
| IE               | 1.86 | 1.80 | 1.79 | 1.78 | 1.78 | -4.5%        | -4.3%    | -3.2%              | -3.7%    | -1.2%       | -0.6%    |
| IT               | 1.98 | 2.03 | 2.04 | 1.99 | 2.00 | 0.8%         | 0.8%     | 2.7%               | 3.1%     | -1.9%       | -2.3%    |
| LT               | 2.32 | 2.31 | 2.27 | 2.29 | 2.28 | -1.2%        | -1.4%    | -0.2%              | -2.0%    | -0.9%       | 0.5%     |
| LU               | 1.76 | 1.82 | 1.81 | 1.71 | 1.72 | -2.6%        | -2.1%    | 3.4%               | 3.2%     | -6.0%       | -5.2%    |
| LV               | 2.34 | 2.44 | 2.41 | 2.45 | 2.43 | 4.8%         | 3.8%     | 4.1%               | 2.8%     | 0.7%        | 0.9%     |
| MT               | 2.00 | 2.09 | 2.09 | 2.01 | 2.04 | 0.5%         | 1.7%     | 4.1%               | 4.5%     | -3.6%       | -2.9%    |
| NL               | 1.79 | 1.81 | 1.81 | 1.78 | 1.80 | -0.3%        | 0.7%     | 1.3%               | 1.1%     | -1.6%       | -0.4%    |
| PL               | 2.06 | 2.05 | 2.07 | 1.99 | 2.06 | -3.5%        | -0.1%    | -0.2%              | 0.5%     | -3.3%       | -0.6%    |
| PT               | 2.44 | 2.77 | 2.77 | 2.25 | 2.32 | -7.7%        | -5.0%    | 13.7%              | 13.6%    | -21.5%      | -18.6%   |
| RO               | 2.03 | 1.94 | 1.91 | 1.86 | 1.78 | -8.1%        | -12.1%   | -4.2%              | -5.7%    | -3.9%       | -6.4%    |
| SE               | 1.70 | 1.72 | 1.73 | 1.73 | 1.89 | 1.8%         | 11.3%    | 1.2%               | 1.9%     | 0.5%        | 9.4%     |
| SI               | 1.83 | 1.87 | 1.87 | 1.87 | 1.76 | 2.5%         | -4.0%    | 2.3%               | 2.2%     | 0.2%        | -6.2%    |
| SK               | 1.68 | 1.78 | 1.79 | 1.81 | 1.92 | 7.6%         | 14.3%    | 5.9%               | 6.5%     | 1.7%        | 7.8%     |
| UK               | 2.14 | 2.15 | 2.15 | 2.07 | 2.07 | -3.3%        | -3.1%    | 0.3%               | 0.7%     | -3.6%       | -3.7%    |
| Average          | 1.94 | 1.98 | 1.98 | 1.94 | 1.97 | 0.4%         | 1.8%     | 2.1%               | 2.2%     | -1.7%       | -0.4%    |
| Weighted average | 1.95 | 1.98 | 1.99 | 1.94 | 1.95 | -0.5%        | -0.1%    | 1.7%               | 1.9%     | -2.2%       | -1.9%    |

*Note:* Own calculations based on EM input datasets reweighted for 2010 and 2030 and EUROMOD version F6.0. Column 1 shows the baseline scenario (2010). Column 2 shows the 2030 tough scenario without wage adjustment. Column 3 shows the 2030 friendly scenario without wage adjustment. Column 4 shows the 2030 tough scenario with wage adjustment. Column 5 shows the 2030 friendly scenario with wage adjustment.

