Since the beginning of the great recession, poverty has, not unexpectedly, increased in many Member States of the European Union. More worrying in view of its structural implications is the observation that in the years before the financial crisis, in most European countries poverty rates for the non-elderly population have stagnated or even increased, in spite of economic growth and rising employment. This suggests limitations that are inherent to employment-centred welfare reform and downward pressures on the redistributive capacity of welfare states.