

ROUND 1 (1 MAY - 17 MAY 2020)

Indonesia High-frequency Monitoring of Covid-19 Impacts

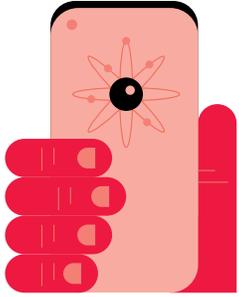
June 26th, 2020



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



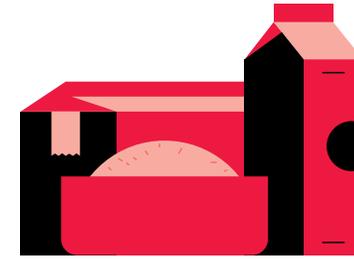
Social Media Monitoring

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

Design

- **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.
- Tracked **indicators:** social wellbeing, labor market, food security, education, health, household's coping strategy, safety-net programs.
- Each household was represented by one household member, preferably head of household

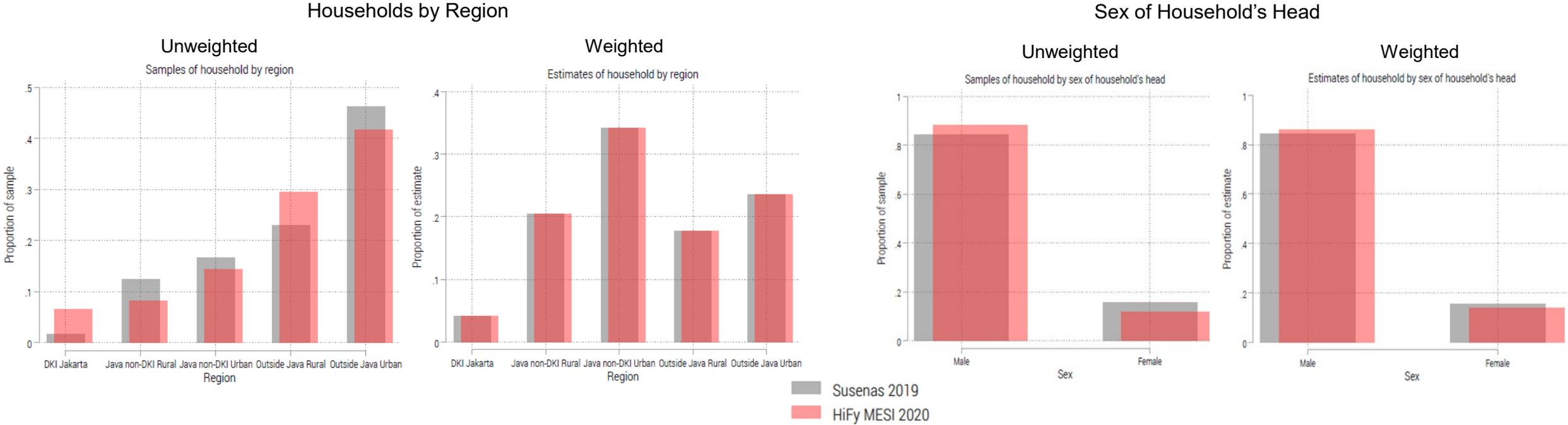
- Level of estimation: National, Urban/Rural.

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

	Junior Secondary School or lower		Senior Secondary School		Tertiary		Total
	Female	Male	Female	Male	Female	Male	
DKI Jakarta	14	91	2	118	6	51	282
Java - Rural	28	260	3	48	1	14	354
Java - Urban	16	227	9	238	12	118	620
Non-Java - Rural	82	737	44	317	10	88	1,278
Non-Java - Urban	139	542	103	602	72	346	1,804
Total	279	1,857	161	1,323	101	617	4,338

Sample distribution of HiFy & Indonesia's National Socio-economic Survey (Susenat) is very similar in each stratification of interest..



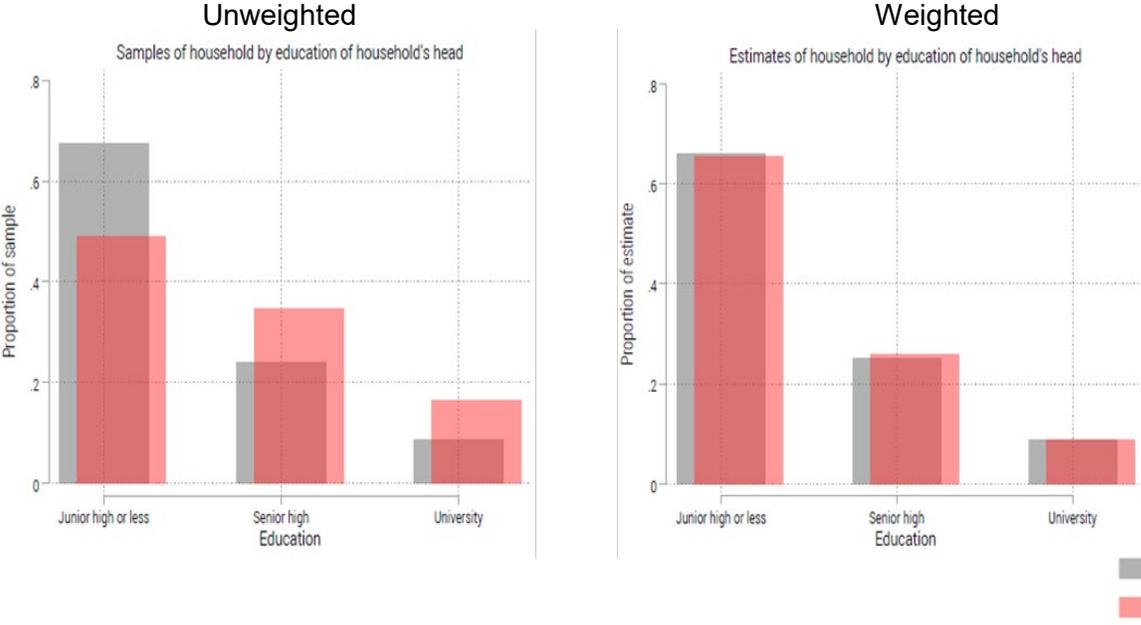
Region was used as main stratification of the sampling frame.

DKJ Jakarta, the epicenter of the pandemic, was oversampled in order to better capture the dynamics of the COVID-19 impacts.

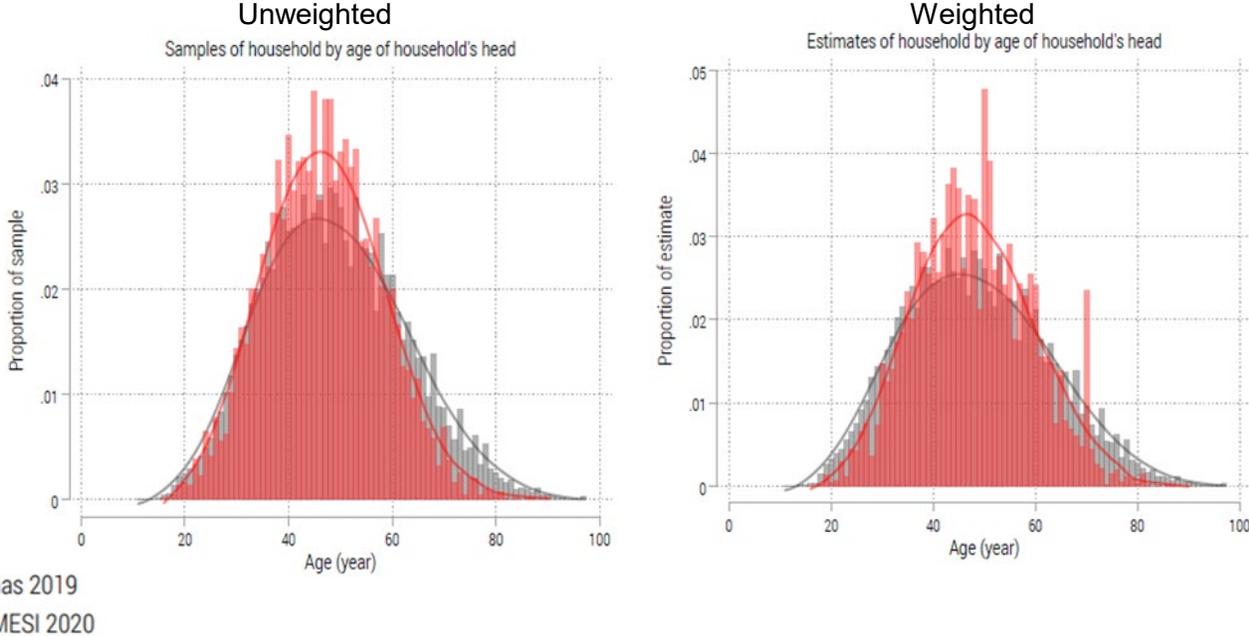
Sex of the household's head was taken into account in the sampling to ensure gender balance of the sampled households.

... confirming confidence in representativeness of HiFy sample hence the level of estimates produced

Education of Household's Head

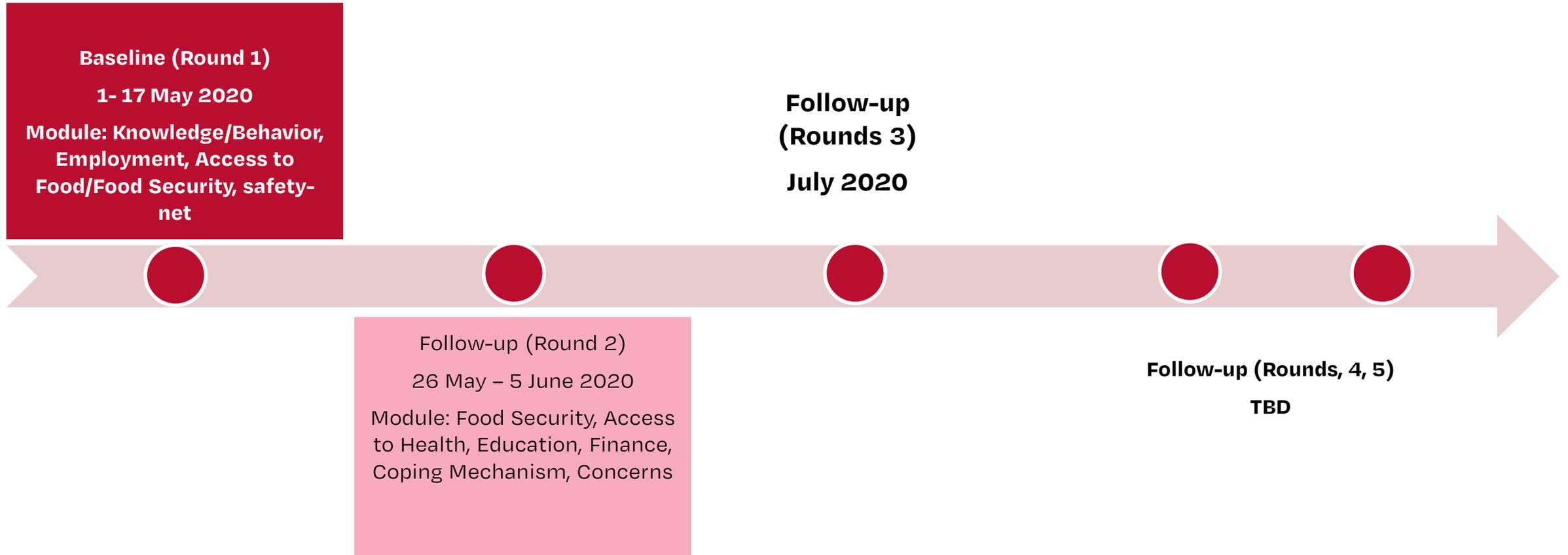


Age of Household's Head



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.

