

ABSTRACT

Conditional cash transfer is a widely used social policy tools aiming to facilitate school participation and reduce child labor. In Indonesia, the major CCT program called the Program Keluarga Harapan (PKH) has been introduced since 2007. This study specifically investigates how PKH might increase child's school participation and reduce child's work participation. Using data from the Indonesian Family Life Survey (IFLS) and employing the Difference-in-Differences and Propensity Score Matching, this study found that children from the recipient family are more likely to remain at school and are less likely to work. However, PKH does not reduce children's working hours. This might indicate that schooling and working are imperfect substitution.

Keyword: *Child Labor, Child Schooling, Conditional Cash Transfer, Program Keluarga Harapan*

JEL Classification: *I38, J13, J24 ,O15*