Table 12: Decomposition of the change in the P10/50 ratio

| P10/50           | 1    | 2    | 3    | 4    | 5    | Total effect |          | Demographic effect |          | Wage effect |          |
|------------------|------|------|------|------|------|--------------|----------|--------------------|----------|-------------|----------|
|                  |      |      |      |      |      | Tough        | Friendly | Tough              | Friendly | Tough       | Friendly |
| AT               | 0.54 | 0.53 | 0.54 | 0.54 | 0.54 | 0.2%         | 0.0%     | -0.6%              | 0.2%     | 0.9%        | -0.3%    |
| BE               | 0.57 | 0.55 | 0.56 | 0.55 | 0.56 | -3.4%        | -1.4%    | -3.6%              | -2.3%    | 0.2%        | 0.9%     |
| BG               | 0.48 | 0.49 | 0.50 | 0.48 | 0.49 | 1.0%         | 3.8%     | 3.8%               | 5.5%     | -2.8%       | -1.6%    |
| CY               | 0.45 | 0.47 | 0.46 | 0.45 | 0.46 | 0.6%         | 2.5%     | 4.1%               | 3.1%     | -3.5%       | -0.6%    |
| CZ               | 0.63 | 0.65 | 0.66 | 0.64 | 0.65 | 1.6%         | 3.0%     | 3.2%               | 3.8%     | -1.6%       | -0.8%    |
| DE               | 0.50 | 0.49 | 0.50 | 0.49 | 0.50 | -2.0%        | -0.2%    | -2.5%              | -0.8%    | 0.5%        | 0.5%     |
| DK               | 0.58 | 0.57 | 0.57 | 0.58 | 0.59 | -1.1%        | 0.4%     | -2.3%              | -2.3%    | 1.2%        | 2.7%     |
| EE               | 0.50 | 0.51 | 0.51 | 0.49 | 0.50 | -0.6%        | 0.8%     | 2.1%               | 2.3%     | -2.7%       | -1.6%    |
| EL               | 0.42 | 0.42 | 0.42 | 0.42 | 0.42 | -1.0%        | -0.3%    | -1.3%              | -0.8%    | 0.2%        | 0.5%     |
| ES               | 0.39 | 0.41 | 0.41 | 0.42 | 0.42 | 8.6%         | 7.5%     | 6.1%               | 6.1%     | 2.5%        | 1.4%     |
| FI               | 0.56 | 0.57 | 0.57 | 0.56 | 0.58 | -0.8%        | 2.9%     | 0.8%               | 1.2%     | -1.5%       | 1.7%     |
| FR               | 0.63 | 0.62 | 0.62 | 0.62 | 0.62 | -1.7%        | -1.1%    | -2.5%              | -2.4%    | 0.8%        | 1.3%     |
| HU               | 0.56 | 0.55 | 0.55 | 0.54 | 0.54 | -2.7%        | -3.1%    | -1.3%              | -0.4%    | -1.4%       | -2.7%    |
| IE               | 0.54 | 0.52 | 0.51 | 0.55 | 0.54 | 1.9%         | 0.0%     | -4.0%              | -4.3%    | 5.8%        | 4.3%     |
| IT               | 0.48 | 0.46 | 0.46 | 0.46 | 0.46 | -4.9%        | -4.9%    | -3.9%              | -3.7%    | -1.0%       | -1.2%    |
| LT               | 0.51 | 0.50 | 0.52 | 0.51 | 0.50 | -0.6%        | -1.0%    | -2.0%              | 2.3%     | 1.4%        | -3.4%    |
| LU               | 0.58 | 0.56 | 0.57 | 0.58 | 0.59 | 1.2%         | 2.6%     | -2.1%              | -1.2%    | 3.3%        | 3.9%     |
| LV               | 0.45 | 0.47 | 0.48 | 0.44 | 0.47 | -1.6%        | 4.6%     | 3.6%               | 5.7%     | -5.2%       | -1.1%    |
| MT               | 0.51 | 0.54 | 0.55 | 0.53 | 0.54 | 3.3%         | 4.9%     | 4.8%               | 6.3%     | -1.4%       | -1.5%    |
| NL               | 0.60 | 0.58 | 0.58 | 0.57 | 0.57 | -3.6%        | -4.8%    | -2.6%              | -2.9%    | -1.0%       | -1.8%    |
| PL               | 0.49 | 0.51 | 0.51 | 0.50 | 0.51 | 2.6%         | 3.5%     | 3.3%               | 4.2%     | -0.7%       | -0.7%    |
| PT               | 0.45 | 0.44 | 0.45 | 0.41 | 0.43 | -9.0%        | -5.4%    | -1.3%              | -1.1%    | -7.7%       | -4.3%    |
| RO               | 0.39 | 0.37 | 0.39 | 0.37 | 0.39 | -6.8%        | -0.7%    | -5.4%              | 0.0%     | -1.3%       | -0.7%    |
| SE               | 0.55 | 0.56 | 0.56 | 0.56 | 0.58 | 0.9%         | 4.6%     | 1.4%               | 1.8%     | -0.5%       | 2.8%     |
| SI               | 0.47 | 0.47 | 0.47 | 0.48 | 0.47 | 1.4%         | -1.4%    | -1.3%              | -1.5%    | 2.7%        | 0.1%     |
| SK               | 0.61 | 0.64 | 0.64 | 0.63 | 0.64 | 3.7%         | 4.7%     | 4.8%               | 5.1%     | -1.1%       | -0.3%    |
| UK               | 0.48 | 0.48 | 0.47 | 0.47 | 0.48 | -1.9%        | -1.2%    | -1.6%              | -1.6%    | -0.3%       | 0.4%     |
| Average          | 0.52 | 0.52 | 0.52 | 0.51 | 0.52 | -0.5%        | 0.8%     | 0.0%               | 0.8%     | -0.5%       | -0.1%    |
| Weighted average | 0.51 | 0.50 | 0.50 | 0.50 | 0.51 | -1.0%        | 0.0%     | -0.9%              | -0.1%    | -0.1%       | 0.1%     |

