Bocconi

THE EU'S ANTI-POVERTY STRATEGY

RECOMMENDATIONS FROM THE ANNUAL IEP@BU EVENT ON SOCIAL POLICY

Prepared by **Pietro Galeone** and **Federica Maria Raiti**

IEP@BU Policy Brief
n.50

November 2025

Università Bocconi
IEP@BU
Institute for European Policymaking

ISSN 3035-577X
IEP@BU Policy Briefs Series
[online]

On 20 October 2025, Bocconi University hosted the event *"The EU's Anti-Poverty Strategy: Evaluation and Next Steps",* jointly organized by the **Institute for European Policymaking @ Bocconi University** and the **European Commission's Directorate-General for Employment, Social Affairs and Inclusion** (DG EMPL).

The event formed part of the preparatory work for the first-ever EU Anti-Poverty Strategy, announced in President von der Leyen's 2024–2029 political guidelines. The Strategy—expected to be presented in 2026—aims to ensure access to essential protections and services while tackling the structural and intergenerational drivers of poverty.

The meeting brought together leading experts, policymakers, and researchers to examine key dimensions of this policy agenda, including minimum income schemes, pathways to break the intergenerational transmission of poverty, and strategies to finance effective anti-poverty measures. The discussions also contributed to the broader reflections feeding into the World Social Summit, scheduled to take place in Doha on 4–6 November.

This policy brief collects and synthesizes the main materials from the event, including summaries of keynote interventions, contributions from panel speakers, and the presentations delivered throughout the day, highlighting the core insights that emerged from the debate.

Prepared by **Pietro Galeone** and **Federica Maria Raiti**.

EXECUTIVE SUMMARY

The European Union faces a persistent poverty challenge: 93 million people (21 % of the EU-27) remain at risk of poverty or social exclusion despite decades of growth and welfare expansion. The first ever EU Anti-Poverty Strategy announced by the European Commission aims to translate Europe's social ambitions into measurable progress.

The forthcoming Strategy was discussed at Bocconi University's "EU's Anti-Poverty Strategy: Evaluation and Next Steps" conference, held in Milan on October 20th, 2025. This policy brief recaps the main lessons highlighted in the conference

Participants from academia, EU institutions, civil society, and people experiencing poverty discussed around three main topics for an integrated approach: prevention across generations – breaking intergenerational poverty through early-childhood education, skills, and life-course social protection; protection through adequate minimum income – ensuring real, stigma-free access to safety nets and simplifying benefit delivery; and finally investment in human and social capital – treating social spending as productive investment that fuels growth, inclusion, and resilience.

Six policy recommendations can be drawn from the discussion:

- ✓ strengthen data collection, analysis and evaluation;
- ✓ focus on a multi-generational approach to poverty alleviation;
- ✓ harmonize anti-poverty instruments, ensuring an adequate minimum income as a last-resort safety net;
- ✓ reframe social spending as investment, highlighting the costs of non-action;
- ✓ promote participatory governance; and align social, green, and fiscal agendas.

Eradicating poverty is not charity—it is Europe's most strategic investment in democracy, cohesion, and shared prosperity.

INTRODUCTION

The European Union has long defined itself as a community of shared prosperity, yet persistent poverty continues to challenge the very foundation of that promise. Despite decades of economic growth and expanding welfare systems, more than 93 million Europeans—nearly 21 percent of the EU population—remain at risk of poverty or social exclusion (Eurostat, 2024). Rising living costs, precarious employment, and gaps in access to housing, healthcare, and childcare erode social cohesion. These structural vulnerabilities were further magnified first by the COVID-19 crisis and later by inflationary shocks and the energy transition, exposing how fragile many households' safety nets remain.

The European Pillar of Social Rights (EPSR[1]), adopted in 2017, reaffirmed the EU's commitment to inclusive growth and social justice. Its 2030 Porto Targets— in particular reducing poverty by at least 15 million people, including five million children—marked a renewed collective ambition. Yet progress toward these goals has been uneven. Some countries have advanced through minimum-income reforms, early-childhood investments, and activation policies; others still face persistent challenges that contribute to the exclusion of the most vulnerable. The need for a comprehensive, coherent, and measurable EU strategy has therefore never been more urgent.

Bocconi and European Commission's Anti-Poverty Strategy Conference

This policy brief reports the valuable contributions that emerged at the high-level event "The EU's Anti-Poverty Strategy: Evaluation and Next Steps," organised by the Institute for European Policymaking at Bocconi University (IEP@BU) in cooperation with the European Commission. The event took place in at Bocconi University on October 20th, 2025, and it brought together many different experts – researchers, policymakers, civil society organizations and people experiencing or having experienced poverty in their own life. The full list of speakers can be found in the appendix.

