

ABSTRACT

Poverty is multi-dimensional concept of human welfare that includes various traditional measures of prosperity. Economic growths and health problems is a key condition for poverty reduction in each regions.

The object of this research is how the results of estimates and projections of poverty levels. In this Research, also discusses the factors that affect poverty, namely GDP per capita and life expectancy, and discusses how they affect poverty levels.

This research aims to analyze the factors that influence the level of poverty. This research uses regression analysis by model Least Square Dummy Variable (LSDV). This usage is aimed to analyze the effect of GDP per capita and life expectancy. With a sample period from the year 2004-2008, this research also attempts to compare the projections between the years 2004-2006 with projections for the period 2004-2008. In each of the projections will be analyzed how the trends in poverty 30 provinces in Indonesia until the year 2015 are formed.

Results of analysis using LSDV is noted that the variable GDP per capita and life expectancy have negative and significant impact on poverty levels. This indicates that these two variables have an inverse relationship to the level of poverty.

Key words: GDP per capita, life expectancy, projections, LSDV