Why is it that, in almost three decades since 'Les Trentes Glorieuses' (Fourastié, 1979), and despite growth of income, employment and high levels of social spending, even the richest and most developed welfare states in the world failed to make any further headway in the fight against income poverty? Although many European welfare states were quite successful in mitigating the adverse consequences of the crisis (European Commission, 2012; Hills, Paulus, Sutherland, & Tasseva, 2014; Moisio, Lehtela, & Mukkila, Forthcoming), for poverty researchers and policy makers alike this question should be a point of great concern: it is indeed for the first time in the history of welfare states that we no longer do observe any substantial progress towards the great and momentous post-war objective of eradicating poverty. In the social policy literature the question of why welfare states did not succeed in decreasing relative income poverty has mostly been adressed with a 'pre-post' approach, albeit in different forms (in its 'basic' version (Cantillon, 2011; Cantillon, Van Mechelen e al 2014) , in regression models (see, e.g., Vandenbroucke & Diris, 2014) and using micro simulation (Sutherland, 2014).

Here we take a somewhat different perspective. We start from the hierarchy of the incomes in the fabric of the welfare state: in general terms, the disposable income of low wage earners should be higher than the minimum incomes for the not insured jobless persons and these incomes should be lower than the minima for insured jobless people. So devised, minimim wages are to be considered as a 'glass ceiling' of poverty reduction. In order to get a better understanding of the reasons why welfare states no longer succeed in reducing relative income poverty, we thus need to know what are the links *between the levels and dynamics of low wages, social benefits , poverty thresholds and median household incomes*. We start from the conventional EU at-risk-of-poverty indicator defined as the number of individuals living in a household with an income below 60 per cent of equivalized median income (Atkinson, Cantillon, Marlier, & Nolan, 2002). So conceived, the reason for the failures of anti-poverty strategies lies in the fact that welfare states no longer succeed in pulling the incomes of the people at the botom closer to those in the middle. This can be occasioned by three mechanisms: 1) median incomes of all *households* (including the elderly) increased faster than median *individual* incomes of the working age population; 2) low wages lagged behind median household incomes or 3) the growth pace of social benefits was slower than that of low wages.

We focus on the working age population in the most developed welfare states in the world[1] where comparatively high minimum wages are in place and where income and wage inequalities are fairly low. We start from a double observation: a) low wages in general and minimum wages in particular constitute a 'glass ceiling' to vertical redistribution b) in all these countries the incomes of households with children living on a single low wage fall short the poverty threshold. This suggests that the primary cause of household income poverty lies in the insufficiency of a single low wage for families with children. This points at a *structural* difficulty to reduce poverty through a more adequate and efficient social protection system. We then try to understand how this came about. Is it because median incomes (and consequently the poverty threshold) increased more rapidly than individual incomes as a consequence of the increasing number of multi-earner households and/or as a consequence of a faster increase of the incomes of the elderly? Or is it because low wages increased at a slower pace than the median and/or because social benefits did so in relation to low wages? We use survey data (ECHP 1994-2001 and SILC 2005-2008 2012) and standard simulations of disposable household incomes of typical households (Van Mechelen, Marchal, Goedemé, Marx, & Cantillon, 2011) in order to address these questions.

[1] Namely Austria, Belgium, Germany, Denmark, Finland, France, The Netherlands, Sweden and The UK.