

Article

# Thoughts and proposals for a more effective measurement of poverty

Carlo Artemi<sup>1</sup><sup>1</sup> Independent Researcher, Via della Rupe 42, 01100, Viterbo, Italy

## Abstract

The paper begins with some critical observations by the author on the poverty measures currently used, which makes the poverty situation highly dependent on where a person lives, and examples of this will be provided. The author believes that a better identification of poverty is possible. Starting from the concept that the collective imagination has of the rich as people who own many objects (meaning by “object” also certain savings products), including status symbols, the author proposes some measures of poverty based not on income but on assets (exactly on owning or not owning certain things) or on the ability to purchase certain goods. One of these techniques measures absolute poverty, the other two, relative poverty. The paper ends with some consideration on point of weakness and of force of the measured proposed.

## Article History

Received 03.01.2026

Accepted 25.03.2026

## Keywords

Measurement, poverty, income, social politics

## Introduction

To say social policy is a cornerstone of any modern state is like saying that water is wet. To say that social policy should support the less well-off, and therefore the poor and disadvantaged, is equally banal. But behind these banal statements lies a question that is far from banal. Who are the poor? What are the living conditions that determine people or family is in poverty? In short, there is the big question of how to define poverty. Poverty is generally defined as a situation in which income is less than a certain percentage of a country median income as reported in [www.wikipedia.com](http://www.wikipedia.com) issue “poverty “. However, if we think for a moment, we realize these definitions are highly questionable, and therefore it would be appropriate to introduce different measures of poverty, perhaps not to replace those currently in use, but rather to be used alongside them.

## The Problems

Let’s start by saying we must distinguish between absolute and relative poverty. A people who lives in a house without electricity, running water, or central heating, who doesn’t own a car, appliances, a TV, or the Internet—a people living as people lived two hundred years ago—is in absolute poverty, regardless of his/her income, which may be nonexistent. If a people has an income equal to 40% of the national median income, they could have all the goods listed above. This is clearly relative poverty.

**Corresponding Author** Carlo Artemi ✉ Independent Researcher, Via della Rupe 42, 01100, Viterbo, Italy

We must also consider income levels, and especially prices, can vary significantly from one part of the same country to another. Consider real estate prices. To give a simple example, (Artemi, 2026) but many others can be found, consider the price of homes in Orbetello and Viterbo. Both Orbetello and Viterbo are medium-sized cities in central Italy. The distance between them, measured on Google Maps, is just 77 km. Yet, the price of a new two- or three-rooms home averages €200,000 in Viterbo and over €500,000 in Orbetello. A people with an annual income of €40,000 is wealthy enough to buy a house in Viterbo with a 10-year mortgage, but he/she absolutely cannot afford to buy the same type of house in Orbetello unless they take out a much longer mortgage.

Prices differences can be even greater between different countries, even neighboring ones. Geneva is a city in Switzerland very close to the Italian border. Yet a few years ago, author paid €8 in a café in Geneva for the same breakfast that he would have paid €2 in an Italian café. A difference of 400%. Differences between neighboring countries can be important if one wants to build a overnational welfare state, such as a European one, since the rich in one nation risk being poor in another.

Let's then think about the idea we have of a rich people. We think of a rich people and we think about someone elegantly dressed in designer clothes who lives in a beautiful home, perhaps a villa, with every conceivable appliance. We think about a man or woman who owns a luxury car, or more than one cars, who has vast savings, or who owns more than one property. So we don't think about a people who earns a lot, but of a people with a high net worth. And this net worth can be independent of income and come from inheritance or lottery winnings.

On the other hand, a people with a high net worth who spends all on gambling, being a compulsive gambler, is certainly not rich. It's also true that in recent years, multidimensional poverty indices have been introduced to take into account not only income, but also, for example, education and living conditions. However, even equating a low level of education with poverty raises many doubts. In many countries, it's common practice for teachers with degrees to earn much less than waiters or workers with only a basic education. On the other hand, those with a low level of education can enrich their knowledge outside of school, for example, by reading books or browsing the internet. At this point, it would be appropriate to have a poverty measure based either on one's possessions or on the monthly wages needed to buy a certain item.

## The Solutions

Let's start with absolute poverty, which we define as the lack of objects or systems suitable for ensuring a dignified life, compatible with available technologies. Let's therefore make a list of objects that are necessary to have a minimum level of dignity. These could be objects such as: a main residence built of brick, an electrical system in the home, a toilet, a plumbing system capable of providing running water, a bed, a minimum amount of clothing etc. At this point, we could speak of absolute poverty if a percentage, say 30%, of these objects is missing. And now we come to relative poverty, which we define as the condition in which, despite having that is necessary for a dignified life, one lacks many objects that are used by the majority of the population.

Objects that can be clothed in excess of the bare minimum: a car, a washing machine, a dishwasher, a PC, a stable internet connection in home, additional properties in addition to the home where one lives, etc. Imagine this list is long and detailed too. We could define relative poverty as a situation in which a person owns less than 70% of the items on the list. Another way to measure relative poverty is to count the number of monthly payments needed by a people to purchase a certain good in the place where they usually live. This place can be defined as the place where people lives and can live for a long periodo of time. It can be or the city where he/she lives, if the city is very large (New York, London, Beijing, etc.), or the region or state (Ohio, Southern Germany, Bavaria, etc.) where he/she lives. Then imagine a list identical to the previous one, perhaps shorter, and for each item in the list, the number of monthly payments needed. Relative poverty occurs when the average monthly payments exceed a certain limit, for example, 36 months.

### Conclusion and Implications

The poverty measures proposed in this article are not as straightforward and easy as simply calculating people incomes. They require rather detailed statistical surveys. It is very likely that these surveys will not be possible on the entire population, but only on a representative sample. However, measuring poverty with multidimensional indices is equally complex, and the use of samples is common practice in statistics. The proposed measures, however, have the advantage of measuring a condition of poverty that is much closer to the popular image of poverty and is much closer to people daily lives. This is very important considering that social policy to combat poverty and hardship must be based on highly targeted actions, focused on those who truly need them. This is essential when addressing the problem of how to build a welfare state that costs little to the state's finances while still achieving its objective.

### Declarations

**Competing interests:** The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

**Funding:** This research did not receive any specific grant from funding agencies in the public, commercial, or not-for-profit sectors.

**Publisher's note:** Frontiers in Research remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

### References

Artemi, C. (2026). *Personal elaboration on data taken from real estate ads*. Immobiliare.it. <https://www.immobiliare.it>