# Breaking the cycle of disadvantage

## Reviewing EU policy through the lens of poverty

EXECUTIVE SUMMARY

European Economic and Social Committee

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## Executive Summary

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## Foreword

**By Cillian Lohan**

*President of the Civil Society Organisations' Group (2025-2028)*
*European Economic and Social Committee (EESC)*

As the European Commission publishes its first ever EU Anti-Poverty Strategy, it is our pleasure, in the EESC's Civil Society Organisations' Group, to present this new study entitled *'Breaking the Cycle of Disadvantage – reviewing EU policy through the lens of poverty'*. The research was commissioned by the EESC at the request of our Group and carried out by Milieu consulting.

Within the Civil Society Organisations' Group, our ambition is to advocate for policies that support and empower communities, fully in line with the UN's Sustainable Development Goals. That includes championing an EU that sets out efficient solutions to the cost-of-living crisis and leaves nobody behind!

Beyond the reality that still one in five people in Europe live at risk of poverty or social exclusion, poverty remains coupled with persistent intergenerational trends. With this research, we draw attention to these deep-rooted factors that perpetuate poverty over one's life course and across generations. This goes hand in hand with investing in children, not only to alleviate hardship today, but also to prevent poverty in the future.

As such, this study directly reflects and complements our commitment in the EESC to work towards eradicating poverty, as championed by EESC President Séamus Boland, who placed this vision at the centre of his programme, *'Civil Society at the heart of Europe'*. The research builds on the recent EESC exploratory opinion on the EU Anti-Poverty Strategy, requested by the European Commission. The EESC adopted this exploratory opinion as early as July 2025, before the adoption of the Anti-Poverty Strategy, thus allowing us to provide political input at the very beginning of the legislative process.

This study is a crucial part of our commitment to combating poverty. We will continue this commitment by delivering further opinions, including on intergenerational poverty and strengthening the EU child guarantee. I would like to thank the authors, as well as the Members of our Group for having followed this work and spearheading this topic within the EESC.

As we now shift our attention towards the implementation of the EU Anti-Poverty Strategy, I encourage EU decision-makers, scholars and members of civil society alike to make use of this resource.

As highlighted by the authors, services such as childcare, healthcare and housing are especially dependent on local governance provisions. That is why we must promote national anti-poverty strategies and consistent sub-national implementation to ensure that policies reach local communities.

Within this framework, I encourage decision-makers to draw on the potential of communities and civil society organisations. Communities, as we define them, are not only recipients of policy, but active democratic actors that foster trust, cohesion and solidarity. Let us therefore not only *support* communities, but effectively *empower* them, drawing on their experience in involving those affected by poverty and in implementing measures to *end poverty everywhere, in all its forms*!

I wish you an insightful read.

June 2026

**Abstract**

This study analyses European Union (EU) policy through the lens of intergenerational poverty (IGP), shifting attention from poverty as a static condition to the long-term persistence and transmission of disadvantage across generations. It defines IGP as the reproduction of multidimensional poverty from one generation to the next, driven by familial, structural, institutional, socioeconomic, spatial and cultural factors, and identifies 10 problem drivers through which poverty is transmitted. On this basis, the study maps 32 EU policy instruments and evaluates them across five analytical dimensions: coverage of problem drivers, child poverty mainstreaming, coherence, participation and funding. The findings indicate strong policy attention paid to education, employment prospects and income, but weaker and more fragmented engagement with health, housing, social protection, gender inequality and access to essential services. Two particularly significant gaps are the limited coverage of parental education and family instability as drivers of IGP. The study also identifies shortcomings in child poverty mainstreaming, policy coordination, participatory inclusion and funding alignment. In response, it proposes targeted recommendations to promote a more preventive EU anti-poverty approach. Finally, it develops a framework for assessing the impacts of policy on IGP and examines how poverty, and where possible IGP, is currently measured at EU and national level.