*Note:* Own calculations based on EM input datasets reweighted for 2010 and 2030 and EUROMOD version F6.0. Column 1 shows the baseline scenario (2010). Column 2 shows the 2030 tough scenario without wage adjustment. Column 3 shows the 2030 friendly scenario without wage adjustment. Column 4 shows the 2030 tough scenario with wage adjustment. Column 5 shows the 2030 friendly scenario with wage adjustment.

Table 13: Decomposition of the change in Poverty Headcount (FGT0 index)

| Poverty Headcount |      |      |      |      |      | Total effect |          | Demographic effect |          | Wage effect |          |
|-------------------|------|------|------|------|------|--------------|----------|--------------------|----------|-------------|----------|
|                   | 1    | 2    | 3    | 4    | 5    | Tough        | Friendly | Tough              | Friendly | Tough       | Friendly |
| AT                | 0.14 | 0.15 | 0.15 | 0.15 | 0.14 | 4.9%         | -0.1%    | 3.2%               | 2.1%     | 1.8%        | -2.2%    |
| BE                | 0.13 | 0.15 | 0.15 | 0.15 | 0.14 | 14.8%        | 6.8%     | 15.8%              | 15.0%    | -1.0%       | -8.3%    |
| BG                | 0.19 | 0.19 | 0.18 | 0.20 | 0.19 | 2.2%         | -1.3%    | -4.2%              | -6.4%    | 6.5%        | 5.1%     |
| CY                | 0.21 | 0.23 | 0.23 | 0.22 | 0.22 | 4.2%         | 3.5%     | 6.6%               | 8.5%     | -2.4%       | -5.0%    |
| CZ                | 0.08 | 0.07 | 0.07 | 0.07 | 0.07 | -11.1%       | -17.2%   | -14.8%             | -18.8%   | 3.8%        | 1.6%     |
| DE                | 0.17 | 0.18 | 0.18 | 0.18 | 0.18 | 4.2%         | 4.1%     | 6.2%               | 4.0%     | -2.0%       | 0.1%     |
| DK                | 0.11 | 0.12 | 0.12 | 0.12 | 0.12 | 3.8%         | 4.2%     | 8.7%               | 8.8%     | -5.0%       | -4.6%    |
| EE                | 0.17 | 0.16 | 0.15 | 0.18 | 0.17 | 5.4%         | 1.9%     | -5.9%              | -7.4%    | 11.3%       | 9.3%     |
| EL                | 0.24 | 0.23 | 0.23 | 0.23 | 0.23 | -2.3%        | -1.7%    | -2.0%              | -1.6%    | -0.3%       | 0.0%     |
| ES                | 0.21 | 0.23 | 0.23 | 0.23 | 0.22 | 5.8%         | 5.3%     | 8.4%               | 7.1%     | -2.6%       | -1.7%    |
| FI                | 0.14 | 0.14 | 0.13 | 0.14 | 0.12 | 5.1%         | -11.7%   | -0.5%              | -1.3%    | 5.6%        | -10.4%   |
| FR                | 0.09 | 0.09 | 0.09 | 0.09 | 0.08 | 0.3%         | -6.3%    | -0.5%              | -2.6%    | 0.8%        | -3.7%    |
| HU                | 0.13 | 0.13 | 0.13 | 0.14 | 0.13 | 3.2%         | 0.5%     | -0.7%              | -4.6%    | 3.9%        | 5.1%     |
