

ABSTRACT

Child labor remains one of the social issues strongly associated with household poverty in Indonesia. To improve the welfare of low income families while promoting investment in human capital, the government has implemented the Family Hope Program (PKH) as a conditional cash transfer program. This study specifically examines how participation in the PKH affects the probability of children aged 7–17 becoming child laborers and attending school. The study uses data from the March 2024 National Socioeconomic Survey (Susenar) and applies the Propensity Score Matching (PSM) method. The results show that participation in the PKH significantly increases the probability of children attending school. However, PKH was not found to have a significant effect on the probability of children becoming child laborers. The difference in results for these two indicators suggests that some beneficiary children still work while attending school. These findings indicate that the educational requirement mechanism within PKH successfully encourages school attendance, but the assistance received has not fully replaced the children's economic contributions to their households. Strengthening the PKH through integration with family economic empowerment and child protection programs is necessary to address the factors that drive children's involvement in the labor market.

Keywords: Family Hope Program, child labor, school enrollment participation, Propensity score matching, conditional cash transfers