## Executive Summary

This study examines European Union (EU) policy through the lens of intergenerational poverty (IGP), shifting the focus from poverty at a given moment in time to the persistence and transmission of disadvantage across generations. While alleviating poverty addresses immediate needs, alleviating IGP is about preventing future poverty. Despite ongoing efforts, poverty continues to be deeply intertwined with long-standing intergenerational trends and inequalities, and the intergenerational transmission of disadvantage remains a root element of poverty. As such, taking an intergenerational lens adds value because it shows how poverty becomes embedded and reproduced over time, helps explain the persistence of inequality in European societies, and highlights the long-term social, economic and democratic risks associated with deep-rooted disadvantage. In this sense, tackling IGP through the EU anti-poverty strategy and future EU policy would support a more preventive approach, identifying the policy levers that can help break the cycle of disadvantage rather than only addressing short-term income shortfalls. To inform future discussion and policy making, the current study aims to answer the question: how does EU policy address the root causes of IGP and what could be done to improve current initiatives?

**Defining intergenerational poverty**

Chapter 1 provides an evidence-based definition of IGP and describes its constituent elements, including the contributing factors that drive the persistence and transmission of poverty across generations. It explains that IGP captures the persistence and reproduction of disadvantage over the life course, rather than poverty at a specific point in time, and that it is linked to the ways in which childhood poverty, adulthood poverty and the relative persistence between them combine to reproduce disadvantage over time. The chapter also makes clear that child poverty is intrinsic to IGP. Investing in children today helps to prevent the poverty of the future and to break the cycle of poverty.

In Chapter 1, the study proposes the following working definition of IGP:

“Intergenerational poverty (IGP) refers to the persistent reproduction of multidimensional poverty and disadvantage from one generation to the next, driven by a combination of familial, structural, institutional, socioeconomic, spatial, and cultural factors that constrain life chances over generations.”

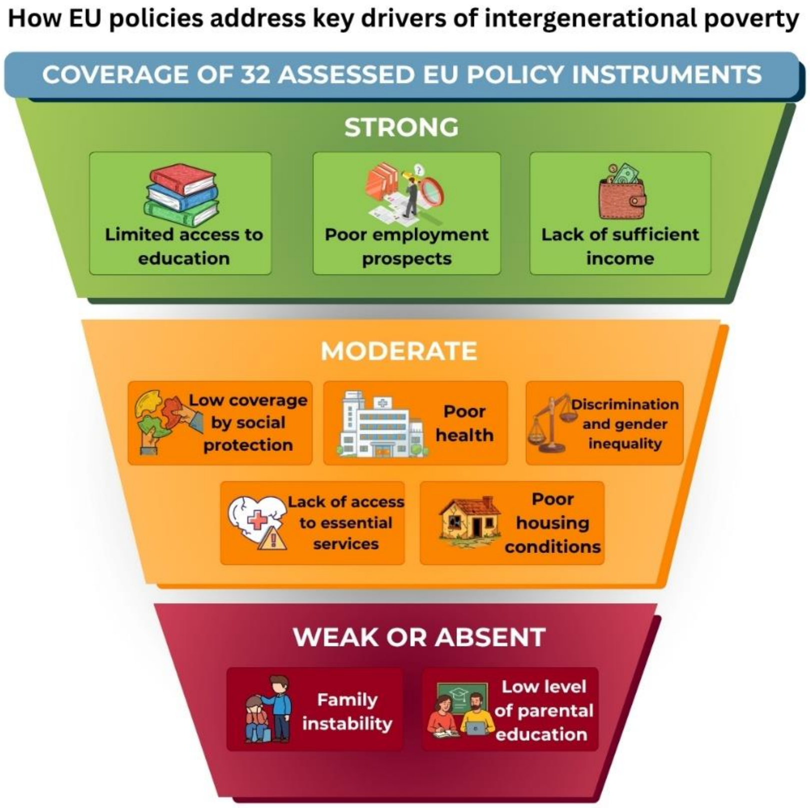
Chapter 1 explains that poverty transmission often depends on factors linked to several aspects of socioeconomic life, such as education, labour market, welfare design, health care, housing, family stability, gender equality, and access to essential services. These factors often overlap and reinforce one another. In this regard, the study identifies 10 problem drivers linked to IGP: limited access to education, low level of parental education, poor employment prospects, lack of sufficient income, low coverage by social protection, family instability, poor health, poor housing conditions, discrimination and gender inequality, and lack of access to essential services. The identification of these drivers ensures the proposed definition is actionable as they represent the policy entry points for prevention of the reproduction of poverty across generations.

