

WORKING DOCUMENT – 168/26- 16/06/26

The European Union's anti-poverty strategy: "addressing and preventing poverty from childhood to old age"

THE LABOUR MARKET PERSPECTIVE

The anti-poverty strategy emphasizes once more the role of social dialogue and social partners in finding balanced solutions in response to changes in the world of work and as a result in addressing in work poverty and in supporting labour market activation measures (for unemployed).

Background information

The anti-poverty strategy was released by the Commission on 6th May 2026. The Strategy sets out a wide range of measures at EU level to tackle poverty, specific to each age category, acknowledging the impact of poverty along the whole life cycle. **Central to the Strategy is the active inclusion approach, emphasising the importance of the support to labour market activation for those who can work (including the transition to quality jobs, as the first and best tool to prevent poverty),**

- **Labour market activation measures**

According to Commission data, today, young people in the EU face a significantly higher risk of poverty or social exclusion¹. This is driven **largely by youth unemployment**, early school leaving and disengagement from education or the labour market.

¹ In 2025, 24% of young people under 29 years old were at risk of poverty and social exclusion, 3 percentage points higher than the total population.

Key challenges facing vulnerable young people concern mostly their transition between education or training and employment and access to key services. Young people face increasingly complex challenges in a rapidly evolving labour market, including a higher exposure to short-term contracts and unpaid traineeships, among others.

In this regard, the Commission highlights that for those who can work **a quality job is the best protection against poverty.**

Against this framework, the Commission stresses that **supporting the labour market integration of those who have the capacity to work requires targeted and effective activation measures, particularly for the long-term unemployed, the inactive and those facing specific barriers.** It is key that support measures promote individual self-sufficiency, and put forward the right balance between income support, active labour market measures, work incentives and mutual obligations.

To this end, in the second half of 2026, the Commission will launch the first-stage consultation of European social partners to obtain their views on the possible direction of EU action to support the activation of persons excluded from the labour market and equality between women and men with regard to labour market opportunities. The initiative would aim at supporting the identification and outreach to those excluded from the labour market and the establishment of individualised pathways towards labour market integration, involving all relevant authorities and strengthening their cooperation. In doing so, it would help address barriers to the transition into the labour market and help improve the take-up of support services.

- **Addressing in work poverty & quality jobs**

According to the strategy, addressing in-work poverty requires promoting quality jobs, combating involuntary low-work intensity including by removing barriers such as the lack of affordable care and ensuring access to services and income support where relevant. It also requires tackling undeclared work through the formalisation of incentives alongside enforcement.

Furthermore, the Commission emphasizes that a strongly competitive and innovative economy requires adequate and transparent wages supported by collective bargaining, non-precarious work contracts, training opportunities, adequate social protection as well as policies that help reconcile work and family life enable quality jobs.

To this end in 2027, the Commission will put forward a Commission Recommendation providing evidence-based policy guidance and best practices to prevent and combat higher work intensity (and therefore higher incomes) and ensuring that tax-benefit systems are consistently aligned so that more hours worked translate into higher incomes.

It will be followed by dedicated structured discussions with all relevant actors, including social partners and national authorities. In parallel, the Commission will step up enforcement to ensure full transposition of the Directive on adequate minimum wages
