

S&D STRATEGIC PAPER

European Anti-Poverty Strategy

The S&D Group has always led the fight for social justice and the eradication of poverty. Already in 2020, we asked for the adoption of a European Anti-Poverty Agenda¹ and made it a key condition in view of our support for Commission President Ursula von der Leyen. She committed to it in her political guidelines for 2024-2029. In her 2025 State of the Union address – under pressure from our group – she reiterated the urgent need for developing this strategy and, for the first time, made a public commitment to eradicating poverty by 2050. This marks an unprecedented public acknowledgment at the highest political level that putting an end to poverty within a given timeframe is feasible. This commitment creates a forceful political and moral obligation to act. The Commission is planning to present its strategy during the second quarter of 2026.

The eradication of poverty has proven to be one of the most complex challenges within the current economic framework of Western societies. In fact, poverty has not decreased over time, despite GDP growth and unemployment reduction. Back in 2007, the at-risk-of-poverty rate in the EU was 16% (79 million). In 2024, the situation worsened, and the indicator stood at 21% (93.3 million people, among them 19.5 million children). During the same period, the GDP kept growing (from 14.7 trillion in 2007 to 17.9 trillion in 2024), unemployment declined (from 7% in 2007 to 5.9% in 2025) and the employment rate went up (from 65.4% in 2007 to 75.8% in 2025). According to this data, the EU approach over the last 25 years – which combined economic growth and unemployment reduction with active labour market policies and limited social benefits, all framed by soft law and non-binding poverty reduction targets – has proven ineffective.

The Lisbon Agenda 2010 targets, the EU 2020 strategy targets and the EPSR action plan 2030 targets have all failed so far.

Understanding the multidimensional nature of poverty is crucial to finding the right policy mix for combatting it. Poverty is a complex problem that arises from various inequalities and poverty drivers, which disproportionately affects the most vulnerable: income and wealth inequalities, inequalities in opportunities (especially education, health and non-discrimination), political and power inequalities (i.e. corporate power or excessive influence of small groups of interest in political decisions), gender inequality, environmental inequalities and digital inequalities. Any strategy aiming to eradicate poverty must therefore reduce inequalities and target these drivers. In particular, the following must be addressed:

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020IP0371>

wealth, income and property concentration, chronic underinvestment in social areas², inadequate social safety nets, worsening working conditions, inefficiencies in upskilling and reskilling programmes, insufficient childcare and child support, as well as inadequate access to quality and affordable housing and to social and essential services.

In addition, there are a number of current and emerging trends and challenges which might further aggravate the problem: the growing impact of climate change and the abandonment of the Green Deal agenda by the Commission and the conservatives, the rise in the cost of living (especially housing, energy and food), slow growth, weak job creation and wage growth, fiscal consolidation plans and non-social investment priorities (competitiveness and defence), the deregulation agenda, the disruptive use and deployment of AI, insufficient household financial reserves to absorb economic shocks, as well as right and far-right political agendas that undermine democracy and marginalise the most vulnerable people in society, eroding their rights.

Against this context, the S&D Group remains firmly committed to eradicating poverty and investing in people. The EU must live up to its objectives of social justice and the well-being of its people, as stipulated in the treaties. Only bold political action, sufficient social spending and structural reforms that tackle the underlying factors for the persistence of poverty can change its course and break the cycle of poverty. As Socialists and Democrats, we reaffirm that a strong Social Europe is the answer to the growing threat of the far-right. Only an EU that delivers social progress for all can restore trust and prevent new forms of disillusionment or withdrawal from the European project.

Eradicating poverty must be based on a commitment of redistributing resources and opportunities to ensure social justice, shared prosperity, gender equality and the well-being of the people. This requires strengthening the governance system by ensuring that the power lies in democratic institutions acting on behalf of the people and not in the hands of companies or the ultra-rich, redirecting investment towards the fulfilment of basic essential needs and rights, guaranteeing quality jobs and living wages for all workers, protecting people against risks in order to prevent them from falling into poverty, including ensuring access to decent and affordable housing, developing just transitions based on environmental and social justice principles and building up democratic systems that work effectively for the many while empowering the most vulnerable.

² The European Commission's own figures show investment in Europe's social infrastructure is already €192 billion a year less than required to meet the needs of citizens. To address the need for capital in social areas the Report of the High-Level Task Force on Investing in Social Infrastructure in Europe (2018) estimated a minimum gap in social infrastructure investment of 100-150 billion a year and a total gap of over 1.5 trillion in 2018-2030.

1. Governance for poverty eradication

Building a fair society that leaves no room for poverty requires a governance framework to reduce multidimensional inequalities.