**Mapping and analysing EU policies**

Building on the conceptual framework defined in Chapter 1, Chapter 2 maps and analyses 32 EU policies instruments[1] against the problem drivers linked to IGP and identifies gaps and opportunities for action. As with any bounded analytical exercise, the selection of policies necessarily excludes some instruments that may engage with one or more of the problem drivers of IGP and, as such, the findings should be read as describing the specific set of instruments assessed, rather than as a definitive audit of the entire EU policy framework.

The analysis is organised around five dimensions: coverage analysis (assesses the extent to which the 32 EU policy instruments address the 10 problem drivers), child poverty mainstreaming analysis (considers whether policies are explicitly geared towards children), coherence analysis (analyses the extent to which EU policies coordinate and complement one another), participation analysis (assesses the extent to which affected populations and civil society organisations are involved in policy design, implementation, and monitoring), and funding analysis (analyses whether or how the problem drivers are supported by EU-level funding instruments).

**Coverage analysis**




On coverage, the study finds a clearly uneven pattern across the 10 problem drivers. Three problem drivers receive strong attention from the EU policy framework assessed: limited access to education, poor employment prospects, and insufficient income. Each of these benefits from multiple policy instruments with dedicated objectives, legal requirements, or earmarked funding. For example, the European Social Fund Plus (ESF+) Regulation includes specific objectives for improving education systems and promoting equal access to quality education, while the Adequate Minimum

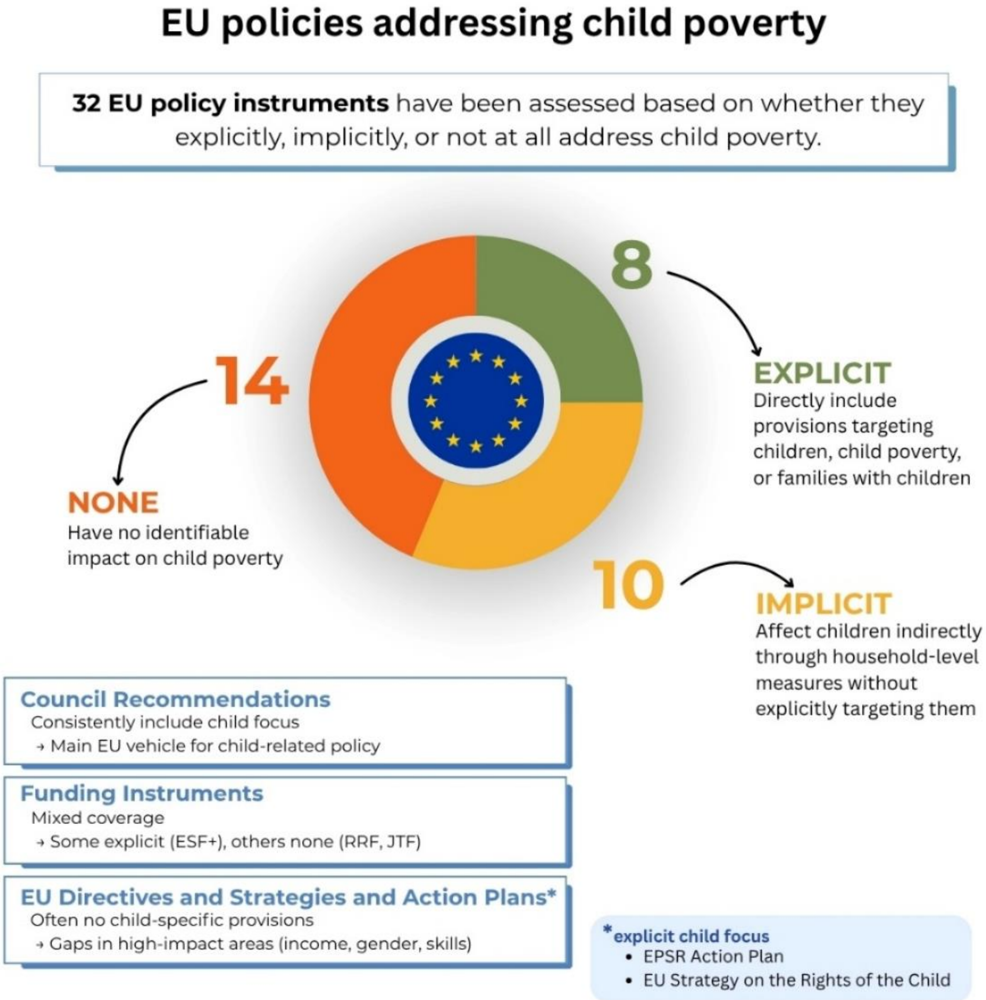
[1] These are: European Child Guarantee (ECG), Council Recommendation on adequate minimum income, Directive on Adequate Minimum Wages, Pay Transparency Directive, Council Recommendation on ECEC (Barcelona targets), Council Recommendation Reinforcing the Youth Guarantee, Commission Recommendation on active inclusion, Council Recommendation on Roma equality, inclusion and participation, ESF+ Regulation, Just Transition Fund (JTF), Social Climate Fund (SCF), Recovery and Resilience Facility (RRF), Common Provisions Regulation, European Pillar of Social Rights (EPSR) Action Plan, EU Strategy on the Rights of the Child, Social dimension of the European Semester, Work of the Social Protection Committee, Youth Employment Support Package, European Skills Agenda, Quality Jobs Act (forthcoming), European Care Strategy, EU4Health Programme, Clean Energy for All Europeans Package/Energy Poverty Advisory Hub, Europe's Digital Decade Policy Programme, European Platform on Combating Homelessness, European Affordable Housing Plan (forthcoming), Action Plan on Integration and Inclusion, EU Roma Strategic Framework.