| IE                | 0.16 | 0.20 | 0.22 | 0.21 | 0.20 | 27.2%        | 21.7%    | 26.8%              | 36.5%    | 0.4%        | -14.7%   |
| IT                | 0.20 | 0.20 | 0.20 | 0.20 | 0.19 | 0.4%         | -0.3%    | 1.6%               | 2.0%     | -1.2%       | -2.2%    |
| LT                | 0.17 | 0.16 | 0.15 | 0.18 | 0.17 | 2.9%         | 2.2%     | -4.9%              | -9.6%    | 7.8%        | 11.8%    |
| LU                | 0.12 | 0.12 | 0.12 | 0.12 | 0.12 | -6.4%        | -5.4%    | -0.9%              | -2.3%    | -5.4%       | -3.1%    |
| LV                | 0.20 | 0.21 | 0.21 | 0.24 | 0.22 | 15.3%        | 7.0%     | 4.7%               | 3.3%     | 10.6%       | 3.7%     |
| MT                | 0.15 | 0.14 | 0.13 | 0.15 | 0.14 | -4.1%        | -10.7%   | -6.3%              | -16.8%   | 2.2%        | 6.1%     |
| NL                | 0.11 | 0.12 | 0.12 | 0.12 | 0.13 | 13.4%        | 17.7%    | 11.3%              | 12.0%    | 2.1%        | 5.7%     |
| PL                | 0.18 | 0.17 | 0.16 | 0.16 | 0.16 | -6.6%        | -6.7%    | -5.0%              | -7.1%    | -1.7%       | 0.4%     |
| PT                | 0.22 | 0.24 | 0.24 | 0.27 | 0.25 | 21.9%        | 14.2%    | 8.0%               | 8.0%     | 13.9%       | 6.3%     |
| RO                | 0.24 | 0.24 | 0.22 | 0.23 | 0.22 | -1.0%        | -7.6%    | 2.0%               | -4.4%    | -3.0%       | -3.2%    |
| SE                | 0.13 | 0.12 | 0.12 | 0.13 | 0.11 | -0.2%        | -14.1%   | -6.7%              | -8.5%    | 6.4%        | -5.6%    |
| SI                | 0.20 | 0.19 | 0.19 | 0.19 | 0.19 | -4.3%        | -4.4%    | -3.5%              | -3.8%    | -0.8%       | -0.6%    |
| SK                | 0.09 | 0.07 | 0.07 | 0.08 | 0.08 | -14.9%       | -19.0%   | -21.0%             | -22.3%   | 6.1%        | 3.4%     |
| UK                | 0.19 | 0.20 | 0.20 | 0.19 | 0.19 | -0.6%        | -1.8%    | 2.9%               | 2.0%     | -3.5%       | -3.8%    |
| Average           | 0.16 | 0.16 | 0.16 | 0.17 | 0.16 | 3.1%         | -0.7%    | 1.1%               | -0.3%    | 2.0%        | -0.4%    |
| Weighted average  | 0.17 | 0.17 | 0.17 | 0.17 | 0.17 | 2.1%         | -0.4%    | 2.4%               | 0.9%     | -0.4%       | -1.4%    |

*Note:* Own calculations based on EM input datasets reweighted for 2010 and 2030 and EUROMOD version F6.0. Column 1 shows the baseline scenario (2010). Column 2 shows the 2030 tough scenario without wage adjustment. Column 3 shows the 2030 friendly scenario without wage adjustment. Column 4 shows the 2030 tough scenario with wage adjustment. Column 5 shows the 2030 friendly scenario with wage adjustment.

