

ABSTRACT

The phenomenon of high dropout rates in Indonesia caused by education costs shows that although the government has provided funding through the School Operational Assistance (BOS) program to ease the burden on students, the nominal increase in BOS is not effective enough to reduce the dropout rate, even has the same trend as the increase in the rate. This study aims to analyze the impact of the BOS program on the dropout rate in Indonesia at the elementary and junior high school levels using the Logit and Probit methods with data from the 2014 Indonesian Family Life Survey (IFLS-5). The findings of the study showed that there was no visible impact of the allocation of BOS funding on the probability of decreasing the dropout rate.

Keywords: School Operational Assistance (BOS), School Dropout, Logit, Probit,

IFLS-5