Wages Directive and the Council Recommendation on adequate minimum income directly target household income.

A further five problem drivers receive moderate coverage: poor health, poor housing conditions, discrimination and gender inequality, low coverage by social protection, and lack of access to essential services. This means that several instruments engage with these issues, but typically as secondary objectives rather than primary targets. For instance, health is addressed across 12 of the policy instruments assessed, but only two provide it with high-level, dedicated attention.

Two clear gaps emerge from the coverage analysis. First, family instability is weakly covered, with no instrument treating it as a primary policy objective and only six of the 32 instruments addressing it in a substantive way. This is notable because the evidence reviewed in Chapter 1 found that family instability can create a reinforcing cycle with poverty: material hardship increases parental stress and relationship conflict, which in turn deepens the disadvantage of children. Second, and most strikingly, low level of parental education is effectively absent from the EU policy framework among the policy instruments assessed, despite being identified as one of the strongest predictors of whether poverty is passed on from parents to their children. While the EU has instruments for adult learning and upskilling, these are designed primarily for labour market activation rather than recognising the role that a parent's education plays in shaping their children's life chances.

**Child poverty mainstreaming analysis**



On child poverty mainstreaming, the study finds that of the 32 instruments assessed, only eight contain an explicit child poverty focus. Several instruments operating in domains with well-documented effects on children's welfare lack child-specific provisions. For example, the Directive on Adequate Minimum Wages and the Council Recommendation on Adequate Minimum Income both directly affect household income, yet neither contains explicit child-targeting measures. The European Platform on Combatting Homelessness likewise lacks child-targeted provisions even though family homelessness and children in temporary accommodation are growing concerns across Member States.