Eradicating poverty by 2050 will only be achieved by addressing the root causes of poverty and inequalities through a comprehensive set of mandatory objectives, milestones and structural measures, including:

- A **European Anti-Poverty Law**, establishing the EU's mandatory target for the eradication of poverty by 2050, with binding intermediate targets and national plans, serving as a core legal framework aiming to build a European Union of well-being, opportunities and prosperity for all. The intermediate targets would help monitor progress more effectively and ensure accountability. Member states should remain on track by implementing concrete actions.
- A **revision of the Social Scoreboard** to include indicators that fully reflect the causes and trends of poverty and inequality and the establishment of a **Social Progress Index** to measure the reduction of inequalities, access to opportunities and improvement of well-being, grounded in disaggregated data reflecting diverse population groups, and the inclusion of the EIGE's Gender Equality Index in the social scoreboard.
- Data and analysis **on the effect of different categories of inequalities** (income, wealth, opportunities, environmental, digital and power inequalities) **and the main drivers of poverty** across Member states. Based on the findings, a set of policy measures should be put in place to address the root causes and break the cycle of poverty. It is necessary to introduce **impact assessments** to evaluate and measure the adverse social impacts of policies.
- Enforcement of the obligation for **national medium-term fiscal-structural plans (MTPs) to contribute to the implementation of the European Pillar of Social Rights (EPSR)**, including the reduction of poverty, as required by the Regulation on the effective coordination of economic policies and on multilateral budgetary surveillance. MTPs with negative effects on poverty must be considered non-compliant with the fiscal rules. The **Social Convergence Framework** should be used to develop an effective ex-ante social impact assessment of the plans.

2. Social investment

Poverty can only be eradicated in Europe through decisive progressive action and significant funding.

Social progress must be an investment priority in the next MFF, and any investment initiative must dedicate funds towards the objective of eradicating poverty by 2050.

Reducing poverty and inequalities should also be a cross-cutting aspect of all expenditure. A social investment framework and a methodology to track social expenditure must be

established to monitor investment in social progress and poverty reduction. In particular, there needs to be:

- **A substantial increase in European Social Fund** resources to support the most deprived and to address the most extreme forms of poverty, such as homelessness, child poverty and food deprivation. Funding should be earmarked to ensure that member states invest accordingly.
- **A dedicated budget of at least €20 billion for the European Child Guarantee** in the next MFF, making the eradication of child poverty and the promotion of children's wellbeing and equal opportunities a top priority for the EU. Every child must have the right to free and quality education, childcare, healthcare, adequate nutrition, and decent housing.
- **A bold €300 billion investment, including €100 billion in grants**, should drive the creation of affordable and decent homes, 30% for low-income and 30% for middle-income earners, through a full range of affordable housing options, especially rental, public, cooperative, and non-profit models.
- **Social conditionalities for all EU spending** as well as a revision of the Public Procurement Directives to boost upward social convergence.

3. Quality jobs

A job in the EU is not a guarantee against poverty. In fact, the EU in-work poverty rate was 11% in 2024. To end in-work poverty, a **European agenda for quality jobs** is urgently needed, including the following measures:

- Ensuring **fair wages** that provide for a decent standard of living through the full implementation of the Adequate Minimum Wages Directive – particularly by setting decent statutory minimum wages, where applicable, and promoting collective bargaining to reach a coverage rate of at least 80%.
- **End precarious work** by ensuring living wages, banning zero hour contracts as well as addressing abusive subcontracting, unregulated labour intermediaries, stress at work, unregulated use of AI, and violations of the right to disconnect. The use of temporary contracts must be limited.
- The adoption of the Directive on **paid quality traineeships, internships and apprenticeships**, with an effective and enforceable ban on unpaid internships, traineeships and apprenticeships. Like anybody else, young people deserve sustainable employment, with decent salaries, social protection, and social rights.
- **Strengthen workplace democracy** by introducing a comprehensive EU framework on information, consultation and participation, protecting the right to organise and take collective action, and strengthening social dialogue.

- Ensuring **the right to paid training and skills development for all workers**, during working hours, including lifelong learning, reskilling, and upskilling opportunities, to support career progression, employability, and empowerment in the green and digital transitions.

4. Equal opportunities and social protection

In 2024, 93.3 million people (21.0% of the EU population) were at risk of poverty or social exclusion, including 19.5 million children. The most affected groups were the unemployed (66% at risk of poverty), inactive people (43%), children in low education households (61%), adults with a low level of educational attainment (34%), and young adults aged 18-24 years (26%), – particularly those who are vulnerable and face multiple, overlapping disadvantages.

