



The 1ST UNICEB 2017

Garuda Plaza Hotel Medan, December 12th 2017



ANALYSIS OF THE IMPACT OF PRICE CHANGE OF BASIC NEEDS ON POVERTY LEVEL

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ABSTRACT

This study aims to analyze the impact of price changes on basic needs on poverty levels in North Sumatra, Indonesia. Data analysis method using Ordinary Least Square (OLS). The results of the research indicate that the increase of rice price by 1 percent affected the increase of poverty by 0.261 percent. The increase of sugar price by 1 percent had an impact on the increase of poverty by 0.106 percent. The increase in cooking oil price by 1 percent had an impact on the increase of poverty by 0.048 percent. The increase in beef price by 1 percent has an impact on poverty increment of 0.097 percent. The increase in the price of chicken eggs by 1 percent had an impact on the decrease of poverty level by 0.107 percent. A 1 percent increase in the price of salt has an impact on poverty increase of 0.135 percent.

Keywords: *poverty, the price of basic needs, and prosperity.*