Absence of child-specific provisions does not necessarily indicate policy failure, since children may benefit indirectly from household-level measures. At the same time, the evidence reviewed in Chapter 1 suggests that indirect pathways alone are often insufficient to reach the most disadvantaged children, and that explicit targeting is associated with stronger poverty-reduction outcomes for children. In turn, the strengthening of child poverty mainstreaming across the broader policy framework would help ensure that the EU's engagement with intergenerational poverty addresses the needs of children not only through dedicated child-focused policy instruments, but also through the many other policies that shape their life chances.

**Coherence analysis**

On coherence, recognising that the drivers of IGP are interconnected and that the policies addressing them should therefore work together across different sectors, the study examines whether EU policy instruments appear to be designed to connect with and build upon each other (i.e., horizontal coherence) and whether they establish clear implementation responsibilities across each core level of governance, from EU to national and local levels (i.e., vertical coherence). In terms of horizontal coherence, based on an assessment of explicit cross-references and documented linkages within the policy instruments themselves, the analysis reveals a partially connected but unevenly integrated policy framework. For example, the European Pillar of Social Rights offers extensive guiding principles, and the ESF+ Regulation, the European Semester and the Recovery and Resilience Facility act as well-connected nodes within the framework, each linking to at least six other relevant policy instruments among the 32 assessed. Among non-funding instruments, the European Child Guarantee and the Reinforced Youth Guarantee are identified as the most connected, each with five linkages.

At the same time, coherence gaps remain. For example, several policy instruments directly affecting household income contain limited direct linkages to the rest of the policy framework assessed. In particular, the Adequate Minimum Wages Directive and the Pay Transparency Directive have no direct cross-references to other instruments assessed.

On vertical coherence, binding instruments generally establish the most complete chains of implementation across governance levels, while soft law instruments typically leave regional and local governance responsibilities to Member State discretion. This is particularly significant for IGP because access to childcare, healthcare and housing depends heavily on local provision and local decision-making. Where soft law instruments do not specify how national commitments should translate into sub-national service delivery, there is a risk that the families and children most affected by IGP may not be reached in practice.

**Participation analysis**

On participation, the study assesses the extent to which populations affected by poverty are involved in shaping, delivering, and evaluating a more focused subset of 13 instruments. It assesses three dimensions: i) stage coverage: whether participation extends across the full policy cycle (design, implementation, and monitoring), ii) inclusiveness: whether participation extends beyond social partners and civil society organisations to include people directly affected by poverty, and iii) specificity: whether the relevant participation mechanisms are specified in concrete terms, or left to Member State discretion. Across these three dimensions, a participation provision is understood broadly, as any provision that involves the social partners, civil society organisations, or people experiencing poverty in a phase of the policy cycle. As the presence of any one of these actors was, in the framework of this study, sufficient for a provision to be recorded under stage coverage and specificity, the findings on those two dimensions indicate the presence of at least some participatory provisions, rather than a judgement that the range of participants is broad or that participation is adequate to the subject matter of the policy concerned. Overall, stage coverage emerges as the strongest dimension, with eight of the 13 instruments extending participation provisions across the full policy cycle. This pattern reflects the breadth of the standard EU model of consultation, partnership, and reporting rather than the depth or reach of the participation it secures. What is provided for less often is the direct participation of people experiencing poverty, and inclusiveness, in turn, emerges as the weakest dimension. Only four policy instruments are described as achieving broad inclusiveness by explicitly requiring or encouraging participation from people directly affected by poverty. This can be viewed as an opportunity to strengthen the link between civil dialogue and the direct participation of people experiencing poverty, which serve complementary aims. This is also consistent with the recent call by the European Parliament for the EU Anti-Poverty Strategy to meaningfully incorporate people experiencing poverty into the formulation and implementation process of such related policies that affect them. Finally, specificity of participation varies by the type of policy instrument being assessed. For example, binding instruments such as EU directives and regulations tend to include more concrete, specified mechanisms. Soft law instruments, by contrast, typically establish participation as a principle but leave operational arrangements to Member State discretion. While this reflects their coordinating function under the open method of coordination, which operates through mutual learning and guidance rather than prescribing requirements, in the context of IGP, this flexibility creates a tension in which participation may remain a formal commitment without practical effect where Member States do not translate principles into concrete operational arrangements.

