

ABSTRACT

This study aims to analyze the impact of agricultural labor sectoral mobility on welfare which is measured by expenditure per capita. Specifically, there are three types of sectoral mobilities which consist of agricultural labor mobility to the non-agricultural sector, both to the service sector and industrial sector; agricultural labor mobility to the service sector; and agricultural labor mobility to the industrial sector. This research utilizes Indonesia Family Life Survey (IFLS) data from 4th Wave and 5th Wave and fixed-effects methods. The result shows that changing in employment status from agricultural worker to non-agricultural worker will increase expenditure per capita by 8.6%. Furthermore, agricultural worker mobility to the service sector will increase by 15.1% of expenditure per capita. Both results are statistically significant. In contrast, changing employment status from agricultural worker to industrial worker will reduce expenditure per capita by 1.6%. However, this result is statistically insignificant.

Keywords: Immature structural transformation, agricultural labour sectoral mobility, welfare