Table 14: Decomposition of the change in the Poverty Gap (FGT1 index)

| Poverty Gap      | 1    | 2    | 3    | 4    | 5    | Total effect |          | Demographic effect |          | Wage effect |          |
|------------------|------|------|------|------|------|--------------|----------|--------------------|----------|-------------|----------|
|                  |      |      |      |      |      | Tough        | Friendly | Tough              | Friendly | Tough       | Friendly |
| AT               | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 4.7%         | 3.7%     | 12.1%              | 9.5%     | -7.3%       | -5.9%    |
| BE               | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 7.1%         | 2.7%     | 3.7%               | 1.3%     | 3.5%        | 1.4%     |
| BG               | 0.05 | 0.05 | 0.05 | 0.06 | 0.05 | 7.7%         | -2.6%    | -1.9%              | -9.6%    | 9.6%        | 7.0%     |
| CY               | 0.07 | 0.07 | 0.07 | 0.07 | 0.07 | -4.0%        | -8.9%    | -4.5%              | -4.1%    | 0.5%        | -4.8%    |
| CZ               | 0.02 | 0.02 | 0.01 | 0.02 | 0.01 | -9.8%        | -18.8%   | -13.5%             | -19.0%   | 3.7%        | 0.2%     |
| DE               | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | 5.5%         | 7.5%     | 19.5%              | 14.3%    | -14.0%      | -6.8%    |
| DK               | 0.02 | 0.03 | 0.03 | 0.03 | 0.03 | 4.3%         | 3.0%     | 3.0%               | 4.3%     | 1.3%        | -1.3%    |
| EE               | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 1.1%         | -4.3%    | -6.0%              | -9.4%    | 7.0%        | 5.1%     |
| EL               | 0.14 | 0.13 | 0.13 | 0.13 | 0.13 | -6.3%        | -8.4%    | -6.3%              | -7.7%    | 0.0%        | -0.7%    |
| ES               | 0.10 | 0.10 | 0.09 | 0.09 | 0.09 | -7.0%        | -8.2%    | -4.1%              | -6.1%    | -2.9%       | -2.0%    |
| FI               | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 6.9%         | -6.3%    | -2.1%              | -4.6%    | 9.0%        | -1.7%    |
| FR               | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 2.8%         | -9.8%    | 9.5%               | 7.2%     | -6.7%       | -16.9%   |
| HU               | 0.03 | 0.03 | 0.03 | 0.04 | 0.03 | 18.2%        | 15.7%    | 9.9%               | 4.5%     | 8.3%        | 11.2%    |
| IE               | 0.04 | 0.04 | 0.04 | 0.04 | 0.04 | -8.1%        | -4.9%    | 10.8%              | 11.9%    | -18.9%      | -16.8%   |
| IT               | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | 4.7%         | 4.7%     | 1.6%               | 2.2%     | 3.1%        | 2.6%     |
| LT               | 0.06 | 0.06 | 0.05 | 0.06 | 0.05 | 0.9%         | -7.1%    | -1.2%              | -11.0%   | 2.1%        | 3.9%     |
| LU               | 0.02 | 0.02 | 0.02 | 0.02 | 0.01 | -2.4%        | -16.5%   | 16.2%              | 13.8%    | -18.6%      | -30.3%   |
| LV               | 0.06 | 0.06 | 0.05 | 0.06 | 0.06 | 11.6%        | 0.5%     | 1.0%               | -4.5%    | 10.6%       | 5.0%     |
| MT               | 0.04 | 0.04 | 0.03 | 0.04 | 0.03 | 12.7%        | -8.8%    | -0.8%              | -12.7%   | 13.5%       | 3.8%     |
| NL               | 0.05 | 0.05 | 0.05 | 0.04 | 0.04 | -7.6%        | -9.5%    | -1.9%              | -2.4%    | -5.8%       | -7.2%    |
| PL               | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | -8.7%        | -12.4%   | -8.3%              | -11.9%   | -0.4%       | -0.4%    |
| PT               | 0.05 | 0.06 | 0.06 | 0.07 | 0.06 | 33.1%        | 19.2%    | 8.2%               | 6.0%     | 24.9%       | 13.2%    |
| RO               | 0.08 | 0.09 | 0.08 | 0.09 | 0.08 | 7.0%         | -4.8%    | 5.9%               | -6.1%    | 1.1%        | 1.3%     |
| SE               | 0.04 | 0.03 | 0.03 | 0.03 | 0.03 | -3.5%        | -15.9%   | -6.1%              | -8.5%    | 2.6%        | -7.4%    |
| SI               | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | -1.0%        | 3.1%     | 0.5%               | 0.2%     | -1.5%       | 3.0%     |
| SK               | 0.02 | 0.01 | 0.01 | 0.02 | 0.01 | 7.0%         | -3.6%    | -0.8%              | -4.8%    | 7.8%        | 1.2%     |
| UK               | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 | -2.6%        | -5.5%    | 1.6%               | -0.3%    | -4.1%       | -5.2%    |
| Average          | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 2.8%         | -3.6%    | 1.7%               | -1.8%    | 1.1%        | -1.8%    |
| Weighted average | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 1.4%         | -2.6%    | 4.1%               | 1.1%     | -2.7%       | -3.7%    |