**Funding analysis**

On funding, the study examines how well EU funding instruments, particularly the ESF+, the Recovery and Resilience Facility, and the Just Transition Fund, align with the policy priorities identified in the problem driver coverage analysis. This dimension takes on particular significance in light of the European Pillar of Social Rights Action Plan target of reducing the number of people at risk of poverty or social exclusion by at least 15 million by 2030, including at least 5 million children. The study finds a pattern that broadly mirrors the coverage gaps identified in the policy mapping. Strong funding alignment exists for access to education and poor employment prospects. For example, the ESF+ Regulation includes dedicated objectives for improving education systems and promoting labour market integration, and a mandatory child poverty earmark requires Member States with above-average child poverty rates to allocate at least 5% of their ESF+ resources to tackling child poverty, which may include educational access measures.

By contrast, the two problem drivers identified as the most weakly reflected in the EU policy framework, parental education level and family instability, also record the weakest funding alignment. None of the EU funding streams assessed include a dedicated intervention field or earmarking provision for parental education as a distinct category, and family instability similarly has no corresponding funding pathway. For all other problem drivers, including insufficient income, low social protection coverage, health, housing and gender inequality, funding alignment is classified as partial. This means that relevant funding streams exist in principle but are not specifically targeted at these dimensions of IGP, so whether funding actually reaches them depends largely on the programming choices made by individual Member States.

**Recommendations**

In response to these findings, the study proposes three thematic recommendations. The first recommendation addresses the most significant coverage gap in the EU policy framework: the near absence of the problem driver for parental education level being recognised by the EU policy framework. It proposes that the European Commission encourage Member States to rebalance education measures under EU funding instruments supporting education and social inclusion so that programme design also accounts for the needs of vulnerable parents and young families, and that monitoring of upskilling programmes be linked to child poverty reduction objectives. In this regard, the programme monitoring and partnership structures established for EU shared management funds (such as the ESF+ Monitoring Committees) are identified as a concrete channel through which this shift could be promoted.

The second recommendation responds to the weak engagement of the EU policy framework with family instability as a driver of IGP. Recognising that this driver includes multiple distinct phenomena, each with their own causal mechanisms, the recommendation focuses on the structural conditions that undermine family stability, such as economic hardship, inadequate access to support services, and housing precarity, rather than treating family instability as a one-dimensional challenge. It proposes that the European Commission strengthen the European Child Guarantee through clearer guidance for national action plans on family support measures (such as integrated family support centres), and that it address the sustainability challenge of ESF+-funded projects, which often build trust with vulnerable communities but cease when funding cycles end. In this regard, the recommendation proposes that the Commission encourage Member States to establish national or regional budget lines, or equivalent mainstreaming arrangements, to continue family-centred support beyond the ESF+ funding cycle, reinforced through the European Semester and relevant country-specific recommendations.

The third recommendation addresses the finding that, while limited access to education is one of the most densely covered problem drivers in the EU framework, it is framed primarily in terms of skills acquisition and employment activation rather than as a fundamental right for children. The study proposes two tools to rebalance this orientation: promoting the use of Child Rights Impact Assessments in the design of EU education and social policy instruments, and reinforcing the linkage between the European Child Guarantee and EU funding instruments supporting education and social inclusion, so that child poverty-related funding allocations are more clearly directed towards quality early childhood education and care provision, including for children aged 0 to 3.

**Other findings: framework to assess policy impacts and measuring intergenerational poverty**

Building on the findings of the initial two chapters, Chapter 3 presents a research framework that EU institutions could use to assess the potential impacts of future policies on IGP at the design stage. By focusing on how disadvantage is transmitted across generations, this framework would support more systematic and streamlined assessment of policies' effects on the structural drivers of IGP, helping to avoid unintended harm and identify opportunities to reduce it.

Concluding the study, Chapter 4 then assesses how poverty, and where possible intergenerational poverty, is measured in the EU and identifies examples of national measurement practices that facilitate action at Member State level.

**European Economic and Social Committee**

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