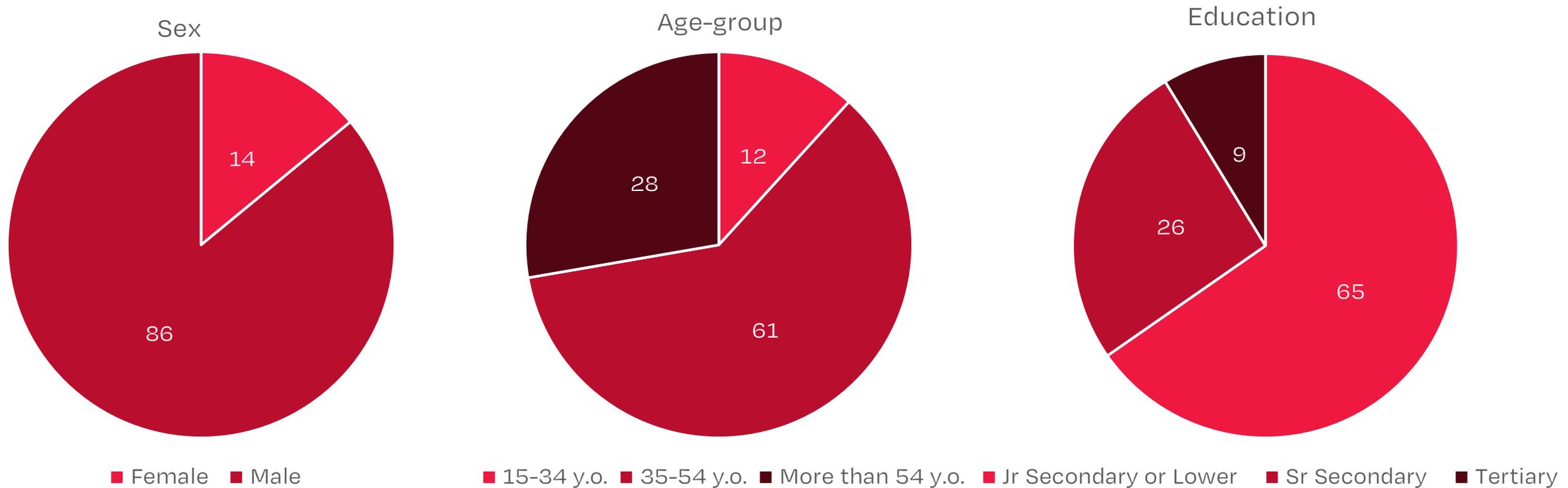
Implementation Plan



Demography

02

Households' head characteristics

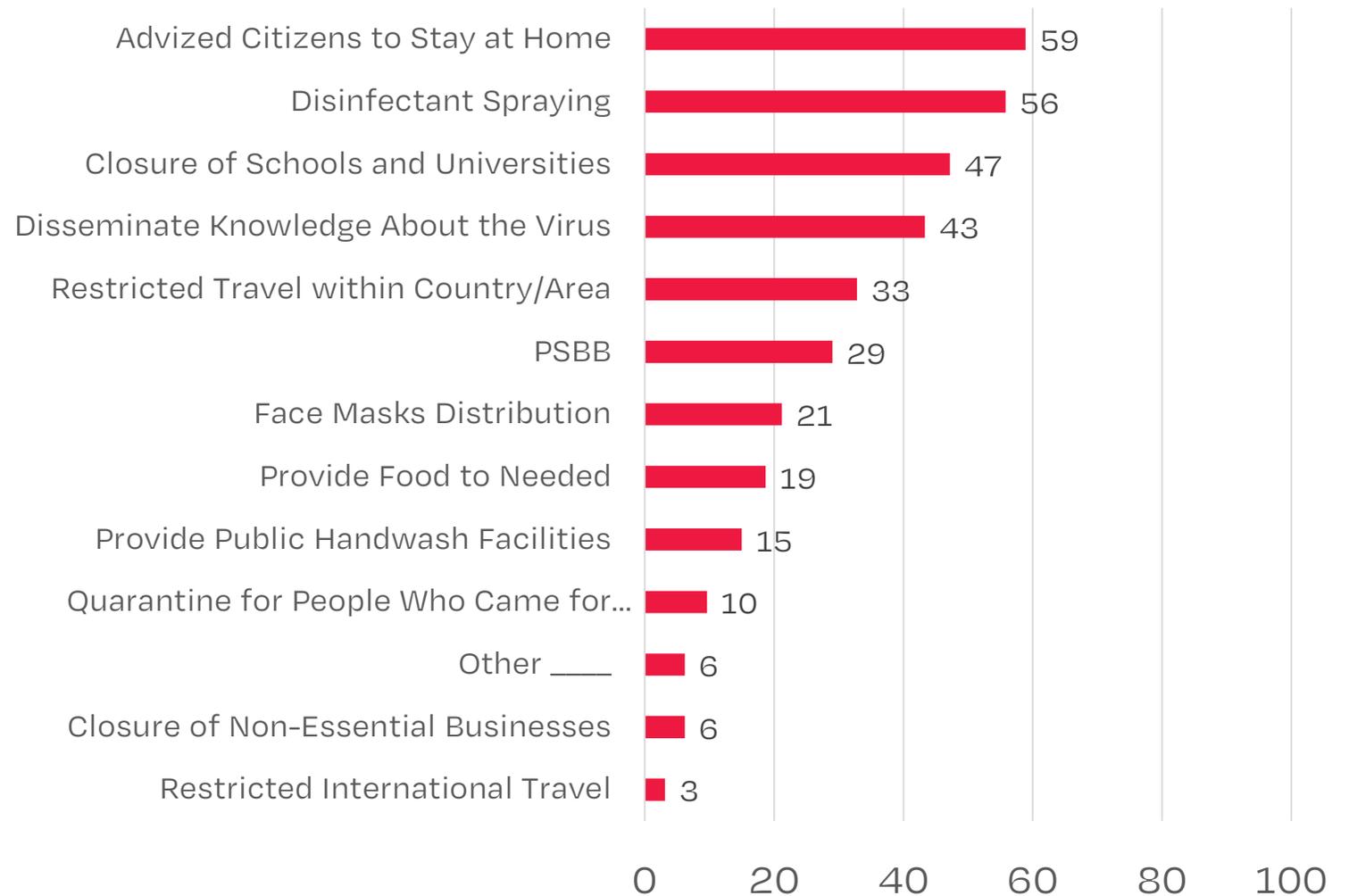


The distribution of households' head characteristics on sex, age, and education is similar with the Susenas' distribution of households' head on the same characteristics.

Knowledge & Behavior

03

What steps has the government taken to curb the spread of Covid-19 in your area?



All respondents were aware of actions taken by government to curb Covid-19, on average they spontaneously named 3 to 4 actions.

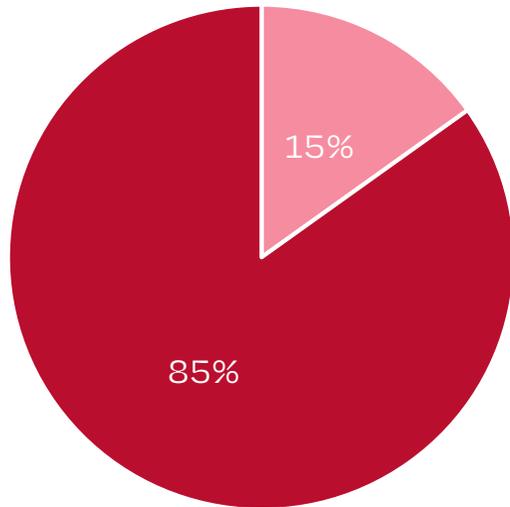
The highest mentioned was **'advised citizens to stay at home'** .. But it was mentioned only by about **60%** respondents.

Employment & Income

04

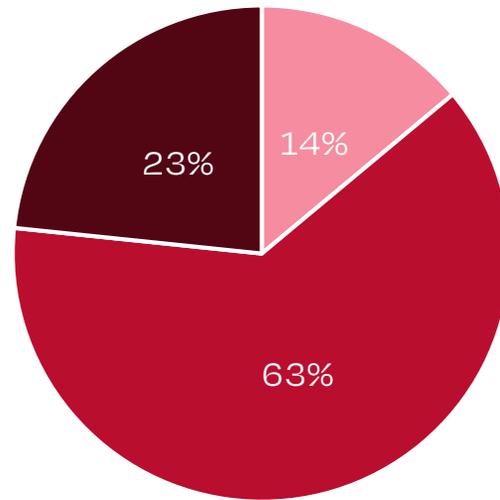
Profiles of Households' Primary Breadwinner

Sex



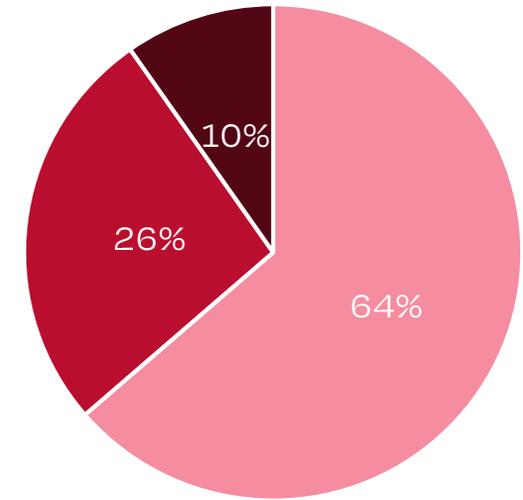
Female Male

Age-group



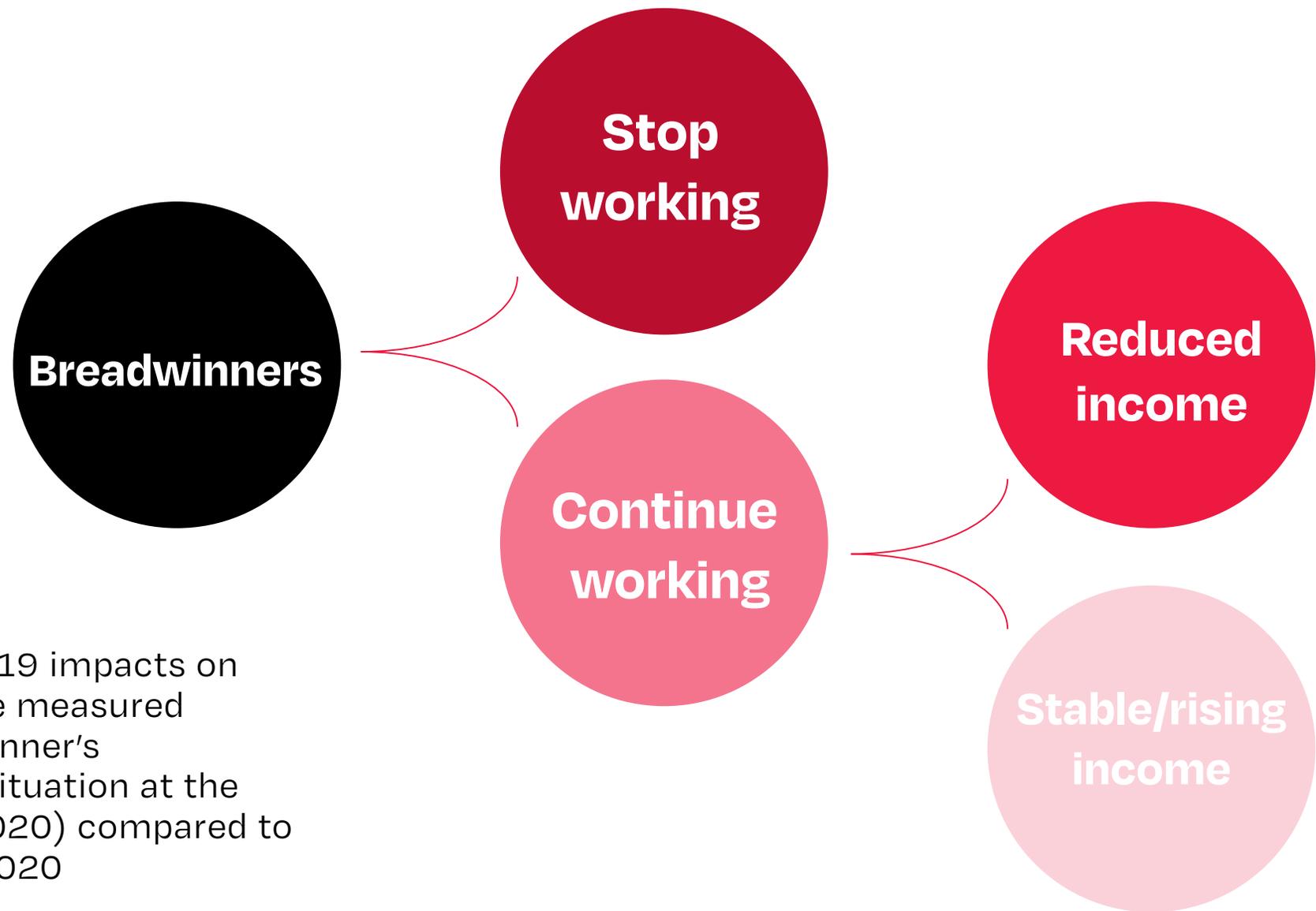
15-34 y.o. 35-54 y.o. More than 54 y.o.

Education



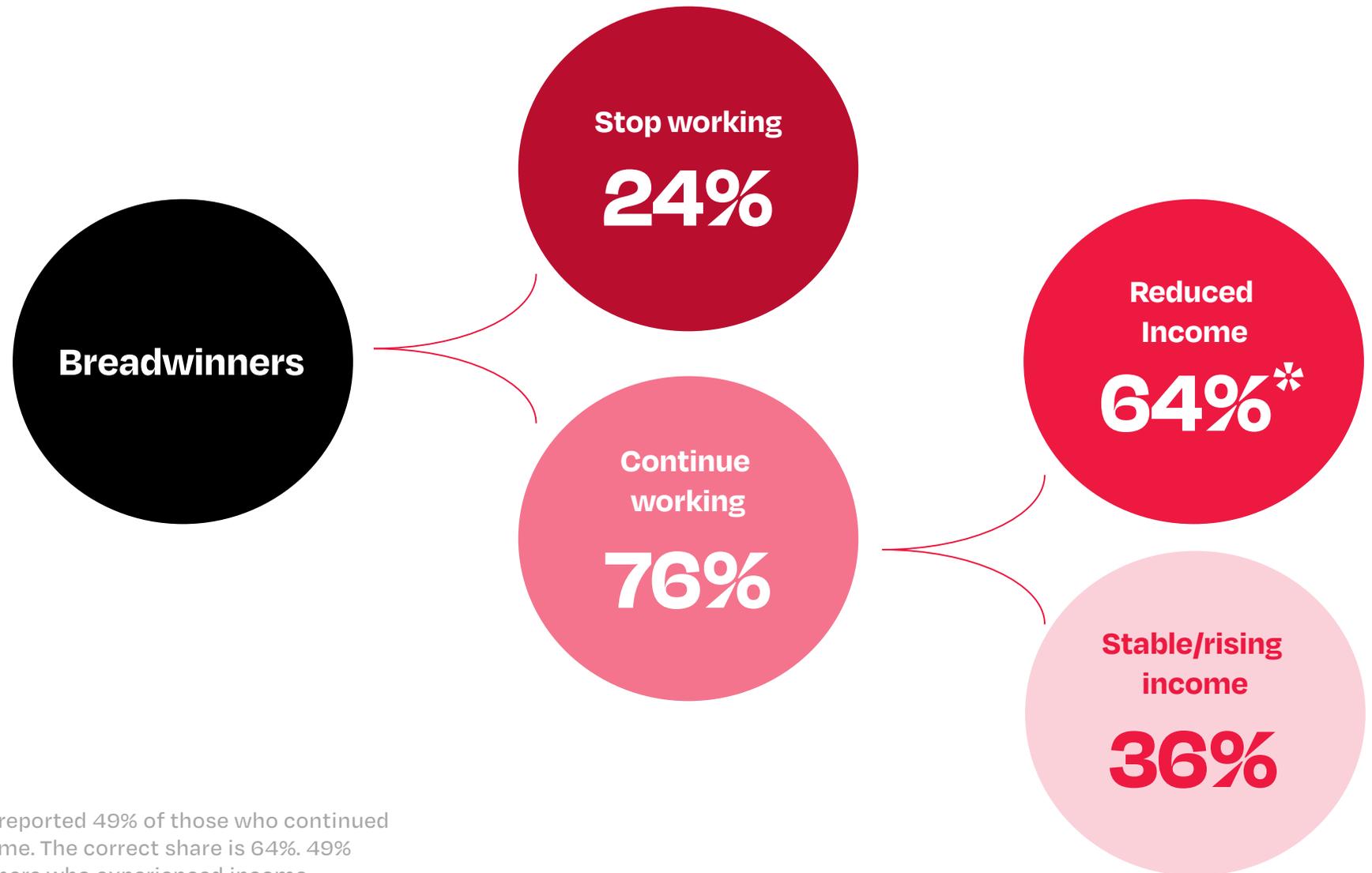
Jr Secondary or Lower Sr Secondary Tertiary