*Note:* Own calculations based on EM input datasets reweighted for 2010 and 2030 and EUROMOD version F6.0. Column 1 shows the baseline scenario (2010). Column 2 shows the 2030 tough scenario without wage adjustment. Column 3 shows the 2030 friendly scenario without wage adjustment. Column 4 shows the 2030 tough scenario with wage adjustment. Column 5 shows the 2030 friendly scenario with wage adjustment.

Table 15: Time Trends in Employment Rates: OLS Regression Results

| Dep. Variable:<br>Employment Rate (%) | Men                          |                               |                               |                              | Women                        |                             |                               |                               |
|---------------------------------------|------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------|-----------------------------|-------------------------------|-------------------------------|
|                                       | 50-55y                       | 56-60y                        | 61-65y                        | 66-70y                       | 50-55y                       | 56-60y                      | 61-65y                        | 66-70y                        |
| <i>Age group</i>                      |                              |                               |                               |                              |                              |                             |                               |                               |
| Year                                  | 0.583***<br>(0.102)          | 0.913***<br>(0.157)           | 0.205*<br>(0.123)             | 0.0462<br>(0.112)            | 0.910***<br>(0.140)          | 0.757***<br>(0.155)         | 0.154<br>(0.102)              | 0.0660<br>(0.0973)            |
| <i>Country Group FE</i>               |                              |                               |                               |                              |                              |                             |                               |                               |
| Nordic                                | 18.20***<br>(2.099)          | 21.03***<br>(3.051)           | 5.992**<br>(2.374)            | 2.597<br>(2.235)             | 29.51***<br>(2.891)          | 16.91***<br>(3.034)         | 2.971<br>(2.182)              | 0.125<br>(4.096)              |
| UK/IRL                                | 14.45***<br>(2.423)          | 30.26***<br>(3.495)           | 16.35***<br>(3.161)           | 8.787***<br>(3.212)          | 9.199***<br>(3.338)          | 9.087**<br>(4.179)          | 5.225<br>(3.234)              |                               |
| Southern                              | 17.89***<br>(1.714)          | 27.78***<br>(2.590)           | 13.38***<br>(2.036)           | 7.230***<br>(1.775)          | -1.624<br>(2.399)            | 11.47***<br>(2.584)         | 5.424***<br>(1.640)           | 3.588**<br>(1.616)            |
| Eastern                               | -1.898<br>(1.568)            | 8.021***<br>(2.373)           | 11.93***<br>(1.981)           | 18.86***<br>(2.038)          | -3.701*<br>(2.171)           | 5.707**<br>(2.387)          | 10.98***<br>(1.628)           | 10.08***<br>(1.621)           |
| <i>Skill FE</i>                       |                              |                               |                               |                              |                              |                             |                               |                               |
| Medium-Skilled                        | 12.11***<br>(1.714)          | 4.076<br>(2.566)              | 1.563<br>(2.303)              | 0.535<br>(2.108)             | 9.747***<br>(2.361)          | 3.841<br>(2.673)            | 1.716<br>(1.932)              | 1.348<br>(1.938)              |
