



European Committee
of the Regions

Commission for
Social Policy, Education,
Employment, Research and Culture

SEDEC

Towards a new EU anti-poverty strategy



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Acronym

AROPE	At Risk of Poverty or social Exclusion
CAP	Common Agricultural Policy
CNMC	National Markets and Competition Commission
COFOG	Classification of the Functions of Government
CoR	European Committee of the Regions
CPR	Common Provision Regulation
DG	Directorate-General
DKK	Danish Krone
EGF	European Globalisation Adjustment Fund for Displaced Workers
EPSR	European Pillar of Social Rights
ERDF	European Regional Development Fund
ESF+	European Social Fund Plus
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
HAP	Housing Assistance Payment
HCP	Housing Contact Point
HESED	Health and Social Development Foundation
IRC	Irish Refugee Council
LRA	Local and Regional Authority
MID	Model for Integrated Development
MFF	Multiannual Financial Framework
NGO	Non-Governmental Organization
R&D	Research and Development
REI	Reddito Di Inclusione
RRF	Recovery and Resilience Facility
SME	Small and Medium Enterprise
SMV	Minimum Vital Supply
SURE	Support to mitigate Unemployment Risks in an Emergency
TFEU	Treaty on the Functioning of the European Union
TUC	Travailleurs d'Utilité Collective
PVPC	Voluntary Price for Small Consumers

EXECUTIVE SUMMARY

In July 2024, the President of the European Commission, Ursula von der Leyen, announced the preparation of the first-ever EU Anti-Poverty Strategy, to be launched in early 2026. The Strategy represents a new opportunity to address poverty and social exclusion, which continue to pose a significant challenge for the EU.

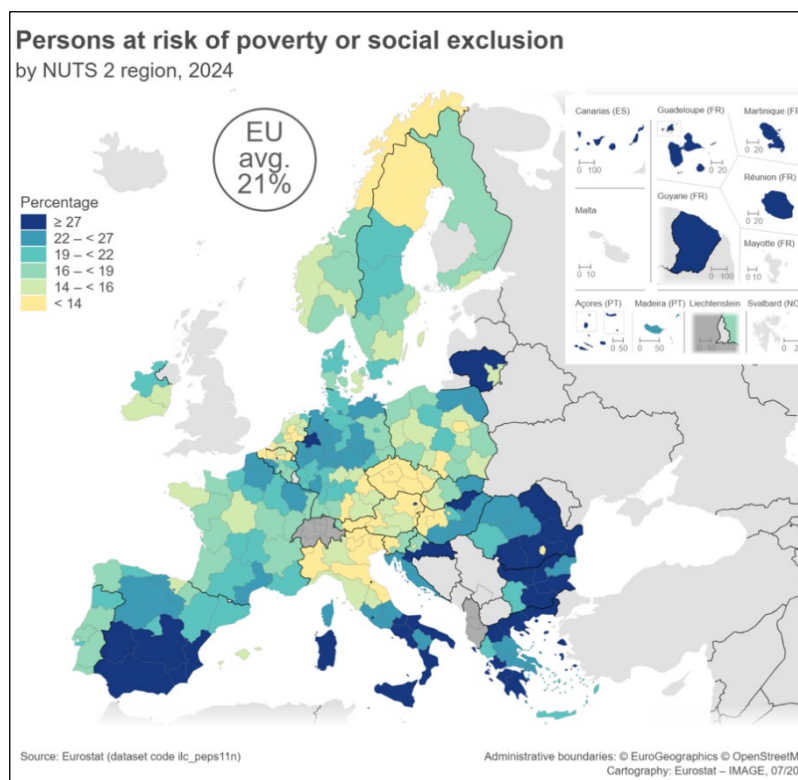
Despite some progress, **the number of people in the EU at risk of poverty or social exclusion (i.e. AROPE) remains high**. In 2024, 93.3 million people, corresponding to 21% of the EU population, were in this situation; of these, 19.5 million were children. Although most Member States have reduced their AROPE rates since 2015, some developed countries, such as France and Germany, while still recording relatively low levels of poverty, have experienced a deterioration in recent years. **Inequality also remains a significant issue in several Member States**. Measured by the GINI index, inequality for the EU was 29.3% in 2024, showing only marginal progress compared to the previous decade. Finally, the most recent economic crisis triggered by the war in Ukraine **has exacerbated the difficulties faced by low- and medium-income households and younger age groups** in paying rent, mortgages and utility bills.

The data analysis in this study reveals several significant patterns regarding poverty in the EU. **Younger people**, particularly young adults aged 16 to 24, are most affected. **Women** are more severely impacted by poverty across all ages, except for girls under 16. **Educational attainment is a key factor**, as individuals with less than primary, primary or lower secondary education levels experience a rate of poverty more than three times that of those with a tertiary education. **The unemployed**, along with others outside the labour force, experience the highest levels of poverty. People at risk of poverty or social exclusion are more than twice as likely to experience **housing difficulties** in their lifetime. Moreover, the risk of poverty or social exclusion is significantly higher for **EU citizens living in other EU countries and non-EU citizens**, compared to nationals. Finally, the risk of poverty or social exclusion in the EU is highest in **cities**, followed by rural areas and suburban zones.

An analysis of more disaggregated data indicates that across the EU **significant disparities among regions and territories persist in terms of poverty**. Approximately 40% of all regions in the EU record AROPE rates equal to or above the EU average in 2024. In 21 regions, the share is at least 35%, and only three regions report less than 10.0% of the population at risk of poverty or social exclusion.

The distribution is also uneven within Member States. For instance, in France, Italy, Germany, Belgium and Hungary, some regions report AROPE rates inferior to 15%, while in other regions, more than a quarter of the population is at risk of

poverty or social exclusion. An analysis of the three components of the AROPE index at NUTS2 level reveals the following: in 2024, 94 regions - just over one third of the total - recorded an at-risk-of-poverty rate equal to or above the EU average of 16.4%. Severe material and social deprivation affected 6.3% of the total EU population, while in nine regions, more than 20% of the population faced such deprivation. Regarding the third component, the share of people aged 0-64 living in a household with very low work intensity (the EU average is 8%), eight regions recorded shares above 20%. Finally, between 2023 and 2024, **the share of people at risk of poverty or social exclusion rose in 103 regions**, remained unchanged in 19 regions, and fell in 103 regions.



Despite this context, **general government expenditure by Member States in the EU to combat poverty has, on average, decreased in recent years.** The analysis in this report, based on data from the Classification of the Functions of Government (COFOG) provided by Eurostat, reveals that government expenditure on ‘social protection’ decreased from over 41% of total government expenditure between 2015 and 2020 to 39.3% in 2023. Regarding expenditure on ‘social exclusion’, the figure rose from 4.1% of social protection spending in 2015 to 6.2% in 2022, before declining to 5% in 2023. Moreover, significant differences also persist among Member States in the amounts per capita dedicated to fighting poverty. **A notable outcome of the study is that Member States with a higher AROPE rate tend to spend less on fighting poverty than those with a lower rate. However, the share of expenditure to combat poverty covered by LRAs tends to be slightly higher in those Member States where the AROPE rate is higher.** In fact, among the Member States with an AROPE rate below the EU average, the share of expenditure on ‘social exclusion’ covered by LRAs was, in average, 42.5% in 2023. In contrast, among those Member States with an AROPE rate above the EU average, this share reached 45.7%. Moreover, the share of LRA expenditure on ‘social exclusion’ accounted for 35.1% of total

general government expenditure on ‘social exclusion’ at the EU level in 2023, up from 30.6% in 2022. These findings confirm **the crucial role played by LRAs in implementing most social policies in the EU, as well as the part they could play in the Strategy.**

For this reason, the study also identified and assessed good anti-poverty measures and practices applied at the local and regional level across the EU, to assess their potential for upscaling and integration into the Strategy. A detailed analysis of seven select initiatives implemented at LRA level - targeting different groups and covering various dimensions of poverty (unemployment, social exclusion, homelessness, energy poverty, and food poverty) - revealed that **fighting poverty requires a collaborative and interdisciplinary approach, integrating multidisciplinary services, investing in awareness campaigns, simplifying application processes, ensuring adequate funding, empowering poor people through skills development to take ownership of their needs, and making a long-term commitment.**

Additionally, final inputs for the study came from a foresight-inspired workshop, highlighting both the added value of an EU anti-poverty strategy and providing valuable suggestions to make it more effective and efficient. A key outcome of the discussion is that **the future Strategy** needs to draw on the lessons learned from the LRAs’ experiences and address the structural drivers of poverty. This includes enabling inclusion by removing barriers, involving target groups in the design of measures, and testing new ideas. Moreover, it **needs to effectively consider all those elements that in the future could undermine its impact**, be they of a political, social, environmental or technological nature. Several potential factors were identified, such as the evolving political scenario, an increase in energy poverty, a shift in EU priorities towards competitiveness, economic growth, and defence, the effects of poly-crises, demographic trends, and technological developments. These factors have the potential to influence the course of events in the future and may pose risks to the effectiveness of the Strategy addressing poverty. Finally, to enhance the Strategy’s effectiveness and efficiency, the study offers several forward-looking recommendations grouped according to strategic level (EU/Member States and LRAs), monitoring level, and financial level.

Strategic level (EU/Member States):

- **Ensure effective LRA participation** in the design and monitoring of the implementation of the Anti-Poverty Strategy by establishing a platform/committee with LRA representatives. LRAs should be also involved in **the design and monitoring of the instruments for social spending as outlined in the recent proposal for the new 2028-2034 MFF**, which requires Partnership Plans to allocate at least 14% of national

resources to reforms and investments that enhance skills, combat poverty, promote social inclusion, and support rural development.

- Create an **EU Task Force on Anti-Poverty**, based on the experience of the Task Force on Equality, involving all Directorates-General in coordinating an anti-poverty agenda that integrates different EU policies.
- Adopt **National Anti-Poverty Plans/Strategies that make LRA participation in the design and monitoring compulsory**.

Strategic level (LRA):

- Create a **Technical Assistance Programme** for LRAs, supporting them in designing local anti-poverty strategies
- **Establish an anti-poverty portal/platform** for LRAs, social enterprises, and financial providers intending to implement anti-poverty solutions to share best practices.
- **Encourage** (through guidance and financial resources) **LRAs to adopt Anti-Poverty plans**.
- **Encourage and support LRAs** (through guidance and financial resources) **to use integrated territorial tools** (ITI, CLLD) to design and implement anti-poverty plans and initiatives.

Monitoring level:

- Ensure that the Anti-Poverty Strategy sets up measurable outcomes and results with **indicators disaggregated at least at the NUTS2 level**.
- Expand the scope of the '**do no harm to cohesion**' to ensure that no action should be taken that might create social and economic disparities between or **within regions** (rural vs urban, periphery vs centre, etc).
- Introduce an **expenditure tracking system** to monitor the contribution of cohesion policy to combat poverty.

Financial level:

- Ensure that the Anti-Poverty Strategy also contains **funding resources** that LRAs can use to support anti-poverty measures.
- **Increase the percentage ceiling for expenditure earmarked for programmes designed to fight poverty** under ESF+ (or other social funding) in the next programming period.
- Exclude **public investments to combat poverty from deficit calculations** to allow LRAs to use public resources to finance interventions to combat poverty.
- Incentivise LRAs (with guidance, technical support via EIB Group, and financial mechanism) to use more innovative financial tools such as the

Social Impact Investment to support social enterprises/businesses addressing poverty.

INTRODUCTION

Study background and key objectives

The study *Towards a new EU anti-poverty strategy* aims to collect and analyse information and data on the current situation of poverty in the EU, with a focus on statistics disaggregated at the territorial level. It also seeks to identify and assess effective anti-poverty measures and practices applied at local and regional levels across the EU. Moreover, it explores the added value of an anti-poverty strategy and support at EU level. The final goal is to provide the European Committee of the Regions (CoR) with insights and recommendations for its opinion on the EU Anti-Poverty Strategy.

The EU Anti-Poverty Strategy (the Strategy) was announced by the European Commission in July 2024¹ and is due to be presented in the first quarter of 2026. **It is expected to fill existing strategic gaps in fighting poverty at EU level.** Specifically, the Strategy should concretely contribute to the third target of the action plan for the implementation of the European Pillar of Social Rights (EPSR)², which aims at reducing the number of people at risk of poverty or social exclusion (AROPE, see the box in the next section of this introduction for details) by at least 15 million, including 5 million children, by 2030. Compared to the other two EPSR's targets³, this ambitious target appears unattainable. The current picture indicates that **poverty is still a significant problem in the EU**, and preliminary indications reveal that the AROPE situation deteriorated in 2024 compared to 2023. Additionally, the AROPE share (21% of the EU population in 2024, i.e. 93.3 million people), is unevenly distributed across the EU: **significant disparities persist across and within (i.e. inter-regional differences) Member States**, between urban and rural areas, between younger and older people, and according to educational attainment and citizenship.

This situation, together with the EPSR's unmet goal, raises **questions on whether past and current policies and initiatives at EU level to combat poverty have been effective in terms of poverty reduction.** The Strategy is therefore expected to be the first to adopt an integrated, tailored and structured approach to addressing poverty. To date, the European Commission, through the EPSR, has supported Member States in combating poverty and social exclusion by providing policy guidance, including related country-specific recommendations, to strengthen employment and social policies, invest in social services and social

¹ Ursula von der Leyen (2024), *Europe's Choice Political Guidelines for the Next European Commission 2024–2029*.

² European Commission (2021), *The European Pillar of Social Rights Action Plan*.

³ At least 78 of the population aged 20 to 64 in employment, and at least 60 of all adults participating in training every year

infrastructure, and optimise the use of EU funding. The EU has also launched several different initiatives under the EPSR and approved various funding mechanisms over time⁴. However, this approach has not adequately accounted for the multidimensionality of poverty, the complexity of anti-poverty governance systems at Member State and specifically, local level, or the need to address a key blind spot in traditional welfare systems, namely the ‘missing poor’, i.e. those individuals and small groups that remain invisible in aggregate statistics⁵. **The risk is that EU policy continues to have a negligible impact on reducing poverty, as in the past⁶.** Moreover, the current shift in EU policy - towards a more performance-based budget, the centralisation of decision-making, and priorities such as fiscal discipline, competitiveness and defence - could divert EU resources, and, specifically, cohesion policy funds, to activities which do not promote social or territorial cohesion, thereby reversing, any poverty reduction and social inclusion progress⁷ achieved so far.

Adopting and effectively implementing an integrated, tailored and structured Strategy, therefore, means **treating poverty as a multi-faceted, multi-dimensional and complex topic**. Poverty can, in fact, be shaped and defined by diverse economic, social or political aspects. It is often interlinked with social exclusion, influenced by factors such as housing deprivation, low education level and debt, while concepts like well-being and basic needs also shape its definition. At the same time, recent and ongoing poly-crises - including the economic crisis, the COVID-19 pandemic and its implications, and the Russian war in Ukraine - have exacerbated the phenomenon. Moreover, as income poverty and inequality are closely linked, poverty cannot be effectively tackled without also addressing inequality⁸. As a phenomenon with multiple roots, **combating poverty in the EU therefore requires cross-sectoral measures and coordinated initiatives**. A key focus of the study is how the Strategy can effectively address the abovementioned challenges. To this end, **the study also explores the potential role that Local and Regional Authorities (LRAs) can have in the Strategy**. LRAs are, in fact,

⁴ For instance, in the current programming period, each Member State must allocate at least 25% of ESF+ resources to social inclusion initiatives and a minimum of 5% toward combating child poverty. Moreover, additional EU spending programmes, such as the ERDF; the JTF, the RRF, or the EGF, address specific groups in the social field related to poverty.

⁵ See, for instance, The Parliament (2025), *Op-ed: Vulnerable women are too often missing from poverty data*, [on-line article](#), 7 March 2025.

⁶ Graziano P. and Polverari L. (2020), *The social impact of EU cohesion policy*, in ‘Social policy in the European Union 1999-2019: the long and winding road’, edited by Vanhercke B. *et al.*, ETUI and OSE.

⁷ Vanhercke B., Sabato S. and Spasova S. (2024), *Conclusions. A ‘social’ paradigm shift in the shadow of austerity and competitiveness reload*, in ‘Social policy in the European Union: state of play 2023 - An ambitious implementation of the Social Pillar’, edited by Vanhercke B., Sabato S. and Spasova S., ETUI and OSE; Eurochild.org (2024), *Next EU budget needs to prioritise Cohesion Policy and social investments*, [on-line article](#), 11 December 2024; EAPN (2024), *People’s summit: building the future of social rights – Towards an EU Anti-Poverty Strategy*.

⁸ European Parliament (2022), *EU welfare systems and the challenges of poverty and inequality*, European Parliamentary Research Service.

responsible for implementing most social policies in the EU, and could therefore play a crucial role in the Strategy. Consequently, the study intends **to assess whether policies at the local and regional level can be upscaled and how they could form the core of the Strategy**. Moreover, it aims to understand **how LRAs can contribute to the design and implementation of the Strategy**, which requires mechanisms to coordinate EU action with national, regional and local competencies. Finally, considering the importance of assessing the potential impact of the Strategy, this study also reviews **whether existing mechanisms for monitoring poverty at LRA level are adequate and reliable or whether further efforts are needed to collect indicators at a more territorial level**.

Study content and methodological approach

The study is structured around five chapters:

- **Chapter 1** describes the current situation of poverty in the EU and its evolution over time at EU, national and regional levels. It presents indicators, statistics, current trends, and potential developments, including a breakdown of the key factors and components influencing poverty and the specific characteristics of vulnerable groups (such as children, young adults and migrants). By collecting and analysing quantitative information, it contributes to understanding and identifying the main trends and drivers of poverty in the EU. It also evaluates the adequacy and reliability of indicators measuring poverty at the territorial level.

The chapter is based on an analysis of the AROPE rate (see the box below for its definition) across the EU and over time. The primary source for this is the EU ‘Statistics on Income and Living Conditions’ (EU-SILC) database by Eurostat⁹, which focuses on income but also provides information on social exclusion, housing conditions, labour, education and health. These data and statistics have been complemented by other reports, academic papers, European institutional documents and studies.

Box 0.1: Indicator ‘At risk of poverty or social exclusion (AROPE)’

The AROPE rate is the share of the total population at risk of poverty or social exclusion. It is the main indicator to monitor the EU 2030 target on poverty and social exclusion. In the EU approach, poverty is considered a multi-dimensional phenomenon and is not defined only by low-income levels. Beyond the single income-based approach, the measurement of poverty at EU level has been fine-tuned over time to also consider living conditions¹⁰. Therefore, the AROPE rate is a composite indicator based on three distinct categories:

⁹ Available [here](#).

¹⁰ Damon J. (2020), *Combating Poverty in Europe: Mixed Results, New Proposals*, Social Europe, Policy Paper No.254

- **risk of poverty:** the share of people with an equivalised disposable income below the at-risk-of-poverty threshold, which is set at 60% of the national median equivalised disposable income after social transfers;
- **severely materially and socially deprived:** an indicator reflecting the enforced lack of essential and desirable items necessary for an adequate life¹¹;
- **living in a household with a very low work intensity:** defined as the number of persons living in a household in which the working-age members worked 20% or less of their total work-time potential during the previous year.

The AROPE rate is based on the sum of individuals classified in one or more of the above categories.

• **Chapter 2** focuses on an assessment of the division of powers, providing an overview of the allocation of powers/competences across different government levels within each Member State. This chapter draws on data from the Classification of the Functions of Government (COFOG) provided by Eurostat,¹² which enables a breakdown of expenditure by government level¹³. The analysis focuses on the function ‘social protection’ and, more specifically, on its subcategory ‘social exclusion’. Data have been analysed at EU, national, and LRA level, and from both a historical and an intra-country perspective. This quantitative information has been further complemented by qualitative data from the CoR’s Division of Powers database¹⁴, which describes, per Member State, the division of competences between the central level and subnational levels for the category ‘social policy’.

• **Chapter 3** is based on a good practices analysis. Following a review of the EU actions and legislations adopted to fight against poverty, the analysis describes a selection of good practices mainly at the LRA level. The seven selected practices are from Denmark, Bulgaria, Czechia, Spain, Italy, Ireland, and Luxembourg, each addressing a different target group and the root causes of poverty, as well as providing some justification for their transferability. The seven good practices exemplify interventions addressing poverty, each reflecting a different dimension of the issue: unemployment - Staircase to Staircase (Gellerup Aarhus, Denmark); social exclusion - Model for Integrated Development (Sofia Municipality, Bulgaria); homelessness - Development of social housing in the city of Ostrava

¹¹ Those who cannot afford at least 7 of 13 deprivation items that most people consider desirable or even necessary for an adequate quality of life; among these, 6 relate to individuals and 7 to households.

¹² Available [here](#).

¹³ Eurostat, ‘General government sector’, Statistics Explained, available [here](#).

¹⁴ Available [here](#).

(Czechia); energy poverty - Electricity social voucher (Spain); vulnerable families - Citizen Income Granted (Livorno Municipality, Italy); refugees and migrants - Irish Refugee Council's housing programme (Ireland); and food poverty - Caddy Workshop (Luxembourg).

- **Chapter 4** includes a foresight exercise focusing on future perspectives for the Strategy. This foresight exercise was based on an online Focus Group (FG) with selected experts and representatives of the LRAs, associations and networks. It covered themes concerning how potential long-term impacts, challenges and opportunities, technological advancements, global economic shifts and changing regional dynamics could shape EU anti-poverty policies in different ways. It therefore contributes to the discussion on the key elements concerning future developments of the Strategy and stimulates exchange for a richer and more multi-faceted understanding of the issues related to poverty in the EU.

- **Chapter 5** presents key study findings and recommendations.

The study also contains five annexes on references, available indicators and sources on poverty, a list of good practices at the LRA level, a summary presentation of the main findings and recommendations, and social media sharables and visuals.

1 POVERTY: WHAT IS THE CURRENT SITUATION IN THE EU?

This chapter presents an overview of the situation regarding poverty at EU and national levels (section 1.1) and at regional level (section 1.2), from a historical perspective, with a focus on key data and indicators.

The data and indicators at EU and national level used in this chapter are updated to 2024, when the number of people at risk of poverty or social exclusion (AROPE) in the EU was 93.3 million (21% of the EU population). Despite a slight decrease in the AROPE rate from 2023, preliminary information indicates that the situation deteriorated in 2024. This is the result of lasting effects of the COVID-19 pandemic, coupled with the new crisis triggered by the war in Ukraine, which has driven up utility costs and the overall cost of living¹⁵. While highlighting the need for a thorough understanding of poverty in the EU and, specifically, across its regions, this situation also underscores the urgency to design, adopt and implement the EU anti-poverty strategy to substantially reverse the current poverty trend.

Box 1.1: Poverty indicators

At EU level, the main source of information tracking poverty is the EU Statistics on Income and Living Conditions (EU-SILC) compiled by Eurostat. This database plays a central role in monitoring progress under the European Pillar of Social Rights. It focuses primarily on income, while also providing information on social exclusion, housing conditions, labour, education and health. Although some indicators are disaggregated at the regional (NUTS 2) level - as presented in this chapter and detailed in the annex - more detailed disaggregation by individual characteristics (e.g., gender, age, or education) at the regional level is generally unavailable. This restricts the ability to explore the multidimensional and intersectional nature of poverty. Moreover, local-level data (below NUTS 2) are not systematically collected or made publicly available, further limiting territorial analysis.

Additional sources screened in this study include the OECD Income Distribution Database, which provides statistics on income and wealth inequality, poverty, and redistribution across OECD countries. The World Bank's Poverty and Inequality Platform provides country profiles with historical and current data on poverty, inequality, and shared prosperity, disaggregated by individual characteristics such as age, gender, location

¹⁵ Eurofound (2024), *Quality of life in the EU in 2024: Results from the Living and Working in the EU e-survey*.

(urban/rural), and education level. The World Inequality Database (WID)¹⁶, documents the historical evolution of income and wealth distribution within and between countries. In addition, the ILOSTAT Database, provided by the International Labour Organisation (ILO), tracks labour-related statistics, including indicators on working poverty, labour income inequality, the informal economy, and social protection. While all of these sources offer valuable comparative insights at national level, they provide limited or no subnational disaggregation, particularly at regional and local levels.

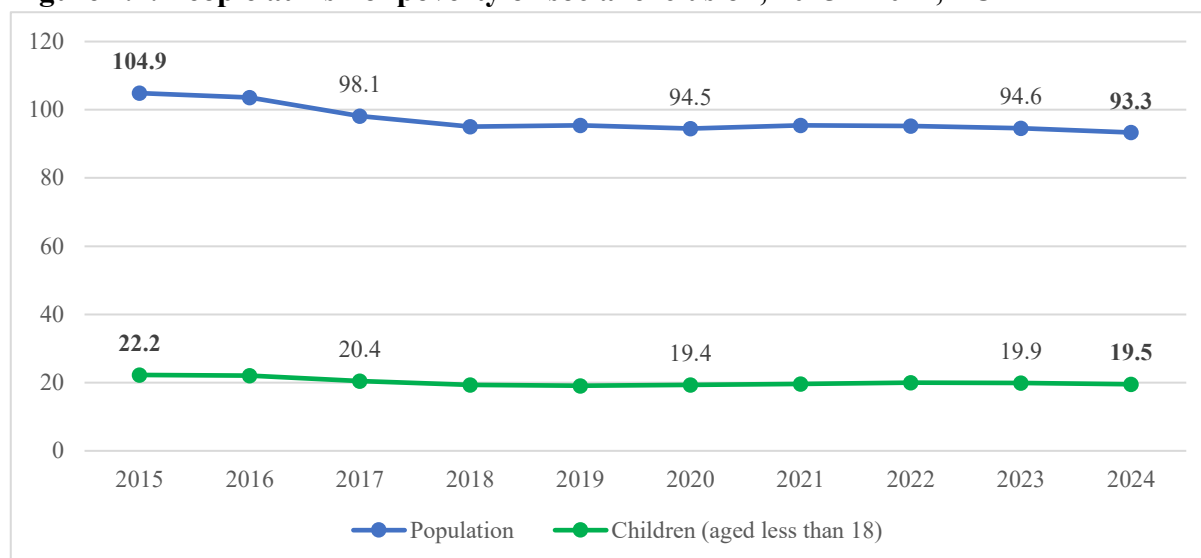
Despite the limitations in geographical granularity and data completeness, EU-SILC remains the most comprehensive and harmonised source of poverty-related data in the EU. A complete list of the datasets used in this chapter, along with those reviewed, is provided in annex II to this report.

1.1 Overview at EU and national level

As indicated in the introduction to this report, poverty is a multidimensional phenomenon; for this reason, it is monitored using several indicators. The main EU indicator is the ‘at risk of poverty or social exclusion (AROPE)’ indicator (see the box in the introduction), which was used as a headline indicator in implementing the EPSR. The AROPE share has been reported by Eurostat since 2015. The figure below shows its evolution over the years, considering both the total EU population and, separately, children (individuals under the age of 18). The data indicate that the number of people at risk of poverty or social exclusion decreased steadily from 2015 to 2018, but this trend was later reversed and has stagnated in recent years. This casts uncertainty about achieving the EPSR's headline target to reduce the AROPE population to 80.4 million (14.1 million children) or fewer by 2030.

¹⁶ The World Inequality Database is coordinated by Thomas Piketty and supported by institutions such as the École normale supérieure, Berkeley University, and the Ford Foundation,

Figure 1.1: People at risk of poverty or social exclusion, 2015 – 2024, EU

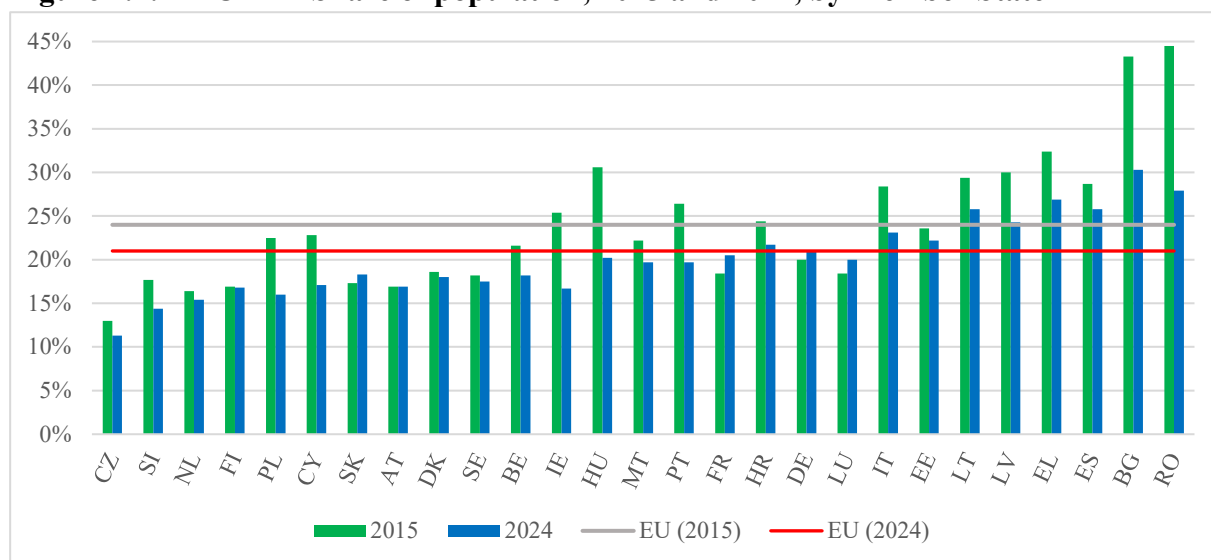


Source: Consortium elaboration based on Eurostat data (ilc_pecs01)

Throughout the analysed period, both the absolute number and the share of children among the AROPE population declined until 2019, after which the trend reversed and began to rise again. At EU level, around 24.2% of children (i.e. 19.5 million) were considered at risk of poverty or social exclusion in 2024. This figure also varies significantly across Member States. In Bulgaria, Spain and Romania, the share of children in poverty is almost ten percentage points or more above the EU average.

The figure below shows the distribution of the AROPE index by Member State relative to the EU average. At EU level, the share of people at risk of poverty or social exclusion decreased from 24% in 2015 to 21% in 2024. In ten Member States, the value remained above the EU average: Bulgaria (+9.3), Romania (+6.9), Greece (+5.9), Spain +4.8), Lithuania (+4.8), Latvia (+3.3), Italy (+2.1). Estonia (+1.2), Croatia (+0.7), and Germany (+0.1).

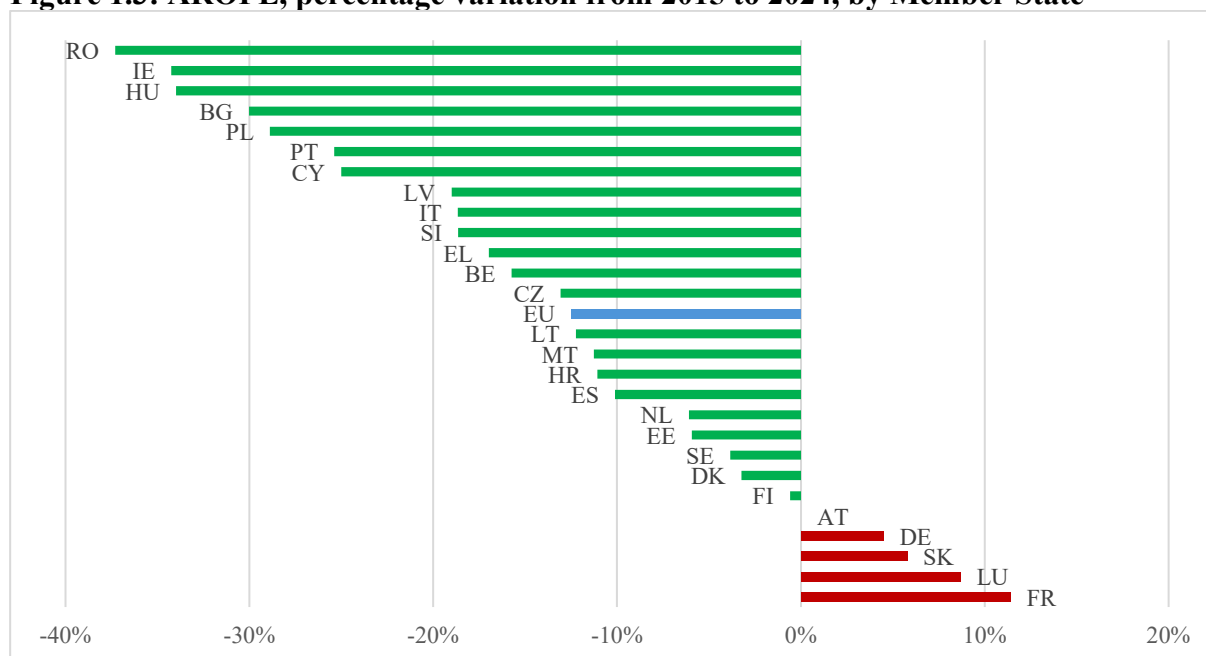
Figure 1.2: AROPE – Share of population, 2015 and 2024, by Member State



Source: Consortium elaboration based on Eurostat data (ilc_pecs01)

In general, most Member States reduced their AROPE index from 2015 to 2024, as illustrated in the graph below, showing the relative variation for each Member State. The chart shows that, despite remaining above the EU average, some Member States have seen a considerable decrease in the AROPE index since 2015. Romania led this positive trend, reducing its share of people at risk of poverty or social exclusion from 44.5% in 2015 to 27.9% in 2024, but still above the EU average. Conversely, other Member States, while exhibiting relatively low levels of poverty, have seen their position worsening in recent years. Indeed, this was the case for France in 2024, where around 20.5% of the population was at risk of poverty or social exclusion, against a value of 18.6% in 2015.