In the EU, women continue to be disproportionately more affected by poverty and the risk of social exclusion than men. Single-parent families are at greater risk of poverty and social exclusion and experience a higher probability of poverty persisting across several generations

Poverty is not only an issue of resource scarcity but also a problem of inequalities and the concentration of wealth and resources in a few hands. **Investing in people and protecting the most vulnerable** must be the guiding principles of any EU policy that intends to eradicate poverty by 2050. Amongst others, the S&D calls for:

- A European Directive on a **framework for minimum income schemes**, with the purpose of safeguarding the right to a decent life. Every person in need in Europe should be covered by a minimum income scheme.
- Access to **decent housing for all and the urgent eradication of homelessness**. Access to decent and affordable housing must be guaranteed for all, with the eradication of homelessness recognised as an achievable goal at EU level. Homelessness should be placed at the heart of European housing and anti-poverty policies, prioritising prevention, early intervention, and lasting reintegration into stable housing.
- The Housing First model – supported by strong social services and reinforced investment in the European Platform on Combatting Homelessness (EPOCH) – should become the standard across all member states. The EU should revise the Services of General Economic Interest (SGEI) framework and state aid rules to ensure fair, inclusive, and needs-based access to public, social, and affordable housing, enabling greater public investment for low- and middle-income households.
- EU-wide minimum standards for tenants' rights are needed to protect people from unjust rent increases, illegal evictions, and exploitative rental contracts. A firm EU commitment to end child housing poverty by 2030 is essential, including a ban on evictions of families with children and recognition of children's heightened risk of homelessness.

- Investments in **quality and affordable healthcare and care systems** for all and protecting the right to health are essential to deliver on the commitments of the EPSR Action Plan. The impact of public healthcare on poverty reduction is comparable to that of cash transfers. For the eradication of poverty, the EU should ensure minimum standards for public universal quality health care for all.
- **Decent minimum old-age pensions** must be a guaranteed right in the EU. Any pension reform must be in line with the EPSR (as mandated by the EU fiscal rules) guaranteeing everyone in old age the right to resources that ensure a life in dignity. This must be complemented with a European plan ensuring the **fundamental rights of the elderly**, including mental health, quality healthcare and care services and decent and affordable housing and infrastructure.
- A European strategy to ensure **free, high-quality education for all**, including universal access to early childhood education (0-3 years), **a qualifications guarantee** accessible to every adult in need which covers educational costs and essential needs, and **minimum standards for public scholarship programmes** that allow low-income students to access tertiary education.
- The upcoming **EU Anti-Poverty Strategy** must be fully **gender-responsive**, addressing the structural causes of poverty and intersectional discrimination that disproportionately affect women and girls. It should drive **systemic change** by closing the gender gaps in employment, pay, and pensions through flexible work options, accessible and affordable care services, and fair pay in female-dominated sectors through gender-neutral job evaluation tools. Member states must also guarantee **youth-friendly SRHR services**, including access to contraception, menstrual products, and safe, legal abortion care. Finally, the strategy must address the **deep links between poverty and gender-based violence**. In particular, the strategy should include the following proposals:
 - Introduce the concept of **gender-positive discrimination in pensions** at the EU level, supporting targeted measures to actively compensate for historical and persistent gender inequalities that contribute to the gender pension gap (lower pay, career interruptions due to caregiving, limited access to full-time employment). Specifically, **Directive 79/7 on the progressive implementation of the principle of equal treatment for men and women in matters of social security should be revised** to incorporate the concept of positive discrimination, thereby enabling member states to adopt compensatory mechanisms aimed at closing the gender pension gap.
 - **Set minimum EU standards for fast-track procedures granting women with caregiving responsibilities rapid access to a comprehensive social protection package in cases of hardship** (i.e. job loss, serious illness of a dependent, or the bankruptcy of a female-owned business). This package should include housing support, minimum income benefits, paid leave, and care assistance. In this context, pay specific attention to single-parent families in the EU and the member states as they are at a greater risk of poverty and social exclusion.

- **Expand the powers of the European Labour Authority (ELA) to monitor gender pay gaps across member states** and to coordinate systematic audits and inspections in cases of non-compliance.
- A credible anti-poverty strategy must explicitly address the structural disadvantages faced by people with a migration background and include targeted measures to ensure equal opportunities and social protection for this group.

5. Just transitions for all

Europe is warming twice as fast as the global average, with devastating effects on the impact on food security, the availability of drinking water, and flood risks. The green transition will be more difficult for low-income households and may increase poverty if it does not focus first and foremost on the most vulnerable. Climate change related natural disasters and inadequate infrastructure to cope with climate change risks concentrated in impoverished areas, such as transportation, sanitation, and energy, can limit economic opportunities and increase poverty, especially in rural areas.

