REDEFINITION OF CONCEPT OF ABSOLUTE AND RELATIVE POVERTY AND MEASUREMENT OF POVERTY LINES & DEGREE OF RELATIVE DEPRIVATION OF THE KOREAN URBAN POOR. <u>Ryu J. S.</u>, Department of Home Economics Education, Baejae University, Daejon, 302-160, Korea

In this paper the concept of absolute and relative poverty had been reviewed and redefined. Data from 1993 Urban Household Income and Expenditure Survey from National Statistical Office of Republic of Korea were used. 15,890 households consisting of 4 family members were chosen and 43 consumption items and income had been analyzed.

Market Basket method was used to estimate absolute poverty line. 20 strata were categorized according to consumption expenditure. Minimum Food consumption was calculated by nutritionist, Park and other items's minimum consumption expenditures were calculated based on 1/20 stratum's average consumption.

Procedure to estimate relative poverty line was as follows: 1) categorize 20 strata according to consumption, 2) calculate average consumption amount of 43 items of each strata, 3) Draw graph putting 20 strata as independent variable and average percentage of consumption of each item divided by total consumption, average consumption amount, and income elasticity as dependent variable and checked whether there were poverty threshholds, 4) if poverty thresholds had been found set that point as poverty line, if poverty line couldn't be found relative poverty methods were used, 5) before finalizing poverty line of each item the result of previous researches were compared with, 6) poverty lines of each item were summed together and compared with the results of other methods(i.e. Allen-Bowley, switching regression, engel's coefficient) to finalize relative poverty line.

In 1993 absolute poverty line was US$420 and relative poverty line was US$1,344. Households below absolute poverty line were 3% and below relative poverty were 32.5% of the population. The degree of relative deprivation of each item was also calculated.