Breadwinner's employment & income



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

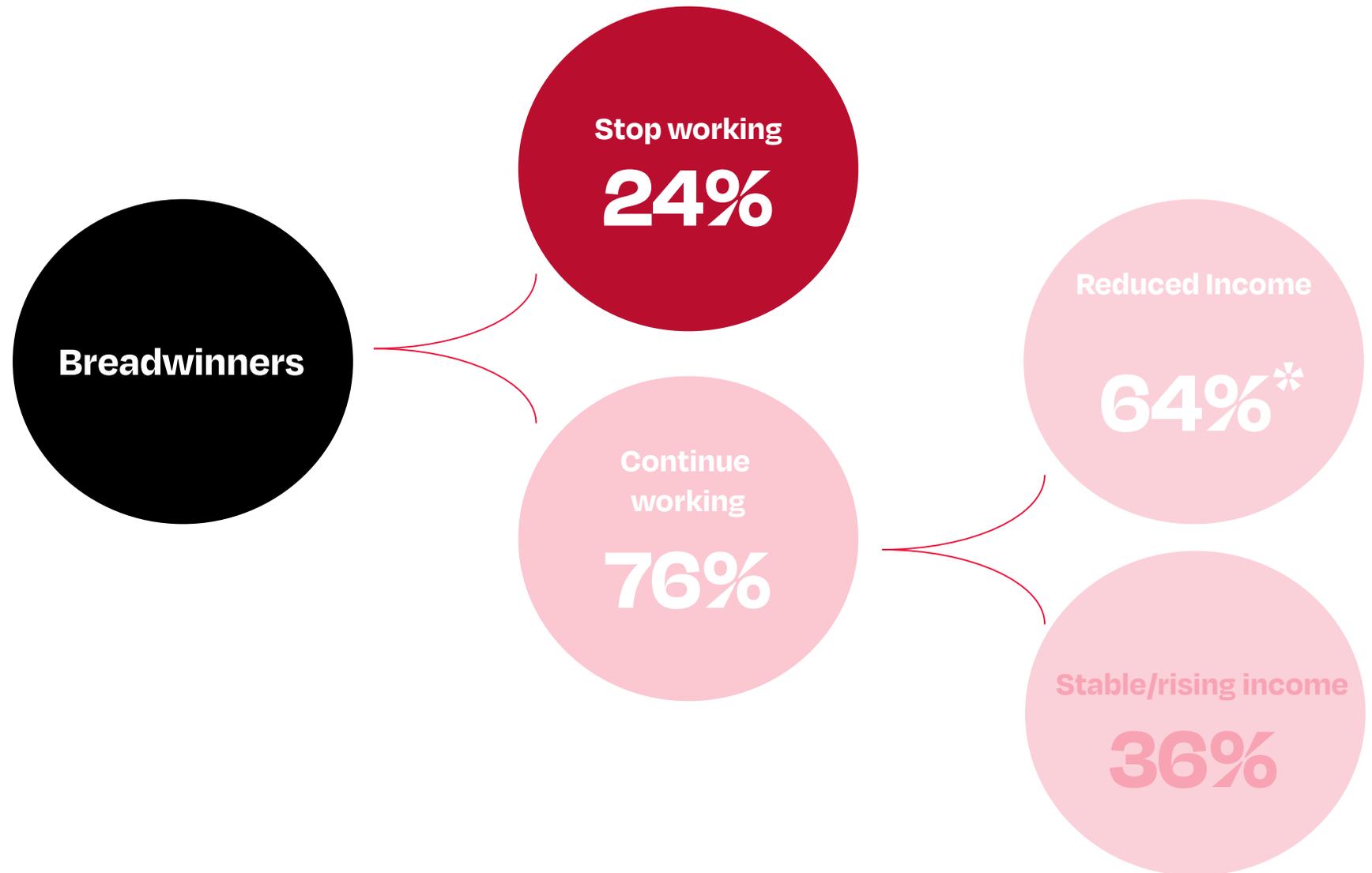
Breadwinner's employment & income



*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

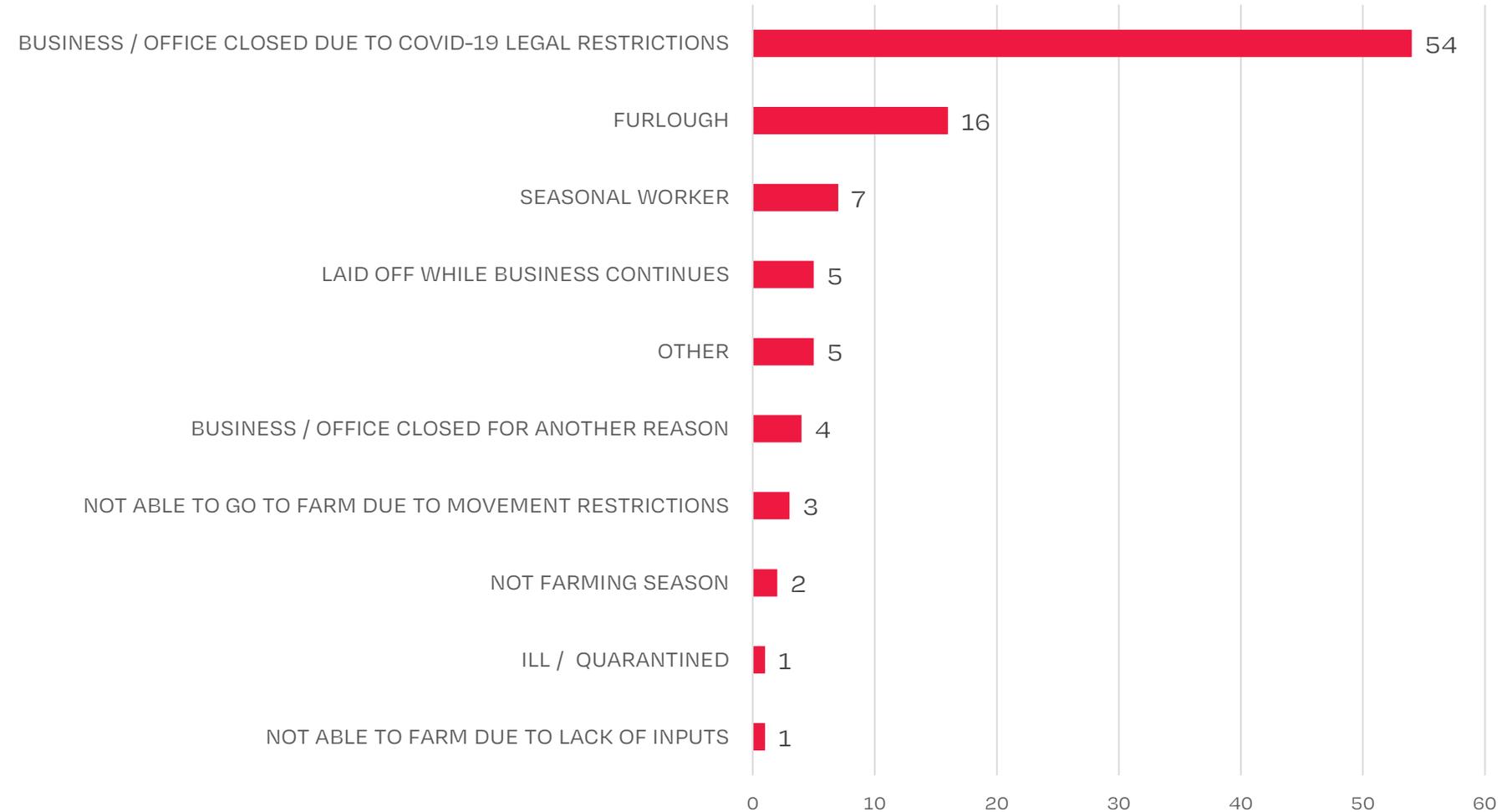
About a quarter household's breadwinners stopped working by early May-2020



Stopped working

Business closure due to COVID-19 legal restriction was the main reason for most who stopped working