This policy brief summarizes the main contributions and takeaways from the conference, highlighting the lessons to be learned and applied in the Anti-Poverty Strategy. For the sake of simplicity, in the rest of the document, references to speakers' speeches and presented documents will be presented as contributions in the Anti-Poverty Strategy Conference (abbreviated as APSC)[2].

Framing poverty and poverty alleviation policies

The discussions at the APSC highlighted a broad consensus that poverty must be understood and addressed as a multidimensional and systemic phenomenon, requiring both stronger evidence and more coherent governance at the EU level. Participants underscored that combating poverty demands data-driven, evidence-based policymaking, supported by comparable and high-quality indicators to guide the design

[1] https://employment-social-affairs.ec.europa.eu/policies-and-activities/european-pillar-social-rights-building-fairer-and-more-inclusive-european-union/european-pillar-social-rights-action-plan_en#:~:text=According%20to%20the%20EU%20Action%20Plan%20of%20t

[2] As a notation clarification, throughout the text, we will reference these contributions using the abbreviation (Name, APSC).

and coordination of national and European measures (Gros, APSC). Several speakers called for a shift from fragmented or reactive interventions toward an integrated framework that links social, fiscal, and labour-market policies, ensuring that efforts to reduce poverty also foster resilience, productivity, and long-term inclusion.

The forthcoming EU Anti-Poverty Strategy was described as both a moral and strategic imperative—a collective investment in Europe's social fabric and future competitiveness by EU Executive-Vice President Mînzatu.. The EU has a strategic aim to lift 15 million Europeans out of poverty by 2030 and to help to eradicate poverty by 2050, through policies that guarantee access to essential services, reinforce social protection systems, strengthen the European Child Guarantee, and address the root causes of poverty.
Several contributions emphasised that anti-poverty policies should be treated as social and economic investments, rather than short-term expenditures, ensuring that education, decent work, and healthcare translate into tangible progress in people's lives (Nava, APSC). A call for social innovation also resonated across discussions, inspired by the idea that the transition toward sustainability and equity must advance together—moving toward "zero poverty, zero unemployment, and zero carbon emissions" (Yunus, APSC).

The conference thus reaffirmed a shared conviction: eradicating poverty is both a moral duty and a strategic investment in Europe's future. The dialogue identified three complementary priorities that frame this policy brief:

- ✓ Ensuring dignity through adequate minimum income
- ✓ Addressing the root causes of poverty across generations;; and
- ✓ Treating poverty reduction as an investment in human and social capital.

These pillars form the foundation of this policy brief, which translates the insights of the APSC into concrete directions for a coherent and ambitious EU Anti-Poverty Strategy capable of turning ambition into action—and of making the right to a dignified life a lived reality for all.

ADDRESSING THE ROOT CAUSES OF POVERTY IN THE EU ACROSS GENERATIONS

Opening the discussion, Director-General Mario Nava reminded that fighting poverty begins with “understanding where it comes from”—in the everyday barriers that prevent people from realising their potential. Breaking the intergenerational cycle requires not only financial support but “policies that give people agency and restore the social fabric” (Nava, APSC). This framing guided the first pillar of the debate: tackling the structural and intergenerational roots of poverty.

Poverty in Europe remains one of the most persistent and unjust inequalities of opportunity. Despite welfare expansion and sustained economic growth, the social elevator is still broken for too many Europeans. The risk of poverty continues to be strongly determined by the circumstances of birth. Across the EU, a child born to low-educated parents faces a 62 percent probability of remaining poor, compared to 11 percent for those whose parents hold tertiary education (Filauro, APSC). These figures expose how deprivation perpetuates itself through unequal access to education, segmented labour markets, and uneven service provision.

Breaking this cycle demands a life-course approach that integrates early-childhood investment, quality education, and inclusive labour-market transitions. Policies must not only alleviate hardship but expand people’s capabilities to participate fully in society—turning social protection from a safety net into a springboard for opportunity.

A Life-Course Approach

Tackling the root causes of poverty also means recognising that disadvantage is dynamic rather than static. Poverty accumulates over time, with each constraint in childhood—limited learning support, low parental education, or precarious housing—multiplying risks later in life. Research presented by Michela Carlana (LEAP, Bocconi University) shows that targeted, low-cost interventions at key life stages can permanently change life trajectories. In Italy, a three-month personalised tutoring programme produced learning gains equivalent to nine months of schooling among disadvantaged students, boosting both performance and self-confidence (Carlana, APSC). Similar evidence from countries where early-childhood education is universally accessible demonstrates that when education systems act as social levellers, the intergenerational transmission of poverty weakens markedly.

