

ABSTRACT

Classical economic literature states that the incentive for income is a principle reason in making personal decision to participate in an economic activity. The higher level of income obtained, the higher level of welfare received. An economic activity that provides high level of prosperity will attract individuals to participate.

There are three districts in the regency of Pekalongan, namely Wonopringgo, Karangdadap, and Tirto that show the labor income earned from non-farm activity was smaller than in agriculture. It means the level prosperity offered by non-agriculture enterprises is lower than agriculture enterprises. Nevertheless, non-agricultural economic activities are more attracting people to participate it rather than agriculture. Therefore, this study aims to determine the factors that influence people of Wonopringgo, Karangdadap, and Tirto in participating the non-agricultural economic activities by using binomial logistic regression analysis.

The result of binomial logit regression shows that only one variables that have significant effect to the job choice, that is the variables of education level (P). Variable of education level has a positive and significant contribution to the probability of individual to work in non-agricultural sector. The higher education level of worker, worker more likely to choose to work in non-agricultural sector rather than to work in agricultural sector.

Keywords: Job choice, binomial logit