



EU Anti-Poverty Strategy

Executive Summary

According to AK, **the EU's Anti-Poverty Strategy** should encompass the following **key elements**:

- A **coordinated approach** is needed to achieve the EU's 2030 poverty reduction target. This must include a thorough analysis of progress in poverty reduction and concrete action plans by the Member States.
- The EU Anti-Poverty Strategy should include, among other, the **following measures**: legally binding EU minimum standards for unemployment insurance and minimum income schemes and legal entitlements to education and training; intensified efforts to combat child poverty; a European Job Guarantee for the long-term unemployed; sufficient ESF funding and EU co-financing for social housing; an ambitious new Gender Equality Strategy; a Just Transition Directive; and stepping up the fight against wage and social dumping.
- The Anti-Poverty Strategy must be embedded in a broader framework to coordinate the necessary **social and ecological transformation** towards a climate-neutral and socially just economy. This includes reforms in **economic governance** to counter pressure on social budgets.

AK's position

General comments

We welcome the European Commission's announcement of an EU strategy to combat poverty. Given the need for far-reaching progress to achieve the EU's 2030 poverty reduction target, a coherent EU anti-poverty strategy is urgently required. To be truly effective, it must include **concrete measures**, including proposals for legally binding directives. Furthermore, it must be embedded in a general socio-economic orientation at EU level that supports poverty reduction rather than undermining this goal.

The European Union faces complex social, economic and transformational policy challenges, which have become more acute in recent years. The responses to these challenges must lie in strong **social protection systems, social investment and social rights**. A social model lays the foundations for social progress and productivity growth in a 'high-road' strategy when it focuses on good work and good wage development, fair distribution, reliable legal entitlements to social protection and effective access to public services (education, health, long-term care and childcare).

Poverty reduction must become a core pillar of transformation – which should not be understood solely as a technological issue, but rather as a social and ecological restructuring of the economy that combines the achievement of climate targets with social justice.

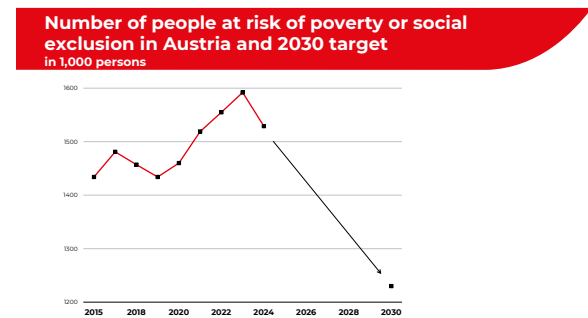
Combating poverty must be approached holistically, taking into account that poverty is closely linked to personal circumstances, but at the same time is a consequence of the structural inequality of power, resources and opportunities. In this context, measures to combat poverty should be accompanied by measures which ensure that companies and wealthy individuals contribute fairly to funding the welfare state.

The EU's 2030 poverty reduction target: EU is far from achieving its goal

In 2021, the EU set a target of reducing the number of people at risk of poverty or social exclusion by at least 15 million (compared to 2019 data) (Eurostat 2025: [Population at risk of poverty or social exclusion – EU 2030 target](#)). In other words, the number of people at

risk of poverty or exclusion would have to fall from 95.5 million (in 2019) to 80.5 million by 2030. However, in 2024, the figure was still 93.3 million. The EU is unlikely to meet its 2030 target without significant action.

Whereas the number of people at risk of poverty or social exclusion in the EU saw a modest decrease by 2024, Austria's figure even increased from the base year's 1.43 million to 1.53 million in 2024 (Soukup 2025: [Austria's 2030 targets within the framework of EU social policy](#) [In German]). The 2030 target of reducing this number to 1.23 million appears far out of reach (see chart).



Source: Eurostat (2025)

Poverty in Austria and the EU: problems and challenges

Poverty is complex and multidimensional. It means a lack of resources for an adequate life, caused by low wages among the working poor, unemployment or precarious employment. Added to this are psychosocial stress, health problems, discrimination and stigmatisation. Poverty is also reflected in limited access to education, childcare, long-term care and other public services. It is linked to individual circumstances but is also an expression of structural (power) inequalities.

The EU strategy for combating poverty must recognise that **unemployment** is a key factor. Unemployment causes poverty and at the same time makes it difficult to escape from it – a vicious circle. Those affected by poverty often have less access to further education and networks and as a result remain unemployed for longer or only find precarious jobs. For many people in Austria, unemployment benefits (55% of their previous income) are not enough to cover their basic needs. A

representative survey conducted among unemployed members of the Vienna Chamber of Labour indicated that 33% of those respondents who previously lived comfortably on their income and 53% of those whose income had been fully adequate found their income insufficient during unemployment (Hajji and Hausegger 2024: [Making ends meet on income during unemployment](#) [in German]).