Figure 1.3: AROPE, percentage variation from 2015 to 2024, by Member State



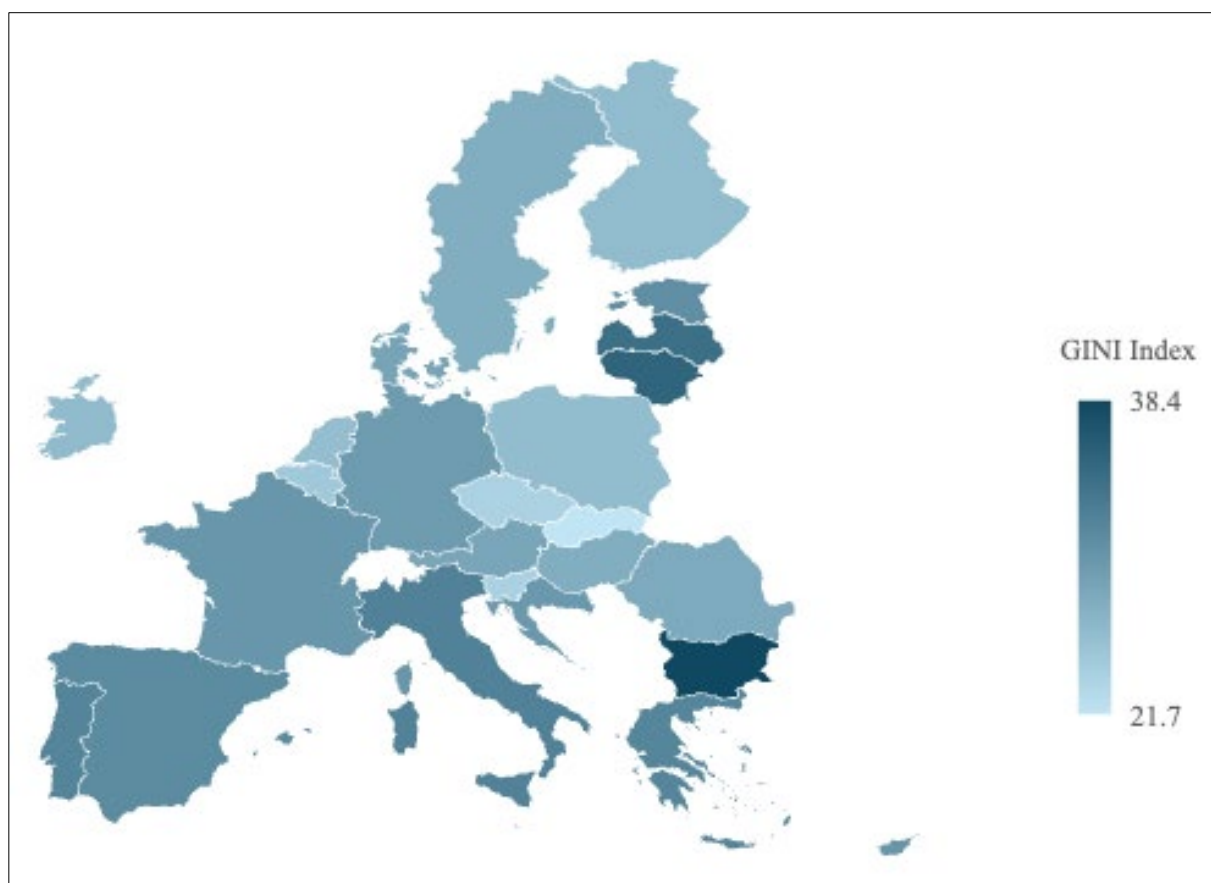
Source: Consortium elaboration based on Eurostat data (ilc_pecs01)

Considering the variation between 2023 and 2024, the overall AROPE rate in the EU decreased slightly from 21.3% to 21% (i.e. by around 1 million people). This rate, consistent with the pattern, has remained fairly static over the last 4 years. At the Member State level, only Romania (-4.1), Ireland (-2.5) and Estonia (-2) recorded significant declines in their rates in 2024. The majority of Member States showed no significant change, while rates rose significantly (by at least +1) in Finland, Croatia, and Lithuania. In terms of absolute numbers, substantial decreases were observed in Romania (-739 thousand), Germany (-199 thousand), Poland (-157 thousand), and Ireland (108 thousand), while significant increases were found in Italy (+133 thousand), Greece (+86 thousand), France (+68 thousand) and Finland (+61 thousand). Considering the child population at risk of poverty or social exclusion, there was a decrease of 453 thousand from 2023 to 2024. However, this overall decline masks diverse trends across Member States. In 11 Member States, the share of children at risk of poverty or social exclusion rose significantly, most notably in Finland, Croatia, Belgium and Bulgaria. At the same time, some Member States, such as Romania, Ireland and Hungary, recorded significant decreases.

In terms of **inequality**, measured by the GINI Index, the EU coefficient was 29.3 in 2024, slightly down from 2023. Since 2011, the index has shown some variation: it peaked in 2014 (30.9) before decreasing to 30.1 in 2020. A marginal increase was observed in 2021 (30.2). Among the EU countries, the highest income disparities in 2024 were recorded in Bulgaria (38.4), Lithuania (35.3) and Latvia (34.2). In contrast, France, Croatia, Cyprus, Sweden and Germany reported

Gini coefficients close to the EU average, indicating income distributions largely aligned with the EU norm. At the other end of the spectrum, in Slovakia, Czechia, Slovenia, and Belgium, income was more evenly distributed, with Gini coefficients below 25.

Figure 1.4: Gini coefficient for equivalised disposable income per inhabitant, 2024 (scale from 0=max equality to 100=max inequality; EU=29.3)



Source: Consortium elaboration based on Eurostat data (ilc_di12)

Box 1.2: Impact of crises on poverty in the EU

Overall, the impact of the **COVID-19 pandemic** on the AROPE rate was marginal¹⁷. The rate in the EU decreased from 22.1% to 21.7%, and the range of AROPE values across Member States also narrowed (10.7–34.4%). However, a significant negative aspect is that up to nine countries saw an increase in their AROPE rates, the greatest being Germany (1.7 pp) and Luxembourg (1.4 p.p.). At the same time, seven countries recorded a substantial decline in AROPE (over –2.0 pp), the most notable being Romania (–5.4 pp). These decreases were much greater than those observed in the period under

¹⁷ Michálek A. (2023), *Changes in the social situation in EU countries during COVID-19 (an alternative approach to the assessment of social indicators)*, Regional Science Policy & Practice, Vol.15(8), pp. 1841-1864.

review before the pandemic. Overall, the support from EU policy, along with a number of measures adopted by the governments of Member States, helped mitigate the economic and social consequences of the pandemic. In particular, these measures had a favourable effect on the labour market by offsetting household income losses and reducing the level of poverty. Moreover, they also contributed to maintaining the level of inequality stable (the Gini Index even decreased, although minimally, from 30.3% in 2019 to 30.1% in 2020).

However, **the pandemic had a particularly strong impact on child poverty**¹⁸. The share of children suffering from severe material deprivation was halved between 2012 and 2019 - a decline that was greater than that for adults - helping to reduce the share of children in absolute poverty. The pandemic interrupted this positive trend, as child poverty surged. In 2020 alone, the number of children suffering from severe material deprivation increased by 0.9 million in the EU (+19%), with the share rising by 1.1% to 6.8%. As children were more affected by poverty than adults, their proportion among those suffering from severe material deprivation increased markedly, erasing, in a single year, all the progress made in the second half of the 2010s. The increase was particularly steep (by 3% or more in a year) in Germany, Romania, and Spain, which together accounted for almost one-third of the EU child population.

The **war in Ukraine had a profound** impact on rising energy prices. Even though the overall AROPE rate decreased between 2022 (start of the war) and 2023, energy price shocks continued to affect households in the EU across different income levels - not only the vulnerable, but also middle-income households. The effects of energy price shocks were not uniform across Member States due to differences in their energy pricing structures, the use of different fuels, climatic conditions, and policy choices made to stabilise prices, among other factors. However, overall, increasing gas and electricity prices also impacted transport costs, indirectly contributing to rising food prices, which particularly impacted lower-income households. Specifically, it has been estimated¹⁹ that, without policy interventions, the share of households spending more than 10% of their budget on energy in the EU would have increased by 16.4% for the general EU population and by 19.1% for the AROPE population. In the same context, the share of households spending more than 6% of their budget on transport fuels in the EU would have increased by 10.3% for the general EU population and by 5.3% for the AROPE population²⁰. Member

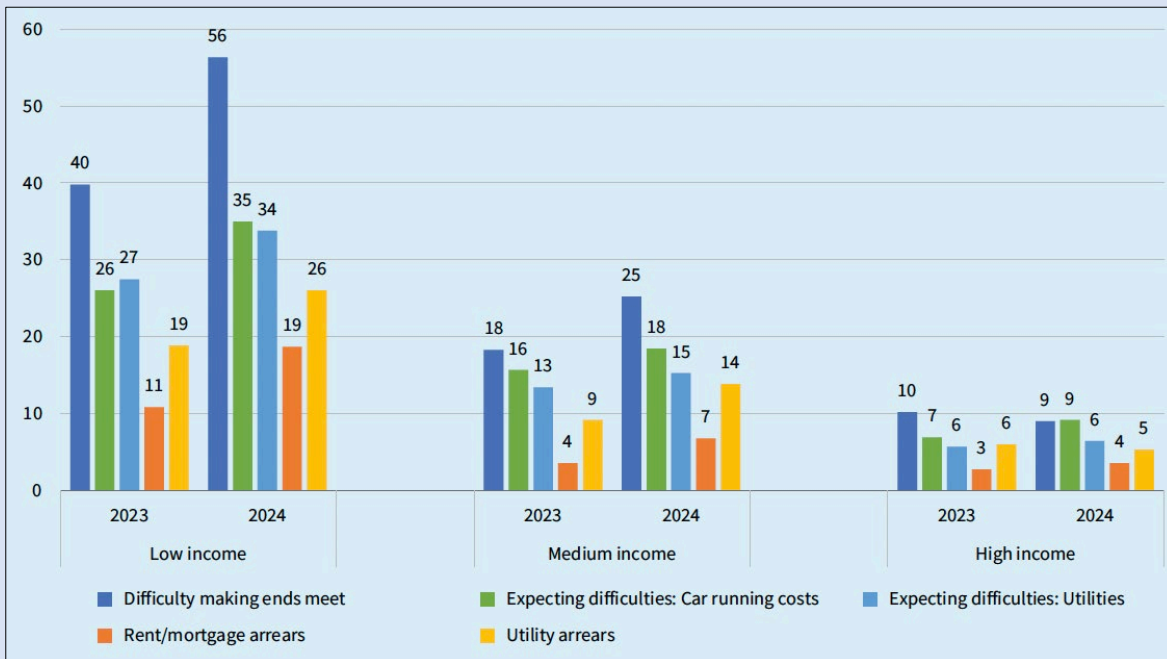
¹⁸ Hallaert J.J., Vassileva I., and Chen T. (2023), *Rising Child Poverty in Europe - Mitigating the Scarring from the COVID-19 Pandemic*, IMF Working Paper WP/23/134, International Monetary Fund.

¹⁹ European Commission (2023), *Economic and distributional effects of higher energy prices on households in the EU*.

²⁰ This is line with the literature in this field, suggesting that while the AROPE population is generally more vulnerable to energy price increases than the whole population, the opposite is true for transport price increases.

States have adopted various measures to provide rapid and tangible relief against high energy prices and the rising costs of living while targeting support to people, households, and businesses in need, as far as possible.

Figure 1.55 Proportion of respondents to the Eurofound survey with cost-of-living difficulties by household income, EU, 2023–2024 (%)



Source: Eurofound (2024), *Quality of life in the EU in 2024: Results from the Living and Working in the EU e-survey*, p.3.

However, most of the measures were not sufficiently targeted and may have played a regressive role²¹. In fact, where the wages and government support were unable to compensate for the high price increases in essential goods and services, the situation resulted in a cost-of-living crisis²². As evidenced by the 2024 survey by Eurofound²³, in 2024, compared to 2023, more people, especially those from low and medium-income households and in the younger age groups, reported increasing difficulties in paying rent, mortgages and utility bills, and were unable to afford certain items or activities (30% of respondents, up from 22% in 2023, said it was difficult or very difficult to make ends meet). The survey also highlighted that the rising cost of living continues to be the primary concern for respondents across the EU, particularly for those with low

This confirms that residential energy expenditure is regressive, but energy for transport fuels is non-regressive. A possible explanation relates to the low car ownership rates and/or low travel demand in the households with the lowest incomes.

²¹ Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, 2023 European Semester - Spring Package, COM(2023) 600 final.

²² European Parliament (2024), *Economic impact of Russia's war on Ukraine: European Council response*, European Parliamentary Research Service.

²³ Eurofound (2024), *Quality of life in the EU in 2024: Results from the Living and Working in the EU e-survey*.

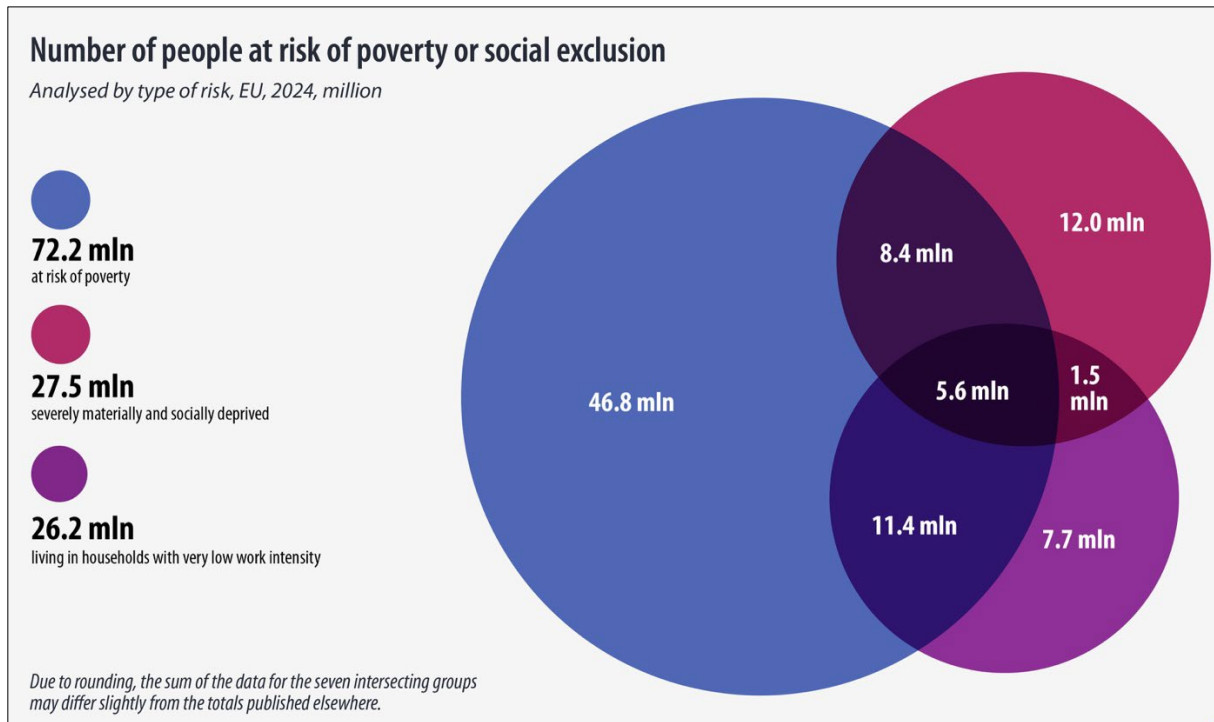
and middle incomes, who are struggling more to cover expenses compared to 2023. Respondents living in southern and eastern Member States bore the brunt of these financial difficulties, particularly in relation to the rising cost of living and housing insecurity.

1.1.1 Components of the AROPE Index

The three components of the AROPE index are people at risk of poverty, people severely materially and socially deprived, or those living in a household with a very low work intensity (see box in the introduction). As the methodological approach explains, people are classified as at risk of poverty or social exclusion if they belong to one of the three categories. However, the weight of each component in determining the final index is different, as illustrated by the figure below. In 2024, around 72.2 million people in the EU were at risk of poverty, up from 71.9 million in 2023. Of these, 8.4 million were also severely materially and socially deprived (9 million in 2023), while 11.4 million were also living in a household with very low work intensity (11.2 million in 2023). Finally, 5.6 million people in the EU were classified under all three components of the index (up from 5.5 million in 2023). Although the three components of the indicator are related and may overlap, they remain conceptually distinct. The figure illustrates how ‘monetary poverty’ - measured by the level of equivalised disposable income after social transfers - is the component affecting the largest number of people. It is important to note that, as the ‘at-risk of poverty’ component is defined in relation to the national median income, the share of people in poverty may remain stable even in a period of increasing median income, depending on the distribution of wealth within the population²⁴.

²⁴ Eurostat (2024) *Sustainable Development in the European Union – Monitoring report on progress towards the SDGs in an EU context*.

Figure 1.66: AROPE components, EU (2024)

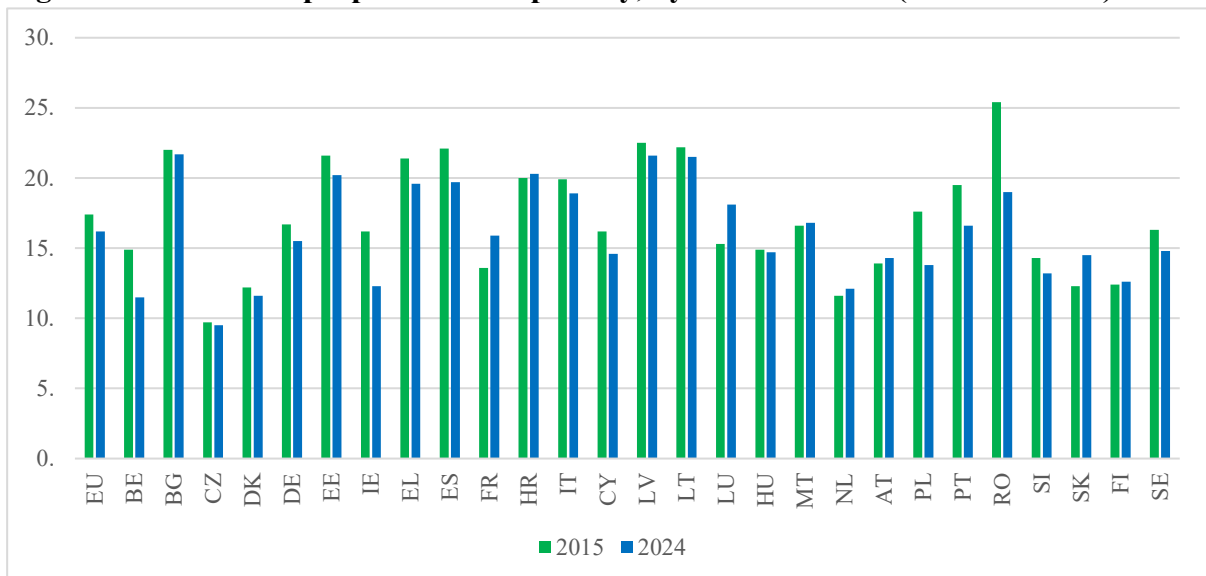


Source: reproduced Eurostat (2025), *Living conditions in Europe – Poverty and social exclusion*, Statistics Explained.

People at risk of poverty

The figure below shows the share of people at risk of poverty in the Member States and the EU average (16.2% in 2024). The figure also compares the rate in 2024 against the data from 2015.

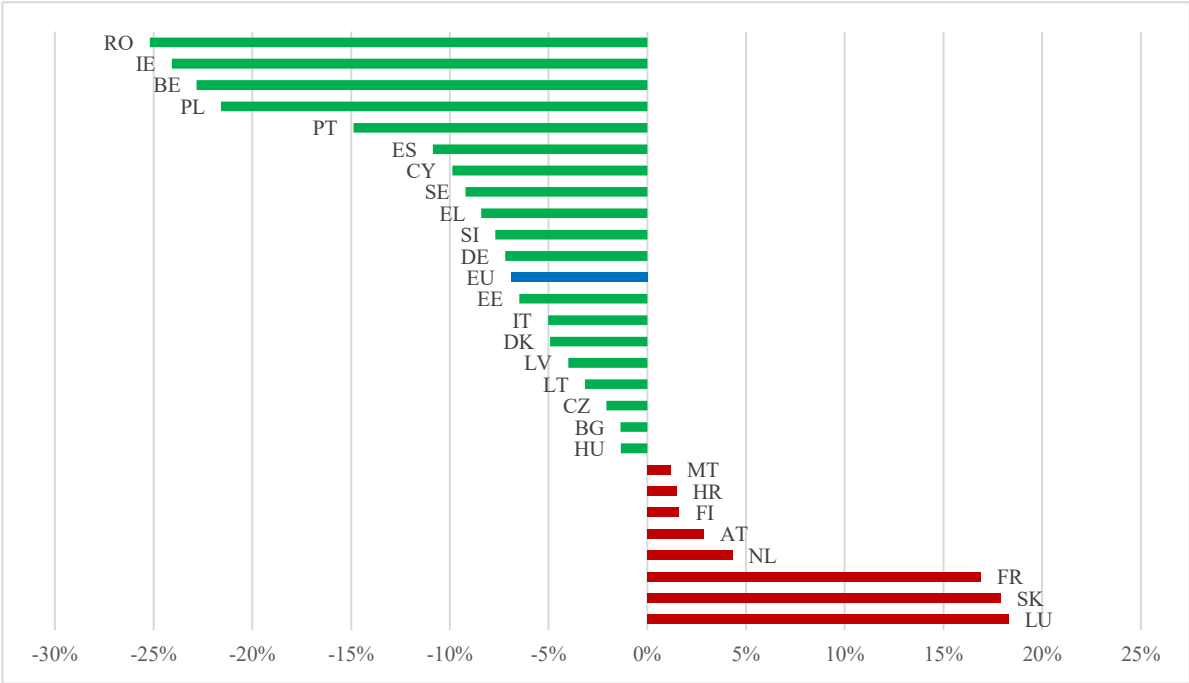
Figure 1.77: Share of people at risk of poverty, by Member State (2015 and 2024)



Source: Consortium elaboration based on Eurostat data (ilc_li02)

The figure below shows the percentage variation between 2015 and 2024. During this period, despite the positive trend at EU level that saw a reduction in the share of the population at risk of poverty of nearly 7%, eight Member States recorded an increase in this component, with the most significant rises observed in Luxembourg (+18.3%), Slovakia (+17.9%) and France (+16.9%).

Figure 1.88: Share of people at risk of poverty, % variation from 2015 to 2024, by Member State

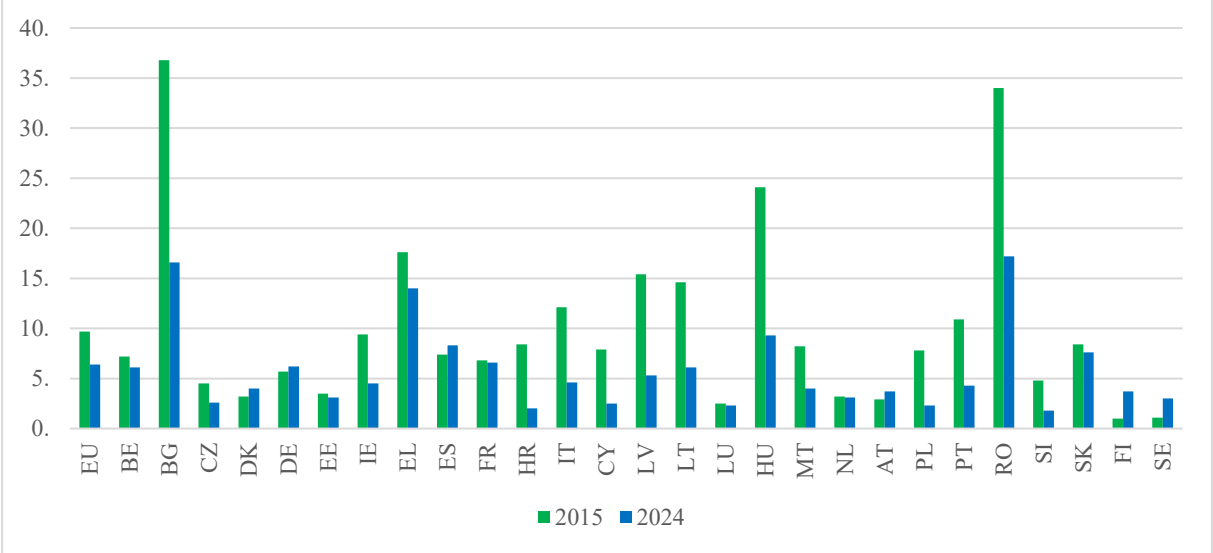


Source: Consortium elaboration based on Eurostat data (ilc_li02)

People severely materially and socially deprived

The second component of AROPE - people who are severely materially and socially deprived - is defined as those unable to afford a set of specific goods, services, or social activities that are considered essential for an adequate quality of life. The rate is calculated on the basis of the share of people unable to afford seven or more items from this set. Data shows that the rate was 6.4% at EU level in 2024, down from 9.7% in 2015.

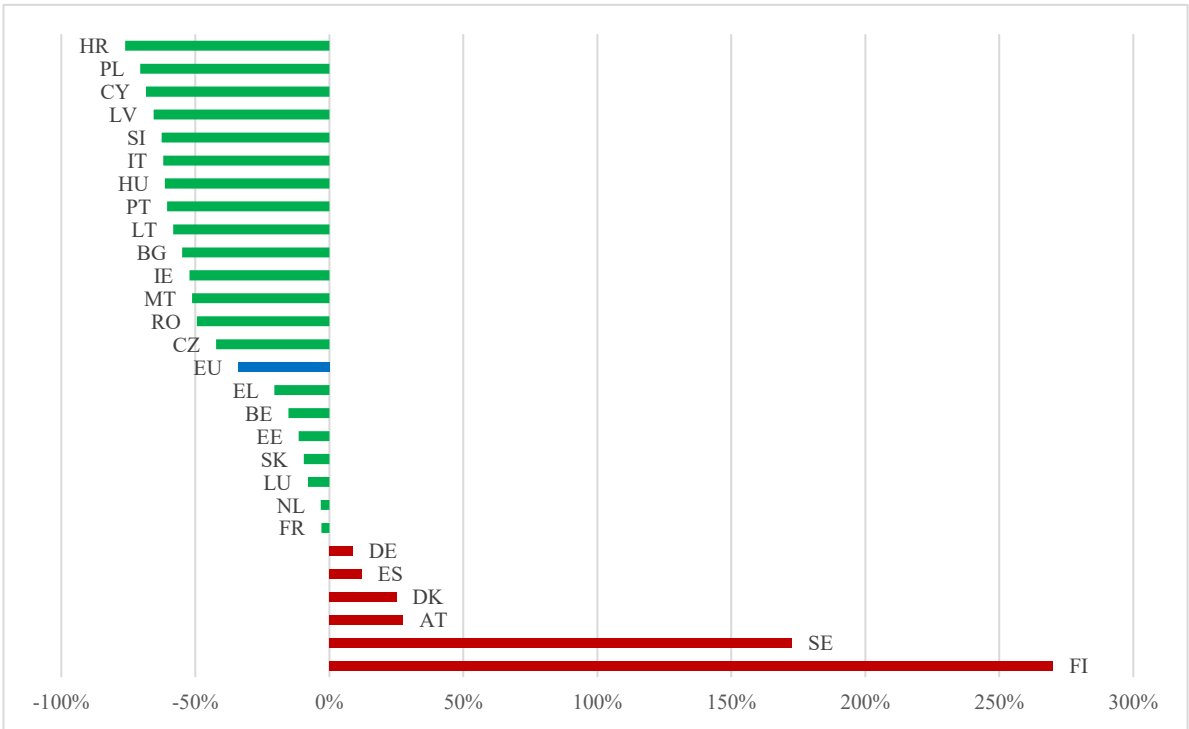
Figure 1.99: Share of people severely materially and socially deprived, by Member State (2015 and 2024)



Source: Consortium elaboration based on Eurostat data (ilc_mdsl11)

As with the headline index, the share of people severely materially and socially deprived is not uniform across the EU. While some Member States, such as Sweden and Finland, maintain a very low absolute rate below the EU average, they have seen a significant percentage increase in the share of the population experiencing material and social deprivation.

Figure 1.1010: Share of people severely materially and socially deprived, % variation from 2015 to 2024, by Member State

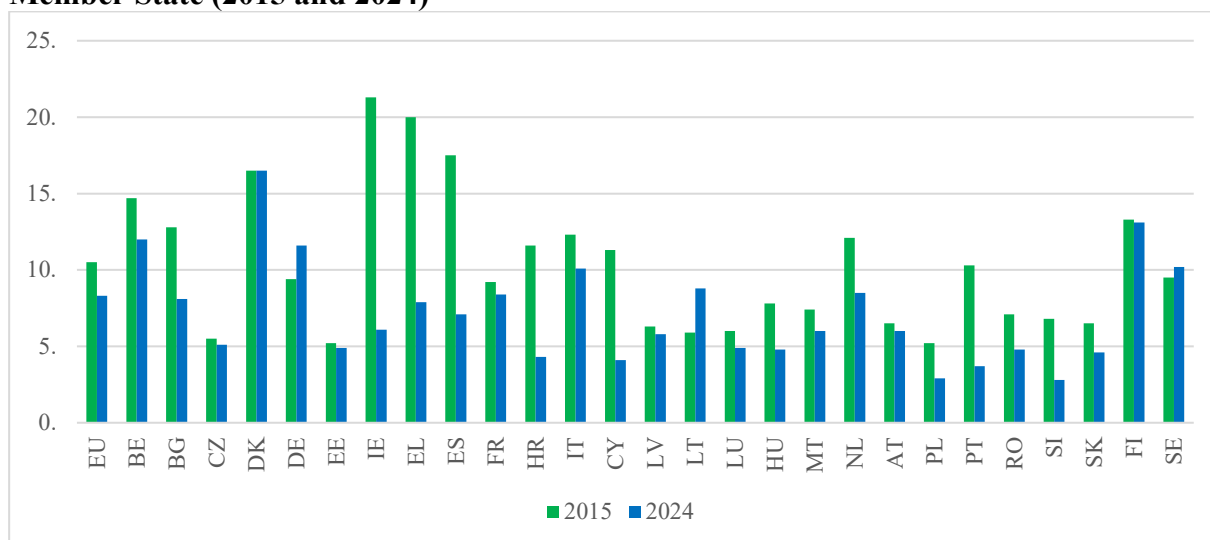


Source: Consortium elaboration based on Eurostat data (ilc_mdsl11)

People living in households with very low work intensity

The last component of the AROPE index refers to the share of people who are living in households with very low work intensity. This share, at EU level, was 8.3% in 2024, down from 10.5% in 2015.

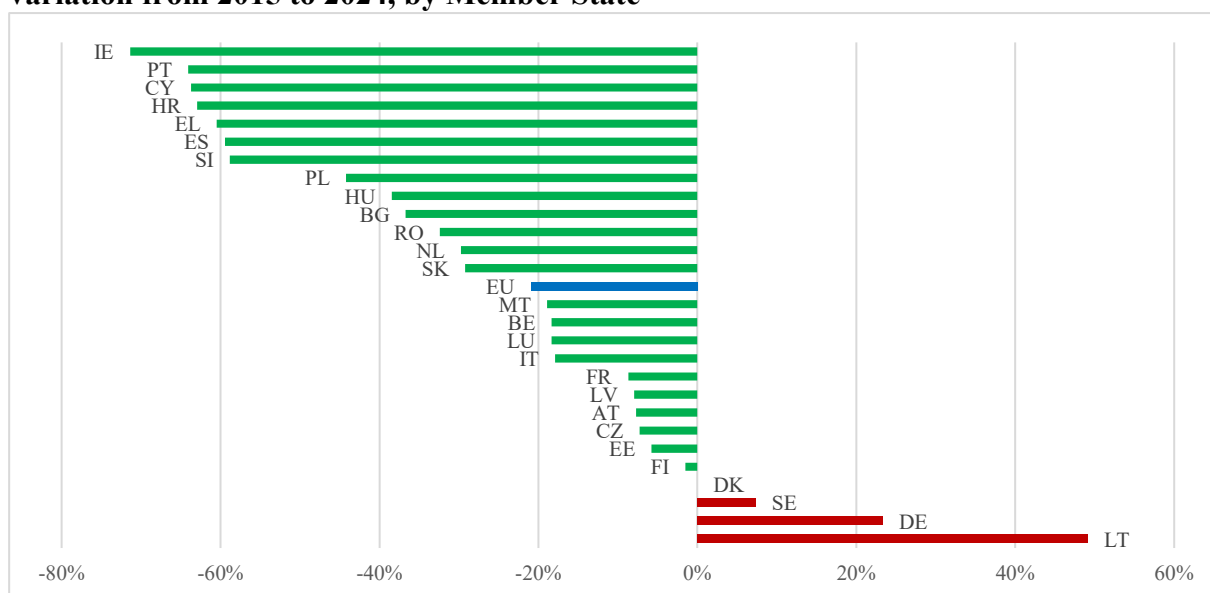
Figure 1.1111: Share of people living in households with very low work intensity, by Member State (2015 and 2024)



Source: Consortium elaboration based on Eurostat data (ilc_lvhl11n)

Like the other two components of the AROPE index, the share of people living in households with very low work intensity has varied across the EU. Nonetheless, most Member States experienced a reduction in this component between 2015 and 2024, as shown in the figure below. Notable exceptions included Lithuania and Germany.

Figure 1.1212: Share of people living in households with very low work intensity, % variation from 2015 to 2024, by Member State



Source: Consortium elaboration based on Eurostat data (ilc_lvhl11n)

1.1.2 Factors influencing poverty and focus on the most vulnerable categories

Besides geographical variations, there are also significant variations in the socio-economic characteristics of people at risk of poverty or social exclusion, as outlined below.

Among the factors that influence the probability of being impoverished are **age and gender**. As illustrated in the figure below, younger people and in particular **young adults aged 16 to 24, are those most affected by poverty in the EU**.

A significant gender gap also persists, with **women more severely impacted at all ages**, except among girls under 16. The gender gap is particularly pronounced in the 65 and older age group. Nonetheless, it is broadly applicable to the entire population, as the AROPE index decreased from 23.1% in 2015 to 20% in 2024 for males, compared to a decline from 24.9% to 21.9% for females over the same period.

Figure 1.1313: AROPE by age classes and sex, EU (2024)

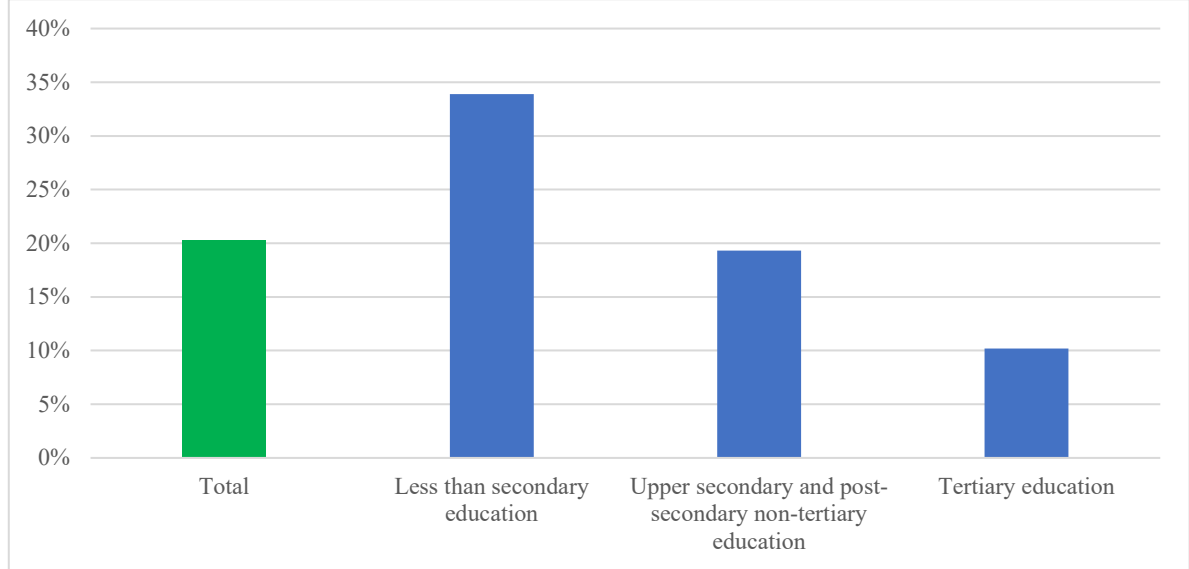


Source: Consortium elaboration based on Eurostat data (ilc_peps01n)

1.1.2.1 Level of education and activity status

Another key factor influencing poverty levels in the EU is **educational attainment**. People with less than primary and lower secondary education levels experience a rate of poverty more than three times higher than those who have achieved a tertiary education level. This gap has remained substantially unchanged since 2015.