Climate change is already having serious impacts on employment, on working conditions and on the safety and health of workers in all regions of the world. However, climate policies do not sufficiently address these aspects. A competitive industrial policy must respect decarbonisation targets, improve social cohesion and wellbeing, and create quality jobs. Additionally, it should include processes that anticipate and manage changes in the world of work.

As the ILO has defended, a just transition for all towards an environmentally sustainable economy needs to be well managed and contribute to the goals of decent work for all, social inclusion and the eradication of poverty. If well implemented, just transitions based on environmental and social justice have the potential of achieving important results on poverty reduction in a relatively short time. Just transitions must be based on the following:

- Urgent action to put in place **adequate social protection frameworks in order to protect everyone from climate change related risks**. Social security systems should be reformed to cover these risks. European funds dedicated to just transitions and energy poverty reduction should be reassessed and increased to better protect the most vulnerable from climate risks and from the effects of climate policies, ensuring fairness in the just transitions.
- **A Directive on a just transition in the world of work**, that ensures decisions on anticipating and managing change are made in agreement with workers' representatives and guarantees workers the right to paid reskilling during working hours.
- **A Directive for the protection of workers from extreme weather conditions and climate change-related risks**.

- Greater emphasis on public ownership and democratic management of critical sectors such as energy and transport must be explored to ensure the transition occurs fairly at the scale and speed required while protecting workers.
- **Eradication of energy poverty** through democratic control and social justice in the energy sector, ensuring that the clean energy transition benefits everyone and not just corporations. This should be supported by targeted subsidies for low-income households to access energy-efficient appliances, photovoltaic and solar-thermal installations, insulation, zero-emission vehicles, and sustainable heating systems.
- **The right to health and to a healthy environment should be safeguarded at the EU level**, as this right is essential to ensuring the fulfilment of most other fundamental rights – such as food, shelter and work – and for achieving an inclusive green transition.
- **Accountability mechanisms:** climate change, pollution and environmental degradation will result in accidents, death and an increase in mortality. Decision-makers (especially governments and businesses) are responsible for ensuring that the shift to a green economy is inclusive and fair for affected communities and workers, protecting them from disease and death. To ensure decisive action on mitigating the impacts and protecting the population, the EU needs to put in place mechanisms for monitoring accidents, deaths and increased mortality, identify future risks, implement warning systems requiring responsible parties to take action to put in place the measures, and hold them accountable for delivering on green transition commitments and for the negative consequences of industrial transformation.

6. Democracy and social justice

Beyond foreign interference, fake news and disinformation, numerous other factors have undermined social justice and fairness in our democracies, both at the EU and national level. Decades of neoliberal structural reforms have weakened essential democratic foundations. Fundamental freedoms and principles such as equity, social justice, shared progress and collective protections have been steadily eroded. Welfare systems have been progressively dismantled and public services privatised. Regressive tax policies and deregulation have facilitated the extreme concentration of wealth and power that we witness today, generating a disproportionate political influence benefitting a small minority of ultra rich individuals, foreign interests and large corporations.

Simultaneously, unprecedented attacks on trade unions and NGOs coming from the political right and extreme right are aimed at further weakening the political power and influence of the working class and the most vulnerable. As a result, their needs remain largely unaddressed, leading to increased disadvantage, inadequate access to essential services and limited opportunities for social mobility. This growing political inequality erodes social cohesion, exacerbates social and economic disparities and fuels social unrest. When democracies fail to provide opportunities for the majority to prosper, public support for democratic institutions diminishes.

These intertwined dynamics contribute directly to increasing poverty and social exclusion, as income and wealth become increasingly concentrated at the very top of society. The consequences are profound: a democracy that is less responsive to the needs of the many and that protects the interests of the privileged few. Addressing these challenges requires a renewed commitment to reinforcing democratic values, ensuring fair economic policies, redistributing wealth, and restoring social protections that foster inclusion and shared prosperity for all.