A genuine prevention strategy must therefore extend beyond the classroom. Katarina Ivanković Knežević (European Commission, DG EMPL) emphasised that poverty prevention requires coherence across the life course—from early-childhood education and youth employment to adult learning and adequate pensions (Ivanković Knežević, APSC). Social protection should “start before the first crisis”, ensuring that every child has access to quality education and care, every young person can transition to decent work, and every older person can age with dignity. The European Pillar of Social Rights provides the policy framework for this life-course approach, but its effectiveness depends on Member States’ ability to integrate education, labour, and welfare policies into an overall social-investment strategy.

Finally, a demographic perspective highlights the urgency of reform. Europe’s unique combination of longer life expectancy, low fertility, and shrinking youth cohorts is reshaping both welfare systems and democratic representation. With one quarter of Italy’s population now over 65 and children accounting for barely 12 percent, societies risk being “designed by and for middle-aged majorities” (Billari, APSC).

Confronting poverty thus also requires adapting institutions to an ageing yet unequal population—investing in youth participation, reskilling, and intergenerational solidarity to ensure that prosperity is shared across generations.

Empowerment, Not Stigma

Poverty is not only an economic condition—it is also a question of power, recognition, and voice. People experiencing poverty are too often treated as passive recipients of assistance rather than citizens with agency and rights (Di Capua, APSC). Policies designed without their participation risk reinforcing dependence and stigma. European Anti-Poverty Network's guiding principle—"Nothing about us without us"—should therefore be at the core of the EU Anti-Poverty Strategy. Participation must be recognised as an instrument of empowerment and accountability, not as an accessory to policy design.

This human-centred approach becomes tangible in the lived experiences of citizens who have rebuilt their lives through inclusive support systems. At the APSC, two persons experiencing poverty—María Escudero and Amelita Dorot – shared testimonies that illustrate how comprehensive support and activation measures can restore both dignity and autonomy.

María, who migrated from Ecuador to Italy as a teenager, faced long-term precarity as a single mother after losing stable employment. Through a personalised activation programme implemented by Azione contro la Fame (Action Against Hunger), she received tailored guidance and job-search training that enabled her to secure a permanent position as a socio-sanitary operator. "Lone mothers are among the most penalised in the labour market. We need protection, flexibility, and respect," she stated (Escudero, APSC).

Amelita, who grew up in Italy without parental support, similarly fell into poverty during the pandemic after losing her home and job. Referred by social services to the same programme, she rebuilt her professional and personal stability, later managing a local business. Her words echoed a broader truth: "No one chooses poverty. With the right support, people can rebuild their lives." (Dorot, APSC).

These experiences illustrate that poverty is structural, not individual. Gendered care responsibilities, precarious work, and weak institutional safety nets compound disadvantage when life shocks occur. Both women's recovery was made possible not by charity but by integrated services—childcare, training, guidance, and access to decent work. Their trajectories translate into a clear policy message: social mobility begins where institutions ensure opportunities are rebuilt.

From Fragmentation to Integration

A major policy challenge in Europe lies in the fragmented architecture of welfare systems. Activation, education, family policies, and social assistance often operate in silos—administered by separate institutions with different funding streams and objectives. This fragmentation limits efficiency and weakens the continuity of support. As Katarina Ivanković Knežević (European Commission, DG EMPL) observed, the missing link is integration—both horizontal, across policy fields, and vertical, across governance levels (Ivanković Knežević, APSC). Individuals experiencing poverty should find a single, coordinated pathway rather than navigating a labyrinth of offices. To achieve this, Member States should promote One-Stop Inclusion Hubs that bring together employment services, social protection, childcare, housing, and legal counselling under one roof, supported by caseworkers who can accompany people through transitions.

Integration must also be gender-sensitive. Women—particularly single mothers and migrant women—remain over-represented in low-paid, informal, or part-time work. Ensuring access to affordable childcare, flexible work arrangements, and re-entry opportunities after maternity is not only a matter of equality but also of economic resilience. Additionally, the recognition of unpaid care as socially valuable work and supporting it financially would transform how Europe measures contribution and wellbeing (Di Capua, APSC).

The importance of viewing poverty through an intergenerational lens was also highlighted by representatives of Voice, a pan-European student think tank, who noted that poverty persists across generations unless policies address both parents and children simultaneously (Voice, APSC). Adopting two-generation approaches that connect childcare, education, and employment support can break this cycle, turning the fight against inequality into a shared European responsibility.