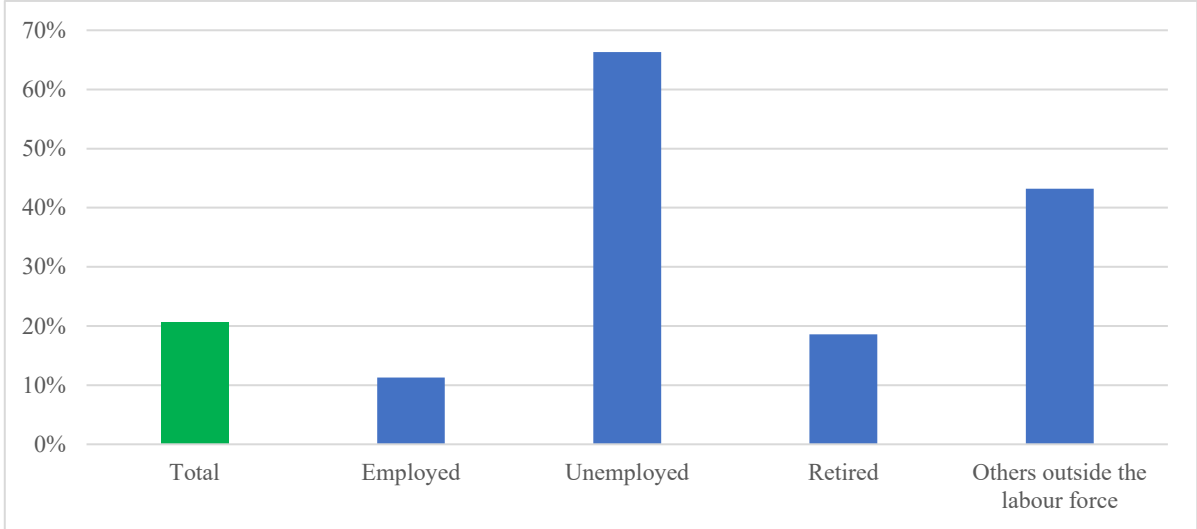
Figure 1.1414: AROPE by education attainment levels, EU (2024)



Source: Consortium elaboration based on Eurostat data (ilc_peps04n)

The last socio-economic factor influencing the level of poverty experienced is **activity status**. At EU level (data available up to 2023), the unemployed are by far the category experiencing the highest level of poverty, along with other people outside the labour force. The link between unemployment and poverty level is not surprising, as the poverty level in the EU is often driven by a lack of income.

Figure 1.1515: AROPE by activity status, EU (2024)



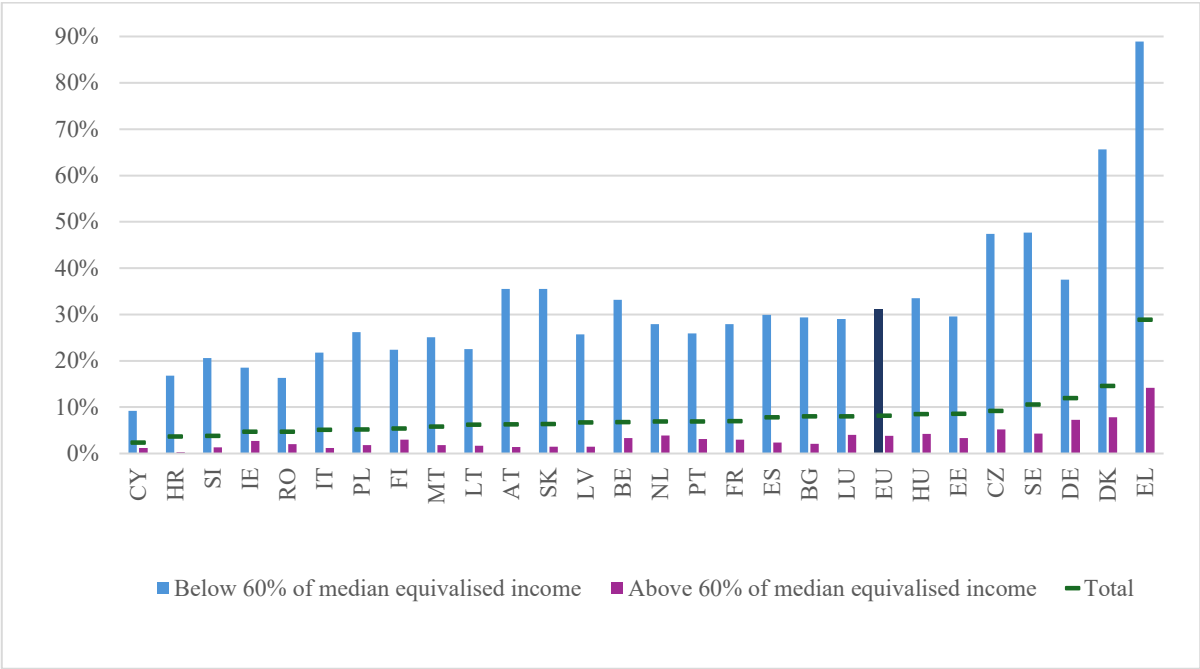
Source: Consortium elaboration based on Eurostat data (ilc_peps02n)

1.1.2.2 Housing conditions

One of the basic needs is the ability to afford adequate housing, as set out in Principle 19 of the EPSR. It is important to note that the cost of housing often

accounts for the most significant component of household expenditure²⁵, directly impacting the risk of poverty.

Figure 1.1616: Housing cost overburden rate (2024), by poverty status and Member State



Source: Consortium elaboration based on Eurostat data (ilc_lvho07a)

In 2024, 8.2% of people in the EU lived in households spending 40% or more of their disposable income on housing (see figure above). This percentage varied considerably across both Member States and income groups. In all Member States except Cyprus, over 10% of income-poor individuals are affected by housing cost overburden. In contrast, only in Greece is the overburden rate higher than 10% among those who are not impoverished. The gap between people at risk of poverty and those not at risk is also evident in other housing-related aspects, such as satisfaction with one’s dwelling and overcrowding. In 2023, 91.2% of people not at risk of poverty reported being satisfied or highly satisfied with their dwelling. In most Member States, this rate exceeded 90%, while the average for people at risk of poverty was 83.7%, with several countries - including Hungary, Austria and Slovakia - below 80%²⁶. In 2024, 16.9% of people in the EU resided in overcrowded households. Although this rate has been declining since 2015, the gap between those living in poverty and those who are not remains persistent,

²⁵ Eurostat (2024), *Sustainable Development in the European Union – Monitoring report on progress towards the SDGs in an EU context*.

²⁶ Eurostat data, People satisfied or highly satisfied with their dwelling, ilc_pw16

with the rate of overcrowded households among income-poor people ten percentage points higher, at 28.8% in 2024²⁷.

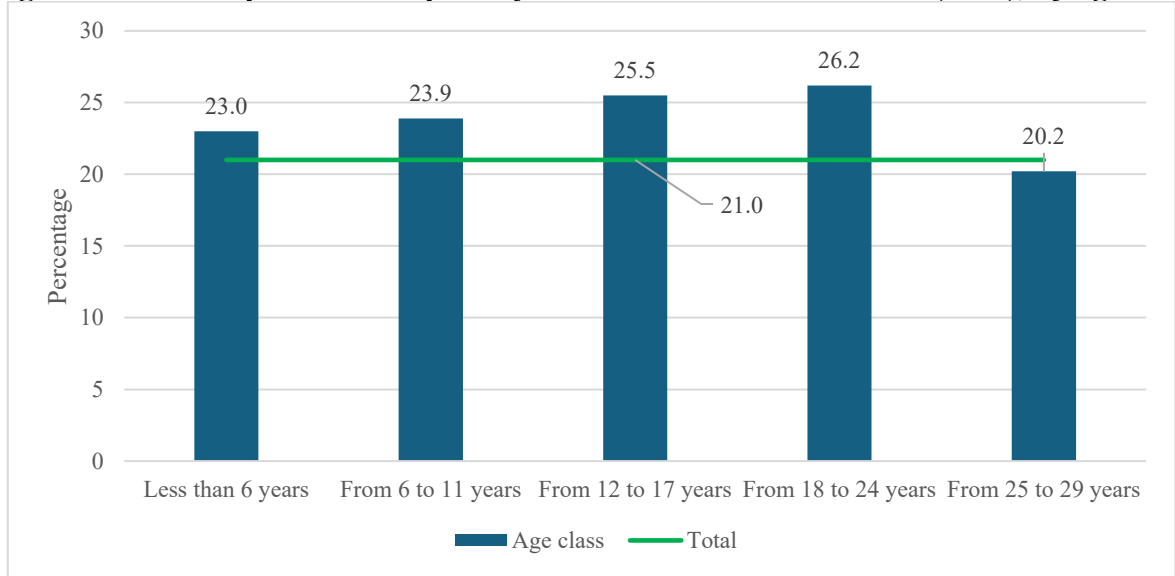
Finally, people at risk of poverty or social exclusion are more than twice as likely to experience housing difficulties in their lifetime. In 2024, 4.9% of people living in the EU had experienced housing difficulties in their lifetime; this value reached 8.5% for people at risk of poverty or social exclusion, while it was 1% lower than the total average for those not in poverty.

1.1.2.3 Children and young adults

As illustrated in previous paragraphs, children and young adults fall into the categories especially affected by the risk of poverty or social exclusion, more than other age groups. In 2024, the number of children (persons under 18) who are at risk of poverty or social exclusion amounted to 19.5 million, corresponding to 24.2% of the population in this age group. This figure reflects a decrease compared to 2015, when 22.2 million children (27.4%) were at risk of poverty or social exclusion across the EU. However, the downward trend plateaued in 2019, and the EU is currently no longer on track to meet its complementary ambition of lifting at least 5 million children out of poverty or social exclusion by 2030.

A more disaggregated look at age groups reveals that while children at all ages are more likely to face poverty than the general population, young adults (aged 18 – 24) are the most vulnerable class of people under 30.

Figure 1.1717: People at risk of poverty or social exclusion in the EU (2024), by age class



Source: Consortium elaboration based on Eurostat data

²⁷ Eurostat data, ilc_lvho05a, ‘Overcrowding rate by age, sex and poverty status - total population’. Income-poor people are defined as those with an income below 60% of median equivalised income

Considering the three components of the AROPE index, children show similar patterns compared to the total population in terms of the relative incidence of each aspect. Monetary poverty (at risk of poverty) affects the most significant number of children, with 15.5 million (19.3%) living in households at risk of poverty in 2024. In the same year, 6.2 million children were members of households experiencing severe material and social deprivation, and 5.7 million children lived with parents having a very low work intensity. Over 1.5 million children were affected by all three dimensions of poverty, representing around 2% of the child population.

There are several factors determining the risk of poverty for children, one being household composition, as single parents face a higher risk of poverty. These households, most often headed by single mothers, have historically experienced significantly higher rates of poverty than the rest of the population. In 2024, over 40% of the people living in households with single parents (43.1%) were at risk of poverty and social exclusion, more than double the share of the total population (21%)²⁸. Moreover, while this value decreased, from 46% in 2015 to 40.1% in 2019, it increased during the pandemic years.

Another aspect to consider is the geographic disparity within the EU. In 2024, the percentage of children (less than 18 years old) at risk of poverty or social exclusion ranged from 11.8% in Slovenia to 35.1% in Bulgaria.

1.1.2.4 Migrants

According to a recent report by Fi-compass²⁹, over 26 million third-country nationals (TCNs)³⁰ were living in the EU at the end of 2022. The majority of them (20.5 million) were of working age (15-64) and concentrated in Germany (5.5 million), Italy (2.9 million), Spain (2.8 million), France (2.7 million) and Poland (0.9 million). Working-age TCNs were more often inactive (i.e. outside the labour force) compared to the national population (32% vs. 26%), while unemployment among active people was more than double (13% among TCNs vs 6%), with the highest unemployment rates recorded in Sweden (24%), Spain (21%) and Greece (20%).

Across the EU, 45.5% of TCNs were at risk of poverty or social exclusion in 2023, compared to 18.9% among nationals and 27.9% of EU citizens living in another

²⁸ Eurostat figure, 'households with dependent children' (ilc_peps03n).

²⁹ Fi-compass (2024), *The potential for financial instruments supporting migrant integration - Part 1: Market assessment report*, European Investment Bank.

³⁰ Defined as legally residing TCNs, who either: reside in the territory of EU Member States; hold a residence permit; hold a work permit; hold long-term resident status; hold refugee status; benefit from temporary protection; have submitted an asylum claim for protection under the Geneva Refugee Convention and Protocol. For detail, see Fi-compass (2024), *The potential for financial instruments supporting migrant integration - Part 1: Market assessment report*, European Investment Bank.

EU country. Education and other components of human capital, income inequality, unemployment, welfare regime, and microeconomic factors, including household structure, seem to be crucial factors affecting poverty and material deprivation among TCNs³¹. Moreover:

- In many Member States, TCN enterprises have higher failure rates and tend to concentrate in low-profitability sectors with limited growth possibilities³². They are less likely than native businesses to survive for several years. Additionally, migrants become unemployed or leave the labour force after a period of self-employment more often than natives, indicating that they are pushed out of self-employment rather than transitioned to wage-earning jobs.
- Overall, workers born in another EU country earn around 20% less than native workers, and those born outside the EU roughly 25% less³³. Moreover, the differences in net wealth are substantially larger than for wages.
- Also, TCNs tend to live in poor housing conditions more often and are forced to live in overcrowded dwellings in the poorer outskirts, especially in big cities, where house rentals are particularly high³⁴.

However, there is no evidence that increased immigration would intensify native poverty risks or that immigration impacts labour market outcomes and public finance in Western European countries³⁵. TCNs do not affect the living conditions of vulnerable native people. Therefore, native Europeans do not need greater protection based on the presence of TCNs; their poverty risks should be addressed according to their specific needs and not through anti-immigrant policies.

³¹ Kunychka M., Grešš M., Raneta L., Dziura B. and Sinković D. (2023), *Possible changes over time: poverty among migrants in the European Union*, Economic Research-Ekonomska Istraživanja, Vol.36(3).

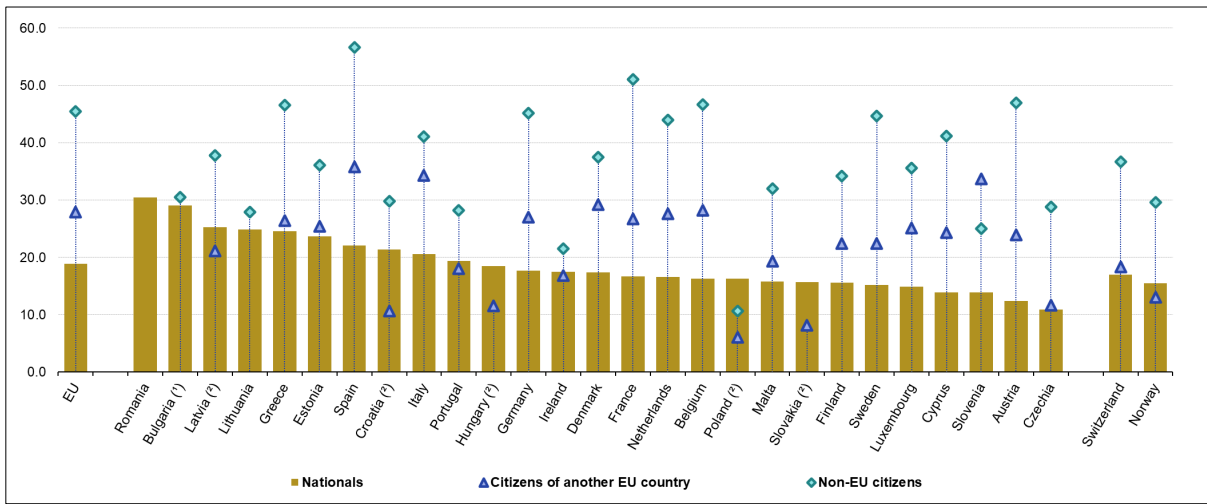
³² Fi-compass (2024), *The potential for financial instruments supporting migrant integration - Part 1: Market assessment report*, European Investment Bank, and Brzozowski, J. (2019), *Entrepreneurship and economic integration of immigrants: a critical review of literature*, International Journal of Entrepreneurship and Innovation Management, Vol.23(6).

³³ Slacalek J., Perez J.R., Kolndrekaj A., Propst M., Dossche M. (2022), *Immigrants and the distribution of income and wealth in the euro area*, Centre for Economic Policy Research.

³⁴ Giampaolo G. and Ianni A. (2020), *Social inclusion of migrants in the EU*, Focsiv, Background document n.2.

³⁵ Bazzoli M., Madia J.E., and Podestà F. (2022), *Another battle of the have-nots? The Impact of Immigration on the Poverty Risk of Western European Natives*, FBK-IRVAPP Working Paper No. 2022-07, and, De Smalen D., Van Bavel J. and Van Lancker W. (2024), *How much does immigration contribute to national poverty rates? A decomposition analysis for 17 European welfare states*, Socio-Economic Review, Vol.22(2), pp.603–624.

Figure 1.1818: Working-age nationals and TCNs at risk of poverty or social exclusion (2023), percentage



Source: reproduced from Eurostat, *Migrant integration statistics - at risk of poverty and social exclusion*, *Statistics Explained*.

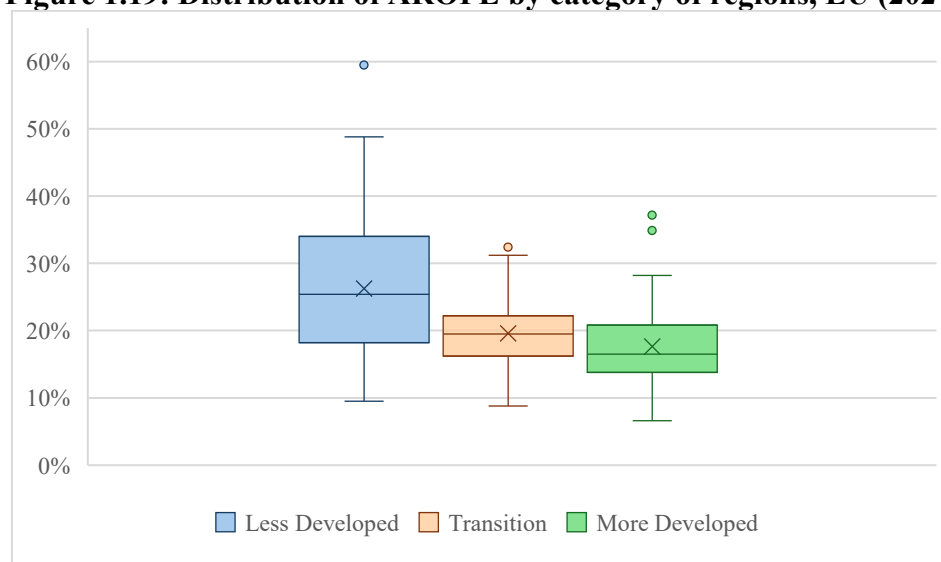
1.2 Poverty in the EU regions

Significant disparities among regions and territories persist across the EU. This section presents disaggregated data at NUTS2 level (updated to 2024) to account for these differences, going beyond the historical trend at Member State level.

The European Commission’s regional classification for ‘investment for jobs and growth goal (ERDF and ESF+)’ eligibility divides the NUTS2 regions into three categories: less developed, transition and more developed³⁶. The average (i.e. arithmetic mean) AROPE rate is 26% in less developed regions, 20% in transition regions and 18% in more developed regions. The standard deviation, used here as a measure of the variation within each category, indicates that the disparity is greatest among the less developed regions. Excluding the outlier, the Guyane region (value 60%), three-quarters of the regions classified as less developed have a poverty rate equal to or less than 33%, while the remaining quarter fall between 33% and 49%. In contrast, the variation in other regions, classified either as transition or more developed, is less pronounced.

³⁶ Less developed regions are defined as: GDP/head (PPS) less than 75% of the EU average; transition regions: GDP/head (PPS) between 75% and 100% of the EU average; developed regions: GDP/head (PPS) above 100% of the EU average. See Commission Implementing Decision (EU) 2021/1130 of 5 July 2021 setting out the list of regions eligible for funding from the European Regional Development Fund and the European Social Fund Plus and of Member States eligible for funding from the Cohesion Fund for the period 2021-2027.

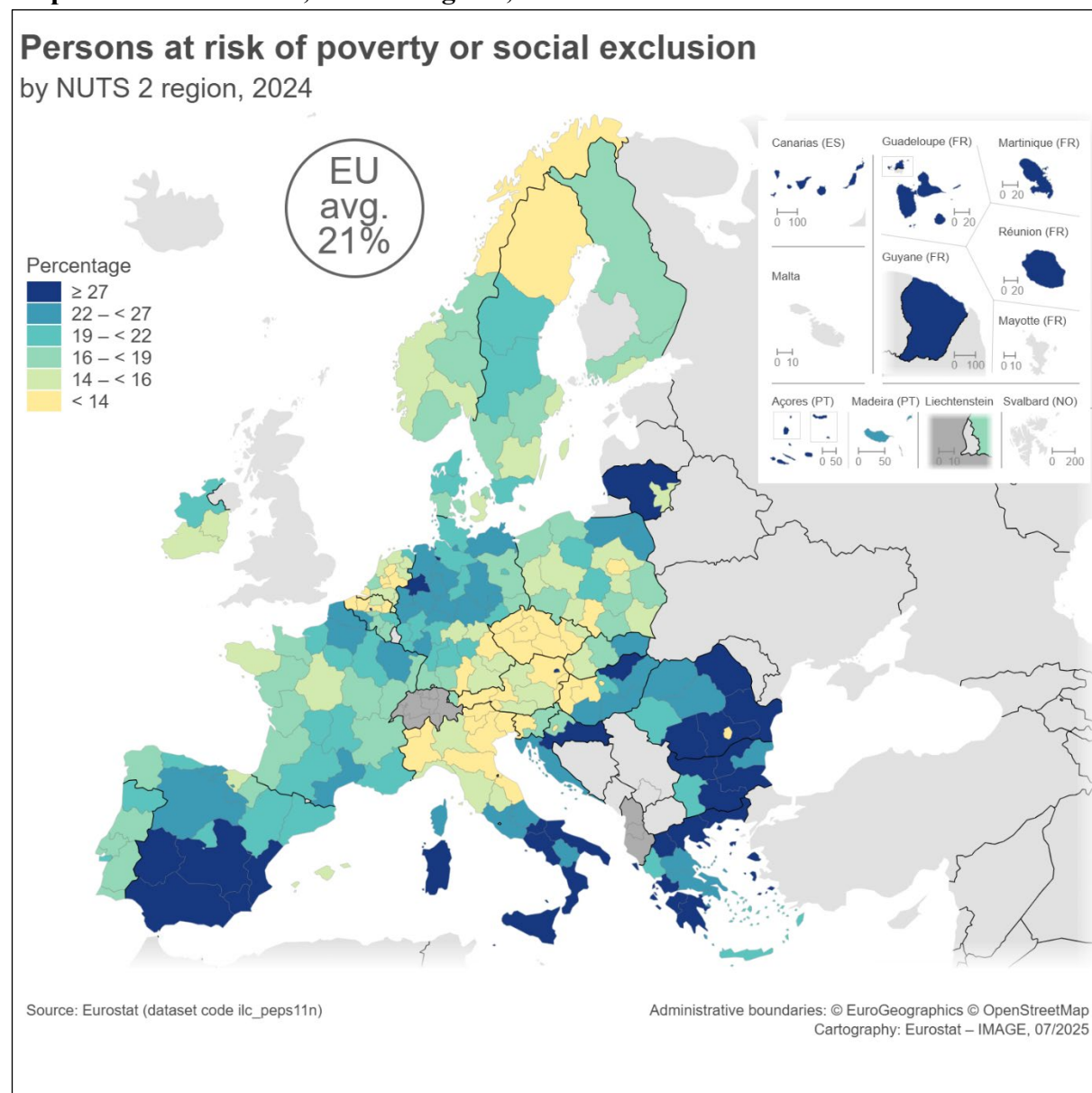
Figure 1.19: Distribution of AROPE by category of regions, EU (2024)



Source: Consortium elaboration based on Eurostat data (ilc_peps11n)

The map below presents the AROPE values of all NUTS2 regions in the EU. As seen from the illustration, there is significant variation in the AROPE rate within Member States. This is especially evident in Member States, such as France, Italy, Germany, Belgium and Hungary, where some regions have an AROPE rate below 14% while in others, more than a quarter of the population is at risk of poverty or social exclusion. Moreover, the regional AROPE share **is unevenly distributed across the EU**. In 2024, approximately 40% of all regions in the EU recorded AROPE shares equal to or above the EU average (21%). In 21 regions, the share was 35% or higher, while only three regions registered fewer than 10% of the population at risk of poverty or social exclusion.

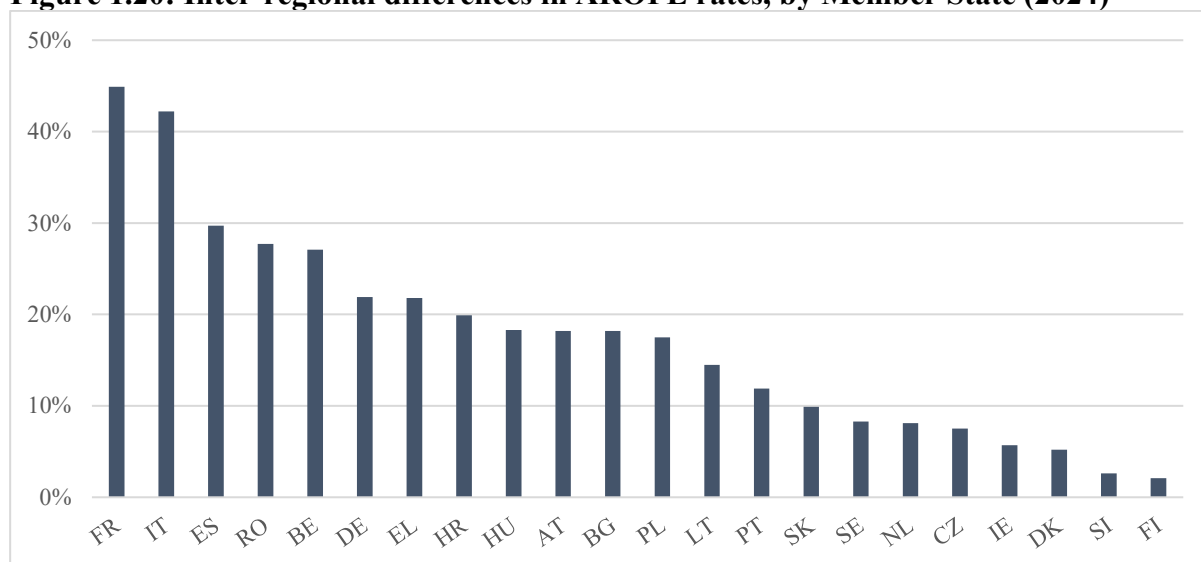
Map 1.1: AROPE index, NUTS2 regions, 2024



Source: Consortium elaboration

The inter-regional differences within Member States are shown in the graph below. France stands out as the Member State with the largest disparities; however, these are mostly driven by the values in the outermost regions of Martinique, Guadeloupe, La Réunion and Guyane, which have poverty rates significantly above the French mainland regional mean. Italy also presents a substantial North-South divide, with poverty rates ranging from almost 50% in Calabria to just 7% in the autonomous region of Bolzano. In both Romania and Belgium, the capital regions differ significantly from the national averages, though in opposite directions. Notably, Belgium, the capital region of Brussels, has an AROPE rate higher than the country average, while the Romanian București-Ilfov region has the lowest rate in the country.

Figure 1.20: Inter-regional differences in AROPE rates, by Member State (2024)

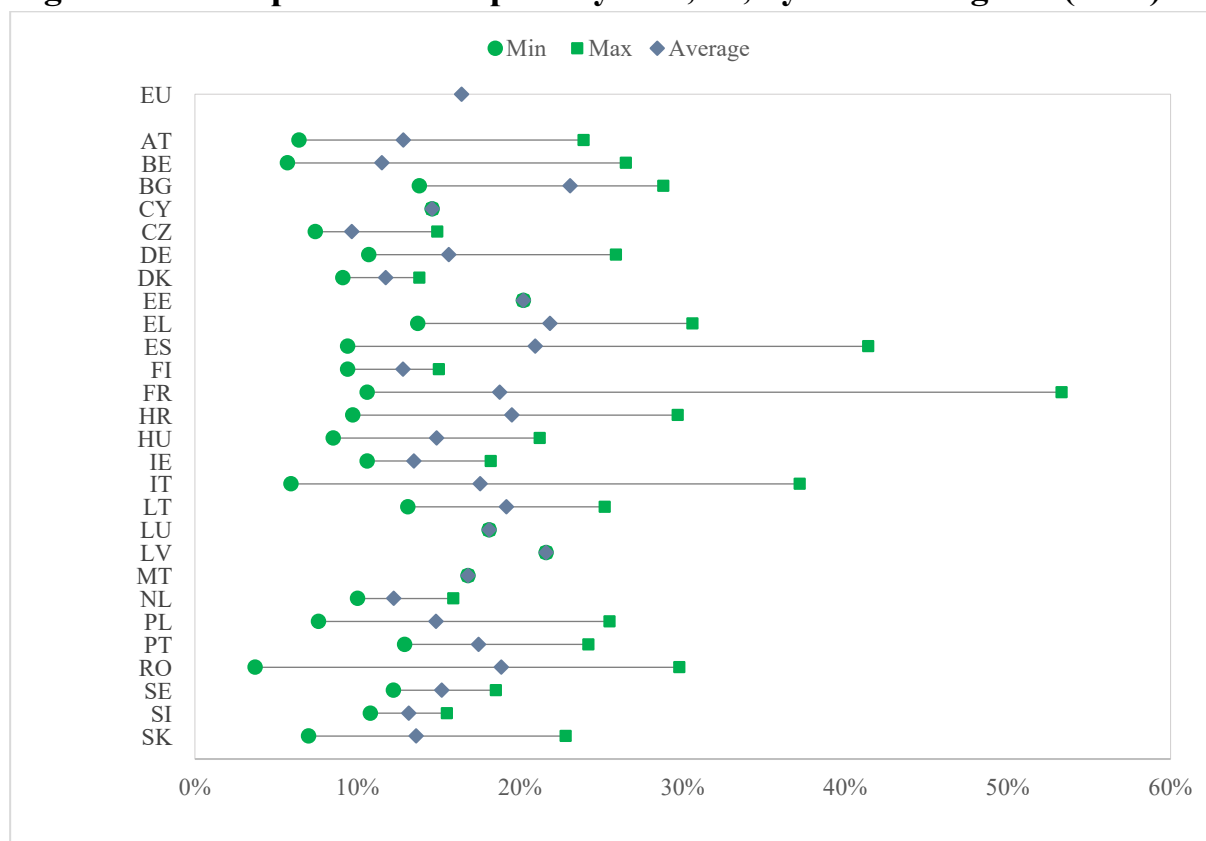


Source: Consortium elaboration based on Eurostat data (ilc_peps11n). Inter-regional absolute differences are calculated as the maximum regional values less the minimum regional values within the same Member State.

Looking at the **three components of the AROPE index at NUTS2 level**, the regional distribution of the **at risk of poverty rate** indicates that 94 regions (just over a third of the total) recorded a rate equal to or above the EU average of 16.4% in 2024, while the remaining 149 regions had lower than average rates. The French outermost region of Guyane recorded the highest at risk of poverty rate among NUTS level 2 regions, at 53%. High rates were also observed in the southern Italian regions of Calabria (37%), Sicily (35%) and Campania (35%). By contrast, at the other end of the spectrum, there were 10 regions where the at risk of poverty rate was no higher than 7.5%³⁷. A considerable degree of inter-regional variation in the at risk of poverty rates for the different regions is found in Belgium, Italy and Romania.

