In the paper presented in the meeting of the UNECE Group of Experts on Measuring Poverty and Inequality held in December 2022, the authors discussed the potential of two innovative data sources and some preliminary results obtained within the project of the Italian National Statistical Institute (Istat) on revising and updating the Italian estimation methodology of absolute poverty.

Recently Istat has completed the above-mentioned project and, indeed, estimated the thresholds using two new available data sources (currently used to estimate CPIs): the scanner data for food components (largely used in prices data collection in addition to traditional methods) and, the database of rental contracts provided by the Italian Tax Office (a typical administrative data source).

The estimation of the different sub-thresholds to the three sub-components of the reference basket (i.e., food, housing, residual), is then illustrated, showing the main changes compared to the past, the impact of the use of new data sources and how they have allowed to obtain more detailed estimates of poverty thresholds and incidence as well. According to the new estimation methodology, in fact, the thresholds vary by size and composition of the family (as in the past), by size of the municipality of residence (as in the past), also vary by region of residence (past they varied by geographical areas).

Results obtained are presented here, showing the differences with the basket and methodology previously used; furthermore, some issues concerning the research work on the measure of absolute poverty in Italy are discussed.