Investment in Human Capability

The economic rationale for prevention and early intervention is clear. Evidence presented by Stefano Filauro (Sapienza University of Rome) shows that countries investing more in early education, active labour-market policies, and family support achieve both lower intergenerational poverty and higher social mobility (Filauro, APSC). According to OECD estimates, child disadvantage costs the EU around 3.4 percent of GDP each year in lost productivity, reduced earnings, and poorer health outcomes (OECD, 2024). In other words, failing to invest in people is far costlier than social spending itself.

Social and economic policies should therefore be framed as strategic investments in human capability. Each euro spent on tutoring, childcare, or re-skilling strengthens Europe's productive potential and social resilience. Small, well-targeted interventions can yield large and lasting returns—provided they reach those most at risk and are grounded in both evidence and empathy (Carlana, APSC).

Breaking the Chain

Addressing poverty across generations is not only about raising incomes but about expanding people's choices and agency. The experiences of participants in personalised employment pathways (PEPs) demonstrate that the difference between exclusion and empowerment often lies in timely, coordinated support that accompanies individuals through change. For policymakers, the message is unequivocal: prevention works when institutions see and support people as they navigate transitions.

Europe can no longer afford to let the circumstances of birth or early-life dictate the possibilities later in life. The European Child Guarantee represents a clear policy toolkit to ensure equal opportunities to children regardless of their family background, and some progress is being made by Member States in this regard (Ivanković Knežević, APSC). Yet significant gaps in access to available services remain, leading to a persistent risk of poverty among too many children. Confronting the structural roots of poverty—educational inequality, care gaps, and precarious labour—means turning the European social promise into practice: ensuring that every child, every parent, and every worker can live with dignity, security, and hope.

Policy Directions

To address the root causes of poverty across generations, the forthcoming EU Anti-Poverty Strategy should advance five priorities:

- ✓ *Early and Equitable Education.* Fully implement the Child Guarantee to ensure full right to free, quality early education and promote after-school support; integrate tutoring and mentoring for vulnerable pupils at national scale.
- ✓ *Care-Ready Activation*. Make childcare and eldercare entitlements integral to activation measures, with priority access for lone parents and low-income women in particular, as well as low-income households in general.
- ✓ *Integrated Service Pathways.* Establish local One-Stop Inclusion Hubs connecting employment, welfare, and training services through shared databases and case management.
- ✓ *Participation and Dignity*. Institutionalise the involvement of people with lived experience—e.g. through EAPN, national poverty platforms, and municipal councils—in all stages of policy design and evaluation.
- ✓ *Monitoring Intergenerational Mobility.* Include indicators of educational attainment, youth inactivity, and child poverty in the European Semester and Recovery Plans to track long-term progress.

MINIMUM INCOME: ACTIVE INCLUSION APPROACH

Guaranteeing a life in dignity is a founding principle of the European Union. Yet for millions of Europeans, this promise remains unfulfilled. Minimum-income schemes, which serve as the final safety net against destitution, are still fragmented, bureaucratic, and often inaccessible. In many Member States, the very mechanisms designed to protect people become barriers in themselves.

Between 20 and 50 percent of those entitled to minimum income never receive it—a "non-take-up crisis" that reflects systemic design flaws rather than individual failure (Adzakpa, APSC). This gap is not the result of fraud or lack of motivation, but of administrative complexity, digital exclusion, and stigma, all of which discourage those most in need from seeking support.

Beyond Existence: From Paper Rights to Real Access

Evidence from Caritas fieldwork across Member States vividly illustrates this paradox: the very systems designed to protect people actually also often exclude them in practice. Applicants can face months of delay over minor clerical errors, while others are rejected for owning a small inherited asset that inflates their means-test on paper but leaves them unable to meet daily expenses (Caritas, APSC).

Insights from Sara Cicconali (Caritas Ambrosiana) reveal similar cases: individuals disqualified because of an incorrect disability code entered by local health authorities, or families excluded for bureaucratic reasons linked to residence permits and outdated cadastral records (Cicconali, APSC). These are not isolated anomalies but systemic design flaws that undermine the credibility and effectiveness of minimum-income schemes.

As Hannah Adzakpa (Caritas Europe and Caritas Germany) aptly stated, "A right that cannot be accessed is a right denied." Simplification, empathy, and proactive outreach are not administrative luxuries but preconditions for social justice. Digital portals can improve efficiency but cannot replace the human interface needed to guide individuals through procedures, correct errors, and help them claim what is theirs by right.