³⁷ The Czech and Romanian capital regions of Praha (7.5%) and București-Ilfov (3.7%), the latter recording the lowest rate in the EU; The Czech region Jihozápad (7.4%); the Italian regions: Emilia-Romagna (7.3%) Provincia Autonoma di Trento (6.9%) and Provincia Autonoma di Bolzano/Bozen (5.9%), the Slovakian region Bratislavský kraj (7%), the Belgian Prov. West-Vlaanderen (6.6%), Prov. Vlaams-Brabant (6.1%), Prov. Oost-Vlaanderen (5.7%) and the Austrian region Burgenland (6.4%)

Figure 1.21: People at-risk-of-poverty rate, %, by NUTS2 regions (2024)

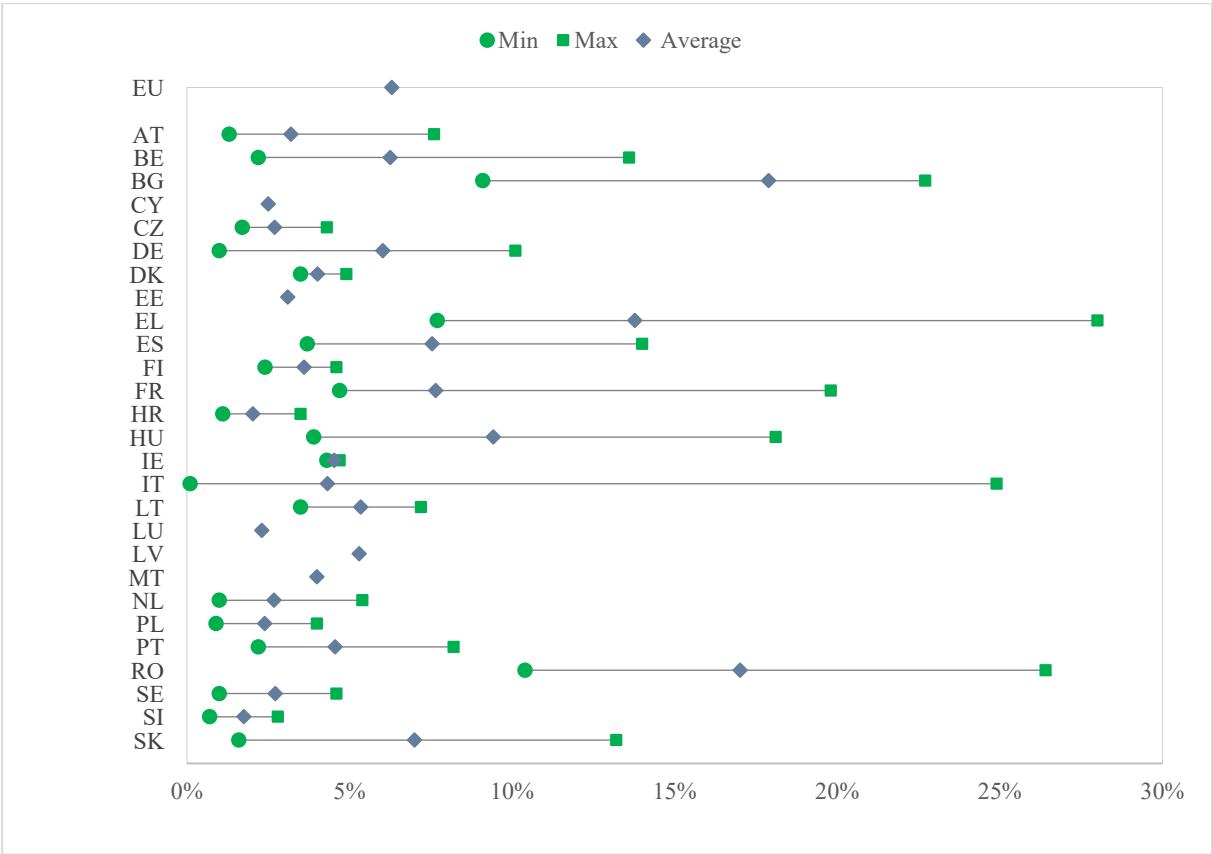


Source: Consortium elaboration based on Eurostat data (ilc_li41)

In terms of the share of **people experiencing severe material and social deprivation** (equivalent to 6.3% of the total EU population), the highest rate was seen in Ionia Nisia in Greece (28%). There were 8 other regions in the EU where more than 20% of the population faced severe material and social deprivation³⁸. At the other end of the spectrum, the regions in Czechia, Ireland, Croatia, Lithuania, the Netherlands, Poland, Slovenia, Finland and Sweden all had severe material and social deprivation rates lower than the EU average. This was also the case in Estonia, Cyprus, Latvia, Luxembourg and Malta.

³⁸ Severen tsentralen (22%), Yuzhen tsentralen (22%) and Yugoiztochen (23%) in Bulgaria; Sud-Est (26%) and Sud-Muntenia (20.3%) in Romania; Calabria (25%) in Italy; Anatoliki Makedonia, Thraki(21.4%) in Greece.

Figure 1.22: Severe material and social deprivation rate, %, by NUTS regions (2024)

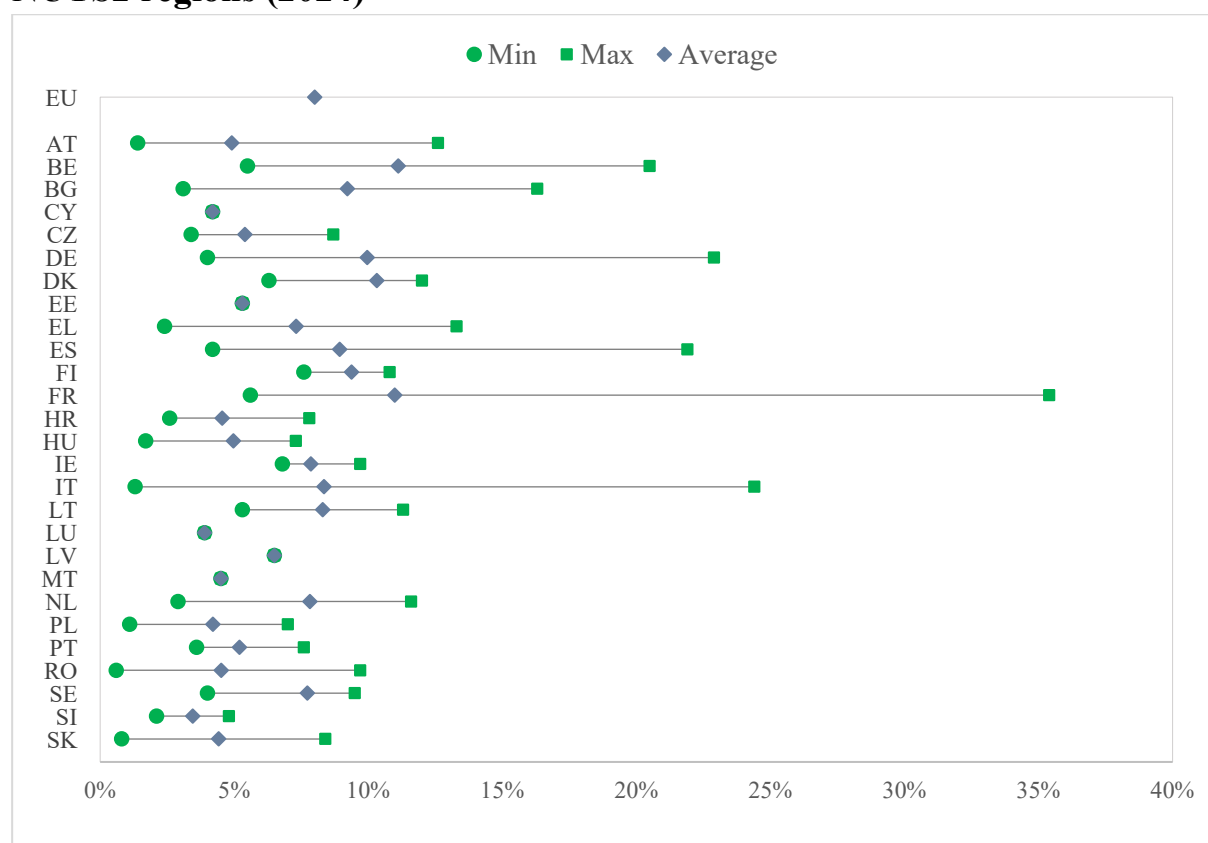


Source: Consortium elaboration based on Eurostat data (ilc_mdsl18)

Finally, concerning the third and last component, **people living in a household with very low work intensity** (8% of people aged 0–64), the highest share was recorded in the French outermost region of Guyane (35.4%). In addition, 7 other regions across the EU had shares exceeding 20%³⁹. At the lower end of the distribution, there were 16 NUTS level 2 regions where the share of people living in a household with very low work intensity was no higher than 2.5% in 2024.

³⁹ The French outermost regions of La Réunion (21.9%) and Guadeloupe (23.5%); Bremen (22.9%) in Germany; Prov. Hainaut (20.5%) in Belgium; Campania (24.4%) in southern Italy; the autonomous Spanish region of Ciudad de Ceuta (21.9%), region of Bruxeless-Capitale (20.3%).

Figure 1.23: People living in a household with very low work intensity, %, by NUTS2 regions (2024)

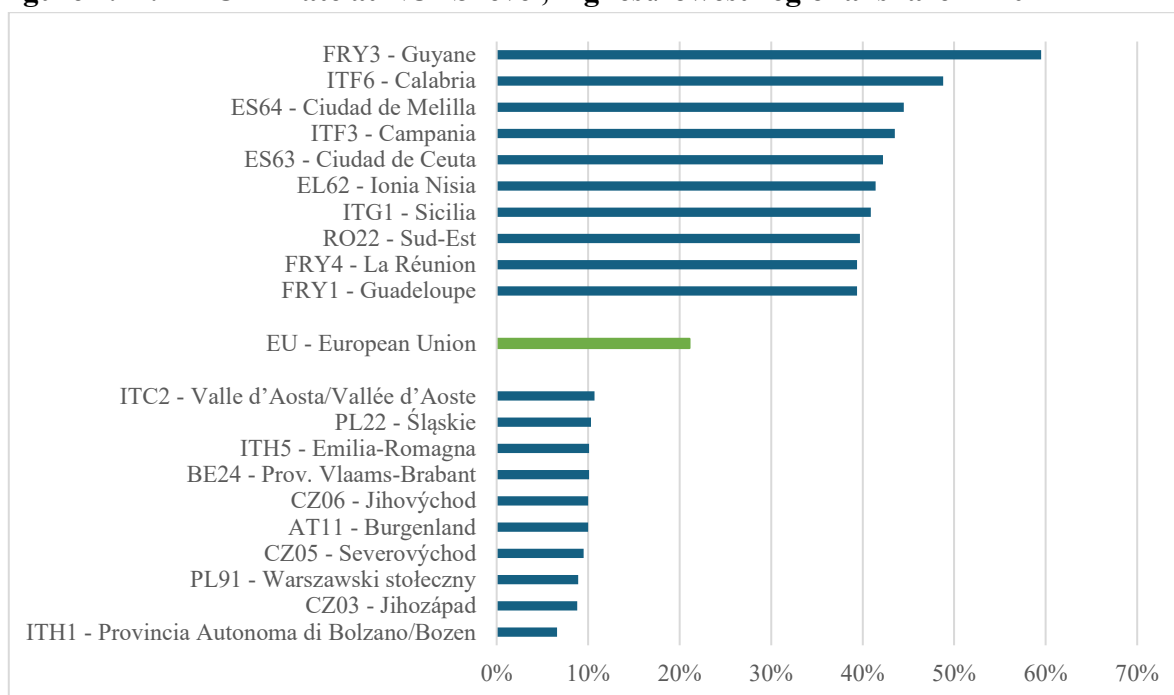


Source: Consortium elaboration based on Eurostat data (ilc_lvhl21n)

In terms of the **evolution** of the AROPE rate at NUTS2 level between 2023 and 2024, the AROPE share rose in 103 regions, remained unchanged in 19 regions, and decreased in 103 regions. There were 5 regions where the risk of poverty or social exclusion increased by at least 6 percentage points during this period⁴⁰. The regions with the largest reductions in their respective AROPE shares were found in Poland, Portugal, Spain and Romania. Notably, the Romanian region Centru experienced the largest decrease, with the AROPE share falling 7 percentage points (from 32% to 25%).

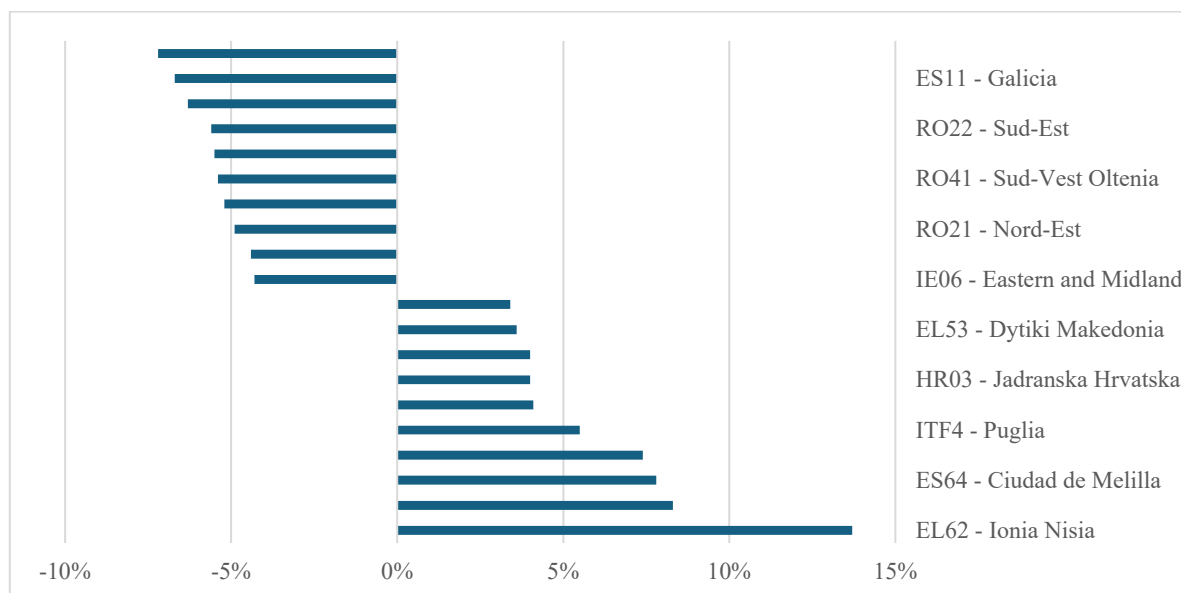
⁴⁰ Greek regions Ionia Nisia and Ciudad de Melilla, Italian region Puglia, Slovakian region Bratislavský kraj and German region Trier

Figure 1.24: AROPE rate at NUTS level, highest/lowest regional share in 2024



Source: Consortium elaboration based on Eurostat data (ilc_peps11n).

Figure 1.25: AROPE rate at NUTS level, biggest and smallest changes between 2023 and 2024



Source: Consortium elaboration based on Eurostat data (ilc_peps11n).

Although the AROPE index is not systematically available at NUTS3 level, Eurostat highlights that the risk of poverty or social exclusion (in 2023) in the EU was highest in cities (21.4%), followed by rural areas (21.3%) and suburbs (23.3%)⁴¹. However, there are distinctions between eastern and western Member States. People living in the capital regions of eastern EU countries were generally

⁴¹ Eurostat (2024), Urban-rural Europe - income and living conditions, Statistics Explained.

less likely to be at risk of poverty or social exclusion than their counterparts living in the remainder of the country. For example, the proportion of people at risk of poverty or social exclusion across Romania (27.9%) was 2.3 times higher than the share recorded in its capital region of București-Ilfov (12%). A similar pattern was observed in Poland and Croatia. In the former, the AROPE share was 16%, which was 1.8 times higher than the share recorded in Warszawski stołeczny (8.9%). Around 21.7% of the population in Croatia was at risk of poverty or social exclusion, 1.9 times the share recorded in Grad Zagreb (11.1%). This pattern was repeated, although to a lesser extent, in the other eastern EU countries. By contrast, the situation was reversed in several western EU countries. In Germany, Ireland, France and the Netherlands, the risk of poverty or social exclusion was somewhat higher in capital regions than the national average; this was also the case in Italy. The difference was more marked in Belgium and Austria, where the share of people at risk of poverty or social exclusion in the capital regions of Région De Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest (37.2%) and Wien (28.2%) was considerably higher than the respective national averages (18.2% and 16.9%).

2 DIVISION OF POWERS: THE ROLE LRAs PLAY IN COMBATING POVERTY

This chapter provides an overview of the powers and competences of local and regional authorities (LRAs) in combating poverty. Using data from the Classification of the Functions of Government (COFOG) provided by Eurostat⁴² which allows expenditure to be broken down by government level⁴³, it first illustrates the overall spending - both at EU and national levels - on the function ‘social protection’ and, more specifically, in its subcategory ‘social exclusion’, where most anti-poverty measures are included. It then examines the same categories of expenditure at LRA level. Both sections discuss the data from a historical perspective, highlighting intra-country differences. The third and final section, using information from the CoR’s Division of Powers database⁴⁴, describes the division of competences between the central level and subnational levels within each Member State in the category of ‘social policy’.

Although the available information may not be exhaustive, since it is difficult to indicate in which COFOG category an anti-poverty measure should be included (see box 2.1 below), this chapter provides a broad understanding of the role LRAs can play in combating poverty. Moreover, it should be remembered that the decision to allocate resources to a specific COFOG category may depend not only on the respective government level competences, but also on the socio-economic context and challenges. These may differ considerably among and within Member States (for instance, some territories may face higher rates of poverty among the young, whereas others have more poor people in old age) and, therefore, may require different anti-poverty policy responses. Any comparison, historically or among Member States, should therefore be treated with caution.

2.1 Expenditure on social protection and social exclusion: overview at EU and national level

Policy interventions and actions to combat poverty are generally included in the COFOG division of ‘social protection’. ‘Social protection’, in fact, encompasses ‘all interventions from public or private bodies intended to relieve households and individuals of the burden of a defined set of risks or needs provided that there is

⁴² Available [here](#).

⁴³ Eurostat, ‘General government sector’, Statistics Explained, available [here](#).

⁴⁴ Available [here](#).

neither a simultaneous reciprocal nor an individual arrangement involved’⁴⁵. According to this definition, the risks and needs covered by ‘social protection’ can be further classified into 9 different categories⁴⁶: sickness and disability; old age; survivors; family and children; unemployment; housing; social exclusion not elsewhere classified (n.e.c.); R&D related to social protection and social protection not elsewhere classified.

Measures to combat poverty are explicitly included under the COFOG subcategory social exclusion n.e.c. (hereinafter social exclusion), which is the provision of support to individuals who are socially excluded or at risk of social exclusion and aims to help alleviate poverty (see box below for details). However, other sub-categories may also incorporate public expenditure targeting AROPE populations. For instance, the housing category mainly comprises social protection payments to households to help with the cost of housing, as well as the operation of social housing schemes. The expenditure category unemployment includes measures also providing accommodation, food or clothing to unemployed persons and their families. Old age refers primarily to the payment of pensions, but also includes benefits and benefits-in-kind against the risks linked to ageing, including loss of income, inadequate income, or reduced participation in social and community life.

Box 2.1: Defining the category ‘social exclusion’ in the COFOG

According to the Eurostat definition, the COFOG category social exclusion is the *provision of social protection in the form of cash benefits and benefits in kind to persons who are socially excluded or at risk of social exclusion (such as persons who are destitute, low-income earners, immigrants, refugees, alcohol and substance abusers, victims of criminal violence, etc.) as well as income support and other cash payments to the destitute and vulnerable persons to help alleviate poverty or assist in difficult situations; benefits in kind, such as short-term and long-term shelter and board provided to destitute and vulnerable persons, rehabilitation of alcohol and substance abusers, services and goods to help vulnerable persons such as counselling, day shelter, help with carrying out daily tasks, food, clothing, fuel, etc.*⁴⁷

Eurostat further specifies⁴⁸ that it is not easy to define the need or risk against which social protection benefits are provided in this category. The concept of social exclusion is, in fact, multidimensional, as it refers not only to an

⁴⁵ Eurostat (2019), *Manual on sources and methods for the compilation of COFOG statistics - Classification of the functions of government (COFOG) – 2019 Edition*; Eurostat (2019), *European system of integrated social protection statistics – ESSPROS – Manual and user guidelines – 2019 Edition*.

⁴⁶ Eurostat, ‘Government expenditure on social protection’, Statistics Explained, available [here](#).

⁴⁷ Eurostat (2019), *Manual on sources and methods for the compilation of COFOG statistics - Classification of the functions of government (COFOG) – 2019 Edition*, pp.228-229.

⁴⁸ Eurostat (2019), *European system of integrated social protection statistics – ESSPROS – Manual and user guidelines – 2019 Edition*, pp.76-78.

insufficient level of income (poverty), but also to precarious situations in health, education and employment. Moreover, all non-contributory and means-tested public schemes providing a minimum entitlement in the case of old age, disability or unemployment must be incorporated into the corresponding functions and not under the category of social exclusion. When specific provisions are made, for instance, to needy people who are beyond pensionable age, the expenditures should be reported under the function of old age in the item 'other cash benefits'. On the contrary, in-work benefits paid to those in low-paid jobs in order to raise disposable income without creating disincentives to work are included under social exclusion. In general, therefore, schemes which provide a minimum means of subsistence to people who are indigent, irrespective of cause, are classified under the function of social exclusion. However, the residual character of this function may lead to differences in coverage among Member States depending on the main system of social protection they apply.

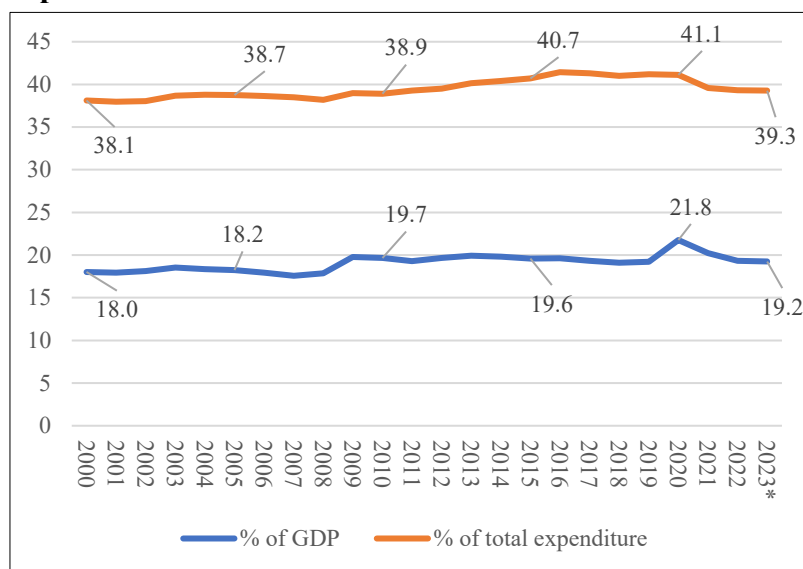
Benefits for the poor are normally means-tested (i.e. paid to households or individuals whose resources fall below a prescribed level) and the concept of insufficient resources is determined according to standards laid down by the relevant public authorities. However, not all the benefits included in the social exclusion category require a means test. Sometimes, the absence of adequate resources is implicit, in the case of refugees, for example. Other times, the benefits are provided regardless of the financial situation of the beneficiary, such as in the case of drug addicts. Moreover, while some benefits targeted at indigent households are included under other functions (when they are aimed at specific categories of the population, such as the elderly or the unemployed), not all the benefits belonging to the function of social exclusion are targeted at indigent households.

Source: based on Eurostat (2019), Manual on sources and methods for the compilation of COFOG statistics - Classification of the functions of government (COFOG) – 2019 Edition and Eurostat (2019), European system of integrated social protection statistics – ESSPROS – Manual and user guidelines – 2019 Edition.

According to the latest Eurostat data, general government expenditure in the EU on social protection stood at 3,309 billion euros, corresponding to 19.2% of EU GDP. This share varied significantly across Member States, ranging from 8.1% of GDP in Ireland to 25.7% in Finland⁴⁹. Social protection was the largest area of general government

expenditure in the EU, accounting for 39.3% of total expenditure in 2023 (varying from 24.9% in Hungary to 46% in Finland). Expenditure in social protection followed an upward trend between 2000 (38.1% of total expenditure) and 2020 (41.1%), before decreasing in recent years, yet remaining above the 2000 value

Figure 2.1: Evolution of general government expenditure in 'social protection', EU, 2000-2023, % of GDP and of total expenditure



(see Figure 2.1). Between 2000 and 2023,

Source: Eurostat (gov_10a_main, gov_10a_exp)

Note: *provisional

the ratio of social protection expenditure to total spending increased, particularly, in Portugal (10.1 pp, from 29.1% in 2000 to 39.2%), followed by Slovakia (9.4 pp), Cyprus (9.1 pp), Spain (8.2 pp), and Greece (8.1 pp); on the contrary, a negative trend was observed in Hungary (-3.6 pp), followed by Poland (-5.2 pp), Sweden (-4.2 pp), Malta (-4.2 pp), and Latvia (-4.1 pp). During the period 2020-2023, when the ratio at the EU level dropped by 1.8 pp, the decrease was particularly accentuated in Italy (-4.7 pp), France (-3.3 pp), and Spain (-2 pp). However, 12 Member States experienced a slight growth in these three years, with the notable cases of Bulgaria (+4 pp) and Cyprus (+3.4 pp).

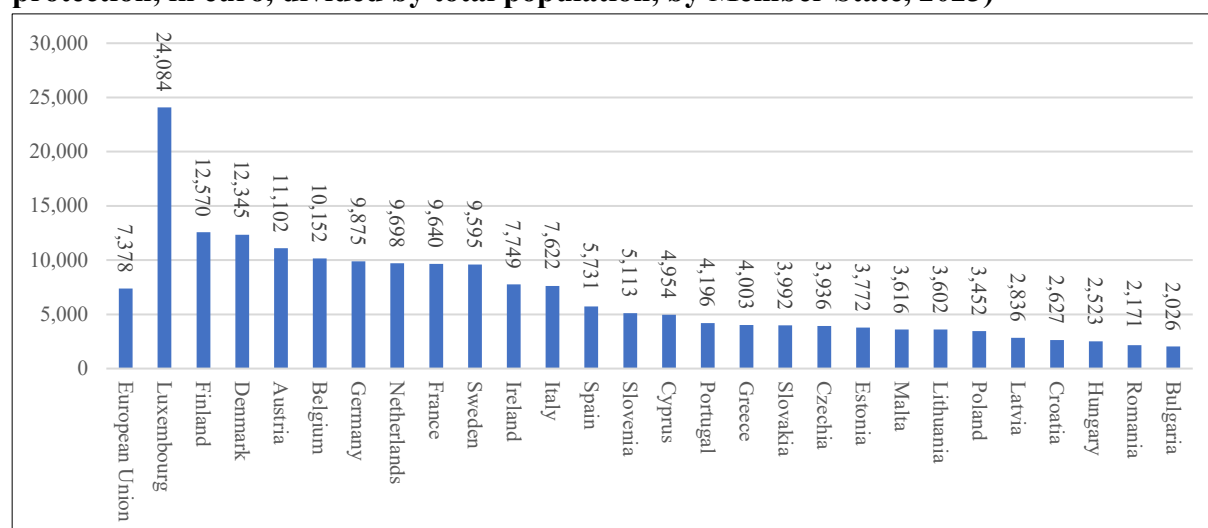
In terms of per capita expenditure on social protection (Figure 2.2), the EU average amounted to nearly 7,400 euros in 2023⁵⁰. The Member States with the highest expenditure included Luxembourg, Finland, Denmark, Austria, Belgium,

⁴⁹ Other Member States above 20 are France (23.4 of GDP), Austria (21.4 of GDP), Italy (21.1 of GDP), Luxembourg (20.2 of GDP) and Belgium (20.1 of GDP).

⁵⁰ An alternative way to compare Member States could be to use PPP values, calculating the GDP in PPP (per capita GDP at PPP, available in Eurostat, multiplied by total population) and then using the share of social expenditure over nominal GDP (available in Eurostat) to calculate the expenditure in social protection but in PPP terms. However, this may be distortive as the basket of items used to calculate the GDP per-capita in PPP may differ from the items included in the benefits in kind used in the COFOG definition of social protection measures.

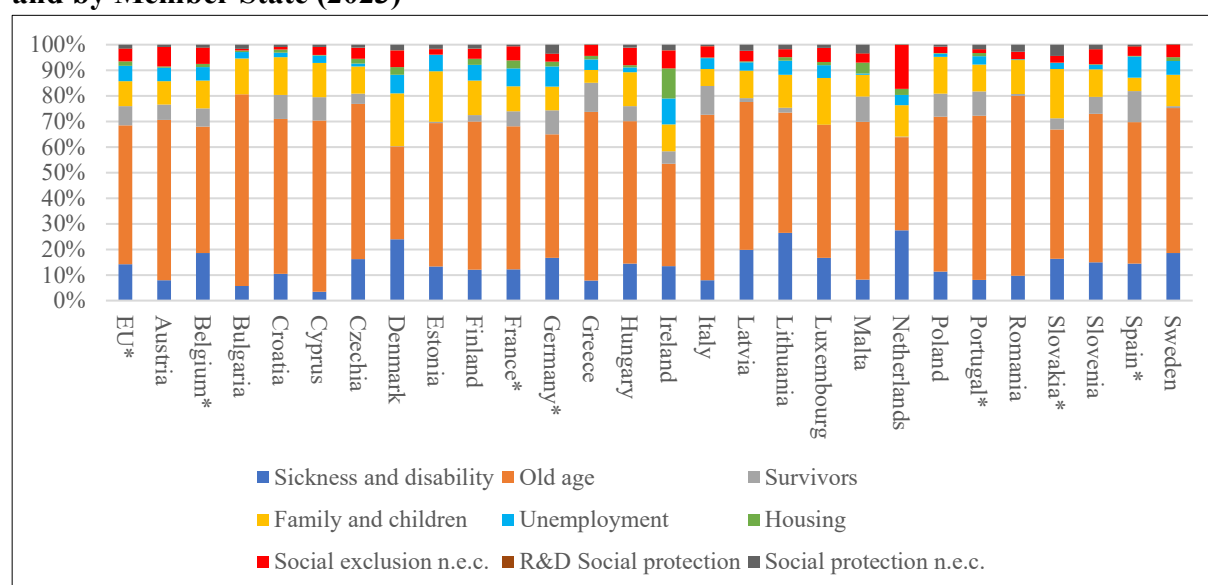
all with figures above 10,000 euros, while Bulgaria, Romania, Hungary, Croatia and Latvia are in the bottom positions (all below 3,000 euros).

Figure 2.2: Per-capita expenditure in social protection (total expenditure in social protection, in euro, divided by total population, by Member State, 2023)



Source: own elaboration based on Eurostat

Figure 2.3: General government expenditure on social protection, by type of expenditure and by Member State (2023)

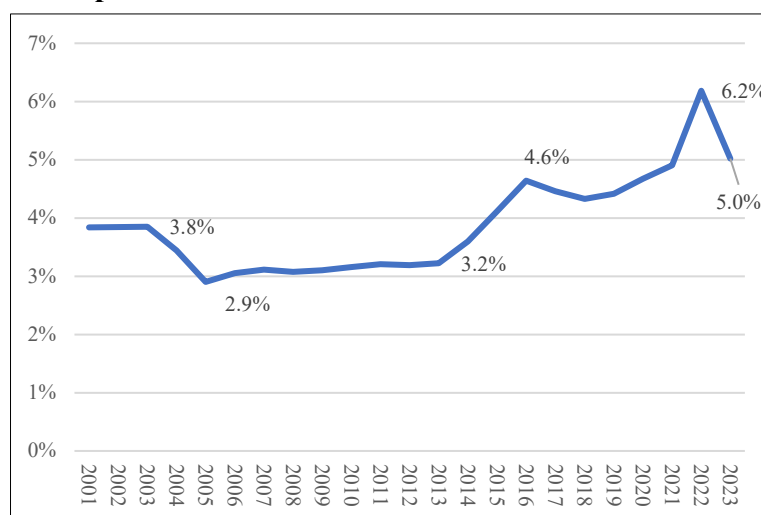


Source: Eurostat (gov_10a_main, gov_10a_exp)

Note: *provisional

Looking at the composition of the expenditure on social protection in the EU (Figure 2.3) the largest share is allocated to the category old age (54.2% in 2023, ranging from 36.3% in Denmark to 74.9% in Bulgaria), followed by sickness and disability (14.2%, ranging from 3.4% in Cyprus to 27.4% in the Netherlands), and family and children (9.8%, ranging from 5% in Greece to 20.6% in Denmark). Social exclusion accounted for 5% of the expenditure on social protection in 2023, corresponding to 166,13 billion euros, i.e. 1% of EU GDP (compared to 0.7% in 2001, 0.6% in 2010, and a peak of 1.2% in 2021). Figure 2.4 shows the growth in this value from 2013 to its peak of 6.2% in 2022. Over the decade, 2013-2023, growth was particularly sustained in the Netherlands (4.3 pp), Greece (4 pp), Italy (3.8 pp), Austria (3.7 pp), and Ireland (3.6 pp). In contrast, Denmark (-1.2 pp), Lithuania (-1.8 pp), Slovakia (-3.1 pp), and Cyprus (-11,8 pp) experienced a contraction in their values.

Figure 2.4: General government expenditure on social exclusion as % of general government expenditure in social protection



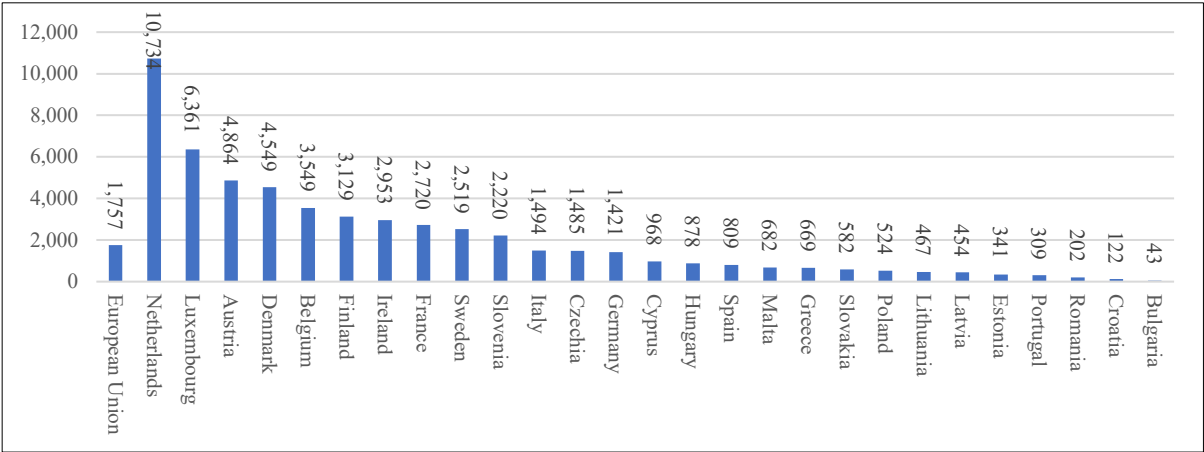
Source: own elaboration based on Eurostat

Member States with a social protection expenditure share on social exclusion above the EU average of 5% include the Netherlands (17.2%), Austria (7.6%), Ireland (7.1%), Hungary (6.8%), Denmark (6.5%), Belgium (6.4%) Slovenia (5.9%), France (5.6%) and Luxembourg (5.5%). At the lower end are Romania (2.9%), Slovakia (2.5%), Poland (2.5%), Estonia (2.2%), Portugal (1.5%), Croatia (0.9%), and Bulgaria (0.6%). In terms of expenditure on social exclusion per AROPE person (figure 2.5), compared to the EU value of 1,757 euro in 2023, the top positions are covered by the Netherlands (10,734 euro), Luxembourg (6,361 euro), Austria (4,864 euro), Denmark (4,549 euro), Belgium (3,549 euro), and Finland (3,129); the Member States spending less on social exclusion per AROPE individual include Estonia (341 euro), Portugal (309 euro), Romania (202 euro), Croatia (122), and Bulgaria (43). Interestingly, Member States with a higher AROPE rate tend to spend less than those with a lower rate (Figure 2.6)⁵¹. Considering the 17 Member States with AROPE rates below the EU value (17.7% on average vs 21.3%), the average expenditure per AROPE individual is 2,517

⁵¹ However, it could be considered that resources spent in countries where poverty is higher may have a greater impact.