Similarly, other **social benefits designed to secure livelihoods** – minimum income and the so-called “equalisation supplements” within pension insurance – do not always provide effective protection against poverty. A study published by the European Parliament (Crepaldi et al. 2017: [Minimum Income Policies in EU Member States](#)) also points to the enormous shortcomings of minimum income schemes in the Member States – from coverage and the adequacy of benefits to evaluation mechanisms.

High inflation in recent years, particularly in Austria, has exacerbated the situation for people on low incomes. Higher-income households can compensate for this by reducing their savings rate; the only option for low-income households is cutting back on consumption. They have to spend a higher proportion of their income on housing, energy and food, where prices have risen particularly sharply. This means that in August 2025 the poorest income decile of households in Austria would have had to spend, in comparison to December 2020, about 43% more of their previous income, while wealthiest income decile of households would have had to spend only 16% more (Ertl and Six 2025: [Recovery under difficult conditions](#) [in German]).

High housing costs are another issue. 8% of people in the EU suffer from excessive housing costs, meaning they spend more than 40% of their household income on housing-related costs. Residential property investment is at the heart of the EU’s housing cost crisis. During the low interest rate phase, huge sums of capital were channelled into housing markets. As regional housing markets have only a limited supply of developable land, this led to massive price increases. Studies show that the financialisation of housing markets has a detrimental effect on construction output and affordability.

Unemployment and poverty often lead to problems such as **mental stress, health problems and social exclusion** (Bergmann et al. 2024: [Living securely or no longer making ends meet?](#) [in German]). These factors in turn make it more difficult to return to employment and overcome poverty. Furthermore, the European Social Survey 2025 shows that people in lower socio-economic groups are twice as likely to report poor health as people in higher socio-economic groups

(EuroHealthNet-CHAIN 2025: [Social inequalities in health in the EU](#)). They also have poorer access to health-care. In Austria, for example, often only people who can afford to pay for a private doctor have access to timely appointments with specialists.

The **unequal distribution of unpaid household and care work** leads to lower incomes for women and, as a result, lower pensions. Institutional childcare is the key lever. Austria, with a formal childcare participation rate of 32.8% for children under three, does not meet the revised EU Barcelona target of 45%. Moreover, single parents, who are disproportionately affected by poverty, report more frequently that they do not have self-determined working hours.

In general, **the risk of poverty is unevenly distributed within society**. Women, especially single mothers and older women, are disproportionately at risk of poverty, as are migrants, people with disabilities and people with health impairments. Hence, it is essential to consider specific vulnerabilities when designing social welfare benefits and services.

Proposed solutions and demands

In view of the far-reaching problems and challenges, the EU Anti-Poverty Strategy must include ambitious and concrete measures that contribute to effectively combating poverty. In particular, the strategy should include the following measures:

- **Coherent Governance Framework for the 2030 target**

The European Commission should regularly publish analyses of progress in combating poverty in the Member States. Member States should be required to submit concrete action plans setting out how national targets are to be achieved.

- **Reform of fiscal rules**

The conditions for effectively combating poverty must be created within the EU’s economic governance framework. As long as restrictive fiscal rules and non-transparent debt sustainability analyses lead to harsh austerity and cutback policies, there will be major contradictions. Hence, a fundamental reform of fiscal rules is needed, including a ‘Golden Rule’ to strengthen public investment.

- **Minimum standards for unemployment insurance systems**

Minimum standards for national unemployment in-

insurance systems, for example regarding coverage rates and benefit periods, as well as a non-regression clause, should be included. It is also important to ensure that public employment services do not prioritise quick job replacement over providing quality training (Bruckner 2019: [Common minimum standards for unemployment insurance schemes in EU Member States](#)).

- **Minimum standards for minimum income schemes**

An EU framework directive should be created that sets out common principles, definitions and minimum standards for social minimum income schemes. Benefits must be of an adequate level, taking into account the level of prosperity and living standards in the Member State concerned. This involves increasing benefits to meet at least the poverty risk threshold. Moreover, their eligibility requirements must ensure that they can be effectively used by those who need the services of the 'last social safety net'. Furthermore, the Directive should oblige Member States to offer adequate support services for (re)integration into the labour market.

- **Stepping up the fight against child poverty**

The Commission should consistently verify whether Member States are implementing projects announced in the context of the Child Guarantee. Austria urgently needs a maintenance guarantee for children with a parent who is not adequately fulfilling their maintenance obligations. Moreover, the expansion of all-day schools and facilities of early childhood education and care as well as effective preventive measures with regard to child health are needed in Austria. In general, it is essential to ensure an appropriate combination of cash and in-kind benefits in order to combat child poverty effectively. The "Basic Child Guarantee" (*Kindergarantisierung*) envisaged in the Austrian government programme provides an appropriate reference point for this initiative.