Reasons for stopped working



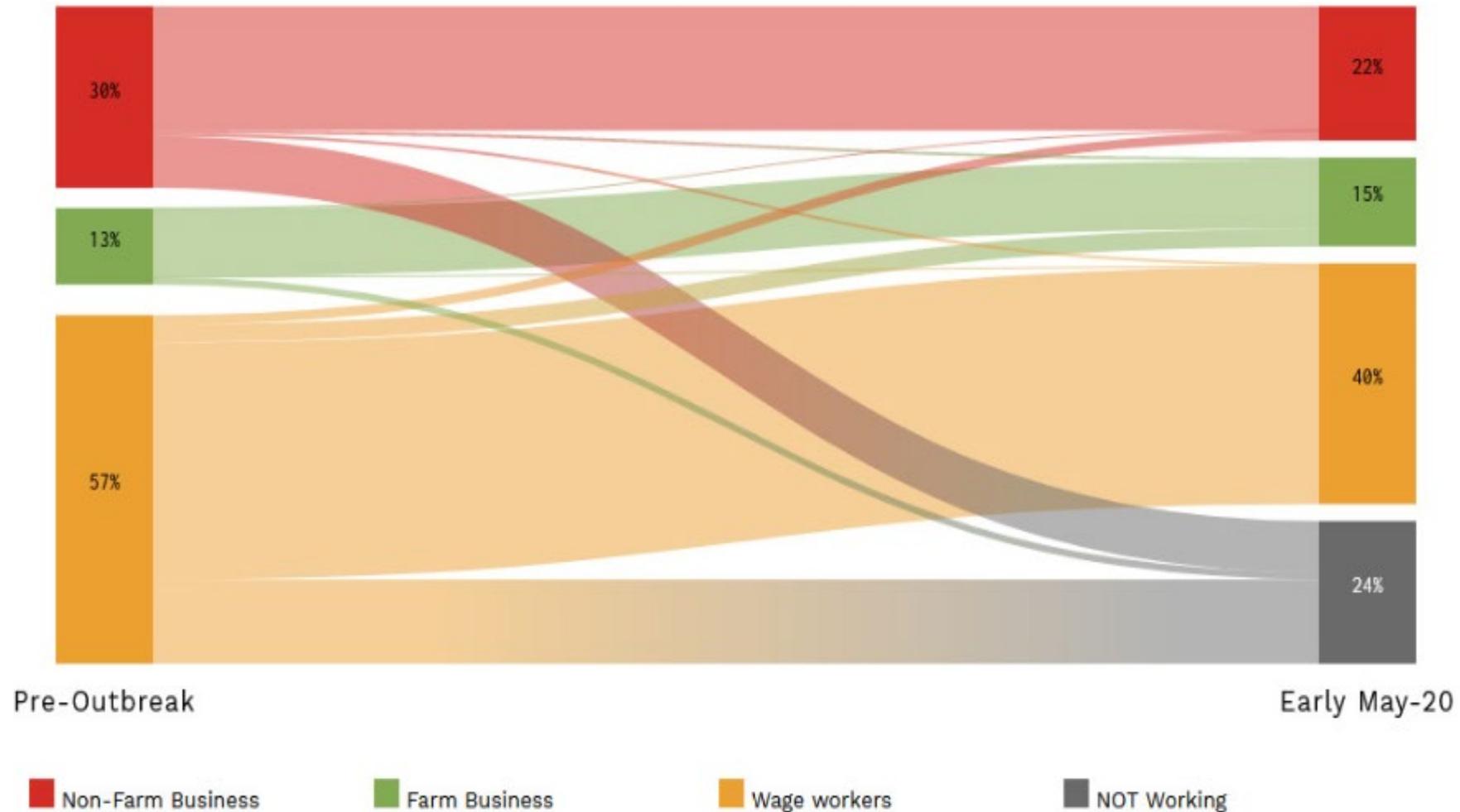
Stopped working

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

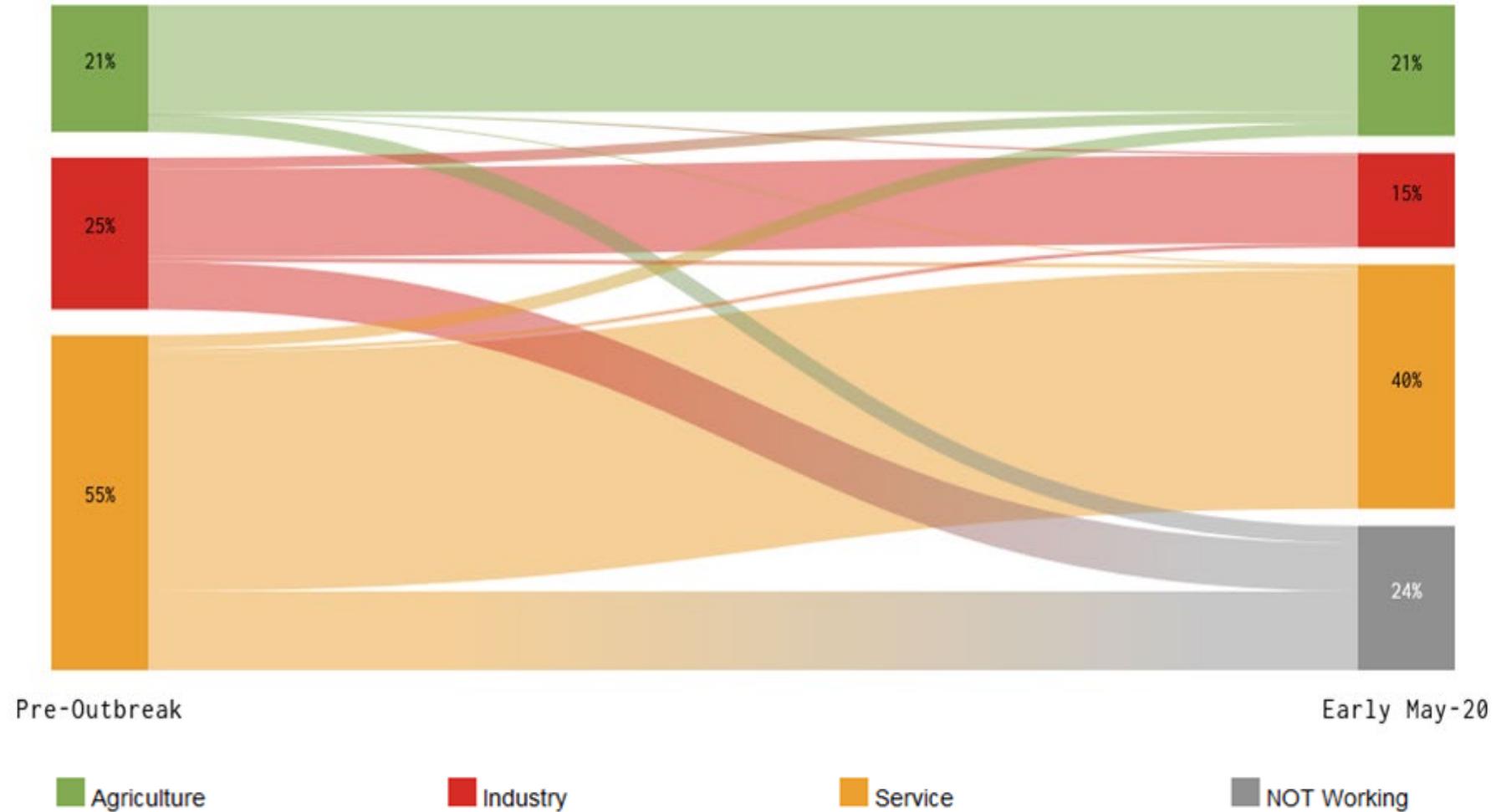
Employment Distribution by Type of Work



Stopped working

Employment Distribution by Sector

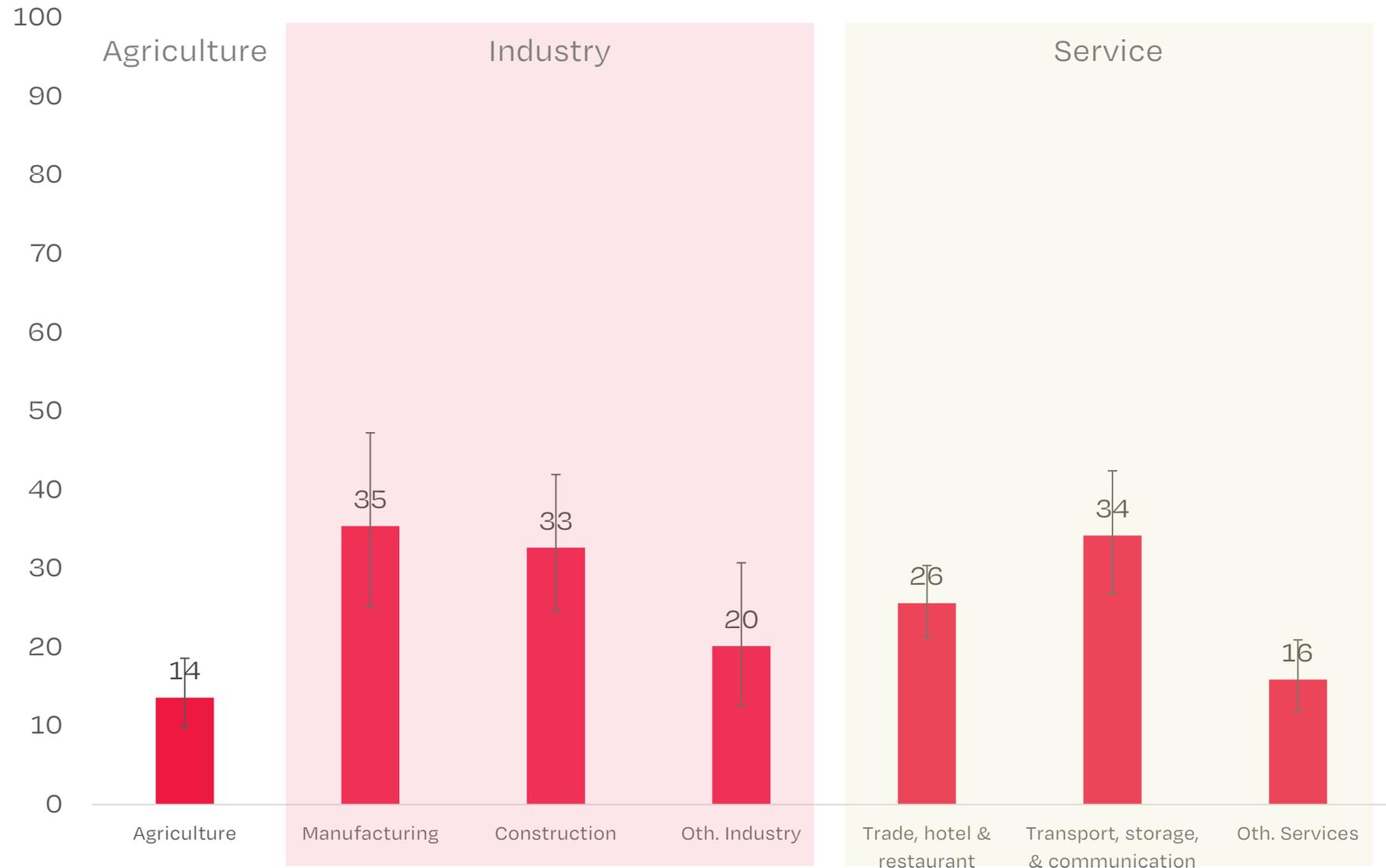
Workers and enterprise owners in **industry and service sector** are more likely to stop working



Stopped working

About one-third of those working in manufacturing, construction, and transport, storage & communication stopped working

Stop Working, by Working Sectors (%)

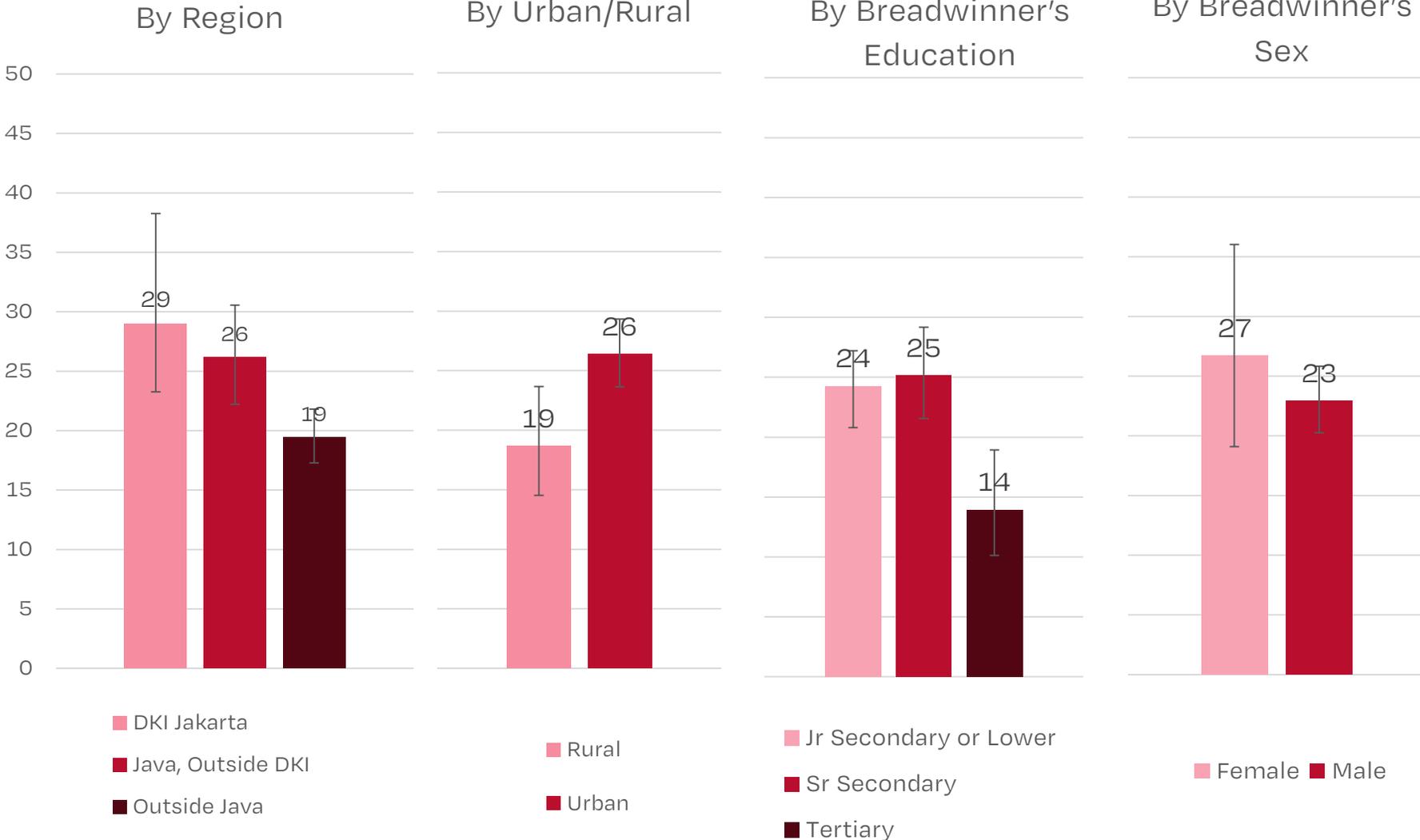


Stopped working

Those who work in **Java**, particularly Jakarta, .. in **urban** areas

.. and having **senior secondary education and lower** are more likely to stop working

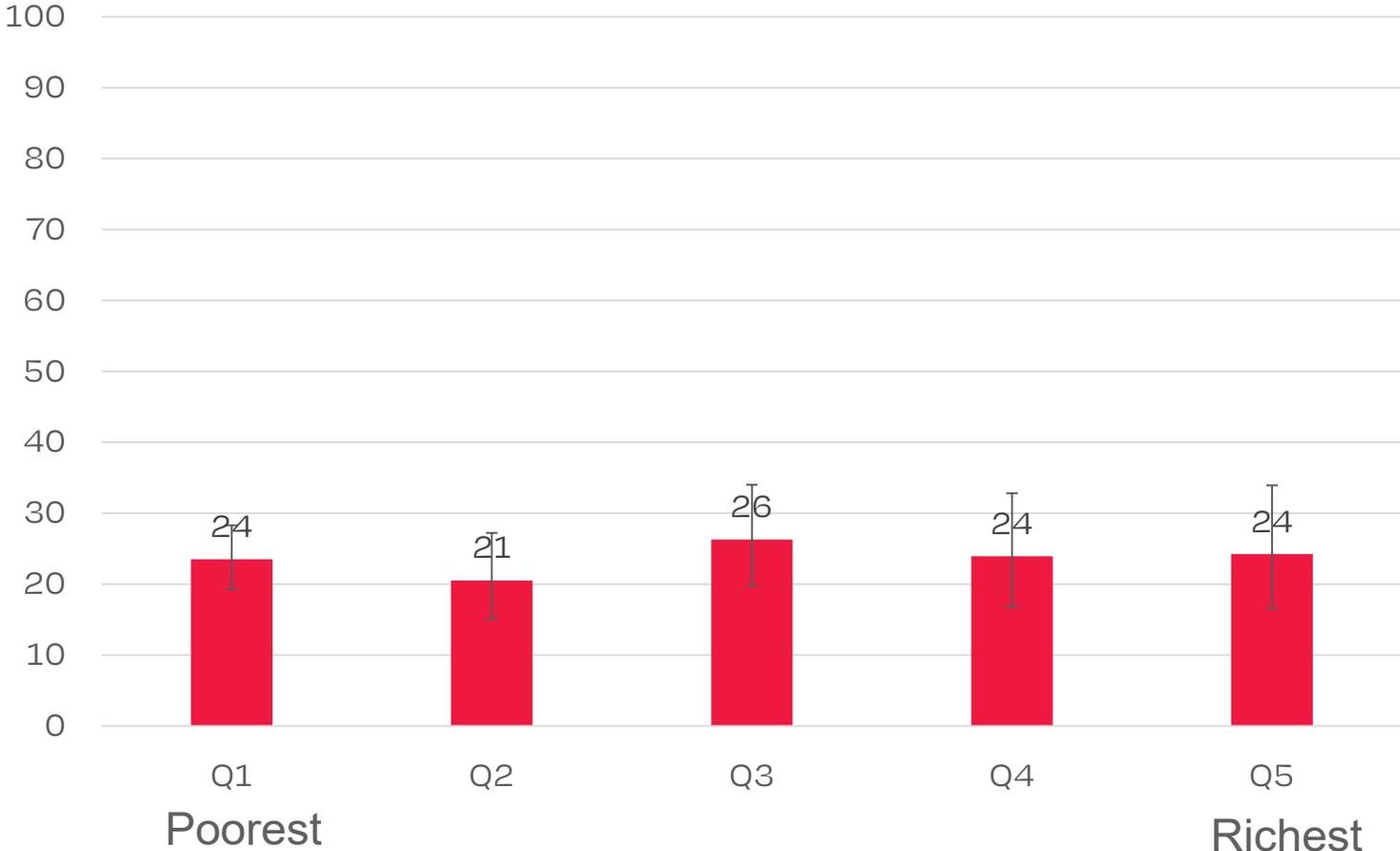
No difference between female & male breadwinners



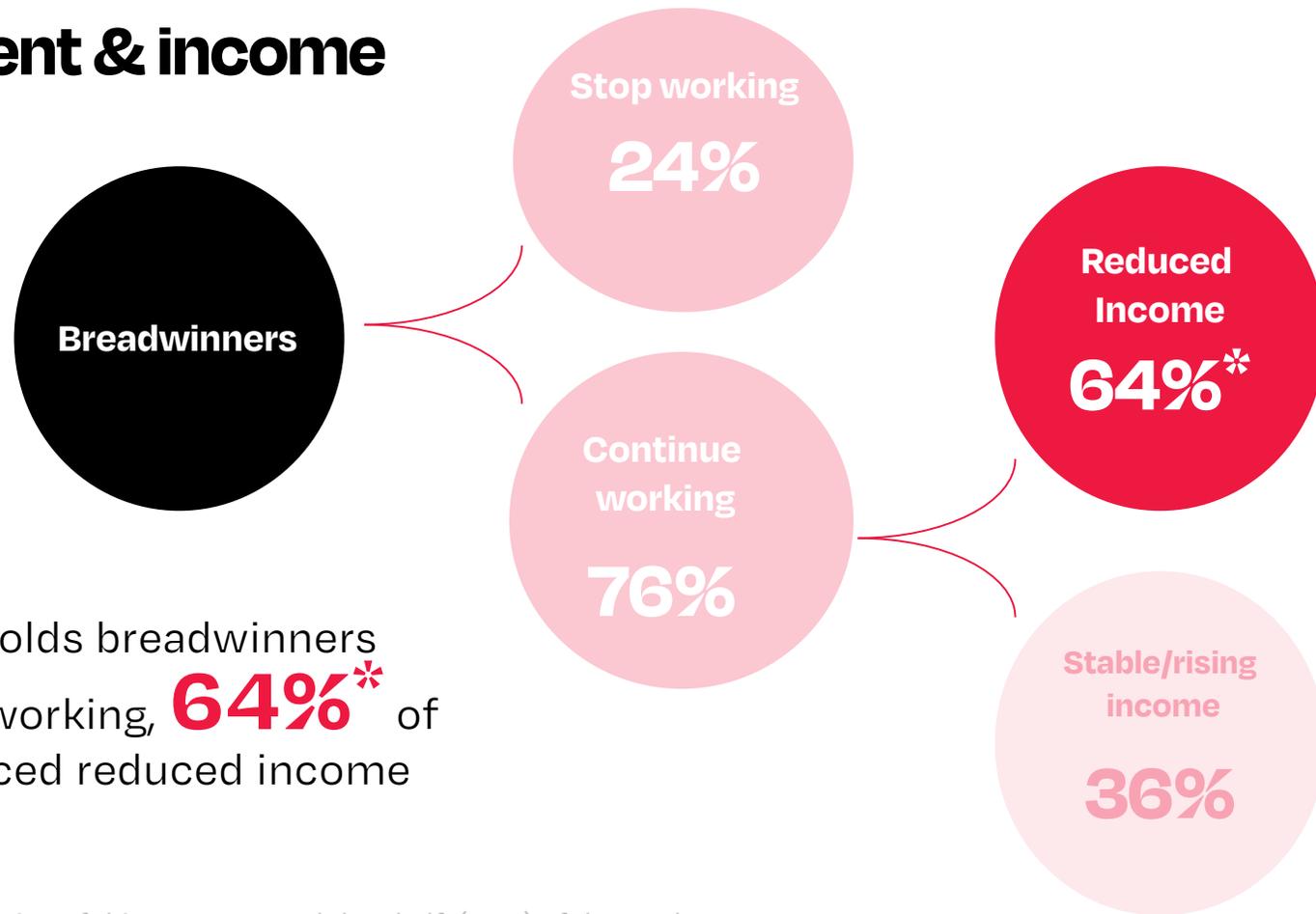
Stopped working

Shares who stopped working are the same across welfare distribution

Stop Working, by Per-capita Expenditure Quintiles (%)