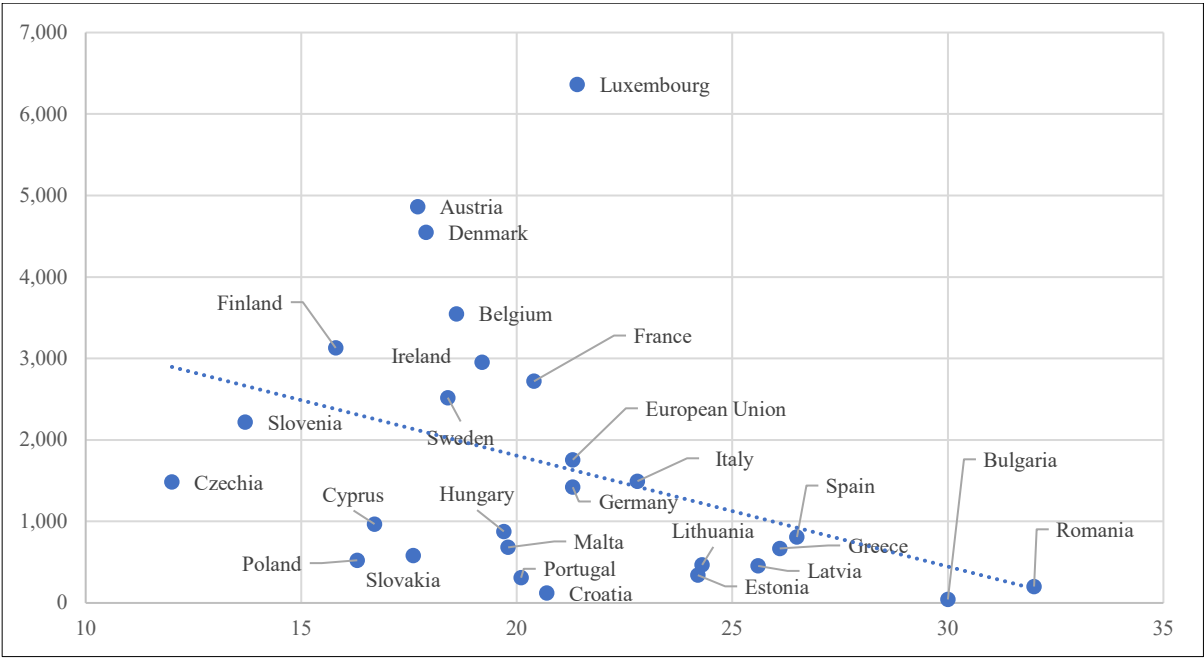
euro (2,003 euro excluding the outlier value of the Netherlands), while in the 10 Member States with shares above the EU AROPE rate (25.4% on average vs 21.3%), the average expenditure per AROPE individual is 1,226 euro (dropping to just 665 euro if Luxembourg is excluded).

Figure 2.5: Expenditure on social exclusion per person at risk of poverty or social exclusion (total expenditure on social exclusion, in euro, divided by the number of persons at risk of poverty or social exclusion, by Member State, 2023)



Source: own elaboration based on Eurostat

Figure 2.6: Per-person at risk of poverty or social exclusion expenditure in social exclusion (vertical axis, in euro) versus the percentage of persons at risk of poverty or social exclusion (horizontal axis, in percentage), 2023



Source: own elaboration based on Eurostat

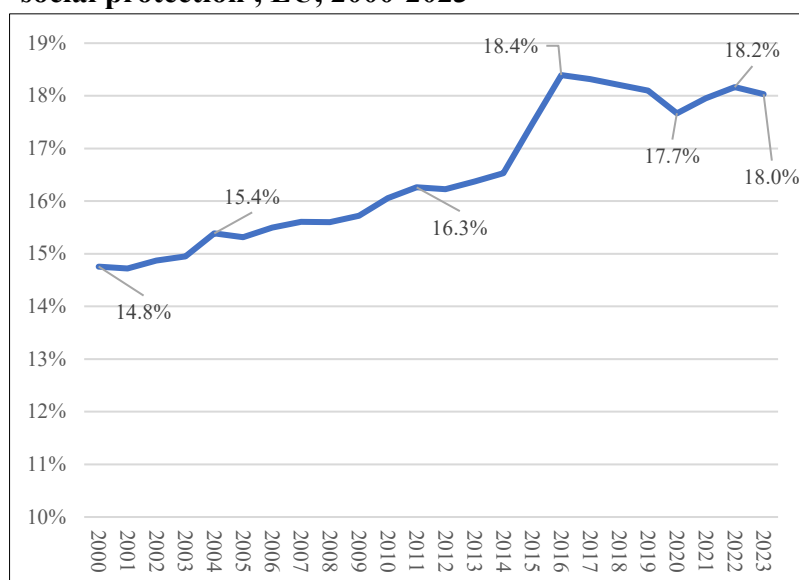
Note: the Netherlands is excluded from the figure for graphical reasons (percentage of persons at risk of poverty or social exclusion: 15.8; expenditure in ‘social exclusion’ per person at risk of poverty or social exclusion: 10,734 euro)

2.2 Expenditure on social protection and social exclusion: overview at LRA level

At LRA level⁵², expenditure on social protection amounted to 596.6 billion in 2023, corresponding to 2.4% of EU GDP. This value corresponds to 18% of total government expenditure on social protection (Figure 2.7). Interestingly, this share has grown over time from less than 15% in 2010, reaching its peak in 2016 at 18.4%. The share of local expenditure on social protection varies considerably across Member States (Table 2.1). Apart from Malta and Cyprus, where expenditure on social

protection is exclusively covered by the central government, the lowest values for 2023 were recorded in Greece (0.4%). Italy (3.3%), Luxembourg (3.9%), Portugal (4.4%), and Slovakia (4.5%); Conversely, the top positions were held by Denmark (85.7%), Sweden (36.5%), Belgium (30.8%), Germany (30.7%) and Finland (26.6%). Among the 18 Member States

Figure 2.7: Share of expenditure in ‘social protection’ at LRA level over total general government expenditure in ‘social protection’, EU, 2000-2023



Source: own elaboration based on Eurostat

showing an increased share over the period 2000-2023, are the notable cases of Denmark (+13.7 pp), Belgium (+11.6 pp), Germany (+9.9), Sweden (+7.1 pp) and Finland (+6 pp). In contrast, 7 Member States recorded a lower LRA expenditure on social protection in 2023 compared to 2000: Italy (-0.3 pp), Czech Republic (-

⁵² According to Eurostat, the general government sector consists of four subsectors: central government, state government, local government, and social security funds. State government includes those types of public administration units which are separate institutional units in a federal system of government having a state or regional competence. This is applicable only in Austria, Belgium, Germany, and Spain. State government could be described as the separate institutional units that exercise some government functions below those units at the central government level and above those units at the local government level, excluding the administration of social security funds. Local government category covers a wide variety of governmental units, such as counties, municipalities, cities, towns, townships, boroughs, school districts, and water or sanitation districts. In order to have a more comprehensive picture of the data, the LRA level, this study considers both the statistics for the state government for Austria, Belgium, Germany, and Spain, together with the local government statistics. Based on Eurostat, *Glossary: General government sector – Statistics Explained*.

0.6 pp), Bulgaria (-0.7 pp), Greece (-2.1 pp), Lithuania (-2.5 pp), Hungary (-4.6 pp), and Ireland (-11.4 pp).

Table 2.1: Share of expenditure on social protection at LRA level over total general government expenditure on social protection, by Member State, 2010-2023 (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
European Union	16.1	16.3	16.2	16.4	16.5	17.5	18.4	18.3	18.2	18.1	17.7	18.0	18.2	18.0
Austria	17.8	18.1	17.4	17.5	17.8	18.0	18.7	19.2	19.2	19.3	18.5	18.7	18.7	20.2
Belgium	22.9	22.8	23.0	23.1	22.8	30.9	31.1	31.2	31.2	31.6	28.9	30.8	29.9	30.8
Bulgaria	5.2	5.9	5.8	6.4	5.0	6.2	4.1	5.8	5.5	5.2	6.1	7.1	6.8	7.4
Croatia	8.2	8.3	8.4	8.3	8.5	8.0	3.9	4.8	5.3	5.6	5.5	5.8	5.5	5.4
Cyprus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czechia	10.2	10.0	5.5	5.2	5.4	5.7	5.5	6.1	6.8	6.9	6.8	7.4	7.6	7.6
Denmark	79.6	81.0	81.6	82.3	82.6	83.0	83.4	83.9	84.6	85.3	84.5	85.2	85.5	85.7
Estonia	5.9	6.2	6.5	6.1	5.8	5.6	5.7	5.8	5.7	5.8	5.7	6.0	7.0	7.0
Finland	23.8	24.0	24.1	23.7	23.3	23.7	23.5	22.5	22.9	23.6	23.0	23.8	24.0	26.6
France	8.8	9.0	8.7	8.8	8.9	8.9	8.8	8.9	8.9	8.8	8.3	8.5	8.6	8.7
Germany	24.6	25.4	26.3	26.8	27.3	28.8	31.0	30.0	29.6	29.3	29.6	29.4	30.4	30.7
Greece	3.7	2.0	2.4	2.5	2.5	2.5	2.5	2.6	2.6	0.5	0.5	0.5	0.5	0.5
Hungary	9.1	9.0	7.4	6.5	6.6	5.3	4.9	5.1	5.4	5.8	5.6	5.5	5.4	5.7
Ireland	5.2	5.0	4.8	4.4	4.2	5.2	5.4	6.9	8.0	10.0	8.3	9.7	11.6	12.1
Italy	4.2	4.0	3.8	3.7	3.6	3.4	3.4	3.3	3.4	3.3	3.3	3.4	3.3	3.3
Latvia	9.0	10.4	9.5	9.3	8.9	9.7	9.6	9.9	9.8	9.3	8.3	7.5	8.8	8.9
Lithuania	8.3	9.8	9.8	9.4	8.0	6.9	6.4	6.4	6.6	6.5	5.8	6.6	8.4	9.1
Luxembourg	1.2	1.4	1.3	3.1	3.0	3.1	3.3	3.6	3.5	3.7	3.5	3.7	4.0	3.9
Malta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	19.2	18.6	17.7	17.3	17.1	21.7	21.7	22.5	22.5	22.4	22.0	21.5	22.0	21.2
Poland	11.6	11.2	11.0	10.9	10.9	10.5	16.0	17.4	17.2	18.2	18.9	17.8	15.6	8.8
Portugal	3.7	3.6	3.5	3.8	3.5	3.4	3.6	3.8	3.7	4.1	4.2	4.3	4.1	4.4
Romania	9.3	8.5	8.6	9.0	9.2	9.8	10.7	11.1	12.6	9.3	9.1	8.6	8.3	9.1
Slovakia	4.2	4.2	4.1	3.9	3.6	3.8	3.7	3.9	4.0	4.3	4.4	4.2	4.8	4.5
Slovenia	5.4	5.3	5.6	5.7	5.9	5.5	5.5	5.5	5.6	5.7	5.4	5.3	4.8	5.7
Spain	9.8	9.7	8.8	8.3	8.6	8.8	9.0	9.4	9.4	9.5	8.9	9.5	9.7	9.7
Sweden	32.4	33.8	33.2	33.1	33.9	34.4	35.3	35.5	35.9	35.8	34.8	35.4	34.7	36.5

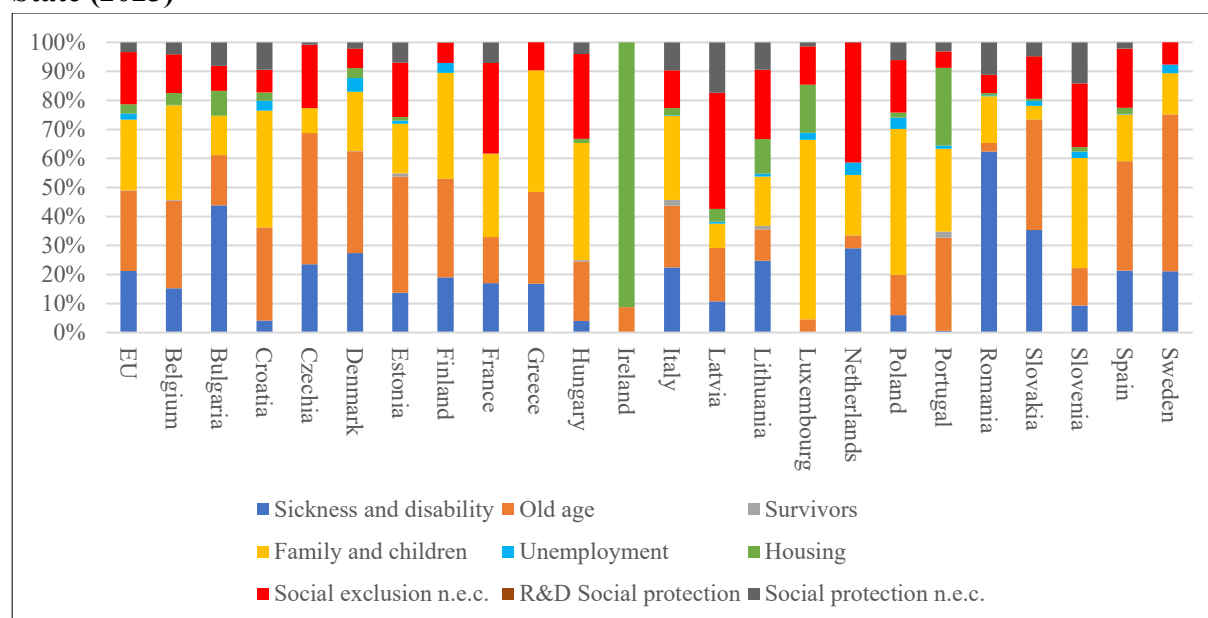
Source: own elaboration based on Eurostat

Looking at the composition of LRA expenditure on social protection at EU level in 2023 (Figure 2.8, but considering only 25 Member States⁵³), most resources were allocated to old age (28%), family and children (24%), and sickness and disability (21%). The category social exclusion ranked fourth at 18%, amounting to 58.25 billion euros, with the highest shares recorded in the Netherlands (41%) and Latvia (40%). In other policy areas where anti-poverty measures can be

⁵³ Data on social protection sub-categories by government level is not available for Germany and Austria. Without these two countries, the total EU expenditure in 2023 in social protection drops to 323,2 billion euros from 596,6 billion euros for the EU27.

adopted, such as unemployment and housing, LRA expenditure is very low, 2% and 3% respectively of total expenditure on social protection. A notable exception is Ireland, in housing, where LRAs spend 91% of their total expenditure on social protection.

Figure 2.8: LRA expenditure on social protection, by type of expenditure and by Member State (2023)



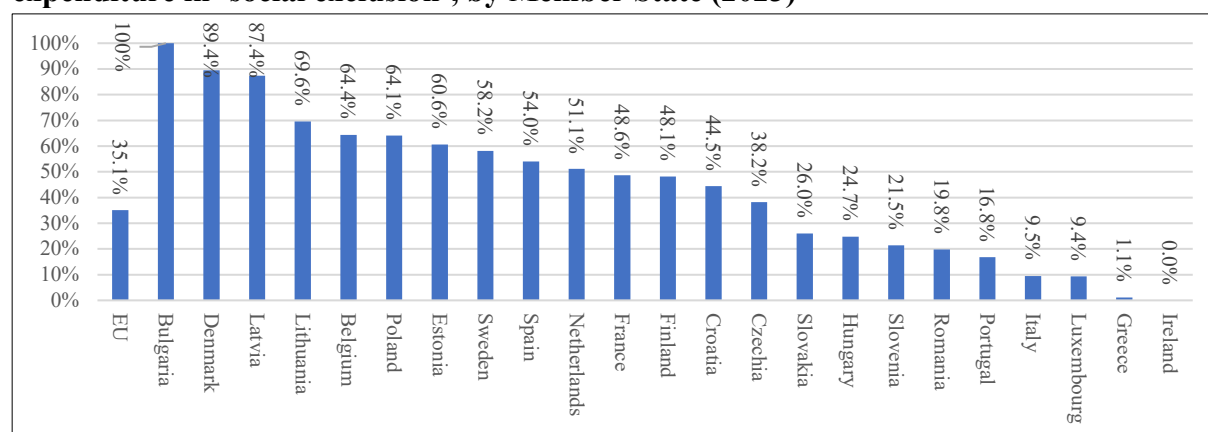
Source: own elaboration based on Eurostat

Note: Data for Germany and Austria by type of expenditure is unavailable; Cyprus and Malta are not included as their LRA expenditure in social protection is 0.

Considering expenditure specifically related to social exclusion (Figure 2.9 and Table 2.2), the share of LRA expenditure accounted for 35.1% of total general government expenditure at EU level in 2023. This share ranged from a few decimal percentage points in Greece and Ireland to 100% in Bulgaria and nearly 90% in Denmark and Latvia. The value at the EU level increased compared to 2022, when it was 30.6%. However, this value had remained over 50% between 2005 and 2013, before gradually declining to its lowest point in 2022. The decrease between 2013 and 2022 involved all Member States, with the exception of Slovakia (+21.8 pp), Portugal (+8.9), and Denmark (+5.9). In contrast, despite the increase between 2022 and 2023 at the EU level, five Member States experienced a reduction (Poland -11.5 pp, Finland -6.4 pp, Croatia -4.2 pp, Slovakia -2.3 pp, Slovenia -0.1 pp). Finally, an interesting aspect is that the share of expenditure on ‘social exclusion’ covered by LRAs tends to be slightly higher in those Member States where the AROPE rate is higher. Among those Member States with an AROPE rate below the EU level (17.6% vs 21.3%), the share of expenditure on ‘social exclusion’ covered by LRAs was 42.5%, while among

those Member States with an AROPE rate over the EU level (25.9% vs 21.3%), the share of expenditure on ‘social exclusion’ covered by LRAs was 45.7%.

Figure 2.9: Share of LRA expenditure in ‘social exclusion’ over general government expenditure in ‘social exclusion’, by Member State (2023)



Source: own elaboration based on Eurostat

Note: Data for Germany and Austria by type of expenditure is unavailable; Cyprus and Malta are not included as their LRA expenditure in social protection, and therefore, in ‘social exclusion’ is 0.

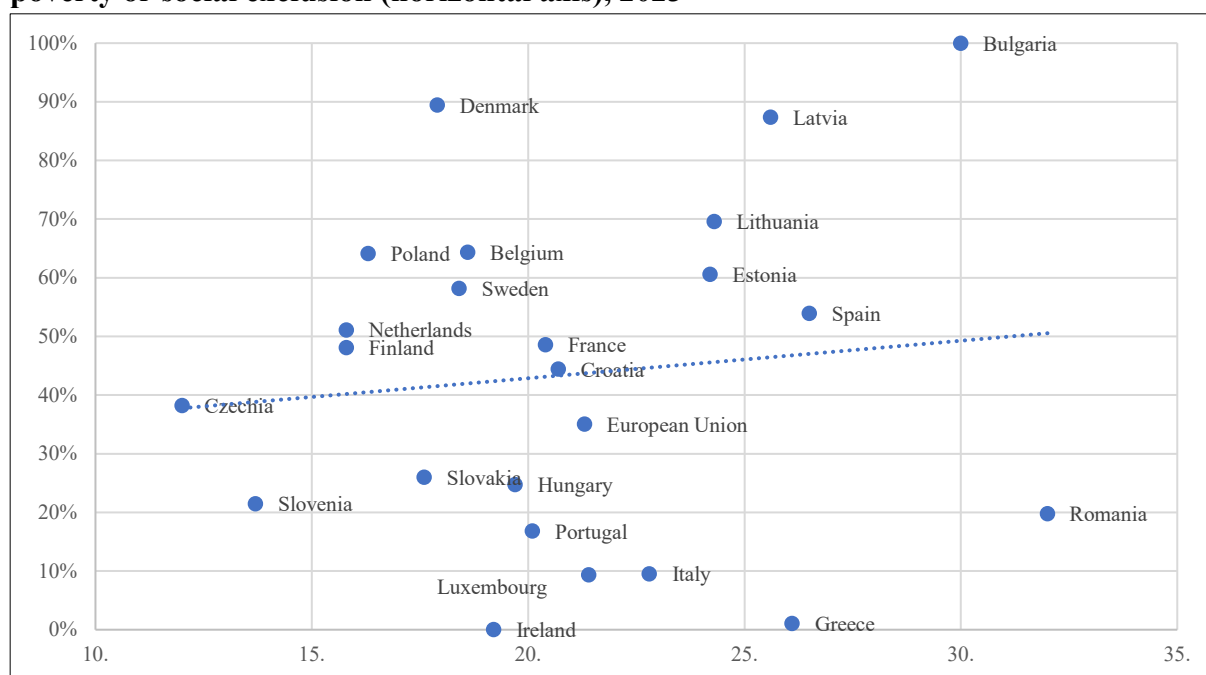
Table 2.2: Share of expenditure in ‘social exclusion’ at LRA level over total general government expenditure in ‘social exclusion’, by Member State, 2010-2023 (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
European Union	54.5	54.0	53.4	53.5	49.1	46.1	42.7	43.4	43.9	41.1	37.9	35.4	30.6	35.1
Austria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Belgium	76.6	74.7	74.5	76.2	76.4	75.6	72.1	71.3	71.8	69.5	67.4	65.7	45.2	64.4
Bulgaria	100	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	95.0	100.0	100.0	100.0	100.0
Croatia	84.5	87.9	91.9	79.4	78.7	75.5	50.4	50.3	54.8	57.3	60.5	60.9	48.7	44.5
Cyprus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czechia	33.3	37.6	14.1	12.5	12.8	17.6	15.4	23.4	28.9	30.4	31.3	32.5	24.4	38.2
Denmark	74.8	74.5	77.0	75.3	77.0	81.0	80.5	82.8	83.7	84.1	80.0	85.9	81.2	89.4
Estonia	93.0	92.5	89.9	87.2	86.7	77.5	80.1	61.5	56.5	54.4	51.6	55.7	43.8	60.6
Finland	87.8	90.1	91.0	90.7	89.2	84.3	66.4	49.3	53.4	54.8	53.7	57.1	54.5	48.1
France	66.8	68.1	67.1	70.3	69.7	70.8	69.7	67.3	66.8	56.5	53.5	49.0	48.3	48.6
Germany	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Greece	24.2	0.6	1.4	2.3	0.3	6.1	3.2	1.4	1.2	1.4	1.4	1.4	0.9	1.1
Hungary	37.8	39.8	40.8	39.9	44.3	33.9	30.6	31.4	32.2	33.2	28.5	25.5	22.6	24.7
Ireland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Italy	59.9	59.2	60.6	57.5	15.5	10.4	10.0	9.5	8.8	7.7	6.7	5.6	6.3	9.5
Latvia	94.6	93.7	96.0	91.6	92.2	91.7	99.2	91.7	96.5	95.6	95.8	73.2	49.3	87.4
Lithuania	80.8	83.3	82.9	94.3	88.0	76.4	76.0	78.0	80.2	60.3	60.6	66.3	67.6	69.6
Luxembourg	5.8	7.3	6.6	8.8	9.1	9.7	9.4	8.9	9.7	12.1	12.1	12.0	8.2	9.4
Malta	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Netherlands	55.0	52.3	52.3	51.3	55.5	60.0	59.4	62.2	61.7	60.4	59.9	58.3	51.8	51.1
Poland	100.3	88.5	91.3	92.6	93.7	96.5	96.5	95.4	95.3	95.8	92.2	92.9	75.6	64.1
Portugal	0.5	0.4	0.9	3.1	3.3	2.2	5.9	7.9	8.7	6.5	13.9	15.1	12.0	16.8
Romania	26.0	28.8	30.9	32.3	32.4	28.7	26.1	35.5	38.9	30.1	13.0	28.1	19.7	19.8
Slovakia	10.7	10.9	11.6	6.5	7.4	8.0	7.6	9.2	11.4	15.6	23.4	25.1	28.3	26.0
Slovenia	32.7	30.2	30.0	31.0	27.7	25.6	29.5	22.5	24.8	23.1	22.7	21.9	21.5	21.5
Spain	88.8	88.8	89.6	89.0	88.1	89.9	87.0	86.6	84.6	83.4	75.3	65.4	51.7	54.0
Sweden	76.2	75.2	73.9	71.9	68.3	66.9	68.6	71.1	71.3	71.0	70.1	69.2	43.3	58.2

Source: own elaboration based on Eurostat

Note: Data for Germany and Austria by type of expenditure is unavailable.

Figure 2.10: Share of LRA expenditure on ‘social exclusion’ over general government expenditure on ‘social exclusion’ (vertical axis) versus percentage of persons at risk of poverty or social exclusion (horizontal axis), 2023



Source: own elaboration based on Eurostat

Note: Data for Germany and Austria by type of expenditure is unavailable; Cyprus and Malta are not included as their LRA expenditure in social protection, and therefore in ‘social exclusion’, is 0.

2.3 Mapping the current division of powers and role of LRAs in policy areas related to combating poverty

This section provides an overview of the division of powers and competences within each Member State across the different governance levels. For the Final Report, if necessary, this section can be included in an annex and briefly summarised in this chapter.

- **Austria.** Central authorities are responsible for the policies concerning family, social housing, social compensation, and policy measures for combating poverty. Regional authorities implement laws on social assistance and are responsible for their administration, including basic social welfare services. They also contribute to family policy (including infant, maternity and youth protection and welfare). Municipalities are responsible for basic social welfare services and childcare.
- **Belgium.** The central government is responsible for legislating and implementing social assistance measures, especially concerning family policy. Regional authorities oversee public housing, while community authorities are in charge of welfare services, including care for the youth, families and older people. Finally, municipalities are responsible for providing social services and setting up

a public centre for social action in each commune. They are also involved in public housing.

- **Bulgaria.** The central government is primarily responsible for social policies, including measures to increase personal incomes, improve living standards, provide assistance to disadvantaged people, combat social exclusion and further develop social services. Regional authorities cooperate with the state on social policy topics, while municipalities are responsible for orphans and children in care in local hospices and contribute to the social and solidarity-based economy.

- **Croatia.** Central authorities are responsible for regulating, organising, coordinating and supervising social care activities and services. They are also in charge of establishing and managing social care centres (situated in towns and municipalities), social care homes and family centres. In addition, they oversee local and regional self-governance and civil society organisations in developing social development programmes. Regional authorities propose, support, and coordinate activities in the field of social welfare, participate in the adoption of the regional social plan and ensure that social services are developed in accordance with the social plan and the social services network. Municipalities participate in funding social policies, establish centres for aid and care, cover housing expenses for the people experiencing poverty and establish public canteens and shelters for the homeless (for large towns only).

- **Cyprus.** The central government is primarily responsible for social policies, including support for vulnerable groups, families and individuals facing social problems. Provinces and municipalities are responsible for providing social, health and emergency services to needy or disabled individuals.

- **Czech Republic.** The central government is responsible for the overall legislation concerning social policy. Regional authorities are in charge of providing social services, while municipalities are responsible for the social development within their territory, social assistance, and local social security offices.

- **Denmark.** The central government is responsible for social policy targeting marginalised adults, disadvantaged children and young people. Regional authorities oversee social services for vulnerable groups and those with special needs that are not covered by the municipalities. They also have responsibilities for housing for the elderly and housing communities. Municipalities are responsible for regulating, supplying, and financing social policy at the local level. This includes services for children and young people with social problems, as well as immigrants and refugees. In addition, municipalities may assume responsibility for social services otherwise provided by the regions.

- **Estonia.** The central government is responsible for the development and execution of social policy, including general care homes and welfare institutions,

and the provision of subsistence benefits. Municipalities have several tasks in social policy, such as social assistance and welfare services for older people and others in need of assistance, social housing, shelters, childcare services for parents raising children with special needs, alternative care services, and social transport.

- **Finland.** The central government is responsible for general planning, guidance and the implementation of social policy, as well as the provision of social security benefits. Municipalities are in charge of planning and delivering social welfare measures in accordance with national legislation, including child and youth welfare, family policy, and services for older people, people with mental health problems and those with physical disabilities.

- **France.** The central government is responsible for designing, piloting, and evaluating social policies to promote social cohesion, including measures and benefits for older people, persons with disabilities, and foreigners living in asylum seeker centres. Regional and departmental authorities are responsible for defining and implementing inclusion and social policy (without encroaching on the competences of the State), particularly concerning children, people with disabilities, aid for families, the prevention of and fight against exclusion, and the coordination of social action for poverty alleviation policies. Municipal authorities play a role in social welfare (complementary to the Departments) and provide childcare and retirement homes.

- **Germany.** The federal government is responsible for legislating on social assistance and family policy. It can also grant earmarked financial aid to the Länder for the creation of social housing. The Länder are in charge of implementing social assistance and have limited responsibility for family policy, with restricted possibilities for complementary legislation (for kindergartens). They may also implement programmes that supplement federal initiatives, depending on available financial resources. In addition, the Länder are responsible for establishing social housing. Municipalities oversee the administration, funding and distribution of social assistance and benefits, and implement Federal and Länder legislation and regulations. They also play a role in providing childcare facilities.

- **Greece.** The central government is responsible for social policies targeting the most vulnerable groups, including children, and for developing policies that promote gender equality and support individuals living in precarious conditions or at risk of extreme poverty or social exclusion. Regional authorities are responsible for supporting both new and established refugees, overseeing social work, supervising elderly care and child protection agencies, and implementing programmes to protect mothers and preschool children. Municipal authorities support social care for children, the elderly, and vulnerable groups and the implementation of related social programmes. They also carry out programmes

for the social, economic and cultural integration of Roma, immigrants, and refugees, as well as support measures for the homeless and economically weak.

- **Hungary.** The central government is responsible for the welfare system, family policy, support for people suffering from mental impairment and integration of Roma communities into mainstream society. Regional authorities oversee the territorial coordination of specialised social services and the protection and special care of children and young people. Municipalities are in charge of social services, child welfare and child protection services, as well as support for the homeless.

- **Ireland.** The central government is responsible for the social welfare system, including social care assistance for people with disabilities and older people, income support measures, and programmes to counter disadvantage and exclusion and improve wellbeing and outcomes for children. Regional authorities support the implementation of Local Authority Local Economic and Community Plans (LECPs), seeking to reduce the number of people in or at risk of poverty and social exclusion within the Regions. Municipalities are in charge of social housing, providing housing for adults in difficulty and measures to prevent and address homelessness.

- **Italy.** The central government is responsible for defining the principles and objectives of social assistance, monitoring and assessing social policy, providing initial aid to refugees, and shaping housing policy by facilitating access to the rental market for low-income families. Regions are in charge of complementary social welfare and coordinating and developing social services at the regional level. They are also responsible for public housing functions, not reserved to the State, and for implementing programmes and actions supporting the family, particularly children, the elderly, persons with disabilities, ex-prisoners, and other vulnerable groups. Municipal authorities are responsible for social services at the municipal level, and for public communal housing (functions not reserved to the State). They also play a role in family policy (childcare, elderly care and disabled care).

- **Latvia.** The central government ensures funding for social assistance and welfare in the state budget, provides family benefits and creates social care and social rehabilitation institutions. Municipalities are responsible for providing social assistance for poor families and socially vulnerable individuals, including the homeless, orphans and children without parental care. They also have a role within family support and crisis centres for children, parents, and young mothers needing specialised help.

- **Lithuania.** The central government provides the framework for developing social security in cooperation with local governments. It is responsible for pensions, sickness and maternity insurance, and active and passive measures against unemployment. Municipalities are responsible for planning and delivering

social services, including social integration for persons with disabilities, providing financial aid for housing acquisition or rental and managing the municipal social housing stock, including setting social housing rents.

- **Luxembourg.** The central government is responsible for social assistance, social welfare, minimum wage policy and the integration of foreigners. It is also responsible for family policy, including policy concerning persons with disabilities, older people and the youth, as well as the coordination and implementation of actions for gender equality. Municipalities are responsible for social policy, including policy on housing and childcare.

- **Malta.** The central government is the main authority for social policy, including measures for family and child policy, support for affordable and decent housing, elderly care and assistance for people with disabilities. Regional councils are responsible for assisting local councils and providing professional services in the social sector. Municipalities promote social policy initiatives, mainly for people with special needs, young people, and the elderly.

- **The Netherlands.** The central government is responsible for developing policy and legislation on social welfare and social security. It supports the municipalities in implementing social policy and provides specialised services for families and children. Regional authorities are responsible for allocating quotas for social housing and grants to the municipalities. Municipalities provide support to older people and people with disabilities or psychological problems. They also assist individuals with reduced capacity for work to access employment opportunities (employers receive a subsidy for wage costs). They manage welfare payments, administer social services, provide support for the homeless, organise care for the elderly and supervise childcare.

- **Poland.** The central government is responsible for combating poverty and promoting social inclusion. This includes protecting vulnerable groups, supporting voluntary service, and alternative forms of employment for vulnerable persons. It also oversees family and disability benefits. At the regional level, regional social policy centres implement social assistance measures in cooperation with other providers and organisers of social assistance (for example, NGOs). In addition, regional authorities are in charge of family policy and programmes relating to social exclusion, and support local governments in their efforts to reduce poverty. However, most social assistance services are provided by social assistance centres (at the municipal level) and *powiat* centres for family support (at the county level). Municipalities are the main providers of social assistance services, including support for people experiencing poverty.

- **Portugal.** The central government is in charge of organising, coordinating and subsidising a unified and centralised social security system. It coordinates social policies related to family support, children and youth at risk, older people, and the inclusion of persons with disabilities to combat poverty and promote social

inclusion. Municipalities are responsible for centres for the elderly and people with disabilities, providing social housing, supporting families, and delivering benefits to vulnerable people. They also cooperate with social institutions and, in partnership with the central government, in programmes and projects combating poverty and social exclusion.

- **Romania.** The central government oversees policies in the field of social protection by coordinating and monitoring the implementation of social policies dealing with children, family issues, people with disabilities, the elderly, victims of domestic violence, vulnerable groups, and people at risk of poverty and social exclusion. County authorities are in charge of medical care and social assistance for people with social problems, and oversee specialised social services for child protection and the elderly. Municipalities, towns and communes share the same competences as the county level.

- **Slovakia.** The central government oversees the administration of social affairs, directing power through regional offices. It is in charge of social benefits, social services, the social inclusion of people with disabilities, and the coordination of family policy. Regional authorities are responsible for procuring, approving and providing social services, and for managing and working with municipalities and other legal and private entities that provide social services, including the construction of housing facilities. Municipal authorities are responsible for establishing social service facilities and providing social services.

- **Slovenia.** The central government is responsible for home care assistance, financial social assistance, social welfare programmes, care for adults with physical or mental handicaps, and assistance for workers. Municipalities are in charge of creating the conditions for the construction of social housing and supporting the development of the social welfare housing fund. They promote social welfare services for children, families, the socially vulnerable, persons with disabilities, and older people.

- **Spain.** The central government is responsible for social subsidies unrelated to employment or specific insurance schemes, aid, grants, scholarships, and subsidies, as well as for establishing and managing social centres. Regional authorities hold exclusive overall legislative and executive powers in social affairs, while respecting the State's competence in social insurance. They are also responsible for the creation of regional agencies, the management of funds and the development of social policies. Municipal competences include managing social services and establishing collaboration agreements with public and private entities in social services.

