Indonesia High-frequency Monitoring of Covid-19 Impacts

June 26th, 2020
Background

- The welfare impacts of the COVID-19 pandemic and its containment measures are expected to be severe.
- Government has already put in place several mitigating measures, but the extent to which these are likely to be adequate is unclear.
- There is a strong demand for information on the transmission mechanisms of the crisis on the population that could be used to inform the policymaking process by identifying gaps that may require scaling up or redirecting of policy responses as the crisis unfolds.
COVID-19 Observatory in Indonesia

Social Media Monitoring
Tracking citizen concerns dynamically, quick “pulse” measures on changes in behavior, sentiment and outcomes, citizen mobility changes

Hi-Fy Household Phone Survey
Near-real-time insights on the socio-economic impacts on households, going deeper on key concerns (employment, food security, access to health, education, social assistance, coping mechanisms), more comprehensive, stronger representativeness

Digital Merchants
Changes in demand for different goods and services, channels of crisis impacts and coping strategies, changing perception of challenges and opportunities
Highlights (I)

Knowledge & behavior
Households reported high level of awareness and behavior change needed to avoid contracting Covid-19

Employment & Income

- **24%** of household’s breadwinners stopped working; those in Java, urban, less educated, in industry and service sectors, are more likely to stop working
- **76%** of breadwinners continue working, but two-third* of them experienced reduced income
- About **90%** of those who continue working in non-farm business, which predominantly micro and small enterprises, experienced reduced income
- Income reduction is experienced across the welfare distribution
- **8%** of breadwinners switched job; with agriculture acting as a partial buffer

*The June 12, 2020, version of this note reported that ‘half’ of those who continued working experienced a reduction in income. The correct share is ‘two-third’.

'Half' refers to share of still working breadwinners who experienced income reduction.
Highlights (II)

Food Security

• 31% of households experienced shortage of food; 38% households ate less than they should
• Households outside Java, female-headed, and poorer are more prone to food insecurity
• 30-50% of households experiencing income shocks are also facing food insecurity, depending on the type of income shocks (stopped working, reduced income) and the type of food insecurity (shortage of food, ate less)

Safety-net

• 54% of households in the bottom 40 reported benefiting from at least one Government social assistance program; or 78% of households after accounting for loan deferment and electricity subsidy programs
• About one-third of households who experienced income shocks did not receive any program
Survey 01
**Method**: Panel survey, 15-20 minutes phone interviews to about 4,000 households, every 3-4 weeks for the first three months and every 6-8 weeks for the following three months.

- **Level of estimation**: National, Urban/Rural.
  
  Cover nearly 80% of the country, sampled households were drawn from Urban Perception Survey (2018), Rural Poverty Survey (2019), and Digital Economy Survey (2020) across 40 districts and 35 cities in 27 provinces.

- **Representativeness of selected sample**

<table>
<thead>
<tr>
<th></th>
<th>Junior Secondary School or lower</th>
<th>Senior Secondary School</th>
<th>Tertiary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
<td>Male</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>DKI Jakarta</td>
<td>14</td>
<td>91</td>
<td>2</td>
<td>118</td>
</tr>
<tr>
<td>Java - Rural</td>
<td>28</td>
<td>260</td>
<td>3</td>
<td>48</td>
</tr>
<tr>
<td>Java - Urban</td>
<td>16</td>
<td>227</td>
<td>9</td>
<td>238</td>
</tr>
<tr>
<td>Non-Java - Rural</td>
<td>82</td>
<td>737</td>
<td>44</td>
<td>317</td>
</tr>
<tr>
<td>Non-Java - Urban</td>
<td>139</td>
<td>542</td>
<td>103</td>
<td>602</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>279</td>
<td>1,857</td>
<td>161</td>
<td>1,323</td>
</tr>
</tbody>
</table>

Each household was represented by one household member, preferably head of household.
Sample distribution of HiFy & Indonesia’s National Socio-economic Survey (Susenas) is very similar in each stratification of interest.

Region was used as main stratification of the sampling frame. DKI Jakarta, the epicenter of the pandemic, was oversampled in order to better capture the dynamics of the COVID-19 impacts.

Sex of the household's head was taken into account in the sampling to ensure gender balance of the sampled households.
... confirming confidence in representativeness of HiFy sample hence the level of estimates produced

Education of the household's head was also used as implicit stratification, given the assumption of strong correlation between education and socio-economic wellbeing, including employment.
Implementation Plan

Baseline (Round 1)
1-17 May 2020
Module: Knowledge/Behavior, Employment, Access to Food/Food Security, safety-net

Follow-up (Round 2)
26 May – 5 June 2020

Follow-up (Rounds 3)
July 2020

Follow-up (Rounds, 4, 5)
TBD
Households’ head characteristics

The distribution of households’ head characteristics on sex, age, and education is similar with the Susenas’ distribution of households’ head on the same characteristics.
All respondents were aware of actions taken by government to curb Covid-19, on average they spontaneously named 3 to 4 actions.

The highest mentioned was ‘advised citizens to stay at home’.. But it was mentioned only by about 60% respondents.
Employment & Income
Profiles of Households’ Primary Breadwinner

- **Sex:**
  - Female: 15%
  - Male: 85%

- **Age-group:**
  - 15-34 y.o.: 63%
  - 35-54 y.o.: 23%
  - More than 54 y.o.: 14%

- **Education:**
  - Jr Secondary or Lower: 64%
  - Sr Secondary: 26%
  - Tertiary: 10%
One channel of the COVID-19 impacts on households’ welfare can be measured through change in breadwinner’s employment and income situation at the time of the survey (May 2020) compared to the situation in February 2020.
*The June 12, 2020, version of this note reported 49% of those who continued working experienced a reduction in income. The correct share is 64%. 49% refers to share of still working breadwinners who experienced income reduction.
Breadwinner’s employment & income

About a quarter household's breadwinners stopped working by early May-2020

Stop working 24%

Continue working 76%

Reduced income 64%*

Stable/rising income 36%
Business closure due to COVID-19 legal restriction was the main reason for most who stopped working.
Stopped working

While those with non-farm business face high probability to stop working..

.. majority of those who stopped working are wage workers..

partly because the majority of employment is wage workers
Workers and enterprise owners in **industry and service sector** are more likely to stop working.
About one-third of those working in manufacturing, construction, and transport, storage & communication stopped working.
Those who work in Java, particularly Jakarta, .. in urban areas
.. and having senior secondary education and lower are more likely to stop working
No difference between female & male breadwinners
Shares who stopped working are the same across welfare distribution.
Breadwinner’s employment & income

Among households breadwinners who continue working, **64%** of them experienced reduced income.

*The June 12, 2020, version of this note reported that ‘half’ (49%) of those who continued working experienced income reduction. The correct share is 64%. 49% refers to share of still working breadwinners who experienced income reduction.
Working in the service sector, especially in transport, storage & communication and trades, hotel & restaurants are most likely to experience reduced income.
Nearly 90% of those engaged in non-farm business, predominantly micro and small business, experience reduced income.
Patterns are similar between regions, urban/rural, and gender of breadwinners, but slightly higher amongst less educated breadwinners.

Reduced Income:

- **By Region:**
  - DKI Jakarta: 53%
  - Java, Outside DKI: 48%
  - Outside Java: 50%

- **By Urban/Rural:**
  - Rural: 47%
  - Urban: 50%

- **By Breadwinner's Sex:**
  - Female: 51%
  - Male: 49%

- **By Breadwinner's Education:**
  - Jr Secondary or Lower: 53%
  - Sr Secondary: 43%
  - Tertiary: 41%

*Out of all breadwinners in each category.
Breadwinners who face income shocks, because they stopped working or continued working for less income, are widespread across welfare distribution.
Amongst those who continue working …

11% of them had to switch jobs
Switched Jobs

Majority who switched jobs changed type of work ...

..mainly from wage worker to farm business
Switched Jobs

They also changed sector...

Many switched to agriculture

Employment distribution by sector amongst those switched jobs
Remittances
16% households usually received either domestic or international remittances, pre-COVID.
74% of remittance recipient households received less or no remittance after the pandemic.
Access to Foods & Food security
Majority households are still able to access foods

- Rice or Other Staple Foods (%): 97% able, 3% unable
- Meat, Fish, Egg (%): 88% able, 12% unable
- Vegetable, Fruit (%): 98% able, 2% unable

Suggesting adequate food availability in the market
31% of households experienced some shortage of foods

38% of households ate less than they should
Patterns are similar between urban and rural area.

But households outside Java are more likely to have food insecurity.
The prevalence of food insecurity is higher amongst female-headed households and lower education levels.
Food insecurity is observed across the welfare distribution, with the highest incidence amongst the poorest.
The degree of severity of the food insecurity is highest amongst the poorest; the majority of the richest who are food insecure are ‘seldom’ experience it, the majority of the poor who are food insecure ‘often’ experience it.
Households experiencing income shocks (stopped working, reduced income) are more prone to food insecurity.

<table>
<thead>
<tr>
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<th>Stopped Working</th>
<th>Reduced Income</th>
<th>Stable/Rising Income</th>
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</thead>
<tbody>
<tr>
<td>Shortage of Foods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Often</td>
<td>61</td>
<td>64</td>
<td>75</td>
</tr>
<tr>
<td>Sometimes</td>
<td>15</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Seldom</td>
<td>11</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Never</td>
<td>13</td>
<td>13</td>
<td>6</td>
</tr>
</tbody>
</table>

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</tr>
</thead>
<tbody>
<tr>
<td>Ate Less</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Often</td>
<td>15</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td>Sometimes</td>
<td>10</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Seldom</td>
<td>10</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Never</td>
<td>9</td>
<td>9</td>
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</tbody>
</table>

Experienced [...] Caused by Lack of Money/Other Resources within the Past Week, by Breadwinners' Sex (%)

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Round 1
Safety-net

06
As of early May 2020, many households reported receiving some economic relief measures and expanded social assistance programs.

Within about a month after its launched, BLT and Kartu Prakerja have been received by 4% and 1% of households, or about 14% and 13% of the programs’ target, respectively.

*regardless of eligibility criteria
More households in rural areas reported receiving programs.*

But probability to receive is the same between Java and outside Java.

*Rural, PKH beneficiaries in Rural Survey 2019 were over sampled.
Coverage of Government’s economic relief measures and expanded social assistance programs is pro-poor.

Received any kind of Social Assurances and Subsidies* by Per-capita Expenditure Quintile

*Includes PKH, Sembako, BLT, Kartu Pra-Kerja, public works, loan deferment and electricity bills reduction.
Similar pattern observed when only taking into account Social Assistance programs.
Nearly 80% households in the bottom 40 reported receiving at least one relief measures program.

But, around one-third of households who experience income shocks do not received any

*Includes PKH, Sembako, BLT, Kartu Pra-Kerja, public works, loan deferment and electricity bills reduction
Specifically on SA programs, about 54% households in the bottom 40 reported receiving at least one SA program.

But, around half of households who experience income shocks do not received any

*Includes PKH, Sembako, BLT, Kartu Pra-Kerja, public works
Policy Implications & Next Steps
Potential policy implications

Employment & income loss
Job and income losses are well founded concerns. Non-farm business, which predominantly micro and small enterprises, are under severe strain. Widespread losses make localized/targeted support difficult.

Food security
Indications of food insecurity experienced by households outside Java, female headed and poor. Income shocks exacerbate the problem. Close monitoring is required to formulate response.

Social assistance
Majority of households have received at least one social assistance, but there is indication that targeting remains a challenge, particularly to those who experience income shocks.
Discussions with relevant counterparts to identify inputs for policy response.

HiFy Survey activities:

1. Round 2 of data collection completed, 95% response rate.
2. Modules: health, education, financial services, food security (follow-up), coping strategies and concerns.
3. Anticipating the new normal: identify relevant topics and issues to be covered for Round 3.
Terima Kasih

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