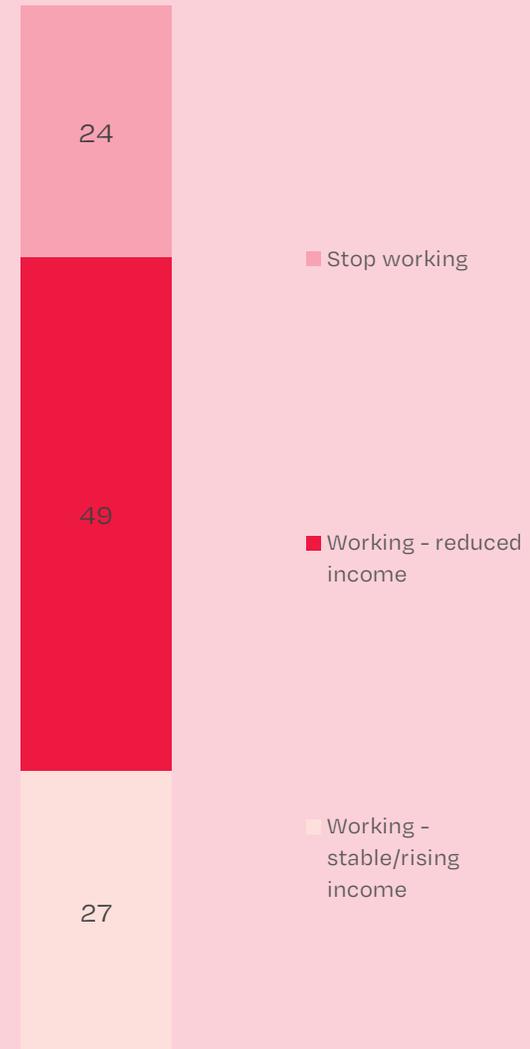
Breadwinner's employment & income



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.

Employment and income status as share of all breadwinners



Reduced Income

Working in **service sector**, especially in transport, storage & communication and trades, hotel & restaurants are most likely to experience reduced income

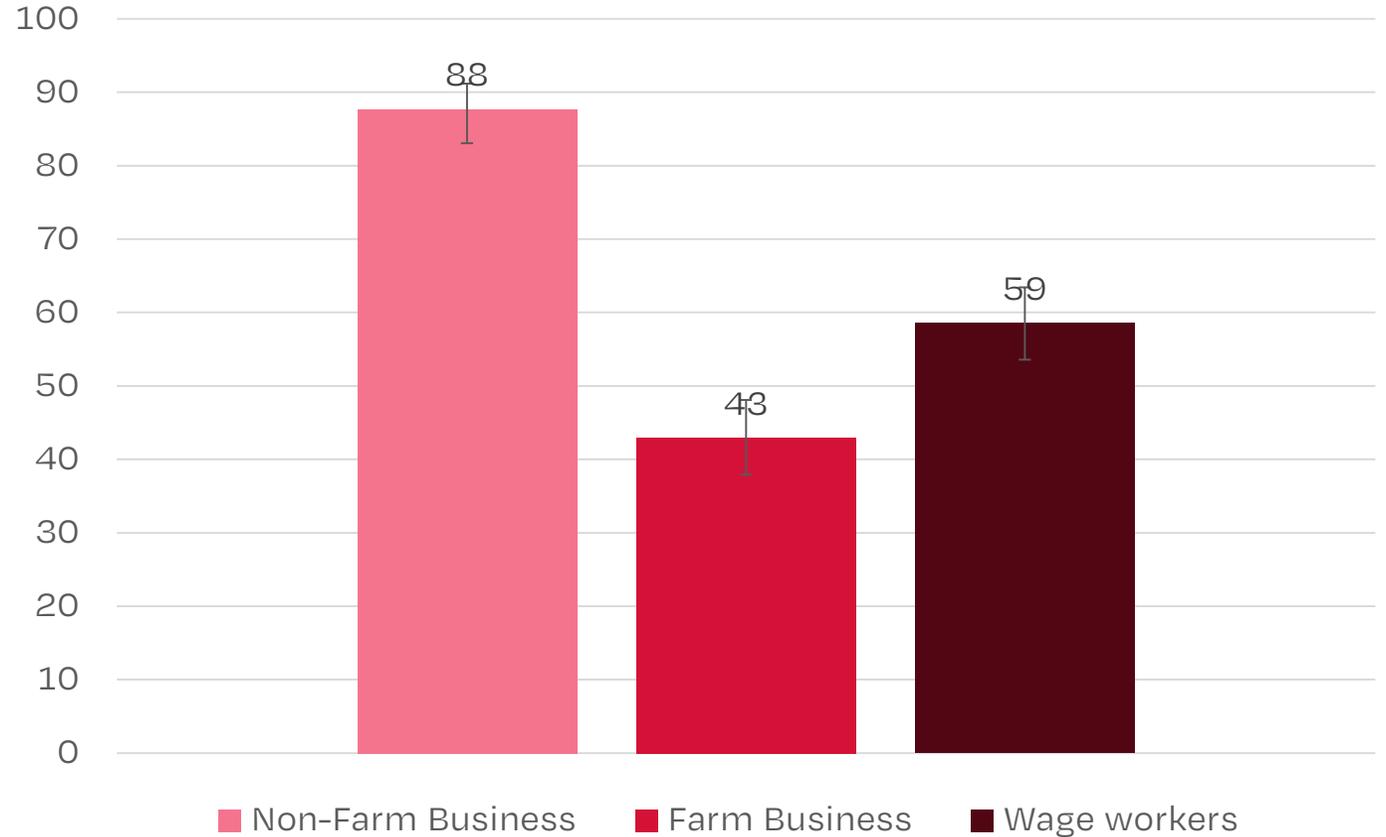
Households with Reduced Income, by Working Sector* (%)



Reduced Income

Nearly **90%** of those engaged in **non-farm business**, predominantly micro and small business, experience reduced income

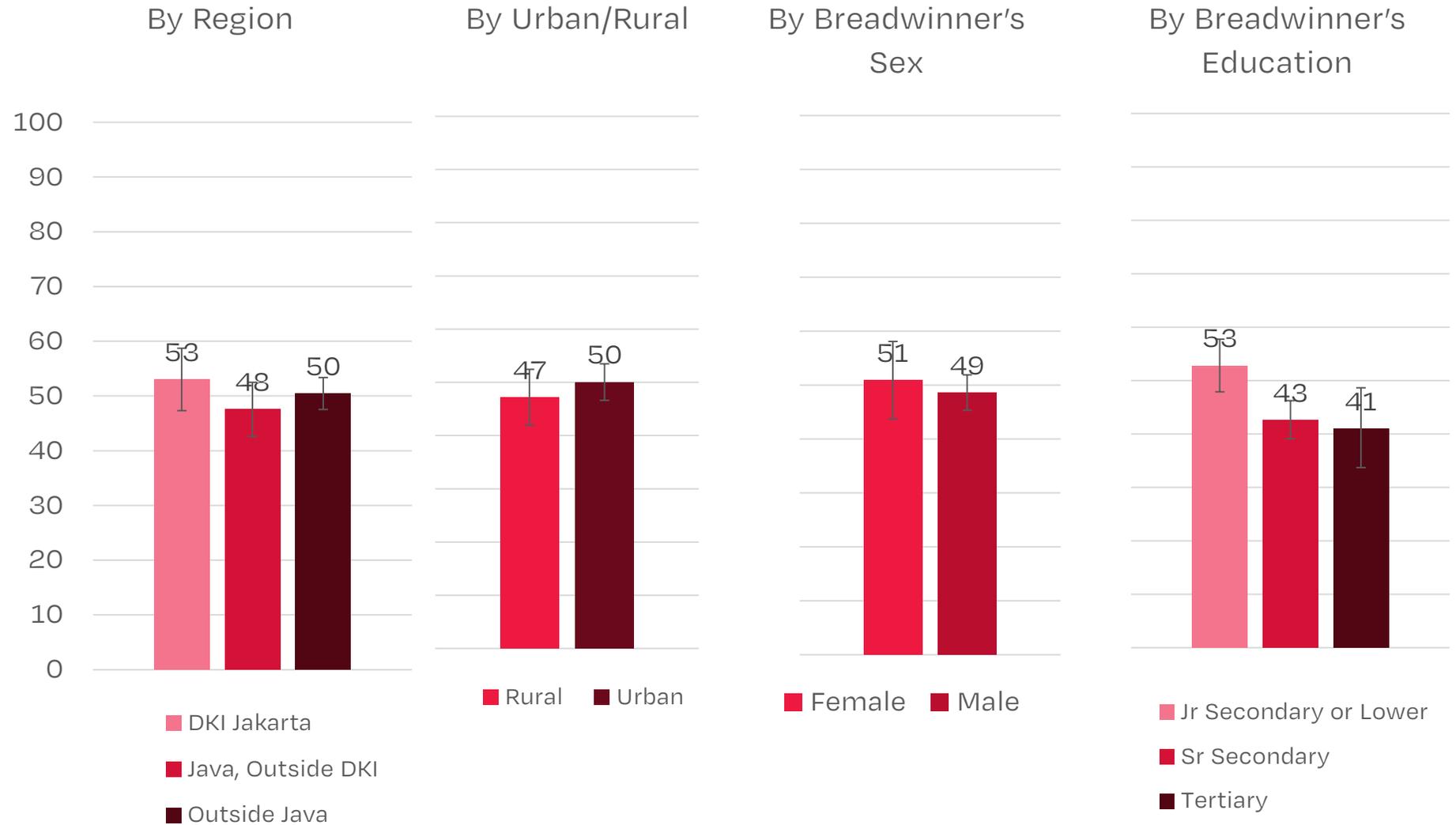
Households with Reduced Income, by Type of Work* (%)



*Out of all breadwinners currently (May) work in each type of works

Reduced Income*

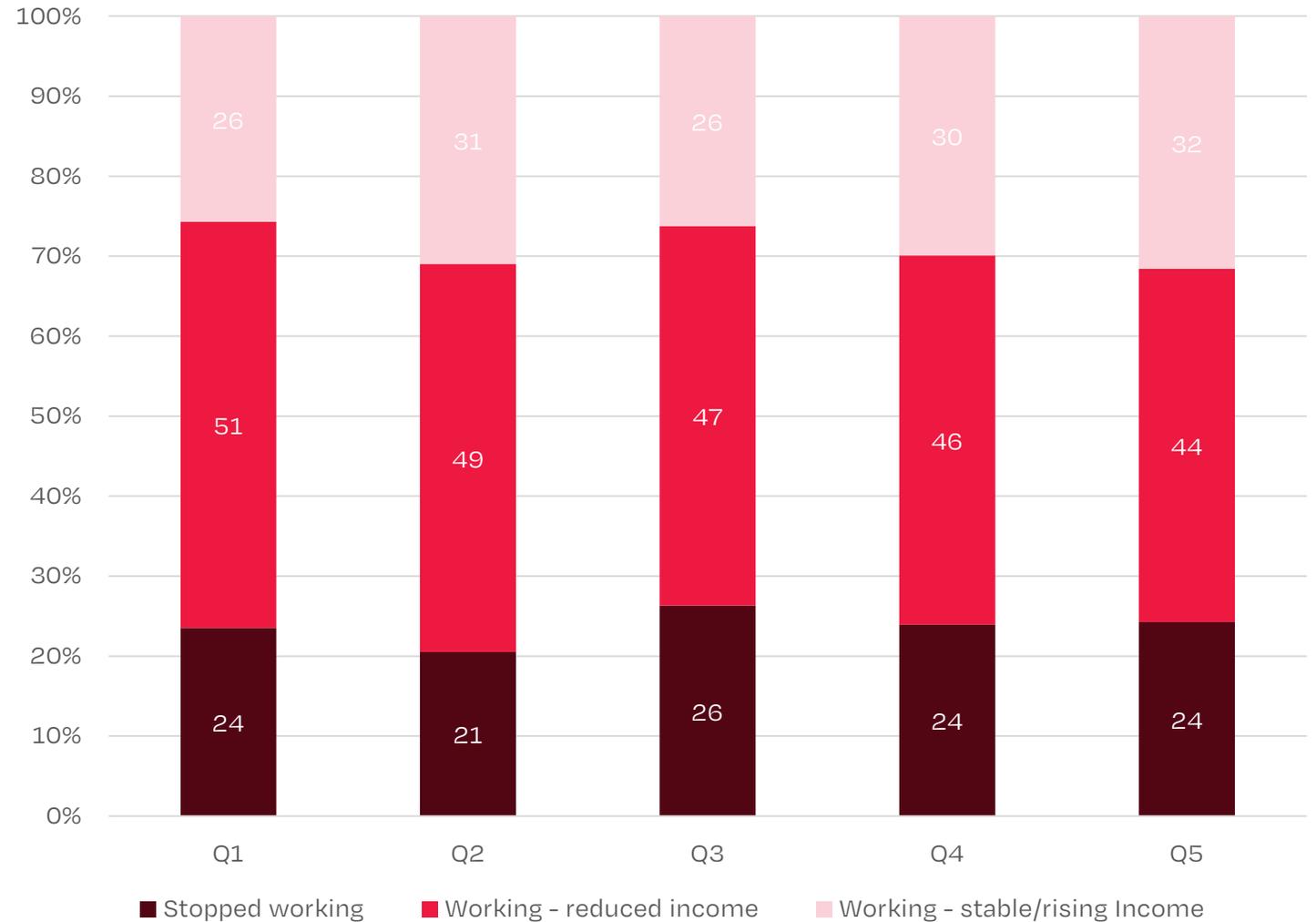
Patterns are similar between regions, urban/rural, and gender of breadwinners, but slightly **higher** amongst less educated breadwinners



*Out of all breadwinner in each category

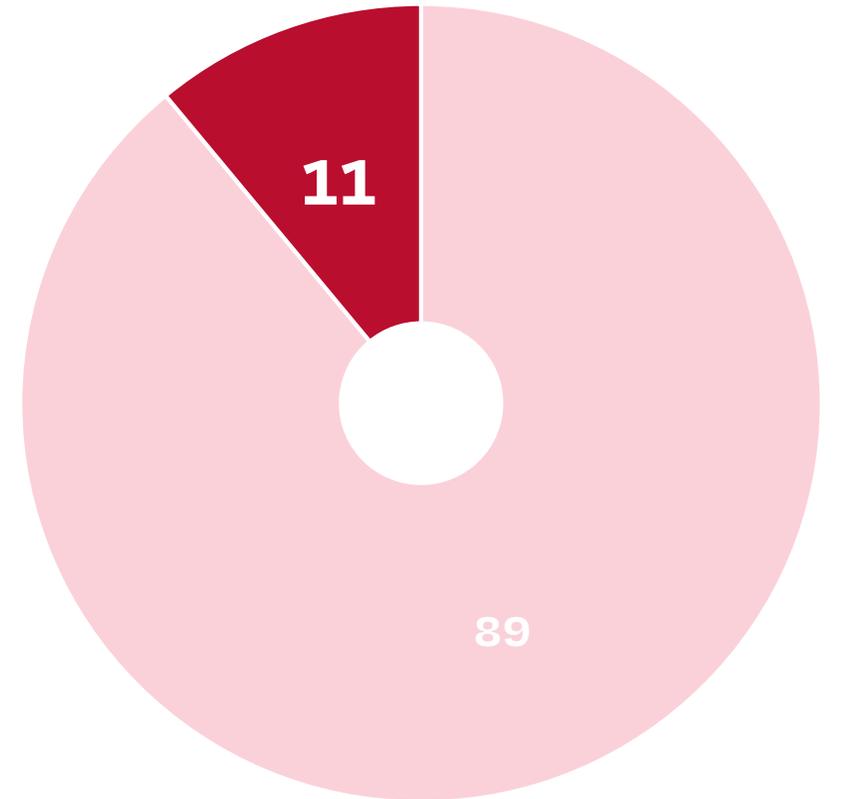
Breadwinners who face income shocks, because they stopped working or continued working for less income, are widespread across welfare distribution

Income shocks by quintiles of per capita expenditure



**Amongst those who
continue working ...**

11% of them had
to switch jobs



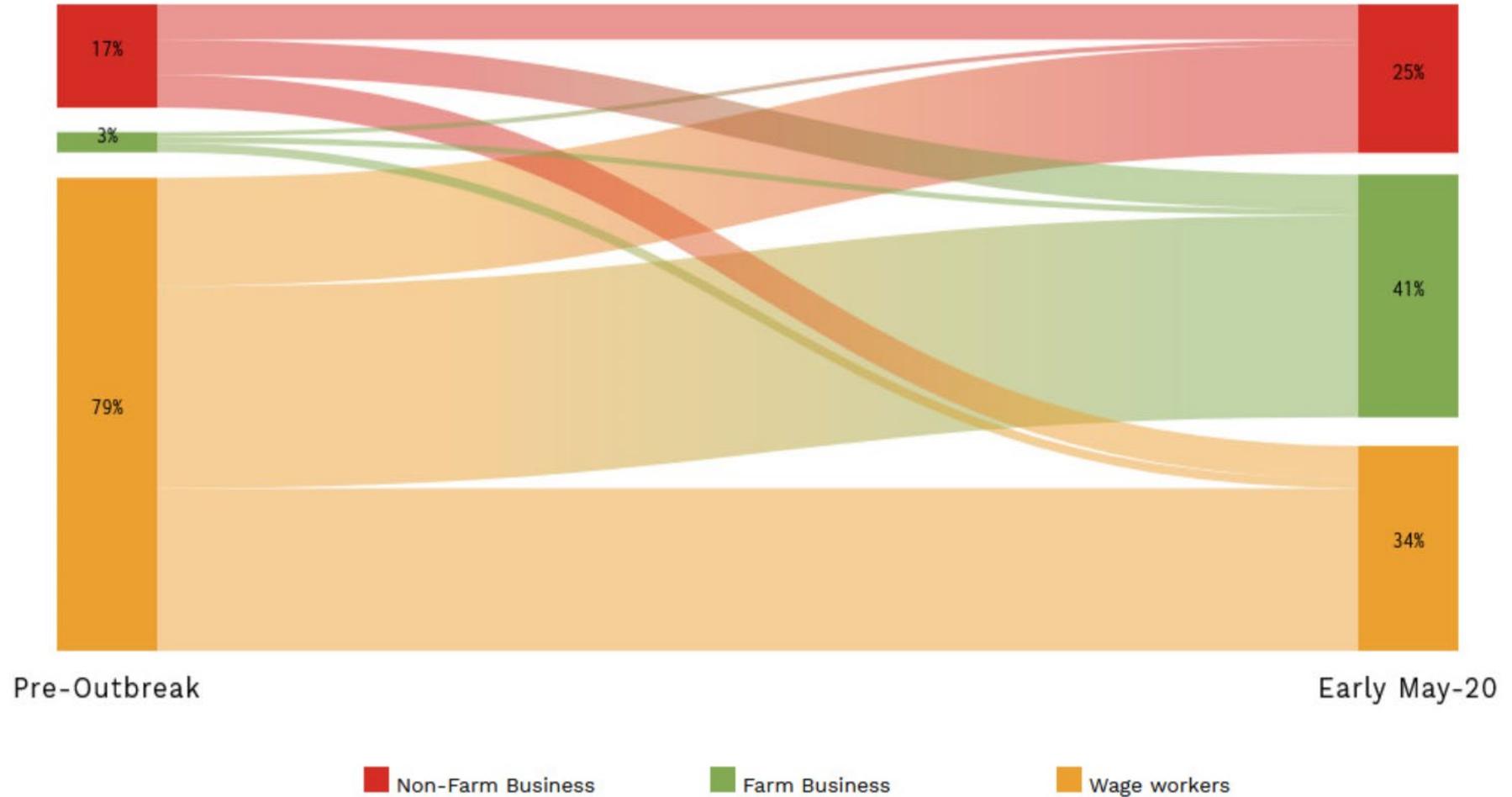
■ Stay with the same job ■ Switch job

Switched Jobs

Employment distribution by type of work amongst those switched jobs

Majority who switched jobs changed type of work ...

..mainly from wage worker to farm business

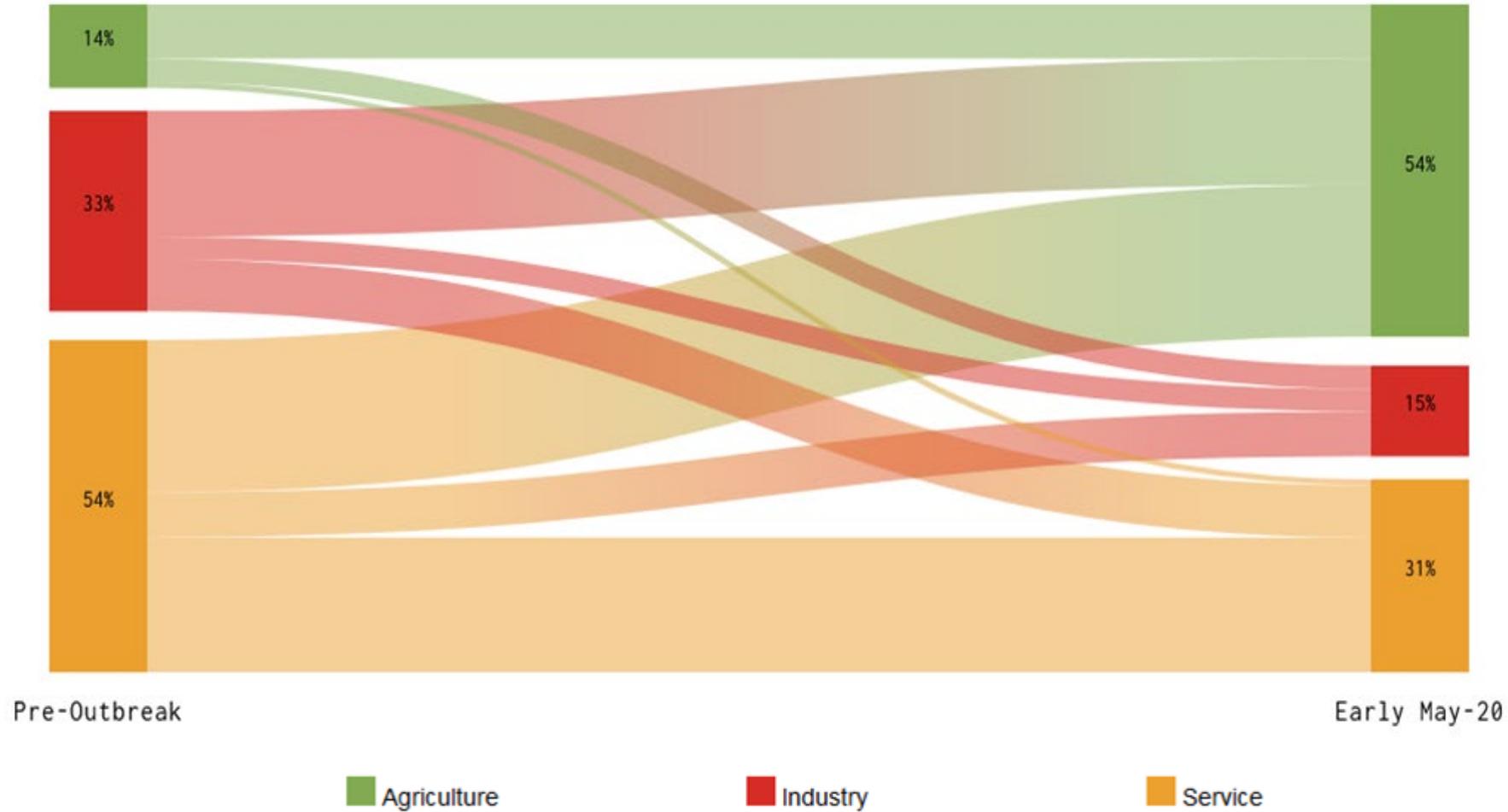


Switched Jobs

Employment distribution by sector amongst those switched jobs

They also
changed
sector ...

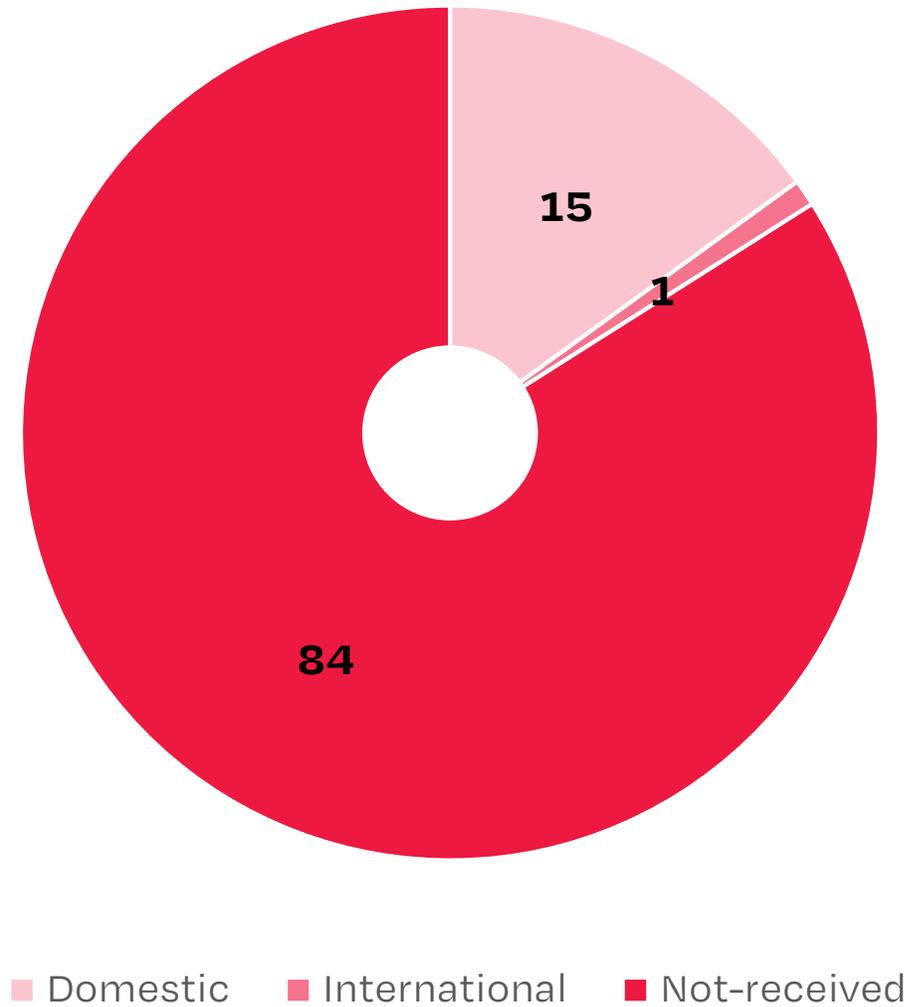
Many
switched to
agriculture



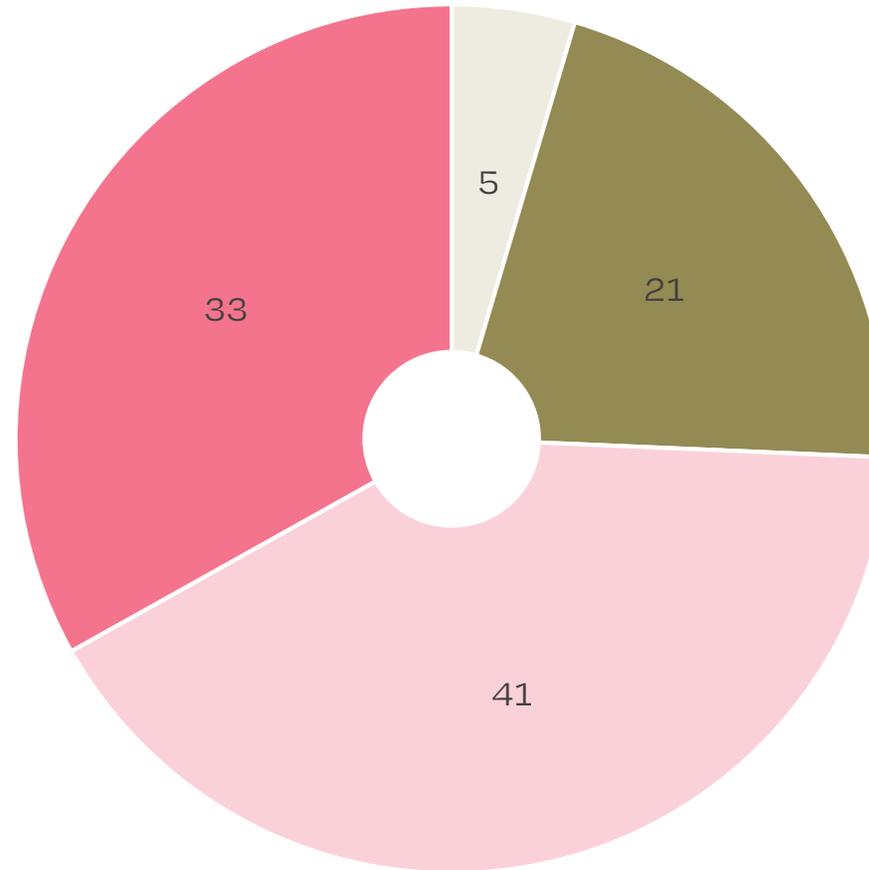
Remittances

16% households usually received either domestic or international remittances, pre-COVID

Remittance



Remittance Received



74%

of remittance recipient households received less or no remittance after the pandemic

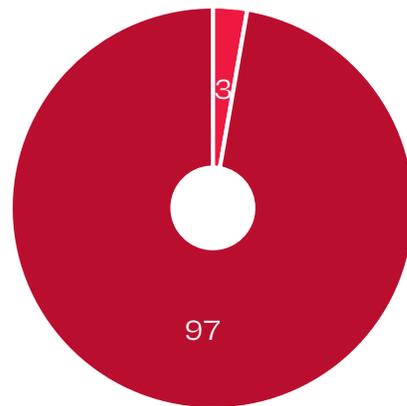
■ Higher than Usual ■ The Same as Usual ■ Less than Usual ■ No Remittance Income/Stop

Access to Foods & Food security

05

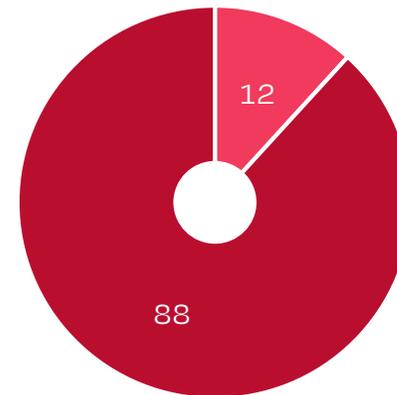
Majority households are still able to access foods

Rice or Other Staple Foods (%)



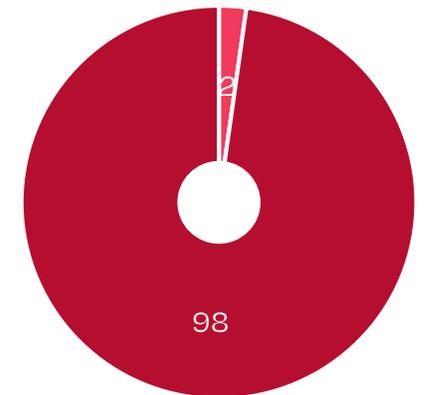
■ Unable ■ Able

Meat, Fish, Egg (%)



■ Unable ■ Able

Vegetable, Fruit (%)

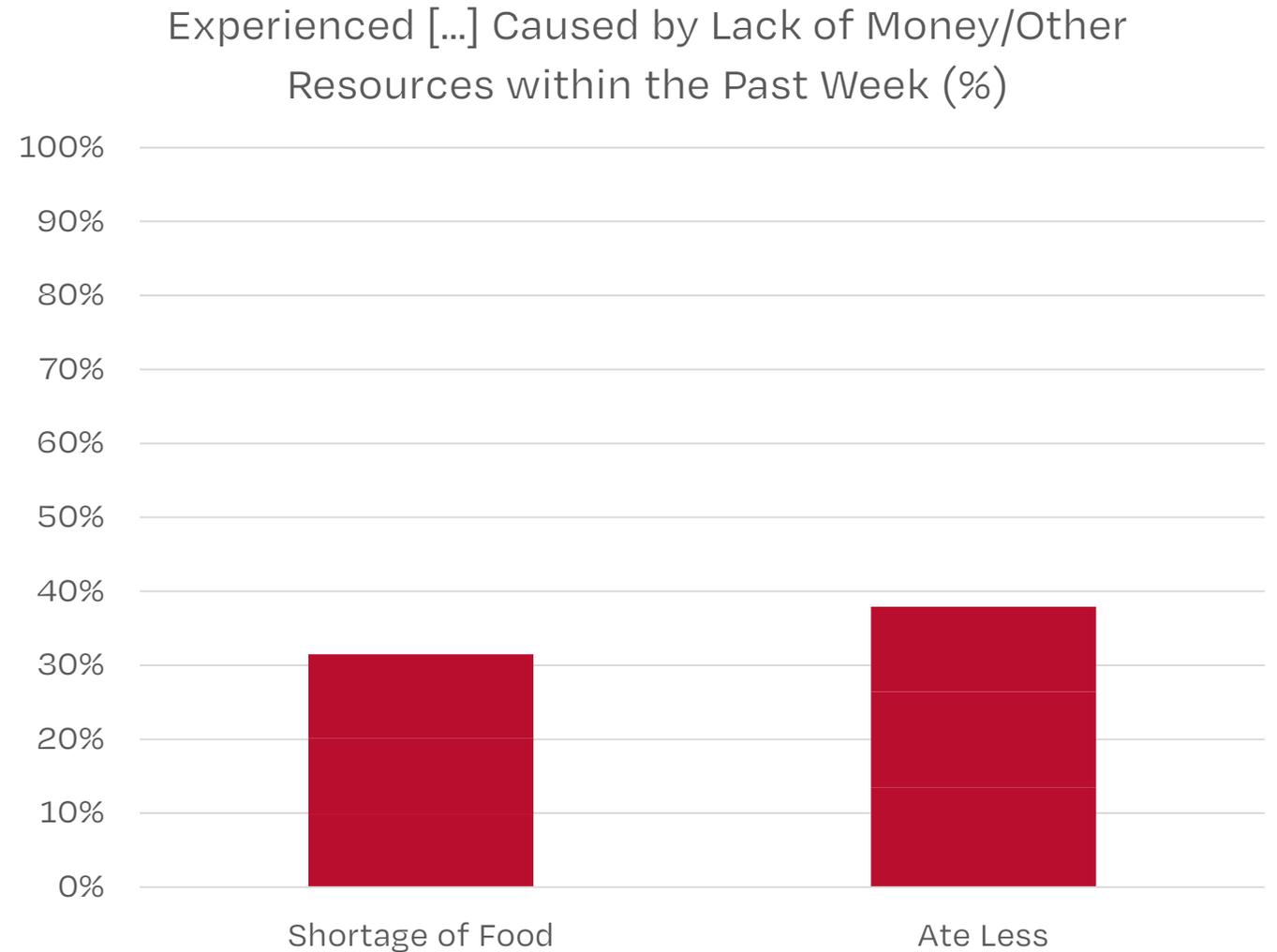


■ Unable ■ Able

Suggesting adequate food availability in the market

31% of households experienced some shortage of foods

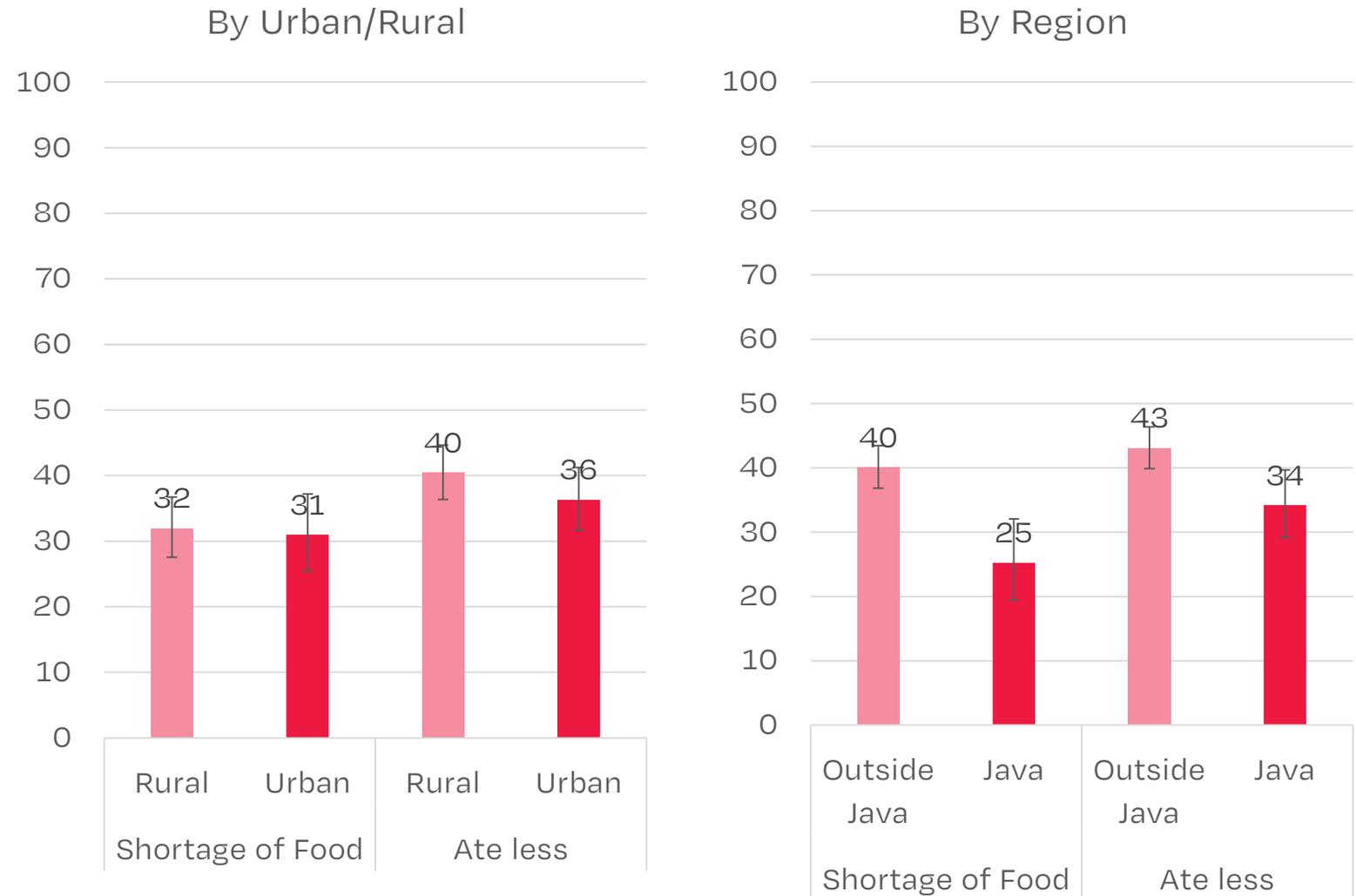
38% of households ate less than they should



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

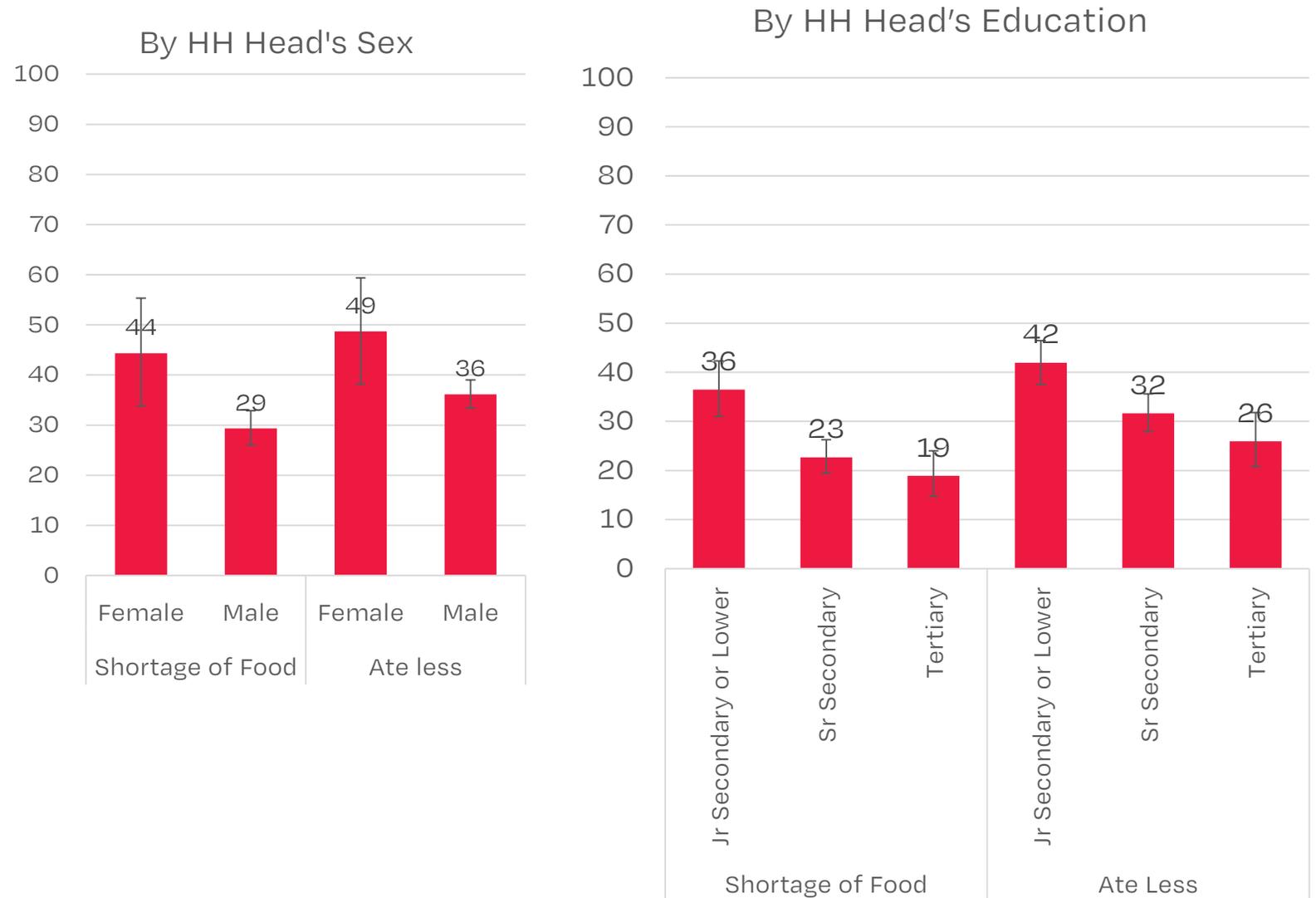
Patterns are similar between urban and rural area