| High-Skilled                          | 30.10***<br>(1.714)          | 21.66***<br>(2.552)           | 7.813***<br>(2.284)           | 3.080<br>(2.038)             | 30.03***<br>(2.370)          | 14.98***<br>(2.759)         | 5.232***<br>(2.010)           | 3.275<br>(2.480)              |
| <i>Year ×</i>                         |                              |                               |                               |                              |                              |                             |                               |                               |
| Nordic                                | -0.446**<br>(0.177)          | -0.151<br>(0.257)             | 0.118<br>(0.195)              | 0.0355<br>(0.175)            | -0.816***<br>(0.243)         | 0.0301<br>(0.256)           | -0.0485<br>(0.172)            | 0.0388<br>(0.245)             |
| UK/IRL                                | -0.636***<br>(0.204)         | -0.685**<br>(0.294)           | -0.188<br>(0.243)             | 0.0410<br>(0.255)            | -0.573**<br>(0.281)          | -0.0387<br>(0.324)          | -0.00307<br>(0.231)           |                               |
| Southern                              | -0.717***<br>(0.144)         | -1.229***<br>(0.216)          | -0.504***<br>(0.165)          | -0.223<br>(0.142)            | -0.514**<br>(0.200)          | -0.682***<br>(0.215)        | -0.207<br>(0.137)             | -0.151<br>(0.131)             |
| Eastern                               | -0.394***<br>(0.133)         | -0.649***<br>(0.198)          | -0.398**<br>(0.163)           | -0.512***<br>(0.186)         | -0.148<br>(0.182)            | -0.534***<br>(0.199)        | -0.397***<br>(0.137)          | -0.293**<br>(0.129)           |
| <i>Year ×</i>                         |                              |                               |                               |                              |                              |                             |                               |                               |
| Medium-Skilled                        | 0.0518<br>(0.144)<br>(0.144) | -0.0527<br>(0.214)<br>(0.214) | -0.0287<br>(0.181)<br>(0.181) | 0.0202<br>(0.162)<br>(0.156) | 0.340*<br>(0.199)<br>(0.199) | 0.110<br>(0.220)<br>(0.223) | -0.0363<br>(0.151)<br>(0.156) | -0.0332<br>(0.145)<br>(0.170) |
| Country Group × Skill                 | ×                            | ×                             | ×                             | ×                            | ×                            | ×                           | ×                             | ×                             |
| Country Group × Skill<br>× Year       | ×                            | ×                             | ×                             | ×                            | ×                            | ×                           | ×                             | ×                             |
| <i>N</i>                              | 1,507                        | 1,440                         | 1,156                         | 755                          | 1,492                        | 1,318                       | 945                           | 507                           |
| <i>R-squared</i>                      | 0.715                        | 0.597                         | 0.405                         | 0.379                        | 0.734                        | 0.570                       | 0.410                         | 0.374                         |

Notes: Employment Rates from Eurostat covering the years 2000 to 2016, if available. Reference Groups: Continental European Countries and low-skilled workers. Interaction effects with UK/IRL country group cannot be estimated for women between 66 and 70 years because of collinearity. Standard errors in parentheses, \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.