The Hidden Cost of Stigma

Beyond administrative barriers, the emotional dimension of poverty is equally real. Participants with direct experience with poverty spoke candidly about the humiliation and stigma embedded in many application procedures (PEP, APSC). One participant described the exhaustion of "having to prove poverty again and again," with each appointment reopening wounds of shame. Another recounted being told to "come back when you have a proper job contract"—a moment that exposed the paradox of systems that penalise those they are meant to protect. For many, stigma—rather than bureaucracy—becomes the most disabling barrier, leading to isolation and mistrust. As one participant put it: "You start feeling invisible, as if needing help meant failing as a person."

These experiences reflect the systemic issue identified by Pietro Galeone (Institute for European Policymaking, IEP@BU): Europe's safety nets too often function as selective rather than protective institutions (Galeone, APSC). Designed around suspicion instead of solidarity, they deter take-up and erode citizens' trust in public administration. When benefits are framed as charity rather than as a social right, they generate guilt instead of empowerment. As Galeone argued, minimum income must serve as a platform for inclusion and capability, not dependency—a stabilising measure that restores dignity, participation, and confidence in public institutions.

From Conditionality to Empowerment

The Italian case exemplifies the tension between fiscal restraint and social protection. The replacement of the Reddito di Cittadinanza with the Assegno di Inclusione reduced coverage and tightened eligibility conditions, leading to a measurable increase in hardship. Within months, absolute poverty rose by nearly one percentage point (ISTAT, 2024). As Pietro Galeone (IEP@BU) noted, "Restricting protection to save costs ultimately multiplies them—socially and fiscally." Evidence shows that minimum-income schemes combining income support with personalised inclusion plans—such as skills training, counselling, and childcare—are far more effective in facilitating sustainable transitions to employment (Galeone, APSC).

At the EU level, this vision aligns with the 2023 Council Recommendation on Adequate Minimum Income, which calls for a dual focus on adequacy and accessibility. Yet implementation remains uneven across Member States. As Jiri Svarc (DG EMPL) underlined, "Complexity is policy"—each additional form, document, or delay systematically filters out those with the least capacity to comply (Svarc, APSC).

Examples of good practice from France and Belgium demonstrate how design innovation can restore both efficiency and dignity. In the French and Belgian "zero no-take-up territories", local administrations are obliged to proactively reach out to all eligible residents, supporting them throughout the application process. By shifting the burden of proof from the applicant to the administration, these models have significantly increased take-up rates and strengthened trust between citizens and institutions.

Barriers to Aid: Why Systems Miss Those Who Need Them Most

Across Europe, small bureaucratic details—mis-typed codes, mismatched databases, or rigid means-tests—exclude people living in poverty whose lives are anything but tidy. For instance, a woman who inherited half of a rural house she cannot sell is disqualified for "property ownership," though her income is below the poverty line. Others are trapped between jurisdictions: their municipality of residence cannot process an application because their official domicile is elsewhere. These stories expose how the design of administrative systems can reproduce inequality.

To fix this, Adzakpa, Galeone and Svarc, and converged on three imperatives:

- ✓ Automaticity – benefits should trigger automatically when eligibility can be verified from existing data.
- ✓ Error Correction – a "help-desk for justice" within welfare offices to fix administrative mistakes without restarting the whole process.
- ✓ Human Support – social workers trained in trauma-informed communication, ensuring that the process restores dignity instead of inflicting shame.

Dignity, Not Charity

The debate consistently returned to the principle of dignity. As one participant from the European Meeting of People Experiencing Poverty (PEP) put it, "Receiving support shouldn't make you feel small—it should help you stand again" (PEP, APSC). Both Caritas and DG EMPL share this rights-based perspective: minimum income is not charity but a social entitlement, central to Europe's commitment to active inclusion. For Caritas, it represents a moral test of Europe's social conscience; for the European Commission, it is a measurable driver of inclusive growth. Adequate income support prevents long-term exclusion, improves health outcomes, and enhances labour-market participation—making it not only socially just but also economically sound.

Stable income protection also reinforces trust in democracy. When citizens feel seen and supported, they are more likely to participate in public life, contribute through taxes, and respect common rules. In this sense, social policy is also political stability policy—an investment in the cohesion that sustains democratic societies (Galeone, APSC).

Policy Directions

To translate this consensus into practice, the forthcoming EU Anti-Poverty Strategy should establish clear commitments:

- ✓ Binding Adequacy Benchmarks. Define minimum-income levels at no less than 60 % of median disposable income, with periodic adjustments for inflation and cost-of-living differences.
- ✓ Accessible by Design. Simplify forms, ensure one-stop service points, and introduce automatic enrolment wherever data allows.
- ✓ Integrated Inclusion Pathways. Pair income support with activation and social services within 30 days, supported by ESF+ funding.
- ✓ Monitor Take-Up and Stigma. Collect EU-wide data on non-take-up rates and user experience; fund awareness campaigns reframing benefit receipt as a right, not a failure.
- ✓ Participatory Governance. Include civil-society networks such as Caritas and EAPN and representatives from PEP in the monitoring of minimum-income schemes implementation.