- **'Right to training'**

Specific legal rights to high-quality, self-selected education and training should be enshrined in EU minimum social standards. This includes a minimum number of hours per year for training and further education during working hours as well as the right to paid educational leave. Job seekers should also have a legal right to high-quality, self-chosen education and training. Public employment services should not prioritise the goal of quickly entering into an employment relationship over providing quality training, including training aimed at supporting career changes.

During longer periods of training, livelihoods must be secured by means of adequate benefits. With regard to the 2030 targets, a target to reduce the proportion of people with only compulsory education should also be included.

- **European Job Guarantee**

New high-quality jobs should be created as part of a European Job Guarantee for the long-term unemployed. These job guarantee programmes should be developed in consultation with social partners, local stakeholders (the unemployed and residents) and other regional actors, with participation in the programmes being voluntary. Good working conditions and adequate remuneration must be guaranteed. The financing of job guarantee programmes in the Member States should be supported by instruments at EU level, such as social bonds and the EU budget (Theurl and Vorbach 2023: [EU Job Guarantee - a commitment to full employment and decent work](#)).

- **Sufficient ESF funding**

A bundling of hitherto independent budget lines as well as possibilities for reallocating funds away from the ESF+ are currently being considered as part of the negotiations on the Multiannual Financial Framework. It is absolutely unacceptable that funds intended to promote social causes such as poverty reduction and education and training are being reallocated to other areas. The ESF+ must be provided with sufficient resources to meet its requirements.

- **Measures to ensure affordable housing and energy**

The obvious market failure in the housing market means that expanding social housing is essential to solving the structural housing problems in the EU. National initiatives should be supported by EU co-financing. The current EU definition of the target group for social housing is limited to disadvantaged groups, which hinders meaningful social mixing. As affordable housing is a service of general (economic) interest, social housing should be explicitly exempted from state aid control. The EU requirements for combating energy poverty must be consistently implemented by the Member States.

- **An ambitious new Gender Equality Strategy**

The new Strategy should be developed with the involvement of Member States, social partners and civil society. Gender equality must be understood as a cross-cutting issue; all Directorates-General of the European Commission must be actively involved in

strategy development and implementation. It is also essential that the Commission consistently monitors the implementation of the Directive on strengthening pay transparency and supports it through peer learning projects among Member States.

Comprehensive coverage of collective agreements and well-designed minimum wage policies are crucial in this regard.

- **A Just Transition Directive**

The structural change in our economy must be safeguarded by a legislative framework for a just transition, which provides workers and companies with a clear path to a sustainable future. The Directive must strengthen workers' rights to effective social dialogue, collective bargaining, information and consultation in order to shape change in the interests of workers. Workers whose jobs are threatened by the transformation should have the right to an internal job transfer or high-quality training or further education.

- **Intensified efforts to combat wage and social dumping**

Cross-border wage and social dumping at the expense of posted workers poses a massive problem for social justice and fair competition in the EU internal market. The European Labour Authority has an important role to fulfil in promoting cooperation between national authorities with regard to seasonal employment, bogus postings and internationally intertwined subcontracting arrangements. The Authority should also be given powers to enforce the law effectively, for example to ensure that administrative penalties are enforced across borders. In addition, bogus postings and dumping practices involving social security contributions need to be addressed more effectively.

- **Country-specific recommendations and comprehensive discussions on combating poverty**

The European Commission ought to more thoroughly address combating poverty within its country-specific recommendations as part of the European Semester. In addition, regular exchange meetings should be organised at which representatives of the Commission, the Council and the European Parliament engage in dialogue with social partners, social NGOs, poverty researchers and people with personal experience of poverty on poverty-related issues and best practices in social policies. In general, people affected by poverty should be much more involved in policy-making debates.

- **Good wage development is crucial**

It is vital not only to combat poverty, but also to prevent it proactively. In this context, good wage development plays a key role.



Contact us!

In Vienna:

Nikolai Soukup

nikolai.soukup@akwien.at

In Brussels:

Alice Wagner

alice.wagner@akeuropa.eu

Austrian Federal Chamber of Labour

Prinz-Eugen-Straße 20-22

1040 Vienna, Austria

T +43 (0) 1 501 65-0

www.arbeiterkammer.at

AK EUROPA

Permanent Representation of Austria to the EU

Avenue de Cortenbergh 30

1040 Brussels, Belgium

T +32 (0) 2 230 62 54

www.akeuropa.eu

About us

The Austrian Federal Chamber of Labour (AK) is the legal body which represents the interests of approximately 4 million employees and consumers in Austria. It represents its members on all social, educational, economic and consumer policy-related issues at national level and at EU level in Brussels. Furthermore, the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of AK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels.