

PREFACE

Francesco Maria Chelli

The subject to which this Special Issue is dedicated, absolute poverty, is a societal ill that demands ongoing efforts to generate the essential knowledge necessary to formulate policies aimed at counteracting and eradicating it.

Official statistics have done their part to shed light on the structural features of poverty. Over the past two decades, we have been able to monitor its different dimensions, precursors and manifestations, through a set of fine indicators of the socio-economic conditions of households. The main pieces of a mosaic that can be put together for an integrated reading of the living conditions of households and their evolution include indicators on income, living conditions and poverty risk (from the EU-SILC survey), measures of spending behavior, absolute poverty and relative poverty (from the household budget survey), indicators on consumer price trends to measure the impact of inflation on household groups, researches for estimating infra-national purchasing power parities. This composite image provides policymakers with essential knowledge, thus enabling them to formulate multidimensional, profiled and dynamic interventions.

The statistical measures need to be continuously improved, expanded, and made more and more reliable.

For this reason, Istat is engaged in a continuous methodological endeavour, including the Inter-Institutional Scientific Commission on Absolute Poverty, established in 2021. The Commission, initially chaired by President Prof. Gian Carlo Blangiardo and later by me, involved experts from Istat, the Ministry of Economy and Finance (MEF), the Bank of Italy, the Council for Agricultural Research and Analysis of Agricultural Economics (CREA), the Internal Revenue Service and several universities.

The debate that emerged within the Commission raised complex conceptual issues (for example, the definition of poverty, the measurement of welfare, and the reference budget) and extended the reflection on the measurement of absolute poverty to the latest multidimensional approaches. It also encouraged a shift away from a view exclusively based on monetary expenditure data, with a careful look also at the other components of well-being.

Therefore, the presentation of the new methodology is also an opportunity to reflect on future developments and make recommendations that will help outline the way forward.

To all the members of the Commission, who have supported and nurtured this project, sharing their expertise, professionalism and passion, goes my and our gratitude.

At the heart of our commitment is the awareness that poverty in the third millennium is an unworthy inheritance and an intolerable shame, that must be defeated. The tools to know this phenomenon in all its dimensions are a prerequisite to eradicate it.