POVERTY AND FINANCE: ADDRESSING POVERTY AS AN INVESTMENT

Muhammad Yunus (Chief Adviser, Government of Bangladesh, and Nobel Peace Prize Laureate) reframed the debate around a transformative economic vision: "Poverty is not created by the poor—it is created by the systems we have built." He urged Europe to move from a welfare paradigm to an investment paradigm, centred on his principle of the "three zeros"—zero poverty, zero unemployment, zero emissions (Yunus, APSC). His message underpins this third pillar: social inclusion and financial innovation are not peripheral to growth but essential engines of sustainable prosperity.

Europe's capacity to eradicate poverty depends not only on compassion or political will but also on how social spending is conceived. When poverty reduction is treated as a cost, it remains constrained by fiscal ceilings; when recognised as an investment in human and social capital, it becomes a catalyst for inclusive growth, higher productivity, and greater resilience. This shift—from welfare expenditure to social investment—was central to the APSC discussions and defines the economic rationale for a renewed EU Anti-Poverty Strategy.

Poverty as a Historical and Economic Phenomenon

Europe's struggle with poverty must be understood not only as a social challenge but as a historical and economic phenomenon. Evidence presented by Guido Alfani (Director, DONDENA Centre, Bocconi University) situates today's inequality within a long-run perspective. His research on inequality and social resilience demonstrates that societies investing early and consistently in welfare, health, and education recover faster from crises and sustain higher growth over time (Alfani, APSC). Across six centuries of data—from the Black Death to COVID-19—the lesson remains constant: inequality is not only socially divisive but economically inefficient.

The pandemic reaffirmed this historic truth: shocks always hit the poorest hardest, but policy design determines whether inequalities are magnified or mitigated. Countries with robust automatic stabilisers—such as comprehensive unemployment insurance, public healthcare, and income support—experienced smaller increases in inequality and faster recovery. As Alfani observed, "Neglecting the poor is not only unjust; it is fiscally short-sighted." The moral argument for solidarity must therefore be matched by a financial rationale: the social costs of exclusion—lower productivity, higher healthcare spending, and political fragmentation—ultimately exceed any short-term savings achieved through austerity.

Social Protection as Growth Policy

Reinforcing the economic case for inclusion by challenging the persistent notion that social policies undermine competitiveness. "Social protection is growth policy—it is what allows workers to take risks, families to invest in education, and societies to remain cohesive." (Diamantopoulou, APSC).

Her intervention highlighted the need to mainstream social impact into fiscal governance. The next generation of EU economic rules—particularly under the reformed Stability and Growth Pact—should incorporate a "social investment clause", enabling Member States to treat well-targeted social spending as productive investment rather than deficit. Recognising programmes such as early-childhood education, affordable housing, and upskilling as sources of measurable long-term returns would align fiscal discipline with inclusive growth.

Diamantopoulou also underscored the importance of connecting the EU Anti-Poverty Strategy with the Green Deal and Digital Transition. Without adequate social compensation and investment, these twin transitions risk widening divides between skilled and unskilled workers, urban and rural territories, and younger and older generations. “We cannot decarbonise societies that are already impoverished,” she warned. Integrating social protection into climate resilience strategies is therefore essential to ensure that environmental and digital progress advance equality rather than entrench exclusion.

Measuring Returns to Social Investment

Evidence from Eurofound demonstrates that social spending yields high and measurable returns. Investments in education, activation, and child support generate between €2 and €5 in benefits for every euro invested, through higher employment, greater tax revenues, and better health outcomes (Mascherini, APSC). Yet only a minority of Member States systematically evaluate these effects. As Massimiliano Mascherini, Head of Social Policies at Eurofound, observed, “We measure deficits in decimal points, but we rarely measure the gains from inclusion.”

According to Eurofound estimates, if all Member States matched the social-investment intensity of Europe’s top performers, the EU’s potential GDP could rise by more than 3 percent. Such convergence would also narrow persistent gaps in life expectancy, labour-market participation, and educational attainment—three of Europe’s most enduring structural divides. However, short-term fiscal constraints continue to produce pro-cyclical cuts in the very programmes that sustain resilience. Reducing social investment during downturns does not save money; it extends the next crisis.