- **Sweden**⁵⁴. The central government sets the overall framework and legislation for social policy, including social welfare, health care, and education. It is in charge of supporting people with social difficulties, including persons with disabilities and the elderly, as well as for youth policy. It is also manages benefits, compensation and family allowances. Regions are primarily responsible for health care (including hospitals and primary care). Municipalities have several competences. They are in charge of childcare services, support long-term unemployed people in need of social assistance, provide financial aid to residents who cannot support themselves through work, unemployment benefits, or other means, and are responsible for housing support and the prevention of homelessness.

⁵⁴ The description of division of power in relation to social policy is not available for Sweden in the Division of Powers CoR's portal. The description is therefore based on alternative sources.

3 POLICIES TO COMBAT POVERTY: EXPERIENCES FROM LRAS

This chapter presents an overview on policies to combat poverty through the experience of LRAs. After a short introduction on EU anti-poverty actions and legislation, the chapter introduces three examples of good LRA practices across the EU. The good practices can be read as stand-alone pieces, each presenting the main objectives, context, activities, results and success factors. Additional examples and lessons learnt will be included in the next deliverable.

3.1 EU actions and legislation to combat poverty: overview

The fight against poverty at EU level is pursued through a combination of legislation – mainly directives, soft policy instruments as set out in the EPSR action plan and financial support – primarily through the ESF+. The ESF+ aims to combat poverty and social exclusion by providing targeted support to vulnerable groups, including homeless people, migrants, and people with disabilities. The fund also supports initiatives to improve access to essential services such as healthcare, education, and housing. The key targets and allocations - expressed as a percentage of the allocated envelope of each Member State- are outlined in the ESF+ regulation⁵⁵ :

- At least 25% must be allocated to social inclusion initiatives (art.7(4)). This includes programs aimed at integrating marginalised communities, supporting disadvantaged groups⁵⁶, combating poverty, and addressing social exclusion.
- A minimum of 5% should be directed toward combating child poverty (art.7(3)). This includes initiatives to improve access to education, healthcare, housing, and social services for children living in poverty or at risk of social exclusion. However, this only applies to *Member States that had an average rate of children under 18 years old at risk of poverty or social exclusion above the Union average for the period between 2017 and 2019*.

However, other funding instruments also address (mostly indirectly) the target group of socially disadvantaged segments of the population, as in the case of the ERDF. The ERDF Regulation, in fact, states that *in order to promote social*

⁵⁵ Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013.

⁵⁶ With disadvantaged groups being defined as: a group of people in vulnerable situations, including people experiencing or at risk of poverty, social exclusion or discrimination in its multiple dimensions (Regulation (EU) 2021/1057 – Art.2 (4))

*inclusion and combat poverty, particularly among marginalised communities, it is necessary to improve access, including through infrastructure, to social, educational, cultural and recreational services, including sport, taking into account the specific needs of people with disabilities, children and the elderly*⁵⁷. Another relevant instrument is the Social Climate Fund, which targets two key social issues, namely transport and energy poverty. The fund aims to mitigate the social impacts of the EU's climate policies, ensuring that vulnerable groups are not left behind in the transition. Instead, the European Globalisation Adjustment Fund for Displaced Workers (EGF) supports displaced workers and self-employed individuals affected by major restructuring events, such as globalisation, technological advances and climate change. Particular attention is given to the most disadvantaged groups, such as persons with disabilities, those with dependent relatives, young and older unemployed individuals, people with low qualifications, those with a migrant background, and people at risk of poverty. In addition, the Recovery and Resilience Facility (RRF), which entered into force in February 2021 with the aim of providing up to EUR 723.8 billion in funding through 2026 to mitigate the economic and social impact of the COVID-19 crisis, has two of its six pillars focused specifically on tackling poverty and social exclusion.

Apart from these ongoing support instruments provided at EU level, two funding instruments have recently been closed or merged into existing funds. The first is the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE), established in September 2020 to support Member States in their efforts to cope with the COVID-19 pandemic and to preserve jobs and incomes, primarily through short-term work schemes. At the time of its closure on 31 December 2022, SURE had provided EUR 98.4 billion in back-to-back loans to Member States. The second is the Fund for European Aid to the Most Deprived (FEAD), now incorporated into the ESF+. Set up in 2014 to support Member State actions providing material assistance, in combination with social inclusion measures, to the most deprived, the FEAD received EUR 3.8 billion of EU funding, complemented by Member State contributions for a total funding of EUR 4.5 billion during the 2014-2020 programme period.

Various EU spending programmes⁵⁸ address specific groups in the social field related to poverty, e.g. vulnerable and disadvantaged individuals, and occupational sectors or regions with specific traits. It must be pointed out that the

⁵⁷ Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund.

⁵⁸ Term derived from the EU Better Regulation Guidelines and Toolbox -EU Commission (2021): Commission Staff working Document: Better Regulation Guidelines; SWD(2021) 305 final; https://commission.europa.eu/document/download/d0bbd77f-bee5-4ee5-b5c4-6110c7605476_en?filename=swd2021_305_en.pdf; EU Commission (2023): Better Regulation Guidelines Toolbox; https://commission.europa.eu/document/download/d0bbd77f-bee5-4ee5-b5c4-6110c7605476_en?filename=swd2021_305_en.pdf

term ‘target group’ designates the typical categories of beneficiaries that the intervention intends to support, e.g. research institutes, SMEs, local administrations, unemployed persons, vulnerable groups, etc⁵⁹. This does not, however, always depict the final recipient or wider target of the intervention, which can only be captured through an in-depth analysis of EU spending or individual projects.

As indicated by the comparative analysis in the table below, almost all spending programmes address, at least indirectly, income-related vulnerable groups. However, due to the limited scope of EU influence in this field (see Art. 153 TFEU), the actual targeting and management of funds is to a large extent determined by the Member States.

Another observation from the summary table is that an extensive range of economic sectors seems to be targeted through the spending programmes. While this may reflect the reality of diverse needs, it also risks spreading limited resources too thinly across many economic areas – potentially creating competing or even counterproductive effects from the single support measures⁶⁰. In particular, the ESF+ and the JTF target very specific groups within economically vulnerable populations – e.g. people (specifically children) prone to food poverty (ESF+ Regulation Art. 4 lit. m⁶¹) or people prone to energy poverty (indirectly addressed through Art. 2 of the JTF Regulation⁶²). The European Commission’s 9th Cohesion Report (2024) presents the situation for both these aspects as of 2021 (i.e. at the beginning of the current programming period). The regions/ countries most affected are Bulgaria and Romania, while Greece, Southern Italy and some regions in Germany and Hungary also show signs of vulnerability. Regarding energy poverty - characterised by difficulties in heating and covering household utility bills - the most affected regions/ countries include Greece, Bulgaria and parts of Southern Spain and Lithuania (with respect to heating poverty).

⁵⁹ See SFC Support Portal of the European Commission; <https://sfc.ec.europa.eu/en/what-meant-target-group> accessed 18.10.24

⁶⁰ One well documented effect is the competing funding in rural areas between the CAP targeting to keep up farming employment and the ERDF/ ESF providing incentives to give up full time farming by increasing the attractiveness of other sectors – specifically certain industries (see European Commission Directorate-General for Agriculture and Rural Development, ‘Evaluation Support Study on the Impact of the CAP on Territorial Development of Rural Areas: Socioeconomic Aspects’. and European Commission, DG Agriculture (2019): “Evaluation of the Common Agricultural Policy’s impact on knowledge exchange and advisory services”.

⁶¹ European Commission, REGULATION (EU) 2021/1057 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013.

Table 3.1: Overview of ongoing funding opportunities and target groups covered as of the regulatory framework

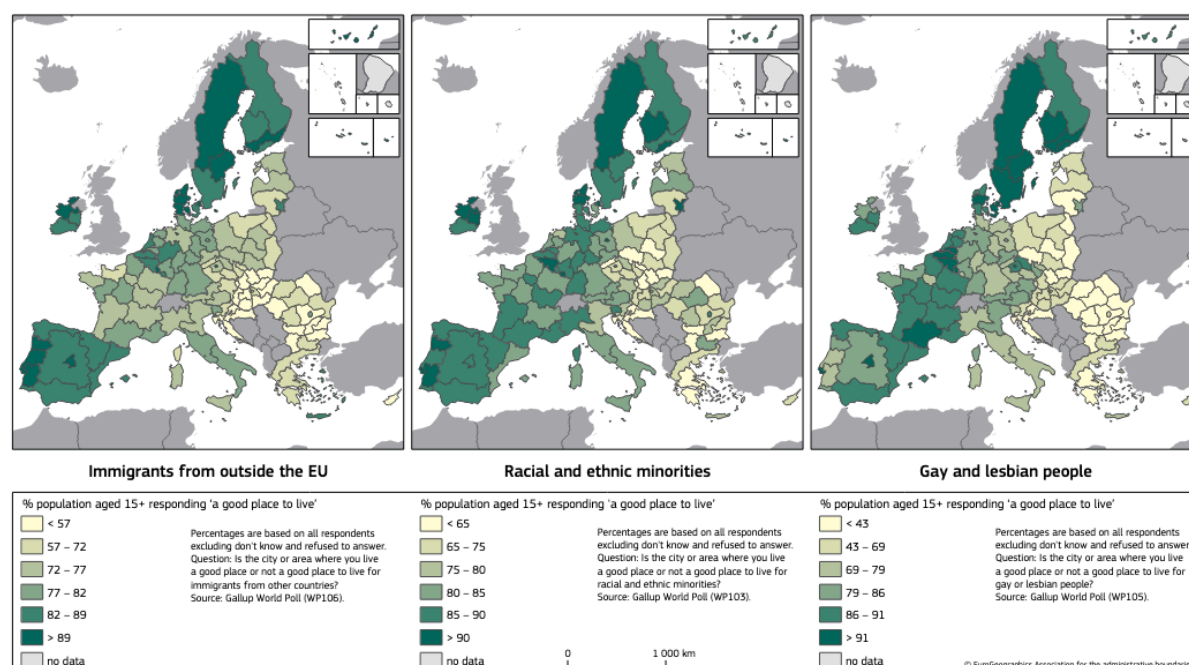
<i>Target Groups</i>	<i>ESF+</i>	<i>ERDF</i>	<i>JTF</i>	<i>RRF</i>
Demographic groups	young people (15 to 29 years of age), children (up to 18 years old)			specific employment support for young people aged 15-29
Ethnic groups	people experiencing discrimination in its multiple dimensions; marginalised communities, such as Roma people	indirect effects through social housing - specifically mentioning Roma people		
Vulnerable groups (health-related)	active, healthy ageing and healthy work environments	indirect effects through investment in health care infrastructure		Indirect effects through investment in health care infrastructure
Vulnerable groups (income-related)	people in vulnerable situations, including people experiencing or at risk of poverty, social exclusion or discrimination in its multiple dimensions; ‘most deprived persons’ means natural persons, whether individuals, families, households or groups of persons, including children in vulnerable situations and homeless people	indirect employment effects through economic support (SMEs) and infrastructure investments		support in job search activities; indirect effects through housing support
Gender related	people experiencing discrimination in its multiple dimensions; women	horizontal principle of policy implementation - indirect effect		
Specific economic sectors		indirect employment effects through economic support (SMEs) and infrastructure investments	job search for sectors affected by climate transition (fossil fuel dependent sectors, primary production of fossil fuels) - indirect employment effects through supporting SMEs, renewable energy, etc.	indirect employment effects through investment support in the green economy and digital economy
Territorial disadvantages (traits of territories)		distinction between more developed, transition and less developed regions, as well as three groups of MSs (GNI ratio <100%, >100%-75%, >75%)	regions most affected by the adverse effects of climate transition - NUTS3 scale	

Target Groups	<i>InvestEU</i>	<i>EGF</i>	<i>ERASMUS+</i>	<i>Digital Europe</i>	<i>CAP</i>
Demographic groups					support of young farmers (nationally determined age levels) and generational renewal to sustain farming/ forestry
Ethnic groups					
Vulnerable groups (health related)	indirect employment effects through health and long-term care				indirect employment effects through social infrastructure support - health care
Vulnerable groups (income related)	indirect employment effects through social infrastructure, including health and educational infrastructure, social and student housing, social innovation,	indirect employment support through job search assistance services, guidance, advisory services, mentoring, entrepreneurship promotion, business creation, recruitment incentives for employers, mobility allowances, childcare allowances; experiment with innovative active labour market measures	indirect employment effects through developing competences, skills and supporting mobility, which eventually contribute to better social inclusion	indirect employment effects through aiding industry, small and medium-sized enterprises (SMEs), and public administration in their digital transformation through a strengthened network of European Digital Innovation Hubs (EDIH)	
Gender related	horizontal principle of policy implementation - indirect effect			indirect employment effects through boosting digital skills of young people and in particular girls, the initiative girls and women in digital, digital skills and jobs platforms	

<i>Specific economic sectors</i>	indirect employment effects through microfinance, social enterprise finance, social economy, cultural and creative activities with a social goal and the integration of vulnerable people, including third-country nationals	covering 27 economic sectors, with most accounted for in the retail, motor vehicle and automotive sectors.			indirect employment effects through supporting farmers (active farmers) staying in their jobs, agriculturally related value chains in the diversification of the rural economy
<i>Territorial disadvantages (traits of territories)</i>					rural and intermediate areas as defined by the Member States

The last group targeted by several spending programmes (ESF+, ERDF) with respect to vulnerabilities are members of specific ethnic groups - in particular Roma people⁶³- and/ or minorities. The situation of these groups in 2022 is illustrated in the figure below.

Figure 3.1: Living conditions for minorities, 2022



Source: European Commission (2024) Ninth report on economic, social and territorial cohesion

It should be noted that the indicators reflecting the living conditions of ethnic groups and minorities are based solely on the general population's perceptions of these groups (data based on the Gallup World Poll). The results reveal that living conditions for all the groups covered (immigrants from outside the EU, racial and ethnic minorities and gay/ lesbian people) are perceived to be comparatively bad in Eastern Europe (specifically Bulgaria and Romania). In contrast, in Scandinavia, the Iberic Peninsula and France, the situation is deemed more favourable — particularly for ethnic and gender-related minorities. Although the assessment provides a geographical overview of the need to improve these situations, it does not allow for quantifying the extent of improvement to be achieved (i.e. it does not support setting measurable targets for the support programmes).

With respect to the performance of the funds in relation to vulnerable groups, only the ESF+ provides any information. The ESF+ targets vulnerable groups based on either income and/or health status. To measure achievements in reaching these groups, the ESF+ foresees two output indicators. These can then be disaggregated by age group (children 1-18, young people 18-29 and elderly 54+) or level of

⁶³ See Art.4 ESF Regulation EU COM 2021/1057 lit.j

education attained. Notably, no household income-related indicator is included, which would provide a more direct measure of the success in targeting socially/materially deprived people. The first indicator focuses on the ‘participation of people with disabilities’: in total, about 1.6 million people with disabilities are expected to be supported by ESF+ during the current programming period. The highest share by far is expected in Spain, followed by France. In Italy, Portugal, Poland, Romania and Slovakia, the numbers are expected to be well below 50,000 each. Nevertheless, evaluating the appropriateness of the targeting is complicated by the absence of contextual information regarding this particular group. For the materially deprived target groups, the indicator ‘persons supported by the programme who are homeless or affected by housing exclusion’ serves as a key reference. Several measures will contribute to the output, with the total number of people supported expected to be about 0.3 million – Italy, Germany, Romania and France are expected to have the largest shares. If this target setting is compared to the contextual findings on poverty, the alignment appears only partial. This discrepancy may be explained by pockets of poverty and homelessness found in more developed countries such as Germany and France – especially in urban areas. Concerning the ESF+’s specific focus on children prone to food poverty, the output indicator ‘children below the age of 18 supported’ provides a fairly good indication on whether the group has been appropriately targeted: about 2.6 million children will supposedly be supported, with Spain and Italy by far foreseeing the highest levels of assistance. Bulgaria, Romania, Hungary and Germany expect some support in addressing child poverty as well. This geographical distribution aligns relatively well with the needs identified in the context analysis.

Furthermore, the ESF+ also targets minorities and ethnic groups with employment support. There are three indicators to measure the achievements of the programme for these target groups. ‘Supported people being third country nationals’ corresponds to support for individuals based on their migratory status, while ‘supported people with a foreign background’ refers to second-generation migrants. Overall, the relatively small share of the budget allocated to these groups restricts the projected outputs and the extent of targeted support for these groups. Approximately 0.3 million third-country nationals are expected to benefit, with most located in Italy, Spain, Poland, Romania, Greece and Germany. This distribution corresponds very closely to the countries shouldering the burden of the migration inflows from outside the EU. The number of people with a foreign background to be supported is even lower, estimated to be about 130,000 for the entire programming period. Germany, Belgium, Spain and Finland have set the highest target levels. In the case of Germany and Belgium, this corresponds well with the identified need to integrate people from migrant backgrounds. The final indicator related to this target group is the ‘number of persons supported being members of minorities (including marginalised communities such as the Roma)’. As with the other two indicators, the total number of expected beneficiaries

corresponds to the relative budget allocation for the activities concerned. A total of about 0.6 million people belonging to minorities are expected to receive support throughout the programming period 2021-2027. Bulgaria, Hungary and Slovakia are expecting the largest share of this support. In terms of addressing the needs identified in the context analysis the targeting appears to be effective, as these three countries have the highest share of Roma people and the most significant deficits in perceived quality of life for minorities.

Within the broader context of EU funding addressing poverty, numerous policies and anti-poverty measures are defined and implemented at the Member State level. Kaufmann (2009)⁶⁴ differentiates between four intervention areas in the fight against poverty and social exclusion: legal action; economic support - mostly financial transfers; infrastructure and places of opportunity (such as playgrounds, youth centres, libraries, day centres); and training and assistance measures (advice, counselling, information). The first two areas are primarily defined and implemented at the national or regional level, while the last two are within the domain of local authorities. Anti-poverty measures implemented at local and regional levels are often multi-dimensional. They cover aspects such as basic income support⁶⁵ and actions promoting social integration (especially for third-country nationals), such as language training, social assistance, and housing. Other measures aimed to facilitate access to the labour market (language and vocational training), support individuals in finding and maintaining housing and shelter, and improve access to basic services (social assistance, counselling, advice). They may also include initiatives fostering inclusion, community-building, integration, and education.

3.2 Good practices in fighting poverty

This section presents seven good practices, examples of different local interventions to address poverty. They represent diverse actions targeting different groups and covering various dimensions of poverty:

- Unemployment: *Staircase to Staircase* (Gellerup Aarhus, Denmark); *Citizen Income Granted* (Livorno, Italy);
- Social exclusion: *Model for Integrated Development* (MID) (Sofia Municipality, Bulgaria);
- Homelessness: *Development of social housing* (city of Ostrava, Czechia); *Irish Refugee Council's (IRC) housing programme* (Ireland);

⁶⁴ Kaufmann, Franz Xavier (2009), *Sozialpolitik und Sozialstaat. Soziologische Analysen*, Wiesbaden, VS-Verlag.

⁶⁵ This is often implemented and organised at local and regional level, however, legally defined at national level, given the different competence areas of the administrative levels.

- Energy poverty: *Bono social de electricidad – Electricity social voucher* (Spain);
- Food poverty: *Foodsharing Luxembourg – Caddy Workshop* (Luxembourg).

3.2.1 Staircase to Staircase, Gellerup Aarhus, Denmark⁶⁶

- Staircase to Staircase supports vulnerable families facing long-term unemployment, early school leaving and low social engagement with part-time jobs to return to the workforce, improve their wellbeing and re-enter society. The project adopts an interdisciplinary and holistic approach, involving municipal team members from different fields as well as all the family members, to foster exchange and openness as the foundation for developing a plan. The approach follows a series of steps that are tailored for each family and guided by six overarching principles that support three key approaches: relational welfare, which places people, rather than systems, at the centre of the intervention; a holistic and interdisciplinary approach that fosters collaboration and exchanges across different fields; and the ‘job first, then train strategy, which prioritises finding employment, even if temporary, to kick start the process, while simultaneously investing in training.
- The project has produced a number of remarkable results, with 62 families supported, 52% of the parents in education or employment (2/3 in part-time jobs), a reduction in school absenteeism of 25%, and a youth employment increase of 66%.
- The health and well-being of families have also increased, including their social life and the development of personal support networks.
- The project has also had a broader impact on society: during its four years of implementation, the municipality saved DKK 15 million (around 2 million euros) across the 62 families.
- Building trusted relationships—through continuous structured dialogue, local presence and availability, as well as collaborative approaches to problem-solving—was one of the initial success factors of the project. These efforts enabled precise understanding of the needs and desires of the families, which in turn helped identify suitable job opportunities. The dedication of the team contributed to informed decision-making and the development of meaningful solutions. Based on a collaborative and interdisciplinary approach, the methodology is a key element for

⁶⁶ Based on: Socialt Udviklingscenter (2023) *Opgang til Opgang, tværfaglighed og relationel velfærd som en vej til job og livskvalitet for udsatte familier i Gellerup*; European Social Services Awards, 2024, Staircase to Staircase. A radical, interdisciplinary and relational welfare initiative for vulnerable families in Aarhus – Denmark; <https://www.interregeurope.eu/good-practices/staircase-to-staircase>

transferability to other regions and levels. Building on people's expertise, fostering continuous dialogue, and securing support from all levels are essential to sustaining systematic efforts promoting change and scaling up.

3.2.1.1 Introduction

Country and Region of implementation: Gellerup Aarhus, Denmark.

Period of implementation: The project lasted four years.

Poverty dimension: long-term unemployment.

Target group: vulnerable families.

Main objectives: Staircase to staircase is a relational welfare initiative that supports vulnerable families, primarily facing unemployment and early school leaving, in the neighbourhood of Gallerup, in Aarhus, Denmark. The project connects parents to the labour market, supports children in accessing education and helps young people find part-time employment. The approach is built on trusted relationships with families and follows a holistic approach that supports the entire household. The aim is to enhance wellbeing, create opportunities and help families change their current situation.

3.2.1.2 Detailed description

Main context and activities. The Staircase to Staircase initiative was developed in response to the complex and persistent social challenges faced by vulnerable families. The name was inspired by the team's approach of going 'staircase to staircase' and knocking on doors to identify families in need. These families often faced long-term unemployment, early school leaving, limited youth engagement in education, health issues and barriers to accessing support services; factors that significantly reduced well-being in households. The project introduced a more relational and integrated method, which proved paramount, as traditional approaches had failed to address these challenges effectively. Through a holistic approach that addressed the entire family, the project managed to bring results through a collective effort. This effort involved employees and leaders across the Municipality of Aarhus, with an interdisciplinary team of ten full-time employees from five different departments working together in Gallerup, led by a full-time team leader.

Key activities entailed supporting parents in finding employment tailored to their needs and wishes, supporting children in school attendance and youth in education and part-time jobs, offering general support in different areas, such as health, family dynamics, community engagement, socialisation, and finally building a relationship of trust with the municipality to ensure continued support. The key objectives of the project were to i) improve the wellbeing of the whole family, by strengthening mental and physical health and enhancing social relationships and

participation in community life, ii) increase the parents' employability, by focusing on equipping them with skills and the support to enter the workforce and iii) promote long-term behavioural change and self-sufficiency, through supporting the families in making healthy choices and coping with daily challenges.

The initiative was structured on three overarching approaches and seven practical steps, which were implemented by the team to support each family. The process began with an invitation to the family to participate in the process and set their expectations. Next came the relationship-building phase, where the team established a relationship of trust with the family. This was followed by mapping the family's challenges, resources, and needs. Based on this understanding, activities were planned in collaboration with and according to the family's wishes. Focus was then shifted to developing their capabilities to enhance their overall wellbeing, and finally, to realising their wishes before the phasing out, whereby the process finished, but the support may continue. Each step was guided by the three approaches and a total of six corresponding principles, two per approach, namely:

- i) *Relational welfare.* In short, this means prioritising citizens over the system, so instead of providing pre-made solutions, the team works together with the individuals in need. The concept is based along the lines of building their capabilities to foster social inclusion. This approach emphasises the importance of relationships when organising support, connecting a range of resources beyond mere financial aid, including knowledge, time, networks and mutual exchange. It starts by identifying possibilities and building on the benefits that both employers and employees could gain from. This approach is guided by the principles of collaboration between the team and the families, with everything the team does aimed at helping the family to develop its capabilities. The first principle concerns the family deciding and the municipality taking the risks. Supporting elements include voluntary participation, whereby the family does not feel pressured to participate, allowing the family's dreams to define and shape the collaboration and providing access to knowledge and education. The second principle has the supporting elements for developing the unique skills of each family, building connections with the local area and civil society and mapping out the families' networks and relationships.
- ii) *Holistic interdisciplinary approach.* This approach ensures that the team members operate as generalists and specialists, which allows for a comprehensive and cohesive effort. The approach looks at the family as a network, where the well-being of one member is closely connected to that of the others.

This approach is guided by the principles that all families should have a single access point to municipal services and that the family is an interdisciplinary partner and part of a locally available team. In this context, the municipality offers a partner scheme whereby two members are assigned to a family to discuss any issues and provide ongoing support. In addition, there is a principle of openness, where families are encouraged to be open with the team and discuss any topics that may be relevant, despite the team making the ultimate decisions.

- iii) *Job first and network-based employment* is based on securing part-time jobs initially, while at the same time addressing other challenges people may face. This approach helps families to gradually stabilise while receiving further support for other needs. It also increases the likelihood of people keeping a job, developing their work ability, engaging in positive interactions, and gaining a connection to the workplace.

Job First is guided by the principle of helping to find the right job at the right place in line with expectations. This means that networks are developed by both the team and the families, with a focus on the local market. Expectations of citizens and employers are aligned from the outset. Furthermore, the teams work according to the principle of simultaneity. This means that citizens are offered an initial job, which may be part-time, to kick-start the process and help them enter the labour market, develop working skills, and expand their networks, while simultaneously being trained and further developed.

Key players in the implementation process. The key players in the process were the different departments of the Aarhus Municipality. The project was designed by the Social Development Centre and Aarhus Municipality and supported by the AP Møllerske Støttefond.

Funding sources. The project was funded by Interreg Europe, with support from the Aarhus Municipality and the A.P. Møller Support Fund.

3.2.1.3 Results and impact

Overall, the project has had results and an impact not only on its immediate target groups, but also on the society and municipality. Since its implementation, the project has delivered positive results, providing support to a total of 62 families. Analysing its results and impact, the following can be summarised.

As regards the parents and their employment, 52% are in education or employment, two-thirds of whom are in part-time jobs. Additionally, 21% of the parents have been approved for an early retirement pension. As regards children and youth, school absenteeism decreased by almost 25%, while the employment of youth in part-time jobs increased by 66%.

In addition, in terms of health and wellbeing, parents experienced a significant change in their wellbeing, gaining greater ability to manage their health. Employees involved in the municipal teams estimated that the families increased their well-being by 20%. The social lives of family members also increased, with both children and youths as well as parents expanding their networks and social interactions.

Furthermore, the project has also had a notable effect at the societal level. The municipality saved an average of over DKK 100,000 annually per family in the social sector, and over its four-year period, the Staircase to Staircase project is estimated to have saved the municipality at least DKK 15 million in the social and employment sector, based on support for the 62 families.

3.2.1.4 Success factors and upscaling

The Staircase to Staircase project's success can be attributed to a number of factors, which together created effective mechanisms for connecting citizens and experts and helped drive change. Firstly, the establishment of trusting relationships between the families and the team. This enabled a collaborative, holistic approach that considered the needs of each family member. Furthermore, this close cooperation helped identify jobs that aligned with the families' needs and wishes. The role of the team was crucial in developing opportunities and momentum, but also in demonstrating respect for the autonomy of the families and citizens and their freedom to shape their lives. Time and flexibility were also important, allowing for an in-depth assessment of the needs and the overall situation. This, in turn, helped to ensure better matches between people and opportunities by bridging the gap between expectations and reality. The approach resulted in meaningful solutions that were eventually helpful for both the families and the communities. Finally, physical location and accessibility were crucial, enabling frequent interaction and exchange. Elements that can be transferred to other regions or other levels of governance include the overall methodology and approach used for the initiative. The collaborative and interdisciplinary approach, centred on putting people first, played a key role in the project's success. The approach could be further enhanced by making greater use of the team's expertise, including more families, and working more systematically on preparation and follow-up. This includes creating opportunities for deeper interaction, mutual understanding and complementarity within. To facilitate this development, support from top management will be essential when scaling up this format to other regions or levels, to initiate the efforts and ensure commitment across all levels. Working systematically, with regular supervision and exchanges, clearly defined roles and responsibilities, and an external supervisor to help refine and tailor the method will also be necessary.

3.2.2 Model for Integrated Development (MID), Sofia Municipality, Bulgaria⁶⁷

- The Model of Integrated Development (MID) presents an innovative and effective approach to tackling the multifaceted challenges faced by the Roma population in Sofia, Bulgaria.
- The model integrates multidisciplinary services in areas such as health, nutrition, early education, and parental support.
- The service is offered on behalf of the Sofia Municipality. The methodology has been developed and is implemented by the Health and Social Development Foundation (HESED).
- The initiative's success lies in its community-based, evidence-informed approach. Support is designed following a detailed needs analysis.
- Unlike traditional social policy that focuses on people with serious problems, the service works preventively, i.e. long before the problems become hard to reverse. MID acts complementarily to the current state measures for the integration of the Roma community (compulsory education, full-day school, qualification courses, etc.).
- The programme has a clear impact: children demonstrate improved social adaptation, hygiene habits, and school readiness, while parents gain a greater appreciation for education and community values.
- For European LRAs, MID offers a replicable and scalable framework to address similar challenges within Roma communities or other marginalised groups.

3.2.2.1 Introduction

Country and Region of implementation: Sofia Municipality (Bulgaria).

Period of implementation: Ongoing in Sofia and replicated in other municipalities with Roma communities in Bulgaria.

Poverty dimension: Social exclusion.

Target group: Roma population.

Main objectives: The programme is an integrated model for parental and early childhood development, health promotion and integrated services, which aim to break the vicious cycle of poverty and social exclusion.

⁶⁷ Based on: <https://hesed.bg/en/why-hesed/development-model-mir/>; <https://www.interregeurope.eu/good-practices/model-of-integrated-development-mid/>; <https://www.interregeurope.eu/citices/>.

3.2.2.2 Detailed description

Main context and activities. A particularly large Roma population (more than 50.000 people) lives in compact communities (neighbourhoods) within the Sofia municipality, facing persistent and overlapping problems. This situation calls for innovative, targeted and highly effective measures given the limited financial resources.

Traditional social services often focus only on a single aspect, operating within a traditional organisational structure that cannot reach the people in need effectively. In addition to the organisational fragmentation of social service providers, the budgets for each target are further fragmented. As a result, they cannot respond adequately to the complex problems faced by a target group such as the Roma population. The Health and Social Development Foundation (HESED), located in a Roma neighbourhood in Sofia, addresses the needs of over 300 children in need of early childhood care and hundreds of youths in need of developing their social skills and key competencies for a more successful start in the job market. The mission of HESED is to promote opportunities for personal and community development, health and social well-being, and to create and promote effective approaches for the successful integration of socially excluded communities. The Model of Integrated Development (MID), developed and offered by HESED, is an integrated support service providing opportunities for community development. It envisages the person's life cycle and the tasks that must be addressed at each stage of life. MID services target the key areas of development and comply with professional standards and state educational requirements:

- educational support for children aged 4-5 and the development of parenting skills for their parents
- training for pregnant women and parents of children aged 0-3 to increase their parental capacity;
- training for youths aged 12-18 to develop life and social skills;
- career guidance for youths aged 12-18 and basic entrepreneurship training;
- community mobilisation for a supportive social environment through peer leadership training, fieldwork by outreach workers from the Roma community and campaigning.

Key players in the implementation process. The service is offered on behalf of the Sofia Municipality. The methodology was developed and is implemented by the HESED. Services are developed by a professional team of service methodologists after a detailed needs evaluation. The multidisciplinary team is

comprised of psychologists, social workers, educators, medical specialists, and peer workers from Roma communities (average of 13 employees- specialists).

Funding sources. The programme is funded by the municipality and (in-kind) by the HESED team, offering the expertise, the team and the methodology. Each programme requires an average annual budget of 480,000 EUR, and the local municipality provides 80% of the finances, as a state-delegated budget. HESED is funded by multiple national and international donors and funding instruments.

3.2.2.3 Results and impact

The programme has a clear impact: children demonstrate improved social adaptation, hygiene habits, and school readiness, while parents gain a greater appreciation for education and community values.

Children are well adapted to the social environment, since they follow rules and instructions, communicate effectively with adults and peers, have adequately formed hygiene habits appropriate to their age, and show a level of school readiness and cognitive development corresponding to the norms for their age. The progress of the children is evaluated with assessment instruments for school readiness and child development.

The programme has also had an impact on the personal characteristics of the parents, due to the group format of the training, the interactivity, and the element of sharing between the mothers involved, which helps develop an increased interest and sensitivity to other people. The program influences the value priorities of parents. They begin to appreciate the importance of higher education relative to their priorities before joining the program.

HESED measured the effectiveness of the preschool educational programme with a control group of children who were not included in preschool education. Thanks to the services based on the MID, the children (4- and 5-year-olds) achieved impressive results – five times higher than their peers who did not attend services for early childhood development. This success is also largely due to involving the parents, who, as part of the program, learn how to assist their children in their educational paths before first grade and thereafter. The noticeable progress of the children prompted their parents to begin to imagine a very different future for them.

3.2.2.4 Success factors and upscaling

The MID presents an innovative and effective approach to tackling the multifaceted challenges faced by the Roma population in Sofia, Bulgaria. The model integrates multidisciplinary services in areas such as health, nutrition, early education, and parental support. It empowers young people to plan their futures

while reducing risky behaviour and early marriages. Importantly, MID also addresses environmental concerns, such as building playgrounds and improving air quality.

The initiative's success lies in its community-based, evidence-informed approach. Support is designed following a detailed needs analysis covering health, education, employment, social services, and anti-discrimination.

Unlike traditional social policy that focuses on people with serious problems, the service works preventively, i.e. long before the problems become hard to reverse. MID acts complementarily to the current state measures for the integration of the Roma community (compulsory education, full-day school, qualification courses, etc.) and makes them truly effective.

For other European LRAs, MID offers a replicable and scalable framework to address similar challenges within Roma communities or other marginalised groups. By focusing on early intervention, community involvement, and professional guidance, the model delivers measurable results, fostering long-term social inclusion and economic participation. MID can be easily transferred and replicated to other EU regions with support from exchange programmes such as Interreg Europe.

