

## **ABSTRACT**

*The central government provides 20% of the APBN funds for the education budget. The education budget issued by the government reflects the government's role in providing education. The education budget increases every year. However, the junior high school participation rate in Indonesia shows a lower value compared to the elementary school participation rate. The number of students who continue to junior high school has decreased.*

*This study aims to analyze the effect of the central government budget in the education sector on the junior high school participation rate in Indonesia in the period 1994-2023. This study uses a quantitative approach. The data used are annual data sourced from the APBN Law and BPS. The research data were then analyzed using the Error Correction Model (ECM) method using the E-views 12 application.*

*The results of the analysis show that the central government variable in the education sector has a positive effect on the junior high school participation rate in the long term but has no effect in the short term. The central government expenditure variable in the health sector has a positive effect on the junior high school participation rate in the short term but has no effect in the long term. The gross national income per capita and urban population variables have no effect on the junior high school participation rate.*

*Keywords: Error Correction Model, education budget, school participation rate, junior high school*