At the micro level, Oriana Bandiera (LSE) framed anti-poverty policy as productive investment in human capability. When poverty reflects constraints rather than lack of ability, multifaceted “graduation” programmes—combining temporary income support, health access, and skills or asset building—unlock productivity and raise lifetime earnings (Bandiera, APSC). Long-term experimental evidence shows benefit-cost ratios around 5.4 and internal rates of return near 22 percent, with additional gains from stronger bargaining power and greater resilience to shocks.

For the EU, this translates into youth-focused vocational pathways, short-cycle reskilling in sectors such as health and care, and public employment options that reinforce workers’ security. Embedding rigorous evaluation and phased, evidence-based rollouts within these programmes would ensure accountability, maximise returns, and anchor Europe’s social policy firmly in the logic of investment.

Mobilising Financial and Banking Instruments

Addressing poverty requires mobilising not only public resources but also private and financial capital. Integrating social objectives into Europe’s financial architecture can ensure that markets work for inclusion rather than inequality. As Martin Merlin (Director, DG FISMA) underlined, the EU must embed social goals into its capital markets so that investment supports shared prosperity rather than widening divides (Merlin, APSC).

Ongoing EU initiatives—such as the Social Taxonomy and the Capital Markets Union—aim to strengthen Social Bonds and Sustainability-Linked Finance, enabling investors to fund projects that deliver measurable social outcomes. By setting transparent criteria, the EU can channel private capital towards affordable housing, community infrastructure, microcredit for social enterprises, and employment programmes for vulnerable groups. In Merlin's words, "the fight against poverty needs to move from the welfare office to the balance sheet."

Innovative financial instruments such as impact investing and social outcome contracts can further expand resources for inclusion. Under these models, public authorities pay for verified results—such as job placements or reductions in homelessness—while private investors share the risk and capitalise successful interventions. When guided by strong ethical and accountability standards, such mechanisms can multiply the reach of social programmes without undermining public oversight.

From Expenditure to Resilience: A New Fiscal Paradigm

Together, these perspectives form a compelling case for reimagining Europe's fiscal architecture. For the EU Anti-Poverty Strategy to be credible, it must align with a new paradigm of social investment—one that treats inclusion as a productive factor rather than a fiscal burden. Achieving this shift requires three interlocking reforms.

Integrating social objectives into fiscal rules. The European Semester and the Stability and Growth Pact should incorporate measurable social indicators—including poverty reduction, access to housing, and education outcomes—within fiscal surveillance. This would ensure that budgetary discipline supports, rather than constrains, social progress.

Mainstreaming impact evaluation. Member States should be required to publish cost-benefit analyses and impact assessments of major social programmes, enabling more precise targeting, transparent benchmarking, and efficient resource allocation.

Mobilising finance for inclusion. The EU should expand the use of Social Bonds, establish a Social Investment Facility, and promote the blending of ESF+, InvestEU, and private capital to scale effective local innovations. Aligning financial instruments with social priorities would transform the fight against poverty from an expenditure constraint into a driver of resilience and inclusive growth.

A Sustainable Future Built on Human Capital

Europe's future resilience depends on treating social investment as an economic imperative, not as a luxury. Strong welfare systems are the foundation of democratic stability, protecting societies from populism, insecurity, and unrest (Mascherini, APSC). Historical evidence shows that countries which consistently invest in education, health, and inclusion recover faster from crises and govern more effectively (Alfani, APSC).

Social spending should therefore be understood as productive investment—each euro dedicated to reducing exclusion pays back in dignity, trust, and productivity. As noted during the APSC, social investment is the insurance of our democracies (Diamantopoulou, APSC), while finance can either widen inequality or close it, depending on how the rules are designed (Merlin, APSC). When fiscal and financial systems are aligned with social objectives, they become instruments of cohesion and shared prosperity.

The EU Anti-Poverty Strategy embodies this vision. By linking fiscal policy, social protection, and sustainable finance, it can transform Europe's response to poverty into a long-term growth strategy. Investing in people is not only a moral duty—it is the surest path toward sustainable prosperity and democratic renewal.

CONCLUSIONS AND POLICY RECOMMENDATIONS

Europe's commitment to eradicating poverty must now move from vision to implementation, participation, and coherence (Goulard & Ivanković Knežević, APSC). Effective delivery requires policies that are co-created with those they are meant to serve. Involving NGOs, local authorities, and people with lived experience ensures legitimacy, relevance, and public trust. Fighting poverty is not only about redistribution—it is about citizenship and equal access to housing, finance, healthcare, and education. Investing in inclusion strengthens social stability and underpins Europe's competitiveness, green transition, and digital transformation (Goulard, APSC).

