

Working but Poor: EU Wage Protection and In-Work Poverty in the new Communication on the European Pillar of Social Rights

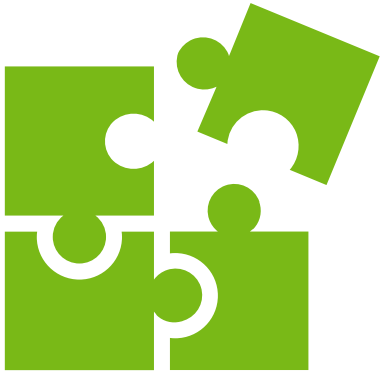
SOC/885 – EESC hearing

Ane Aranguiz, Tilburg University

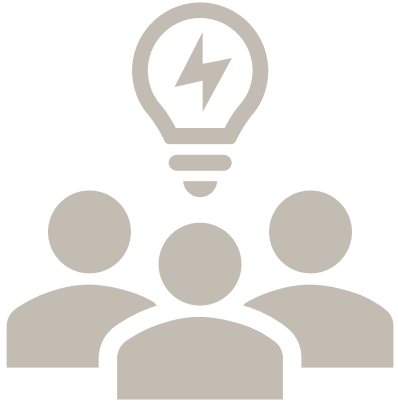
Agenda



In-work poverty in the EU



The dimensions and how they are approached



Final remarks

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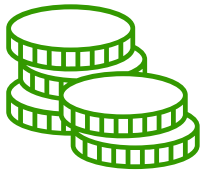
What is in-work poverty?

The percentage of persons in the total population who declared to be **at work** (employed or self-employed) **who are** at-risk-of-poverty (i.e. *with an equivalised disposable income below the risk-of-poverty threshold, which is set at 60 % of the national median equivalised disposable income (after social transfers)).*

8,3%

of EU workers in 2025

CHARACTERISTICS:



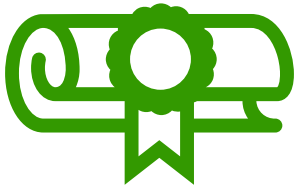
Low wages



Contract types



Family composition



Educational & migrant background

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Low wages, the communication & the EPSR

- The Communication (COM(2026) 650) mentions in-work poverty once, as a success story of the minimum wage regulation → minimum wages rose in real terms everywhere statutory minimums exist;
  - The decline of IWP precedes the Directive
  - National examples go beyond the directive's requirements (certainly after CJEU AMWD judgment)
- SWD recognizes the widening of the gap between low/middle and top earners but no initiatives
- No relation between adequate wages and the cost of living



Low wages



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Contract types, the communication and the EPSR

- Monitoring of involuntary temporary and part-time work
- No mention to the poor transposition of the TPWC other than a revision or the Platform work Directive
- No reference to access to social protection (Rec)
- Things that could have been proposed:
  - Regulating Working time minimums?
  - Put limits to casual arrangements
    - Limit the use of such arrangements (current approach)
    - Install additional obligations on companies using casual arrangements
    - Find compromises between demand and worker's protection through predictability
    - Quality criteria on temporariness and predictability
- Quality jobs Act?



Low wages



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Family composition, household work intensity in the communication and the EPSR

- Initiatives important for material deprivation with a household component: Housing, energy and access to services
- Less (no) attention given to income poverty beyond wages via social protection top-ups, minimum income
- These initiatives are addressed under the broader anti-poverty strategy… a responsibility shift?
  - No binding initiative even when the goal is largely missed



Low wages



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Education & migration backgrouns in the communication and the EPSR

- Skills target, qualification recognition, Single permit Directive recast..
- Education and migration background is addressed via employability not pay or job quality
  - …but working poor



Low wages



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What (else) is missing: The bigger picture



Minimum income /social protection schemes

- Work transition schemes
- Exit power and collective bargaining
- Income poverty measure also for working households



Alignment with the principles of the EPSR



A clear roadmap



Better engagement with the anti-poverty strategy particularly given the poor advances in the flagship goal

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Final remarks



Welcome emphasis on material poverty, affordability and the cost of living



Individual and wage-centred response to a household and hours-centred problem.



Missing link between wage floor, income floor and services.



Social rights presented mainly through competitiveness;

- poverty eradication should be a political choice grounded in rights and public investment

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Thanks!

a.aranguiz@tilburguniversity.edu