3.2.3 Development of social housing in the city of Ostrava, Czechia⁶⁸

- The “Housing First” programme in Ostrava, Czechia, builds on a successful pilot in Brno and aims to provide stable, non-segregated housing for people experiencing or at risk of homelessness. Backed by the European Social Fund Plus (ESF+), the project tackles housing deprivation through direct support, systemic coordination, and long-term planning.
- Originating from a 2016 Brno pilot where 50 families were housed successfully, the Ostrava initiative adopts the same core principles.
- The main goal is to expand access to standard housing, support households at risk of homelessness, and anchor the municipality as a lead actor in housing strategy.
- It addresses individuals and families falling under the ETHOS definition of homelessness: roofless, homeless, in insecure or substandard housing.

⁶⁸ Based on: <https://european-social-fund-plus.ec.europa.eu/en/projects/more-roof-over-head-how-social-housing-czechia-offering-hope-0>; <https://socialniveci.ostrava.cz/bydleni/socialni-bydleni-ve-meste-ostrava/>; Fintan F. (2021) *ESF and the Fight against Poverty: The use of the European Social Fund (ESF) during 2014 – 2020 for combating poverty and achieving social inclusion*.

- This initiative offers a replicable model for inclusive, data-informed housing policy and emphasises prevention, empowerment, and system-wide cooperation.

3.2.3.1 Introduction

Country and Region of implementation: Ostrava, Czechia.

Period of implementation: 2022-2025.

Poverty dimension: Housing.

Target group: Homeless, roofless and individuals and families in insecure and substandard housing conditions.

Main objectives: The main objective of the project is to develop the social housing system of the Statutory City of Ostrava by ensuring the availability of standard, non-segregated housing for households in housing need, providing support to occupied households and those at risk of losing their housing, and anchoring the MMO as a central actor in the housing sector.

3.2.3.2 Detailed description

Main context and activities. During the ESF programming period 2014-2020, 50 flats around the city of Brno were used to support a Housing First approach. The project focused on families with children in sub-standard housing, and flats were offered for a one-year period with the possibility of an extension. 50 families were chosen by lottery from 421 applicants. The project started in 2016 and worked in cooperation with ‘peer workers’ who had first-hand experience with homelessness in the city of Brno. After the families were chosen, they were given a questionnaire about their housing preferences (layout, neighbourhood, etc) and the opportunity to choose a social worker from IQ Roma Servis based on the methodology of ‘ideal types of social workers’. A key element of the project was the involvement of a broad range of stakeholders and the active engagement of the people directly concerned, in line with the Housing First principles. Of the families involved, 48 had their leases extended. Based on the success and the lessons learned in the project, the ESF+ has decided to upscale the Housing First approach across Czechia.

Within this programming period, as a next step, individuals and families in need can approach a dedicated contact point for housing in the city of Ostrava. The key activities are:

1. *Promoting settlement and housing support.* In this activity, households in need of housing are accommodated and provided with support from a social worker and, if necessary, other professionals (psychotherapist, debt counsellor and employment counsellor). The housing stock for the purpose

of social housing is provided by the Municipality of Ostrava in cooperation with the municipal districts (Hrabová, Mariánského Hory and Hulváky, Moravská Ostrava and Přívoz, Ostrava-South, Poruba, Radvanice and Bartovice, Slezská Ostrava, Vítkovice), which have a municipal housing stock entrusted by the city statute, and the private company Heimstaden s.r.o. The target group is households (individuals or families) in need of housing. In total, the project should help at least 40 households move into social housing. In the area of housing provision, it cooperates with the city districts and Heimstaden s.r.o., which conclude lease contracts with the clients.

2. *Contact point for housing.* The Housing Contact Point (HCP) was established to provide information to citizens and advice related to housing problems. In the event a household has a housing need, it is possible to apply for social housing through the HCP.
3. *Strengthening the prevention of housing loss.* The activity aims to develop and strengthen mechanisms to prevent housing loss, i.e. to help households deal with situations that could affect the household to such an extent that they risk losing their housing. The target group of the activity is households in need of housing:
 - households housed under the (previous) Social Housing in Ostrava project, who still have a need for comprehensive support and would be at risk of losing their housing without its continuation;
 - individuals and households at risk of losing their housing - those at risk of eviction;
 - individuals and households at risk of losing their housing due to debt (rent, utilities), complaints from neighbours or excessive wear and tear of the apartment, etc.

This activity involves cooperation with:

- municipal districts, where the intention is to develop elements for housing loss prevention within the municipal housing stock and its management;
 - private owners, including the possibility of refining the mechanisms and coordination of actors to prevent housing loss in the private housing stock.
4. *Strategic and coordination activities in the municipality.* The objectives of the activity are to plan and coordinate a locally created social housing system and its components, as well as to develop strategic documents that impact the inclusive efforts of the city. This includes working with data, networking, facilitating cooperation between key actors and

communicating with the public (professional and lay). As part of the activity, the Concept of Social Housing of the Statutory City of Ostrava is also being updated to specify the objectives, activities and measures for the long-term development of social housing in the city. The concept is being developed within the framework of the Social Housing Working Group and through the implementation of the Round Tables on Social Housing. The target group for this activity are actors in the social housing agenda, such as members of the Ostrava City Council, city districts, non-profit organisations, the Labour Office of the Czech Republic, the academic environment (universities), private owners of housing stock, and households in need of housing.

5. *Education of social workers, management, administration, publicity and evaluation of the project.* The activity focuses on the running of the project and internal processes related to it. It also includes the evaluation, collection and analysis of information on social housing activities and project implementation. Training of social workers: this part of the project consists of both the vocational training of social workers, which focuses on social work with and support for clients, and the development of their soft skills, e.g. in the field of communication. Regular project team meetings take place throughout the implementation period. Project information (including outputs) is published through various channels such as the city newsletter “Ostrava Town Hall!!!”, district newspapers, the city website, newsletters, local professional periodicals, professional activities (city working groups, community planning, etc.), and press releases. Finally, an evaluation is conducted based on data obtained from the questionnaire survey with the project participants and from the survey with key staff/support staff working with the settled households.

Key players in the implementation process. The pilot activity during the 2014-2020 programming period involved a partnership comprising NGOs active in the field of homelessness in the city of Brno, the Brno Municipality, the University of Ostrava and HVO Querido (Netherlands), as well as engagement with the ESF managing authorities and relevant national ministries. For the ESF+ activities in Ostrava, the key players included the Municipality of Ostrava with the municipal districts (Hrabová, Mariánského Hory and Hulváky, Moravská Ostrava and Přívoz, Ostrava-South, Poruba, Radvanice and Bartovice, Slezská Ostrava, Vítkovice), which manage the municipal housing stock entrusted by the city statute, together with the private company Heimstaden s.r.o., and the Housing Contact Point (HCP), which is a branch of the municipality of Ostrava.

Funding sources: EUR 994,590 total budget, of which EUR 763,169 from ESF+ contribution.

3.2.3.3 Results and impact

Those with severe housing issues are offered help and, if eligible, are allocated a social apartment. The city's proactive approach has already changed many lives, with 59 households benefiting from this project. However, the initiative provides more than just housing. The support continues even after moving in, with social workers making regular visits to the new residents to ensure they remain secure in their new homes. This sustained support has a high success rate, with over 85% of participants maintaining their housing stability. The broad set of accompanying measures (strategic and coordination activities in the municipality, education of social workers, management, administration, publicity and evaluation of the project) safeguards its sustainability and broadens its effect.

3.2.3.4 Success factors and upscaling

The success of the initiative was already grounded in the activities of the 2014-2020 ESF programming period:

- proactively approaching the target groups of the homeless.
- close cooperation between LRAs (in this case, the municipalities of Bruno and Ostrava) and relevant stakeholders – NGOs, but also representatives for the housing stock (municipality, private homeowners).
- establishing platforms and exchange forums to align the needs of the target groups and the authorities with those of the housing providers (HCP, Social Housing Working Group).
- widening of the scope of activities – i.e. following up on the target groups after they have settled in and providing services to prevent housing loss.

All these factors may be regarded as transferable features to be considered by LRAs when aiming to upscale this initiative to a European scale.

3.2.4 Bono social de electricidad – Electricity social voucher (Spain)⁶⁹

- The electricity social voucher addresses energy poverty. The Spanish *bono social* is a discount mechanism on electricity bills, set by the Spanish government, to protect certain groups of vulnerable consumers in Spain.

⁶⁹ Based on: <https://www.cnmc.es/facil-para-ti/que-hace-la-cnmc-para-consumidores/bono-social-electrico>; <https://www.miteco.gob.es/es/energia/energia-electrica/bono-social.html>; <https://www.euskadi.eus/gobierno-vasco/-/informacion/pobreza-energetica-medidas-para-personas-vulnerables/>; Van-Baumberghen N.C. and Martínez Jorge Á. (2024), *¿Llega el bono social eléctrico a quien lo necesita? Análisis de las tasas de cobertura y las características del hogar*, EsadeEcPol y Oxfam Intermón.

- After application and approval, a discount is applied to the usual electricity bill. For the first half of 2025, the discount is 50% for vulnerable consumers. In the case of very vulnerable consumers, it is 65%, with the difference paid by the local social services.
- The electricity social voucher also has other benefits for vulnerable consumers. It ensures that consumers receive clear electricity bills and beneficiaries of the *Bono social* have a longer period to settle unpaid bills than other consumers.
- The Spanish Ministry responsible for energy defined the regulatory framework for the energy voucher. The *Bono social* was introduced in 2009 but acquired its current form in 2017. The National Markets and Competition Commission (CNMC) supervises the operation of the electricity voucher.
- The measure is financed by electricity companies together with regional and local administrations.
- In February 2025, more than 1,671,000 people in Spain were beneficiaries of this support, and 53% were very vulnerable consumers.
- While it is generally seen as a positive measure and a good idea, the effects are not only positive. It has been found that not all households that would fulfil the requirements are informed about the voucher or are using it. At the same time, at least a third of those who do benefit from it are not vulnerable families.
- In terms of lessons learned, it is essential to consider how electricity vouchers integrate with existing social welfare programmes and social services at the local and regional level to avoid duplication or gaps in support. Combining vouchers with energy advice or support for energy-efficient upgrades could be beneficial.

3.2.4.1 Introduction

Country and Region of implementation: Spain.

Period of implementation: Ongoing since 2017.

Poverty dimension: Energy poverty (access to electricity and gas).

Target group: Vulnerable people with low income/resources and/or numerous families.

Main objectives: The electricity social voucher is a discount mechanism in the electricity bill, set up by the Spanish Government, to protect certain groups of economically or socially vulnerable consumers.

3.2.4.2 Detailed description

Main context and activities. The *bono social de electricidad*, or electricity social voucher, is a government-set discount mechanism on electricity bills to protect certain groups of vulnerable consumers. The social bonus is a discount applied to the PVPC (voluntary price for small consumers), with a maximum energy limit for the billing period (e.g. 1,587 kWh for a 1–2-person household).

It applies to vulnerable consumers having submitted an application. To be considered a vulnerable consumer, one of four requirements must apply:

- individual or household with a low or very low-income level (approx. 8,100 EUR/year)
- beneficiary of the Spanish Minimum Vital Supply.
- certified as a large family.
- pensioner on the Social Security System, receiving the minimum statutory amount for retirement or permanent disability.

A combination of factors usually leads to a consumer being classified as a very vulnerable consumer. Consumers who meet the criteria are assisted by the social services of a regional or local administration. If the administration finances at least 50% of their electricity bill, the consumer will be considered a consumer at risk of social exclusion, and their supply cannot be interrupted. The applicable discount on the PVPC is 35% for vulnerable consumers and 50% for severely vulnerable consumers. However, for the first half of 2025, the discount has been increased to 50% for vulnerable consumers and 65% for severely vulnerable consumers.

Consumers must submit the standard application form to their reference supplier, which must have the form available both on its website and at its offices. The suppliers are advertised on the lists and at the local and regional consumer offices.

The electricity social voucher also provides additional benefits for vulnerable consumers. It ensures that electricity bills are clear and transparent without hidden charges: the amount paid reflects the actual electricity consumed plus taxes and tolls, without including other additional products or services. Beneficiaries also benefit from a longer grace period to settle unpaid bills than other consumers. Four months after the first notification of non-payment, the Minimum Vital Supply (SMV) will apply for a period of six months, after which the supply can be cut off. This contrasts with the general period of 2 months from the first notification of non-payment, which applies to other consumers. Moreover, the electricity supply cannot be interrupted in the event of non-payment in households covered by the *bono social* in which there is at least one child under 16 years of age in the family unit, or in which the consumer or one of the members of their family unit has a disability.

Key players in the implementation process. The Spanish Ministry responsible for energy and the respective regional authorities in charge of consumer rights defined the regulatory framework for the energy voucher⁷⁰. The voucher was introduced in 2009 but acquired its current form in 2017. The National Markets and Competition Commission (CNMC) is the body that preserves the proper functioning of all markets, in the interest of consumers and businesses. As a public body, it supervises the rules and operation of electricity and thermal social vouchers in Spain. The measure is financed by electricity companies together with regional and local administrations.

Funding sources. The measure is financed by electricity companies together with regional and local administrations. At the local and regional level, the measure fits into a more general support framework for vulnerable people. For example, in the Basque Country, the Department of Employment and Social Policies of the Basque Government has an agreement with the Red Cross to combat energy poverty. This initiative targets families who do not meet the requirements to access the SMV. Through the organisation, they can receive aid to pay their electricity, water and gas bills.

3.2.4.3 Results and impact

The *Bono social* is a mechanism that has been applied since 2009, with a revision in 2017, to protect vulnerable consumers. In February 2025, approx. 1,671,000 people in Spain were beneficiaries of this support, 53% of whom are considered very vulnerable consumers. Its importance compared to other subsidies in this area lies in its wide reach among the population: 3 out of 4 households that received some type of social voucher benefited from the electricity voucher. Still, it has been found that not all households that would fulfil the requirements are informed about the voucher or are using it. At the same time, at least a third of those who do benefit from it are not vulnerable families. Despite bringing important social benefits for many vulnerable people, it seems that the effectiveness of the measure can still be improved.

In addition, research has shown that the voucher should ideally be accompanied by measures to improve household energy efficiency and make the impact more

⁷⁰ The measure was prepared at the national level with several regulations and implementation rules. Royal Decree 897/2017 of 6 October established the status of vulnerable consumers, the social voucher and other protection measures for domestic electricity consumers. It defined the conditions and socio-economic criteria necessary to access the social voucher. Order ETU/943/2017 of 6 October, implementing Royal Decree 897/2017 of 6 October, also regulated the status of vulnerable consumers, the social bonus and other protection measures for domestic electricity consumers. Moreover, Order ETU/361/2018, of 6 April, amended the application forms for the social bonus; Royal Decree-Law 15/2018, of 5 October, introduced additional urgent measures for energy transition and consumer protection; and Royal Decree-Law 18/2022, of 18 October, approved measures to reinforce the protection of energy consumers and to contribute to the reduction of natural gas consumption.

sustainable. This would make it possible not only to respond to the challenge of energy poverty but also to effectively meet decarbonisation targets.

To increase effectiveness and impact, additional activities have been proposed. First, more active strategies on the part of administrations to ‘go out and find’ vulnerable households that could especially benefit from the voucher and complementary measures, such as efficiency improvements, in terms of refurbishment, insulation, or the installation of renewables. Second, better targeting of available resources to ensure that lower-income households benefit from them would have an even more positive impact on social and energy integration.

3.2.4.4 Success factors and upscaling

Social vouchers for electricity bills are a tool with the potential to provide crucial assistance to vulnerable populations, helping them afford an essential service. Vouchers can directly reduce the financial burden of electricity costs, preventing households from having to choose between heating/cooling and other necessities like food or medicine. This is particularly important for those on low incomes, the elderly, people with disabilities, and families with young children. Vouchers can help prevent vulnerable households from being disconnected from the electricity grid. Voucher programmes can be designed to target specific vulnerable groups based on income, disability, age, or other relevant criteria, ensuring that assistance reaches those who need it most. However, it also needs an effective implementation and a partnership between the social services and the electricity suppliers.

A key challenge is securing adequate and sustainable funding. Decisions need to be made about the source of funding and how to ensure the programme's long-term viability. Defining clear and fair eligibility criteria is crucial. It can be challenging to identify and reach all eligible individuals, particularly those who are not already receiving other forms of social assistance. Awareness campaigns and simplified application processes are therefore essential. Implementing a voucher programme involves administrative costs for issuing, distributing, and processing the vouchers, so efforts should be made to minimise these costs and ensure the efficient delivery of aid. Robust verification and monitoring mechanisms are also necessary. It is important to consider how electricity vouchers would integrate with existing social welfare programmes and social services at the local and regional level to avoid duplication or gaps in support. Combining vouchers with energy advice or support for energy-efficient upgrades could be beneficial.

Social vouchers for electricity bills can be a valuable tool in addressing energy poverty and protecting vulnerable people. However, careful planning and implementation are essential to maximise their benefits and mitigate potential

challenges. Learning from existing voucher programmes in other sectors and countries can inform the design of effective electricity voucher schemes.

3.2.5 Citizen Income Granted, Livorno Municipality, Italy⁷¹

- The Citizen Income Granted initiative was launched in the municipality of Livorno, Italy, in 2016 to support vulnerable families.
- The support was in the form of the provision of a basic income of EUR 500 to 100 families in the first year of its implementation. In the second year, the scheme supported 250 families.
- The eligibility criteria for support are household conditions, income, residence permit and employment status.
- In response, beneficiaries were committed to supporting municipality-organised and managed activities for the common good. The initiative was coupled with a work inclusion path, offering recipients training to enter the labour market.
- The initiative sparked uptake by the national government, which launched the ‘Reddito di Cittadinanza’ (Citizens’ Income) in support of vulnerable families in 2019.
- Further follow-up programmes at the national level are the ‘Inclusion Agreement’ and ‘Training and Work Support’, two social inclusion programmes supporting vulnerable families and groups with a basic monthly income.
- Among its success factors is the improvement of the economic conditions of the recipients. In addition, the building and development of trust between the government and citizens is important.
- Nevertheless, the initiative has shown that a robust administrative system and infrastructure, with rigid long-term planning, are necessary for such social inclusion initiatives to thrive.

3.2.5.1 Introduction

Country and Region of implementation: Livorno, Italy.

Period of implementation: 2016.

⁷¹ Based on: <https://innovationinpolitics.eu/showroom/project/citizenship-income-granted/>; <https://storicorcl.comune.livorno.it/sites/default/files/index/sociale/bando%20reddito%20aprile%202018%20mod.pdf>; <https://www.lavoro.gov.it/adi/>; <https://siisl.lavoro.gov.it/#/scopri-servizio-adi-detail>; Parola G. (2019), *Italy's Citizens' Income scheme*, Thinking Space, No 34.

Poverty dimension: Economic difficulties and unemployment.

Target group: vulnerable families.

Main objectives: The Citizen Income Granted was a pilot initiative launched in Livorno, Italy, to support vulnerable families with unemployed members through the introduction of a basic income. A guaranteed basic income of EUR 517 was granted to the city's 100 poorest families to provide support, outside the traditional welfare programmes.

3.2.5.2 Detailed description

Main context and activities. Italy attempted to introduce schemes related to a basic income several times. After an experimental phase, the *Reddito Di Inclusione* (REI) or Income Inclusion programme was introduced. The initiative was piloted in the city of Livorno, Italy, in 2016, as a local initiative to support families facing poverty and unemployment with a basic income. The initiative redefined transitional municipal welfare tools to practically support vulnerable families in meeting their basic needs. It also introduced a 'pay-back' element to the labour market, by establishing a mutual relationship between the beneficiaries and the municipality: recipients contributed eight hours per week to activities of public interest. This mechanism also strengthened coordination with the Employment Agency, as it provided a path for re-entering the labour market.

In the first year of its implementation, the programme was tested on 100 families, each granted EUR 500 per month. It was then expanded for another year, and in the second year, 250 families were granted support, extended for the entire year. In the third year, the total budget was further increased to EUR 450,000.

The application regards only one member of the household and follows specific criteria. In short, the applicant should:

- be an Italian, EU, or non-EU citizen with a residence permit;
- have been resident in the Municipality of Livorno for at least 5 years before the application deadline;
- be older than 29 years;
- be unemployed at the time of the application;
- be registered at the Employment Centre when submitting the application, and remain registered until the end of the programme;
- not be receiving social insurance benefits for unemployment or other social safety nets to support income;
- be available for up to 8 hours per week to support and participate in municipality-organised and managed projects that may be useful to the

community in the cultural, social, artistic fields, in the environmental, educational and protection of common goods;

- belong to a household with an Equivalent Economic Situation Indicator no higher than EUR 3 000.
- not possess cars in the household with a power equal to or greater than 80 kW purchased in the last 12 months.
- not be the owner of any property other than the property of residence.

In 2019, following the uptake of the Income Inclusion initiative, the Italian government introduced a nationwide programme for a basic citizen income. This even more comprehensive policy, *Reddito di Cittadinanza* or Basic Income or Citizens' Income, was launched to combat poverty and unemployment. Under this programme, vulnerable families received monthly support depending on their household composition and income criteria. This programme was coupled with a work inclusion path, where recipients would need to enrol in employment training courses and could not turn down more than three job offers.

Thereafter, two new programmes came to replace the basic income programme in the country. The first programme was Training and Work support, launched in 2023, which targeted people aged 18-59 who do not qualify for the Inclusion Agreement and were granted EUR 350 monthly to participate in training or employment programmes. The duration of the support was a maximum of 12 months. The second programme, the Inclusion Agreement, was launched in 2024 and targeted households with children, seniors over 60, persons with disability and individuals facing various forms of disadvantage, who were included in care and assistance programmes provided by territorial social and health services certified by the public administration. Eligible recipients were granted financial support of EUR 500 for a maximum of 18 months.

Key players in the implementation process. Key players in the initiative included the municipality of Livorno and the Mayor of the city, who was the driving force behind the initiative. For the uptake of the programmes, the Ministry of Labour and Social Policies and the National Institute for Social Security were responsible for managing applications, distributing funds and monitoring the schemes.

Funding sources. The financing sources for the schemes are national.

3.2.5.3 Results and impact

The beneficiaries of the programme assessed its effects, with two-thirds reporting an improvement in their economic conditions. However, the initiative lacked adequate paths for labour-market integration, and further 'soft' support, such as childcare or support for disabled family members, was needed. Despite criticism

of the stringent criteria, the initiative supported vulnerable families in the city of Livorno and inspired the development of further programmes at the national level. Further to that, the initiative served as inspiration for similar national programmes that aimed for a more dedicated and structured approach to combating poverty and supporting families in need. The basic income scheme served as a trust mechanism between citizens and authorities and as an initial booster for improving the current situation of several families. In addition, the scheme also encouraged those who can work by offering them an entry path into the labour market, which could eventually have important effects on the overall Italian labour market.

3.2.5.4 Success factors and upscaling

An important element in the success of the initiative was the close relationship and trust with the municipality. The local authority showed its trust in its people, while at the same time, the citizens felt involved in the process and aware of the municipality's choices. Nevertheless, the initiative also had its challenges. A key success factor is a robust public administration system and infrastructure that can accommodate the needs of such a programme, together with good planning, two areas in which Italy has been criticised. In short, a strong system and public trust in it are necessary for adequate social inclusion policies. Finally, the challenge of ensuring adequate funding for such initiatives needs to be addressed. In the case of the basic income initiatives in Italy, the investments required may divert sources from other social programmes, raising questions about the long-term sustainability of such schemes. In countries with high public debt, this poses an additional challenge to the implementation of such initiatives.

3.2.6 Irish Refugee Council's (IRC) housing programme⁷²

- The Irish Refugee Council (IRC) launched its housing programme to support refugees and migrants transitioning out of Direct Provision and into independent living. The initiative addresses the severe housing challenges faced by status holders in Ireland, including affordability, discrimination, lack of references, and limited knowledge of the rental system.
- The programme aims to secure safe, affordable, and stable housing for refugees through a combination of advice and advocacy on social housing, the Housing Assistance Payment (HAP), and homelessness services; the

⁷² Based on: <https://www.irishrefugeecouncil.ie/Listing/Category/housing>; <https://www.interregeurope.eu/good-practices/irish-refugee-council-a-place-to-call-home-programme>; Hobbs J. (2023), *Supplementary support for migrants and refugees: housing, social, educational and health assistance- Irish Refugee Council: A Place to Call Home*.

direct provision of accommodation through 20 sub-leased properties; and integration support, including English classes, employment assistance, and access to education. The IRC also offers weekly workshops on housing applications and tenancy, family reunification support every two weeks, and targeted assistance for refugees at risk of homelessness. Key achievements as of 2022 include: the provision of housing advice to 631 individuals; the completion of 221 housing applications and HAP forms, and support for 236 individuals experiencing homelessness. Moreover, 48 families received family reunification assistance; 350 Direct Provision residents received orientation on navigating the housing market, and 4 housing policy submissions were made.

- The annual cost of the programme amounts to EUR 105,000 and is funded through a combination of collected rent and public donations. Costs cover staffing, legal support, property management, and maintenance. Partners and stakeholders include the United Dioceses of Dublin and Glendalough (property donors), St. Stephen's Green Trust, and members of the public who contribute properties and funds.
- The initiative encountered various challenges, such as the lack of long-term funding security, instability due to the variable lease types and the complexity of the housing supports (e.g. differences between HAP, rent supplement, and private rental).
- Key success factors include empowering refugees with practical housing knowledge and support, building strong community partnerships to expand housing access, and providing a replicable model for NGOs in other high-demand housing contexts. The IRC's programme fills a critical gap in Ireland's refugee integration process, serving as a bridge from Direct Provision to self-sufficient, dignified living. With continued support, the model holds strong potential for upscaling and adaptation across other regions.

3.2.6.1 Introduction

Country and Region of implementation: Ireland.

Period of implementation: 2018-2022.

Poverty dimension: Housing/ homelessness.

Target group: refugees.

Main objectives: Supplementary support for migrants and refugees, including housing, social, educational and health assistance. The IRC has a dedicated housing team that works with people who have completed the protection process in Ireland and have received their status, helping them realise their housing rights.

This support is primarily provided through advice and advocacy on social housing applications, access to HAP, and homeless services.

3.2.6.2 Detailed description

Main context and activities. Access to adequate and affordable housing is widely recognised as a basic need and key component of integration. It enables migrants to work, pursue education and participate more fully in society. Moreover, in many contexts, homeownership is considered a marker of social and economic success. However, due to a myriad of factors, migrants may face inequalities in housing availability and affordability in Ireland. They may, for example, be younger, have different housing preferences – especially if they do not intend to stay in Ireland long-term – or have a lower income, limiting their ability to buy a home. In addition, they may face barriers linked to the property market, the banking system or credit regulations in the host country, as well as discrimination in the rental sector. In the current context of the Irish housing market, which is characterised by limited availability and affordability issues, these challenges may be particularly acute for some migrant groups. Furthermore, people face significant barriers when moving out of Direct Provision. These include a lack of financial resources, limited knowledge of the Irish rental market, an inability to provide acceptable references, language barriers, discrimination and racism. This already precarious situation is exacerbated by the housing crisis in Ireland, where waiting lists for social housing are long and rental costs exceed the amounts provided by rent supplements.

The IRC has a dedicated housing team that works with people who have completed the protection process in Ireland and have received their status, helping them to realise their housing rights. This support is mainly provided through advice and advocacy on social housing applications, access to HAP, and homeless services. The IRC's Housing Programme assists people in overcoming the barriers they face by providing direct housing support and accommodation. 20 properties, donated to the programme by religious congregations, civil societies and members of the public, are sub-leased to individuals and families, providing them with a secure and affordable tenancy for a guaranteed period. During this time, the individual or family members receive further integration and support from the IRC, including English language training, education and employment, which helps foster stronger, more comprehensive integration. Following this period of assistance and stability outside the Direct Provision system, people are more empowered and better positioned to move independently into the private rental market.

The IRC mainly supports people:

- Transitioning from direct provision – ‘Housing Application Morning’ and ‘HAP / Tenancy finding workshops’ run every week.
- Arriving under Family Reunification - a workshop every second week, which helps prepare for the family’s arrival.
- Accessing Homeless Services - For those in receipt of a notice of termination by their landlord or in danger of becoming homeless
- From the Horn of Africa (Somalia, Ethiopia, Kenya) - Working with the Horn of Africa community group to support people with housing-related issues.

Key players of the implementation process. IRC, United Dioceses of Dublin and Glendalough, and St. Stephen's Green Trust.

Funding sources. 1 x IRC FTE to manage the A Place to Call Home programme; External Management of Properties; Property Maintenance and Legal support for leasing and sub-leasing of properties to tenants. Overall cost of €105 thousand per annum. Collected rent and donations fund these costs.

3.2.6.3 Results and impact

Concrete outcomes in 2022 include:

- 631 people received information and advice.
- 221 housing applications and housing assistance payment forms were processed.
- 236 people facing homelessness were supported.
- 48 families who arrived through family reunification were supported.
- 350 people in Direct Provision received orientation on securing accommodation in Ireland.
- 4 housing policy submissions were made.

3.2.6.4 Success factors and upscaling

One of the reasons the programme has been successful and could be transferred is that it empowers refugees and migrants to take ownership of their needs. This is achieved by helping them understand the current housing situation in Ireland, guiding them through the process of preparing the housing application forms and supporting documentation, including reference letters, explaining how the HAP

works and, finally, supporting them in submitting their application to the relevant local authorities in Ireland. Furthermore, the IRC has developed strong connections through its Housing Programme with organisations such as the United Diocese of Dublin and Glendalough congregations, as well as members of the public donating properties for those seeking refuge in Ireland. There are valuable opportunities for sharing this critical process of building relationships with key supporters who can assist the IRC’s refugee clients.

Challenges encountered include:

- Securing continuous funding for programmes is a constant challenge for the IRC. Future-planning is hindered by a lack of long-term security of tenure, non-standardised lease agreements, and the utilisation of various rental support mechanisms (rent supplement vs HAP vs private means).
- Cooperation with partners providing access to accommodation needs to be streamlined. It is also important to ensure that the tenants will treat the facilities allocated to them with care.

3.2.7 Foodsharing Luxembourg – Caddy Workshop⁷³

- The Caddy Workshop in Luxembourg is a social innovation tackling two interconnected challenges: food poverty and social exclusion. Operating under the non-profit Stëmm vun der Strooss, the initiative repurposes surplus food while offering therapeutic, vocational reintegration to individuals facing severe social and professional difficulties.
- The workshop provides a structured environment for socially deprived individuals—especially those unable to access the primary labour market—to rebuild work habits, regain dignity, and participate in meaningful employment. It also directly addresses food insecurity, increasingly urgent due to post-COVID hardship, inflation, and geopolitical instability.
- In 2023, the project processed 189 tonnes of food (up 34% from 2021), served 198,000 meals to vulnerable populations (up 34% from 2022), and engaged 43 people monthly in reintegration, including T.U.C. community service workers.
- In partnership with Auchan Luxembourg and the Food Bank, the Caddy team collects, processes, and distributes food daily, produces 250 sandwiches, 40L of juice, and 60 custom food parcels each week, and

⁷³ Based on: <https://european-social-fund-plus.ec.europa.eu/en/projects/fighting-poverty-and-food-waste-impact-luxembourgs-caddy-workshop>; <https://stemm.lu/fr/actualites/fiche/communiqu-e-de-presse-atelier-de-recyclage-alimentaire-caddy-soutenu-par-le-fsc-ap3-inclusion-sociale>.

distributes food through 8+ local social service partners. Since September 2022, the workshop has operated from upgraded premises in Sanem, enabling capacity expansion and improved working conditions.

- The project is led by Stëmm vun der Strooss, supported by the Ministry of Labour and the National Office for Social Inclusion.
- The total budget is EUR 232,700, with an ESF+ contribution of EUR 93,080
- Key success factors include: long-standing commitment since 2014, integrated approach to food waste, poverty, and social reintegration, cross-sector collaboration with public, private, and non-profit actors, supportive national and local governance enabling scale and continuity.
- Caddy aims to scale up food processing to 500 tonnes annually, hire more staff in reintegration roles, and continue reducing food poverty in Luxembourg. An additional educator will be essential to supervise expanded activity. This initiative showcases how holistic, hands-on support can transform lives while addressing systemic social needs in a high-income society.

3.2.7.1 Introduction

Country and Region of implementation: Luxembourg.

Period of implementation: 2024-2025.

Poverty dimension: food poverty.

Target group: socially deprived individuals, i.e. those whose working environment needs to be completely adapted to help them rebuild their lives through therapeutic workshops designed to help them reintegrate into the workplace.

Main objectives: support for socially deprived people in combination with reducing food poverty.

3.2.7.2 Detailed description

Main context and activities. Since 2014, the vocational reintegration workshop called ‘Caddy’ has been fighting food waste in Luxembourg by repurposing food that would otherwise be thrown away. In partnership with a hypermarket, a team of 40 people collects and processes these products daily under the guidance of chefs and educators.

The food is turned into fresh juices and meals, which are distributed to disadvantaged people through Stëmm vun der Strooss and ten other associations. Beyond reducing waste, the project helps tackle poverty by providing jobs to those

struggling to find work. In fact, the post-COVID era, the conflict in Ukraine, and inflation have increased the risk of poverty in Luxembourg.

In 2022, Stëmm vun der Strooss served over 120,000 meals, a 27% increase from 2021, not including meals at their new social restaurant in Ettelbruck. To meet growing demand, the project aimed to increase the amount of recycled food. To achieve this, Caddy moved to new premises in September 2022, with better facilities. This move enhanced their ability to process more food, creating more opportunities for further participants to regain work routines, team spirit, and a sense of purpose. In the future, the project aims to continue growing, hiring more people in need of vocational reintegration and processing more food to better fight food insecurity.

Today, Caddy is a therapeutic workshop offering rehabilitation, socio-professional reintegration and prevention measures to people who find themselves temporarily or permanently in a difficult personal, social, professional or health situation. The workshop recycles food in partnership with Auchan Luxembourg and the Food Bank. Every month, a team of 43 people, including TUC (Travailleurs d'Utilité Collective, or Community Service Workers, recommended by the National Office for Social Inclusion) staff and volunteers, collects, sorts, processes and redistributes an average of 15.75 tonnes of food. In 2023, 189 tonnes of food were recovered (+34%). Every day, the workshop produces around 250 sandwiches (56,000 in 2023), 40 litres of fresh fruit juice, food parcels (60 parcels per week tailored to individual needs) and seasonal dishes (soups, jams, sorbets, etc.).

To distribute its production, the service works with eight associations active in the city of Luxembourg and Esch, all of which work with disadvantaged people (Bistrot social, Service premier appel, Drop In, Bonnevoie parish, Jugend an drogenhellef, etc.). The workshop's kitchens prepare meals that are ready for reheating so that other social restaurants can maintain their service in the event of high demand.

Key players of the implementation process. Stëmm vun der Strooss, Ministry of Labour Luxembourg, National Office for Social Inclusion.

Funding sources. Total budget of EUR 232,700 with ESF+ funding of EUR 93,080.

3.2.7.3 Results and impact

ESF supported Stëmm vun der Strooss in 2021 by co-financing the salary of a qualified educator for two years as part of its 'social restaurant' project in Esch-sur-Alzette. This support was supplemented by co-funding from the Ministry of Labour. Today, it is the Caddy professional reintegration workshop that is benefiting from support for its Food Recycling Workshop project.