Strengthening democratic institutions and further democratising certain processes could in turn reduce poverty and improve upward social convergence. The following proposals can contribute to achieve these goals:

- Making **social justice** an integral part of the democracy shield will ensure that the reduction of poverty is also shielded as an objective. Social justice should be understood as the pursuit of fair outcomes in society that ensure all people have equal access to opportunities, rights, and resources essential for a dignified life³. It includes equitable access to work, social protections, social dialogue, and fundamental labour rights. A democracy shield proposal must also address these aspects to reduce inequalities and enable people, especially the most vulnerable, to lead secure and fulfilling lives.
- **Empowering low- and middle-income groups**, ensuring their political rights and freedoms, and fostering their political participation can allow them to have a greater influence over political decisions regarding the distribution of resources, hold their governments accountable and demand policies that address their needs.
- Stronger and better protected **collective rights**, like assembly and association, collective bargaining and action, information and consultation rights, and the protection of the environment can **strengthen unions and civil society organisations** and help them succeed in their demands for decent jobs and social and environmental justice, thus contributing to the reduction of poverty.
- Promoting and legally protecting democracy at work would be an effective way of addressing the inequalities at work and in society. High levels of democracy at work are associated with better quality employment relationships, stability, higher wages and higher levels of health and safety protection. These effects improve trust in democratic values and motivate workers to engage in democratic culture and practices⁴.
- Moving away from tax injustice and deregulation to rebalance power and curb the disproportionate influence of rich individuals and corporate interest in political decisions. This will in turn allow for fairness in the redistribution of wealth and

³ [ILO](#), Declaration of Philadelphia 1944: All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.

Declaration of Philadelphia, 1944

⁴ The ILO was founded in 1919 with the firm belief that universal peace can be established only if it is based on social justice. Social dialogue, collective bargaining and workers' representation form core ILO values.

prioritise **investment in the essential needs of low- and middle-income groups**
reducing power imbalances and inequality in society.

- Strengthen democratic processes – especially **democracy at work, civil society and civic engagement.**
- **Democratisation and public control of the energy sector, the financial sector and the digital sector, including applying welfare principles to the provision of these services,** to ensure that they work in the interests of citizens and their wellbeing, rather than serving exclusively as intensive profit extractive sectors.

ANNEX

S&D priorities for the European Anti-Poverty Strategy

The upcoming European Anti-Poverty Strategy must include the following proposals in order to effectively and urgently reduce poverty in the short term and ensure progress towards its full eradication by 2050:

1. GOVERNANCE FOR POVERTY ERADICATION:

- **A European Anti-poverty Law**, establishing the EU's mandatory target for the eradication of poverty by 2050, including intermediate targets for 2030 and 2040.
- An EU wide **study on the effect of different categories of inequalities** (income, wealth, opportunities, power, green and digital inequalities) and the main drivers of poverty with the aim of developing a comprehensive set of policy measures to address the root causes and break the cycle of poverty.

2. SOCIAL INVESTMENT:

- **A substantial increase of the European Social Fund Plus** resources to support the most deprived persons and to address the forms of extreme poverty with the greatest social exclusion impact, such as homelessness, child poverty and food deprivation with ambitious earmarking of MS investment obligation.
- **A dedicated budget of at least €20 billion for the European Child Guarantee, making the eradication of child poverty** and the wellbeing and equal opportunities for children the highest priorities for Europe.
- **European funds dedicated to the just transitions and energy poverty reduction** should be reassessed and increased to better protect the most vulnerable from climate risks.
- **A bold €300 billion investment, including €100 billion in grants for the creation of affordable and decent homes.**

3. QUALITY JOBS:

- Ending precarious work and including legislation on the right to disconnect, on subcontracting and labour market intermediaries, banning precarious contracts and bogus self-employment.

4. EQUAL OPPORTUNITIES AND PROTECTION:

- **A European Directive on a framework for minimum income schemes**, with the purpose of safeguarding the right to a decent life.
- A European **education allowance support scheme for the attainment of qualifications**, accessible to every adult in need and covering educational costs and essential needs during the duration of the qualification programme.
- Revision of **Directive 79/7 on the progressive implementation of the principle of equal treatment of men and women in matters of social security** introducing the concept of positive discrimination measures to close the pension gap.
- **Expand the powers of the European Labour Authority (ELA) to monitor gender pay gaps across member states.**

5. JUST TRANSITIONS:

- **Adequate social protection frameworks in order to protect everyone from climate change related risks.**
- **A Directive on a just transition in the world of work** that ensures decisions on anticipating and managing change are made in agreement with workers' representatives and guarantees workers the right to paid reskilling during working hours.
- **A Directive for the protection of workers from extreme weather conditions and climate change-related risks.**

6. DEMOCRACY AND SOCIAL JUSTICE:

- Making **social justice** an integral part of the democracy shield will ensure that the reduction of poverty is also shielded as an objective in our democracies.
- Greater promotion and protection of democracy at work and **collective rights** – such as assembly and association, collective bargaining and action, information and consultation and protection of the environment.
- Democratisation and public oversight of the energy, financial, and digital sectors will ensure they serve the interests and well-being of citizens rather than functioning solely as profit-driven, extractive industries.