At the same time, delivery must become simpler and more accessible. Streamlined administrative procedures and digital tools can improve take-up and rebuild confidence in public institutions (Ivanković Knežević, APSC). Stronger data collection and place-based approaches are needed to capture the multidimensional nature of poverty and to target resources where they have the greatest impact. Sustained investment in childcare, early education, and vocational training is essential to disrupt intergenerational cycles of disadvantage.

A new narrative must accompany these reforms—one grounded in dignity, rights, and empowerment, not in "deservingness." Enhancing financial and pension literacy across all age groups will be crucial to ensuring long-term security and resilience for future generations.

Taken together, these reflections reaffirm the central message emerging from the conference: eradicating poverty is Europe's most strategic social investment.

To achieve this ambition, the following recommendations emerge:

- ✓ *Embed prevention across generations*. Integrate child, youth, and elderly policies to ensure continuous protection and opportunity throughout the life course.
- ✓ *Guarantee adequate and accessible minimum income.* Simplify procedures, strengthen outreach, and link income support to activation and training opportunities.
- ✓ *Reframe anti-poverty policy as social investment*. Treat social investment expenditure such as on childcare, education, housing, and inclusion as productive human capital formation.
- ✓ *Strengthen data and evaluation.* Support evidence-based policymaking through systematic use of micro-data, pilot projects, experimental methods and impact assessments .
- ✓ *Promote participatory governance*. Involve people experiencing poverty, local actors, and civil society in policy design and monitoring.
- ✓ *Ensure policy coherence.* Align social, environmental, and fiscal measures to ensure the green and digital transitions contribute to inclusion rather than deepen divides.

In conclusion, eradicating poverty is not only a moral imperative but a defining test of the European project itself. Every person lifted out of poverty strengthens the Union's resilience, cohesion, and democratic legitimacy — turning the right to a dignified life into a lived reality for all.

APPENDIX

Speakers

- **Hannah Adzakpa** Caritas Germany and Caritas Europa
- **Guido Alfani** Director, DONDENA Centre for Research on Social Dynamics and Public Policy, Bocconi University
- **Oriana Bandiera** Sir Anthony Atkinson Professor of Economics at the London School of Economics
- **Francesco Billari** Rector, Bocconi University
- **Michela Carlana** LEAP-Laboratory for Effective Anti-poverty Policies, Bocconi University
- **Anna Diamantopoulou** former Commissioner for Social Rights and Employment and Chair of the High-Level Group on the Future of Social Protection
- **Sirio Di Capua** Italian Coordinator, EAPN, European Anti-Poverty Network & PEP CILAP
- **Stefano Filauro** IEP@BU and Università La Sapienza – Rome
- **Pietro Galeone** Head of Labor and Social Policy Unit, IEP@BU
- **Sylvie Goulard** Vice President, IEP@BU
- **Daniel Gros** Director, IEP@BU
- **Katarina Ivanković Knežević** Director for Social Rights and Inclusion, DG Employment, Social Affairs and Inclusion, European Commission
- **Massimiliano Mascherini** Head of unit social policies, Eurofound
- **Martin Merlin** Director, Bank, Insurance and Financial Crime, DG for Financial Stability, Financial Services and Capital Markets Union, European Commission
- **Roxana Mînzatu** Executive Vice-President for Social Rights and Skills, Quality Jobs and Preparedness,European Commission
- **Mario Nava** Director-General, DG Employment, Social Affairs and Inclusion, European Commission
- **Gloria Riva** L'Espresso
- **Jiri Svarc** DG Employment, Social Affairs and Inclusion, European Commission
- **Muhammad Yunus** Prime Minister of Bangladesh and Nobel laureate

Download conference slides

- **Hannah Adzakpa**: Thriving, not just surviving Shaping effective minimum income systems in Europe [Download]
- **Oriana Bandiera**: The graduation approach to Poverty reduction [Download]
- **Francesco Billari**: Demographic Shifts and Socio-Economic Inequalities [Download]
- **Anna Diamantopoulou**: The Future of Social Protection and of the Welfare State in the EU [Download]
- **Stefano Filauro**: Addressing the Root Causes of Poverty in the EU Across Generations [Download]
- **Pietro Galeone**: Thriving, not just surviving – Shaping effective minimum income systems in Europe [Download]

- **Katarina Ivankovic**: Addressing the root causes of poverty in the EU across generations [Download]
- **Massimiliano Mascherini**: Poverty and Finance [Download]
- **Jiri Svarc**: Pillar principle 14: Minimum income policies in the EU as the social safety net [Download]