As part of its socio-professional reintegration programme, Stëmm vun der Strooss gives priority to job seekers who are unable or no longer able to access the primary labour market – the TUC – to access various professional workshops spread across several sites throughout the Grand Duchy of Luxembourg. These workshops are therefore aimed at people whose working environment needs to be completely adapted to help them rebuild their lives through therapeutic workshops for professional reintegration. To do this, Stëmm vun der Strooss first conducts an in-depth study of the person's medical, psychological and social problems before beginning the actual learning phase for professional integration in the workshops. Group work, social cohesion, acceptance of authority, compliance with rules and regulations such as hygiene, timetables and non-confrontational relationships with others bring real added value to Stëmm vun der Strooss and enable it to achieve objectives that benefit a population that is often marginalised because it lives on the fringes of society.

Since 2014, the Caddy professional reintegration workshop has been fighting food waste by recycling edible food items removed from shop shelves a few days before their expiry date. This waste becomes a source of food for the most disadvantaged. The fruitful partnership with a large hypermarket and a team of 43 people in professional reintegration transforms food products, under the supervision of chefs and educators, into fresh fruit juices, soups, raw vegetables, salads, sauces, sandwiches, sorbets, ready meals and food packs. This food is then distributed free of charge to disadvantaged people in the non-profit organisation's restaurants or to third-party associations that are also committed to helping people in precarious situations or living in poverty.

Today, Stëmm vun der Strooss remains the leader in Luxembourg in terms of food recycling for conversion into foodstuffs and ready-to-eat meals (141 tonnes in 2021 compared to 189 tonnes in 2023).

The Caddy Stëmm workshop undoubtedly provides more than just work for people in difficulty, who are dependent on others or far from the job market. It literally helps to combat poverty. From the very beginning of its activity, Stëmm vun der Strooss has been a key player in providing food for a growing population that is sliding towards poverty.

In order to continue feeding a growing population, the aim is to increase the amount of food recycled. To achieve this, the Caddy workshop moved to new premises at 5 rue Zone um Woeller in Sanem in September 2022. Thanks to a more professional infrastructure, Stëmm will continue working towards this goal, placing even more people in professional reintegration. These individuals will eventually be able to get back into a work routine, develop team spirit and feel useful and valued by society. To support this capacity building, an additional educator will be hired to supervise and train participants in professional reintegration daily. This will enable the non-profit organisation to increase the

volume of food processed from 189 tonnes in 2023 to 500 tonnes in the coming years. The need for an additional educator is therefore essential, given the situation and the humanitarian objectives.

3.2.7.4 Success factors and upscaling

The main success factors of the initiative were:

- Long-term commitment: the relevant actors have been following the idea through for more than ten years, thus showing dedication to the cause, and finding valid answers to social problems in an otherwise affluent society.
- Detecting the key problem, such as the appropriate needs under the given circumstances (i.e. food poverty in combination with social deprivation and exclusion – supposedly a niche problem in a “rich” country/ region like Luxembourg).
- Combining the right actors/ stakeholders: a combination of actions to resolve the problem of food poverty and social exclusion, together with analysis and therapeutic/ consultation measures (therapeutic workshops for professional reintegration).
- Combining solutions in the sense of the combination of tackling food poverty, resolving food waste and creating employment is a constructive way to empower deprived people and create economic value added as well as societal benefits.

All these factors may be regarded as potential for upscaling. However, the case of the Caddy workshops is possible in a setting in which the specific governance structure of Luxembourg is at the same time both a country with the support of the national governance level and a municipality with regional/ local governance support.

4 TOWARDS THE EU ANTI-POVERTY STRATEGY: PROSPECTS, CHALLENGES AND ADDED-VALUE

Addressing poverty has long been, and will probably continue to be, one of the most complex challenges facing the EU and the world. This complexity stems not only from the multi-faceted nature of poverty with its interrelated dimensions, but also from the diversity of the actors involved — the affected population groups or the multiple governance levels. This underscores the fact that poverty is not merely an economic issue reflecting the inequalities and imbalances in the distribution of wealth, but also a profound form of social exclusion, marked by limited opportunities and a diminished sense of future hope.

Although it is difficult to speak about completely eradicating poverty across the EU, let alone the world, taking decisive action and carefully thought-out steps is necessary. As the EU moves towards the development of an EU anti-poverty strategy, important political choices need to be made to prioritise social investments over competitiveness and austerity, and future preparedness over reaction. To reflect on this approach, a foresight-inspired workshop took place in the framework of this study⁷⁴. The aim of the workshop was to discuss the prospects and future challenges of poverty, as well as the added value of an EU anti-poverty strategy. This was done in a foresight setting designed to inspire innovative thinking and open-minded reflection, facilitating participants to envision possible future scenarios more clearly.

This chapter summarises the key reflections from this foresight activity, offering a glimpse into the future. The first part outlines the key elements of a visionary, forward-looking strategy, as proposed by the participants in terms of the necessary steps for the future. The second part recognises that no strategy exists in isolation, and subsequently, broader developments and trends may influence the course of events. The chapter concludes with overall reflections that point towards more pragmatic approaches.

4.1 If you had the pen in your hands...

“If you could influence the development of an anti-poverty strategy, what would you do?” Workshop participants were invited to answer this question and imagine a future strategy that is people-centred and based on systemic understanding,

⁷⁴ The foresight inspired workshop took place on 28 May 2025, in an online format, with participants coming from relevant fields of expertise in relation to social inclusion.

featuring bold measures and a multi-faceted design. Their reflections are summarised as follows:

- **Fiscal policy based on redistribution and justice.** Tackling poverty also means addressing the underlying issues that stem from resource distribution. Key among these is tax reform: creating fairer tax systems, including on large capital incomes, is fundamental for redistributing wealth and easing the burden of those struggling. In addition, excluding anti-poverty expenditures from the public-debt ceilings was suggested during the workshop, alongside calls for increased funding for local, regional or community-based players, including social organisations that work together with people in need.
- **Enabling inclusion by removing barriers.** Rather than focusing solely on solutions and providing aid, participants highlighted the importance of removing existing barriers to inclusion and hence improving access to opportunities. This approach reflects the ‘adaptation and mitigation’ logic applied to social inclusion, emphasising that it is not always sufficient to simply offer help, but may also be necessary to stop creating the conditions for further exclusion. A key aspect of this is access to essential public services, particularly affordable housing, transport and healthcare. Free public transport for those with a low-income threshold, comprehensive support for children under the Child Guarantee, and universal access to free early education were proposed. Finally, ensuring that minimum wage recommendations are implemented across the EU to reduce the working poor was deemed essential.
- **Designing with, and not for, people.** The importance of involving target groups in the design of the policies and measures was highlighted. Policies developed in close consultation with the people in need reflect a genuine sense of inclusion. Thorough and concrete planning, especially at the local level, is essential, together with adequate resources at these levels to provide integrated approaches.
- **Testing new ideas.** Applying and testing the idea of a universal basic income was also put forward in the discussions. This approach would strengthen the minimum income schemes and provide additional incentives. Other approaches involve strengthening the Housing First model, which prioritises access to stable housing as a prerequisite for addressing other needs.

4.2 With a lens to future developments

Since future developments are often influenced by interconnected and unrelated political, environmental, economic, social and technological factors, it is useful to examine them from these perspectives. This analysis can help reveal elements that may influence the course of events and shape the future landscape. Firstly, **the political landscape with its evolving dynamics** plays a critical role in anti-

poverty measures. Growing distrust in institutions, the rise of populism and selective support for certain population groups may pose significant risks in the fight against poverty. The weak standing of various EU policies, which need to be more ‘poverty-proof’, adds to these challenges. In addition, the shift in EU priorities towards competitiveness, economic growth and defence may further weaken the focus on poverty, while trends in the environmental sphere raise concerns about an unjust transition that could disproportionately affect vulnerable groups and increase energy poverty.

The **poly-crises and related trends** may also influence the future, as rising inequality, increasing wealth concentration, and shrinking public resources deepen social and economic divides. At the same time, trade wars and unfair competition may further aggravate the situation, requiring stronger EU support. In the social sphere, demographic trends will also play a key role. The rapidly ageing population, greater strain on the welfare systems, increased migration, and intergenerational poverty necessitate urgent measures to expand care, services, and social support. Without adequate intervention and dedicated resources, these pressures could further widen health and income inequalities. In this context, the European Commission’s recent proposal for the new Multiannual Financial Framework (MFF) highlights the growing number of challenges in areas such as security, defence, competitiveness, migration, energy, and climate resilience⁷⁵. Moreover, the proposal emphasizes that the new Partnership Plans must support quality employment, skills development, and social inclusion across all Member States, regions, and sectors. Accordingly, the new MFF will require that 14% of national allocations be dedicated to financing reforms and investments aimed at enhancing skills, combating poverty, promoting social inclusion, and fostering rural development. Moreover, for the first time, the social funding across the entire MFF will be tracked, with the adoption of means of the budget expenditure tracking and performance framework, including by means of EU coefficients⁷⁶. However, concerns have already been raised by the EAPN regarding this allocation for social spending, which is seen as a weak safeguard⁷⁷. While the EU continues to prioritise securitisation and increase military spending at the expense of social cohesion and environmental sustainability, a structural and adequate budget specifically dedicated to eradicating poverty and supporting the most

⁷⁵ European Commission (2025), *COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS A dynamic EU Budget for the priorities of the future - The Multiannual Financial Framework 2028-2034*, COM(2025) 570 final. See also European Commission (2025), *An ambitious budget for a stronger Europe: 2028-2034*, press release, 16 July 2025, European Commission (2025), *Statement by President von der Leyen on the next long-term EU budget*, 16 July 2025 and the link [here](#).

⁷⁶ European Commission (2025), *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities*, COM(2025) 545 final.

⁷⁷ EAPN (2025), *EAPN initial reaction to the proposal for a Multiannual Financial Framework 2028-2034*, 23 July 2025, on line.

marginalised communities remains lacking. In this sense, the EAPN remarks that, for the EU Anti-Poverty Strategy to be truly effective, it must be backed by sufficient financial resources.

Finally, **technological developments** will also shape the future. On the one hand, technological advances risk exacerbating inequalities, widening the digital gap and deepening digital poverty and the lack of access to services. This is especially important as healthcare services become increasingly automated, potentially excluding individuals with low digital literacy. On the other hand, technological solutions may provide the necessary tools for monitoring poverty, implementing innovative solutions and improving policy delivery.

4.3 Towards a reality check

Some of the ideas discussed during the workshop may appear bold, overly ambitious, or even unrealistic. This is, however, the aim of a forward-looking workshop - to spark new ways of thinking and challenge existing assumptions. While some proposals may seem difficult to realise, they underscore the need for action, new social contracts and institutional arrangements, as well as more humane and inclusive policies. The workshop also highlighted how difficult it is to imagine positive futures, especially in relation to complex issues such as poverty. This requires confronting uncomfortable truths, acknowledging structural issues and resisting inertia. Yet visionary thinking is essential to make even the smallest inroads in a different direction. Serving as a 'reality check' for the workshop ideas, the following chapter shifts from bold concepts to more pragmatic measures, drawing inspiration from and incorporating elements of the workshop findings. Bringing together imagination and realism can be productive. An EU anti-poverty strategy that combines both may offer effective solutions for all people, both in the short and long term.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Key findings

To support the CoR in preparing its opinion on the EU Anti-Poverty Strategy, this report has collected and analysed information and data about the current situation of poverty in the EU; described and analysed the division of powers/competences in implementing measures to fight poverty, by government level, and within each Member State; identified and assessed good anti-poverty measures and practices applied at local and regional level across the EU; and explored, though a foresight exercise, the potential added value of the Strategy and potential future trends hampering its implementation.

The key findings of the study can be summarised as follows:

1) Concerning the **situation of poverty in the EU**, the analysis has revealed that:

- Despite an overall improvement since 2015, the AROPE rate at the EU level has been stagnant or even increased (when looking at child poverty) in recent years; as of 2024, there were 93.3 million AROPE individuals, corresponding to 21% of the EU population;
- By Member State, in a few, but large, developed countries, the situation of poverty has worsened since 2015.
- Despite some progress at the EU level, inequality is still a significant issue in several Member States.
- The risk of poverty or social exclusion in the EU is higher:
 - in cities compared to rural areas and suburbs;
 - among people younger than 18;
 - among women across all ages, except for girls under 16;
 - among those with a low level of education;
 - and for EU citizens living in other EU countries and non-EU citizens.
- The impact of the COVID-19 pandemic on the AROPE rate was marginal, thanks to support measures from the EU and Member States; however, it did have a notable effect on child poverty. Similarly, the war in Ukraine has had and continues to have a marginal impact on the AROPE share, but increasing difficulties are observed among low- and middle-income households and in younger age groups in paying rent, mortgages and utility bills.

- Around the EU, significant disparities among regions and territories persist: the regional AROPE share is unevenly distributed across the EU, with approximately 40% of all regions in the EU recording shares equal to or above the EU average in 2024. Moreover, in 21 regions across the EU, the share is at least 35%, with only three regions registering less than 10.0% of their population at risk of poverty or social exclusion.

2) In relation to **the division of powers/competences**, the analysis used data from the COFOG provided by Eurostat, focusing on social protection and its sub-category social exclusion (where, according to the Eurostat definition, anti-poverty measures are generally, but not exclusively, included). Some important findings are:

- The general government expenditure in the EU on social protection, corresponding to 3.309 billion euros in 2023 (i.e. 19,2% of EU GDP and 39,3% of total government expenditure), decreased in recent years.
- Expenditure on social exclusion, representing 5% of the expenditure on social protection in 2023 (i.e. 166,129 billion euros), also decreased in recent years.
- Expenditure on social exclusion per person at risk of poverty or social exclusion varies considerably across Member States, from a mere 43 euro per year in Bulgaria to 10,734 euro in the Netherlands.
- At the LRA level, expenditure on social protection amounted to 596,6 billion in 2023, corresponding to 2,4% of the EU GDP. This value corresponded to 18% of the total general government expenditure on social protection, with a slight decrease compared to 2022.
- Within social protection, most of the resources spent at the LRA level are on old age (28%), family and children (24%), and sickness and disability (21%). The category social exclusion is ranked fourth at 18%, amounting to 58,25 billion euros.
- In the other two policy areas outside social exclusion, where anti-poverty measures can be implemented - unemployment and housing, LRA expenditure is very low, 2% and 3% respectively of total expenditure on social protection.
- It is interesting to note that Member States with a higher AROPE rate tend to spend less on social exclusion than those with a lower rate. However, the share of expenditure on social exclusion covered by LRAs tends to be slightly higher in those Member States where the AROPE rate is higher.

3) The third part of the study focused on seven good practices, which exemplify **different interventions, mainly at the LRA level, to address poverty**. They show representative actions targeting different groups and covering various

dimensions of poverty: unemployment - Staircase to Staircase (Gellerup Aarhus, Denmark); - Citizen Income Granted (Livorno, Italy); social exclusion - Model for Integrated Development (Sofia Municipality, Bulgaria); homelessness - Development of social housing in the city of Ostrava (Czechia); Irish Refugee Council's housing programme (Ireland); energy poverty (electricity social voucher, Spain); food poverty - Foodsharing/Caddy Workshop, (Luxembourg). From the analysis of these experiences, some important lessons can be learned. The key success factors for effective and efficient measures to combat poverty are:

- Collaborative and interdisciplinary approach of putting people first: building trust-based relationships between citizens and experts, working together and supporting the whole family;
- Integrating multidisciplinary services in areas such as health, nutrition, early education, and parental support with a focus on prevention;
- Close cooperation between LRAs and relevant stakeholders – including NGOs and representatives of housing providers;
- Awareness campaigns and simplified application processes are essential;
- Ensuring adequate funding;
- Empowering AROPE people with skills to take ownership of their needs;
- Long-term commitment.

4) Additional input on the topics of the study came from the **foresight-inspired workshop**, highlighting both the added value of an EU anti-poverty strategy and suggesting valuable elements to make it more effective and efficient:

- First, as tackling poverty also means addressing its root causes, which stem from unequal resource distribution, a redistributive and just fiscal policy needs to be considered. This could include tax reforms, excluding anti-poverty expenditures from public debt ceilings, and increased funding for local and regional or community-based players.
- Second, the Strategy needs to consider enabling inclusion by removing barriers and improving access to opportunities, ensuring access to essential and public services, providing comprehensive support for children, and implementing minimum wage recommendations.
- Third, the Strategy should be designed with, and not for, the target groups by involving them in the development of policies and measures to fight poverty and by ensuring an integrated approach, especially at the local level.
- Fourth, the Strategy should test new ideas, such as universal basic income — by strengthening minimum income schemes and providing additional

incentives — and reinforce the housing first approach — by prioritising access to stable housing, before addressing other needs.

- Finally, designing and implementing the Strategy also means considering potential elements that may influence the course of events in the future and pose risks in combating poverty, such as:
 - the evolving political scene, including the current distrust in institutions, the rise of populism and selective support to people, coupled with trends in the environmental sphere, the increase of energy poverty or the shift of EU priorities towards competitiveness, and economic growth and defence;
 - the poly-crises and trends of rising inequality, increasing wealth concentration and shrinking public money, or, in the social sphere, the demographic trends that play a key role (ageing population, increasing migration, intergenerational poverty) in widening health and income inequalities;
 - finally, technological developments threatening further inequalities by widening the digital gap and deepening digital poverty and lack of access to services.

Overall, the main messages from this study can be summarised as follows:

- **Poverty, social exclusion and inequality still represent a significant challenge for EU policy.** Despite some progress over time, the number of people at risk of poverty or social exclusion is still high and significant differences persist across and within Member States.
- **Poverty in the EU has different root causes,** and despite the EU having adopted several different initiatives over time, its approach has not sufficiently considered the complexity and multidimensionality of poverty.
- Overall, expenditure at the Member State level to fight poverty seems to have decreased in recent years despite the persistence and the significance of the problem. Moreover, **where poverty is higher and necessitates more effort to eradicate it, the expenditure at the national level on anti-poverty measures tends to be lower.**
- **LRAs play a crucial role in providing support to the poor and in implementing actions to fight poverty.** Despite their role being shaped by the different administrative competences they have within each Member State, **expenditure to fight poverty at local and regional levels tends to be higher where poverty is more acute,** counterbalancing the lower interventions at the national level.
- Various experiences at the LRA level across the EU could inspire and shape the Strategy. Although each focuses on specific aspects of poverty,

highlighting the multidimensionality of the problem, they all lead to the conclusion that **fighting poverty requires a collaborative and interdisciplinary approach. This includes integrating multidisciplinary services, investing in awareness campaigns, simplifying application processes, ensuring adequate funding, empowering poor people with new skills to take ownership of their needs, and making a long-term commitment.**

- Other than considering the lessons learned from the LRA experiences, addressing the core elements of poverty, enabling inclusion by removing barriers, involving the target groups in the design, and the testing of new ideas, **the Strategy, also needs to effectively consider those elements that could undermine its potential in the future**, be they of a political, social, environmental or technological nature.

5.2 Recommendations

The recommendations can be grouped as follows: strategic level (EU/Member States); strategic level (LRAs); monitoring level; and financial level.

Strategic level (EU/Member States):

- In designing and monitoring the implementation of the Anti-Poverty Strategy, **effective LRA participation should be ensured.** This can be done by establishing a platform/committee with LRA representatives. In turn, LRAs should select and involve representatives of civil society organisations/social enterprises working with the poor, especially from those territories significantly affected by poverty, to participate in the platform/committee. Overall, there is a need to create structures (e.g. experience sharing, consultations, periodical input) and processes (during development/ design, implementation, closure of the Strategy) that enable and support the continuous and meaningful participation of people experiencing poverty. Moreover, **LRAs should be also involved in the design and monitoring of the instruments as outlined in the recent proposal for the new 2028-2034 MFF**, which requires Partnership Plans to allocate at least 14% of national resources to reforms and investments that enhance skills, combat poverty, promote social inclusion, and support rural development.
- The EC could create a **Task Force on Anti-Poverty**, drawing on the experience of the Task Force on Equality, which brings together all Directorates-General to raise awareness of the importance of the equality policy agenda and mainstream equality into the policies developed within each Directorate-General. Similarly, the Task Force on Anti-Poverty could coordinate an anti-poverty agenda, including the EU Anti-Poverty Strategy,

so that different EU policies (for employment, social housing, energy, industrial development, migration, etc) consider poverty as an issue in a more coordinated and participatory way. This Task Force should also include the CoR.

- The EU Anti-Poverty Strategy should be complemented by requiring Member States to draft and adopt **National Anti-Poverty Plans/Strategies, with compulsory LRA participation in their design and monitoring.**

Strategic level (LRA):

- Within the Anti-Poverty Strategy, a **Technical Assistance Programme** for LRAs should be created to support them in designing local anti-poverty strategies, identifying measures, targets and outcomes, and selecting potential financial providers and resources to fund the strategies.
- **Establish an anti-poverty portal/platform.** Recently, the EIB launched a housing portal⁷⁸ to provide financial solutions for housing providers, municipalities, and companies in the housing sector, regardless of size. A similar initiative could be developed for LRAs, social enterprises, and financial providers intending to implement anti-poverty solutions. The portal should also include best practices at the LRA level to inspire other LRAs to take up anti-poverty initiatives.
- **LRAs should be encouraged** - through guidance and financial resources - **to adopt Anti-Poverty plans.** This would involve investing time and effort in analysing the context, identifying the root causes of poverty in the respective region and its target groups, and engaging relevant stakeholders. Coherence between the national and the local strategies/plans should be ensured.
- **LRAs should be encouraged and supported** - through guidance and financial resources - **to use integrated territorial tools (ITI, CLLD)** to design and implement anti-poverty plans and initiatives.

Monitoring level:

- The Anti-Poverty Strategy should establish measurable outcomes and results with **indicators disaggregated at least at the NUTS2 level.** Data and information for these should also capture the intersectional dimension and structural causes of poverty.
- There is an ongoing discussion on the principle of '**do no harm to cohesion**', i.e. no action should be taken that might hamper the social and economic convergence of EU regions or contribute to regional disparities.

⁷⁸ Link [here](#).

Other than ensuring the proper involvement of LRAs and their representatives in this debate, the discussion could be extended to include the need to avoid actions that might create social and economic disparities **within regions** (rural vs urban, periphery vs centre, etc).

- An expenditure tracking system has been introduced in the RRF and Cohesion Funds to track the contribution of each intervention in environment/climate and gender equality. A similar **expenditure tracking system** could be introduced to monitor the contribution of cohesion policy in combating poverty.

Financial level:

- The Anti-Poverty Strategy should include dedicated **funding resources** that LRAs can use to support anti-poverty measures. These could be made available, for instance, by reinforcing the EaSI Programme (now a strand of the ESF+) through a special financial line to support LRAs in implementing anti-poverty initiatives. Further financial support is also needed to strengthen social enterprises, both as providers of essential services and as employers, especially for specific categories of workers (for instance, older/unskilled/migrant). Access to this new or increased funding should be conditional on a national/regional strategy.
- In the following programming period, **the ceiling** for ESF+ (or other social funding instruments) **expenditure allocated to support people in poverty should be increased**. Currently, under the 2021-2027 EDF+, "at least 3% of the budget is to be spent on food aid and basic material assistance". This minimum percentage may be raised for those Member States with a level of poverty above the EU average, following the existing provisions concerning the ESF+ allocation to combat child poverty ("Member States with a level of child poverty above the EU average must allocate at least 5% of their ESF+ resources to addressing this issue").
- **Public investments to combat poverty should be excluded from the deficit calculation**. Especially in highly indebted countries, this would allow LRAs to use public resources to finance interventions combating poverty.
- LRAs should be incentivised (through guidance, technical support via EIB Group, and financial mechanisms) to use more innovative financial tools such as the **Social Impact Investment** to support social enterprises/businesses addressing poverty. These schemes (especially in the form of Social Impact Bonds) have the potential not only to attract private financing but also to provide significant benefits for public budgets and shift the mindset of public authorities towards understanding and monitoring public savings (that can be used to pay back investors).

ANNEX I: BIBLIOGRAPHY

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ANNEX II: LIST OF AVAILABLE INDICATORS AND SOURCES ON POVERTY

The following table presents the list of data and indicators used to assess the current state of poverty in the EU (chapter 1). While most of the data in this report is taken from Eurostat, other sources are added to the list below to consider their geographical coverage.

Source	Dataset Code	Description	GEO Coverage
Eurostat – Income and living conditions	ilc_pecs01	Persons at risk of poverty or social exclusion	EU, National, NUTS2 regions
Eurostat – Income and living conditions	ilc_peps01n	Persons at risk of poverty or social exclusion by age and sex	EU, National
Eurostat – Income and living conditions	ilc_peps02n	Persons at risk of poverty or social exclusion by most frequent activity status (population aged 18 and over)	EU, National
Eurostat – Income and living conditions	ilc_peps03n	Persons at risk of poverty or social exclusion by income quantile and household composition	EU, National
Eurostat – Income and living conditions	ilc_peps04n	Persons at risk of poverty or social exclusion by educational attainment level (population aged 18 and over)	EU, National
Eurostat – Income and living conditions	ilc_peps11n	Persons at risk of poverty or social exclusion by NUTS 2 region	NUTS2 regions
Eurostat – Income and living conditions	ilc_peps13n	Persons at risk of poverty or social exclusion by degree of urbanisation	EU, National
Eurostat – Income and living conditions	ilc_li41	At-risk-of-poverty rate by NUTS 2 region	NUTS2 regions
Eurostat – Income and living conditions	ilc_mdspd01	Material and social deprivation rate by age, sex and most frequent activity status	EU, National

Eurostat – Income and living conditions	Income inequality	Data on income quintiles and Gini coefficient	EU, National and NUT2 regions (regional disaggregation not available for the Gini coefficient)
Eurostat – Income and living conditions	ilc_lvho07a	Housing cost overburden rate by poverty status	EU, National
Eurostat – Income and living conditions	ilc_lvhd01	Persons having experienced housing difficulties in their lifetime by sex and current risk of poverty or social exclusion situation	EU, National
OECD – Income Distribution Database	IDD	Income inequality, poverty, redistribution, and income quintile shares	OECD countries, National
OECD – Wealth Distribution Database	WDD	Household wealth inequality, including Gini coefficients and top/bottom wealth shares	OECD countries, National
World Bank	Poverty and Inequality Platform	Poverty, inequality, and shared prosperity indicators disaggregated by age, gender, location (urban/rural), and education	National
ILOSTAT	Working Poverty	Tracks the working poor—employed individuals living below a poverty threshold under SDG 1.1.1	National
ILOSTAT	Labour Income & Income Inequality	Offers indicators such as labour income share of GDP, labour income distribution, and gender income gap	National

ANNEX III: LIST OF GOOD PRACTICES AT LRA LEVEL

No	Name	Country	Regional / local level	Description	Target group(s)	Reason for poverty to address	Source
1	'Schulstartklar' (Ready to Start School)	Austria		In the framework of ESF+, the initiative aims to support families with schoolchildren in combating material deprivation. As the beginning of the school year may bring additional financial challenges, social assistance budget vouchers are given to families to help purchase the necessary school supplies for their children. The vouchers are financed by the Ministry of Social Affairs (10%) and the ESF+(90%).	Children	access to education	https://www.sozialministerium.gv.at/Themen/Soziales/Soziale-Themen/Schulstartklar.html
2	Groep Intro vzw	Belgium	West Vlaanderen	The NGO supports people entering into training or work, with coaching and advice, aimed at creating an inclusive society. It aims to improve the social position of vulnerable youth and adults by providing employment, vocational training, education, and working experience.	Vulnerable jobseekers	access to employment	https://www.groepintro.be/nl/
3	Centres for Employment and Social Assistance	Bulgaria		Offering comprehensive services in support of vulnerable groups, bridging social benefits with inclusion	vulnerable groups	unemployment	https://www.oecd.org/en/publications/reaching-out-and-activating-inactive-and-unemployed-persons-in-

							bulgaria_7b91154a-en.html https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3202689
4	Model of Integrated Development (MID)	Bulgaria	Sofia	<p>The large number of Roma in the Sofia municipality (more than 50,000 people) living in compact communities (neighbourhoods) with overlapping problems calls for more innovative, targeted and effective measures, given the limited financial resources. The Model of Integrated Development (MID) is an innovative model providing opportunities for community development. It envisages the person's life cycle and the challenges faced at every stage of life. MID introduces complex multi-component services to support: 1) early child development in the areas of health, nutrition, early learning; 2) parental capacity to support health, school readiness and successful adaptation to mainstream services; 3) young people to broaden their life horizons and plan careers and education, avoiding risky behaviour and early marriage; 4) transformation of the environment to improve the wellbeing of the segregated communities – building playgrounds, conducting initiatives enhancing the quality of the air.5) positive change in community social norms and beliefs towards</p>	Roma population	multi-faceted, integrated support	https://www.intereurope.eu/good-practices/model-of-integrated-development-mid

				better social and economic achievements. This methodology is developed and implemented by the Health and Social Development Foundation (HESED).			
5	Basic Income experiment	Finland		An additional income of 560 EUR for vulnerable groups	vulnerable groups	income difficulties	https://www.mckinsey.com/industries/social-sector/our-insights/an-experiment-to-inform-universal-basic-income
6	ZuHAuSE-Projekt II	Germany	Giessen	The initiative targets homeless people and is based on 'road social work'. The aim is to build trust and provide assistance by giving access to the necessary social, health and legal services. The aim is to provide security and stability to people to address their challenges	Homeless	access to housing	https://diakonie-giessen.de/aufsuchende-strassensozialarbeit-und-housing-first

7	National Emergency Response Mechanism (NERM)	Greece		<p>The purpose of the NERM is to identify and immediately refer and place a homeless unaccompanied child or a child living in precarious conditions in emergency accommodation facilities. NERM includes a 24/7 tracing line for identifying and tracing children in need. The tracing line guides children, citizens, local and public authorities on steps and actions to be taken from the point of identification of a UAC until their timely inclusion in emergency accommodation. NERM is also tasked with placing the children in special emergency accommodation facilities and facilitating the relevant identification process, when necessary. Under this initiative, children are provided with material and psychosocial support, interpretation services, and safe accompaniment outside the accommodation facilities, including representation during registration procedures with the authorities, through Mobile Units, and Information Desks. A procedure for the proper registration and protection of unaccompanied and separated children from Ukraine arriving in Greece has also been established since the end of March 2022</p>	children	child poverty	https://www.interregeurope.eu/good-practices/national-emergency-response-mechanism-nerm-in-greece-0
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8	Professional retraining of refugees	Italy	Brindisi	<p>This initiative aimed to provide training and support to refugees residing in second-level SPAR/SAI reception centres in Brindisi, Italy. Refugees, legal immigrants with permission to work, exhibit greater stability and a long-term commitment to Italy, including language acquisition and the potential for Italian citizenship. The program aimed to empower refugees with professional skills, boosting their prospects for legal employment or entrepreneurship. This strategy helps refugees transition to self-sufficiency, reducing the risk of agricultural exploitation or involvement in criminal activities. An underutilised site on the outskirts of Brindisi, formerly confiscated from organised crime, was repurposed to establish a second-level reception centre for refugees and a carpentry training facility. The Municipality of Brindisi partnered with three NGOs, which won a tender to manage and implement these activities. Their efforts included selecting and profiling trainees, evaluating applications, offering safety and carpentry training, and fostering literacy in the Italian language. The program also involved practical carpentry training and created a database of local enterprises interested in hiring the migrants.</p>	refugees	Education, training, access to the labour market	https://www.interregeurope.eu/good-practices/professional-retraining-of-refugees
9	E-vouchers	Italy	Brescia		Vulnerable groups	access to basic needs	https://european-social-fund-plus.ec.europa.eu/en/projects/vouchers-fight-poverty-stigma

10	Foodsharing Luxembourg	Luxembourg		Foodsharing Luxembourg is an initiative that helps reduce food waste. The initiative not only considers the environmental effects of food loss and waste but also provides food-sharing points in public spaces, where everyone can access food free of charge.	Vulnerable groups.	access to food	https://foodsharing.lu/
11	Stëmm vun der Strooss	Luxembourg		The Stëmm Caddy, offered by the Stëmm vun der Strooss organisation, is a workshop offering rehabilitation, reintegration into society and prevention measures for people in a difficult situation. The workshop recycles food and offers meal preparations. For the distribution of its produce, the service works with eight active associations in Luxembourg City and Esch, working with disadvantaged people.	Disadvantaged people	access to food	https://stemm.lu/en/services/stemm-caddy
12	Minimum living income (ingreso mínimo vital)	Spain		A benefit to prevent the risk of poverty and social exclusion for people who live alone or in shared households and have difficulties covering their basic needs. It aims to improve the opportunities for social and employment inclusion.	vulnerable groups with difficulties in addressing basic needs	difficulties of addressing basic needs	https://imv.seg-social.es/
13	Acceder	Spain		Training and employment programme focusing on the Roma population to include people in salaried employment, by providing training and counselling. Creating opportunities to make employment more accessible and raise awareness	Roma population	social exclusion	https://european-social-fund-plus.ec.europa.eu/en/news/20-years-acceder-programme
14	Work and Training Programme - ACOL	Spain	Catalonia	A programme that offers a 12-month labour contract to migrants living in Spain for 3 years and facilitates the procedures to obtain a legal permit.	non-EU migrants not in a regular /	social exclusion	https://serveiocupacio.gencat.cat/ca/detall/article/Treball-i-





				It is subsidised by the Public Employment Service of Catalonia	legal administrative situation		Formacio-ACOL-00001
15	The School as an Arena	Sweden	Gothemburg	Central to this model is the coordinator: the person covering this role who plans and executes the activities after determining the group needs; documents and follows the programme; is the primary contact person for the target community, the organisations and stakeholders involved. In addition, the coordinator recruits role models such as teachers or trainers. Every day after school and on weekends, kids are encouraged to try new activities, lead their actions, go on field trips, and join food clubs.	Children	integrated	https://eurocities.eu/stories/fighting-child-poverty-reaching-out-or-missing-out/
16	Weten van werkt	The Netherlands	Utrecht and Zeist	A study to identify the best way to support people with social assistance based on four working groups, each receiving a different form of assistance. One group followed the existing laws / regulations. Another focused on reduced conditionality, excepting participants from the obligation to seek and accept work and allowing them to choose whether they wanted to be counselled. The third group received intensive help and guidance from permanent caseworkers, and the fourth was allowed to keep a large part of their income as extra on top of other benefits.	752 individuals who volunteered	people in need of social assistance	https://www.uu.nl/sites/default/files/uu-use-eindrapport-wetenwatwerkt-summary-en.pdf



European Committee of the Regions

Created in 1994, the European Committee of the Regions is the EU's political assembly of 329 regional and local representatives such as regional presidents or city-mayors from all 27 Member States, representing over 446 million Europeans.

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