But households outside Java are more likely to have food insecurity



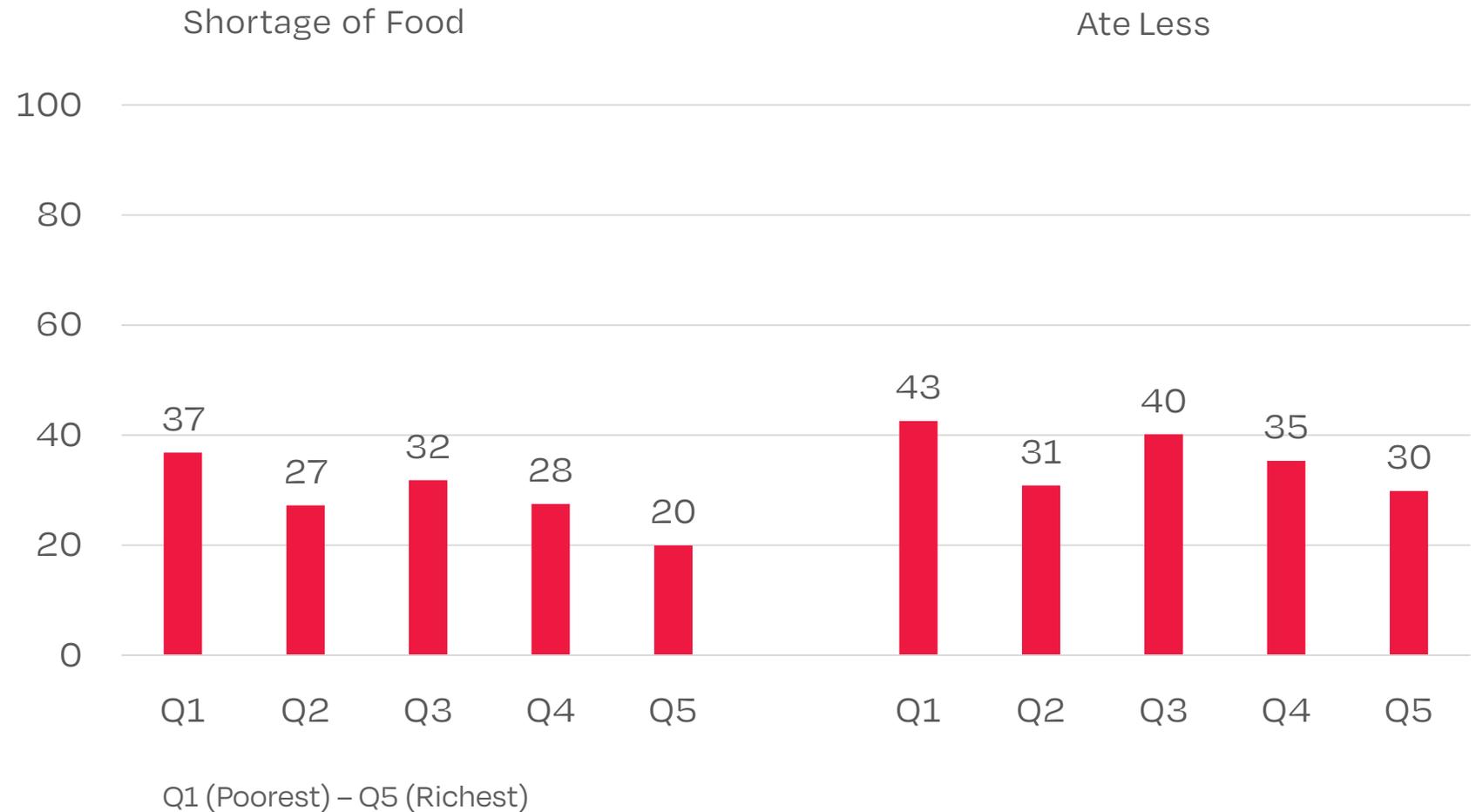
Experienced [...] Caused by Lack of Money/Other Resources within the Past Week (%)

The prevalence of food insecurity is **higher** amongst **female-headed** households and **lower** education levels



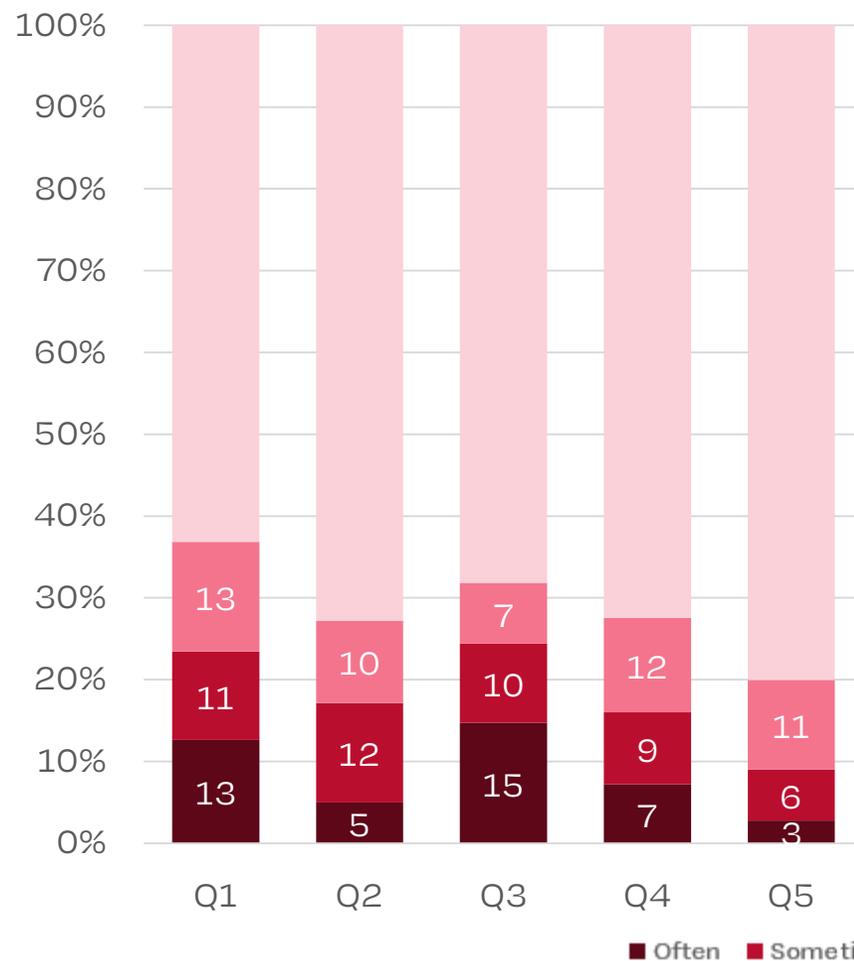
Food insecurity is observed across the welfare distribution, with the **highest** incidence amongst the **poorest**

Food Insecurity by Expenditure Quantiles
(% Households)

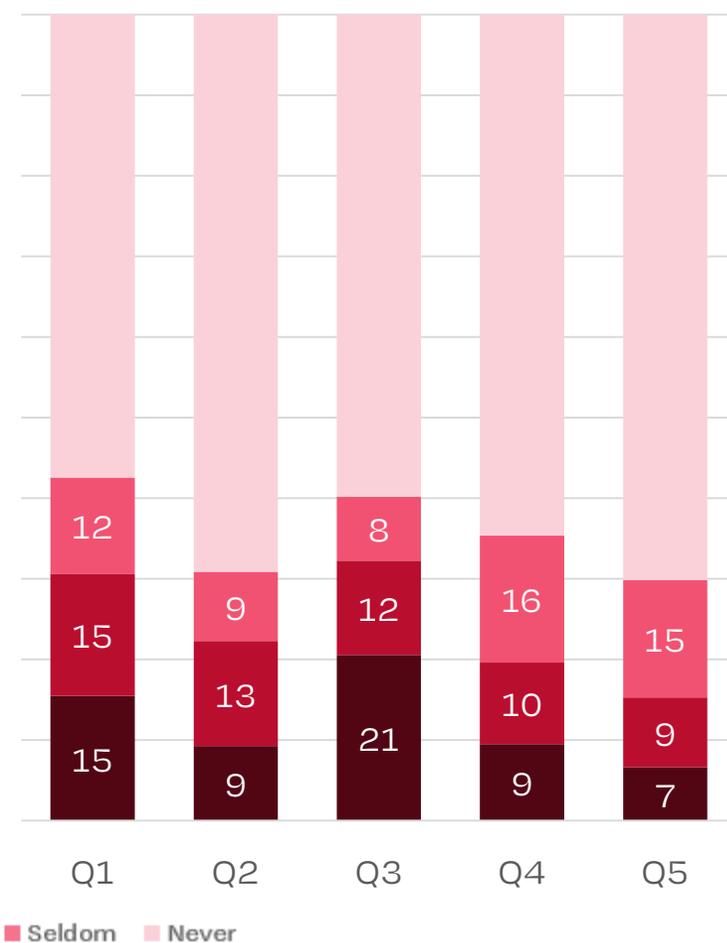


The degree of severity of the food insecurity is highest amongst the poorest; the majority of the richest who are food insecure are 'seldom' experience it, the majority of the poor who are food insecure 'often' experience it

Shortage of Food by Quintiles



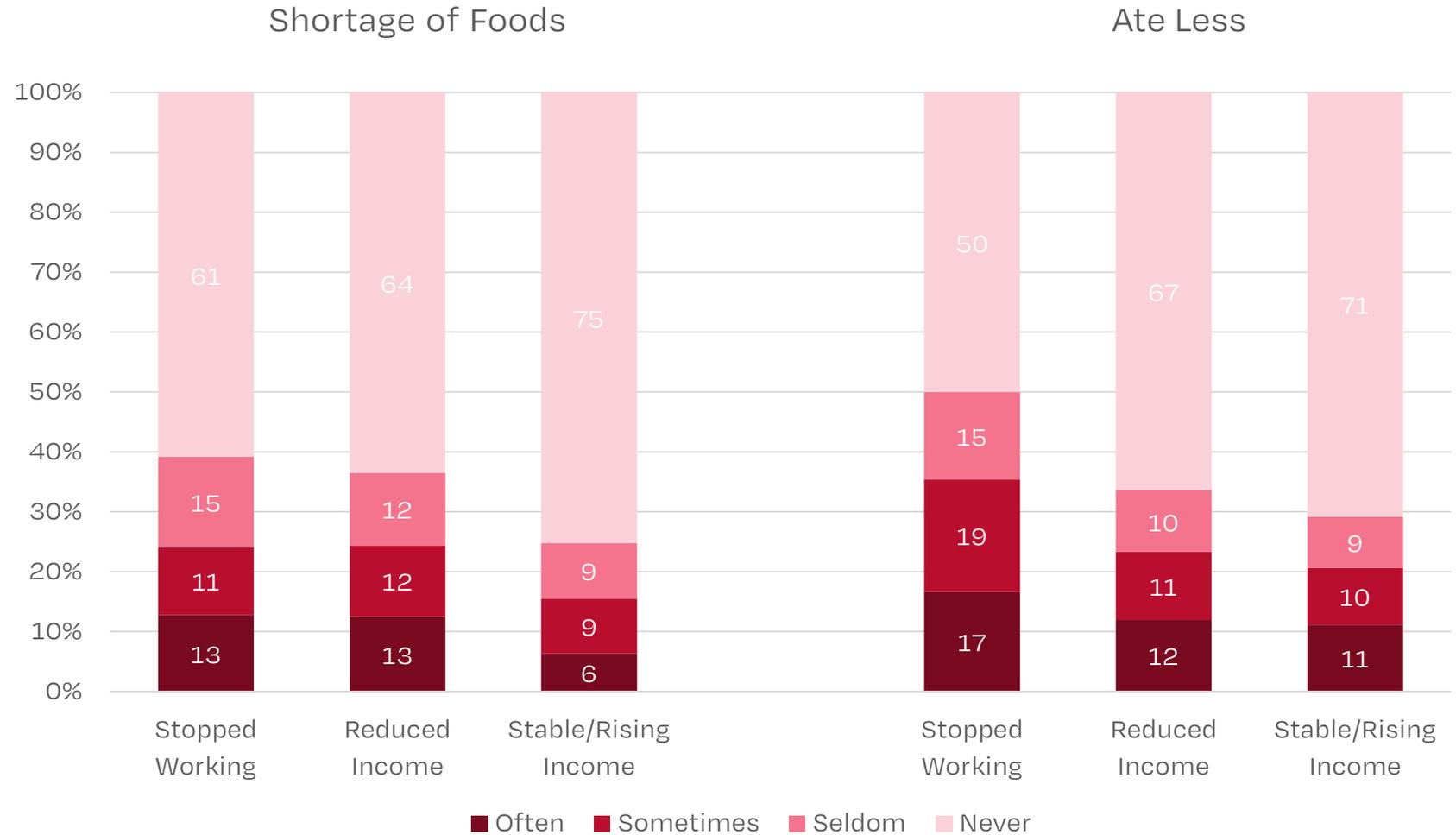
Ate Less by Quintiles



Q1 (Poorest) – Q5 (Richest)

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

Households experiencing income shocks (stopped working, reduced income) are more prone to food insecurity



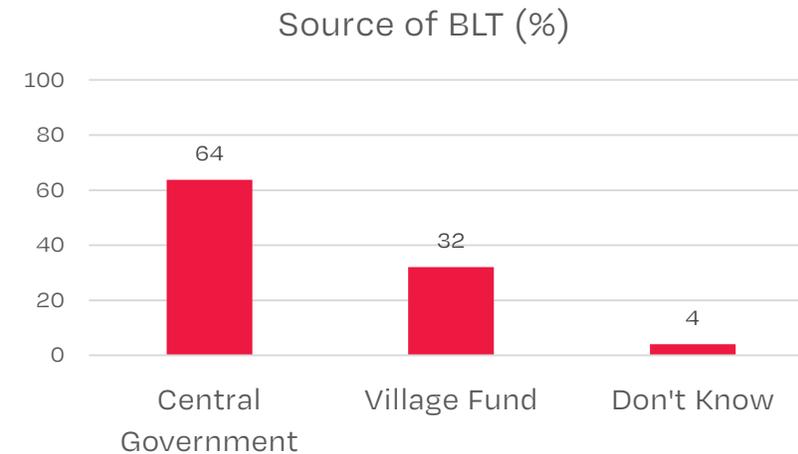
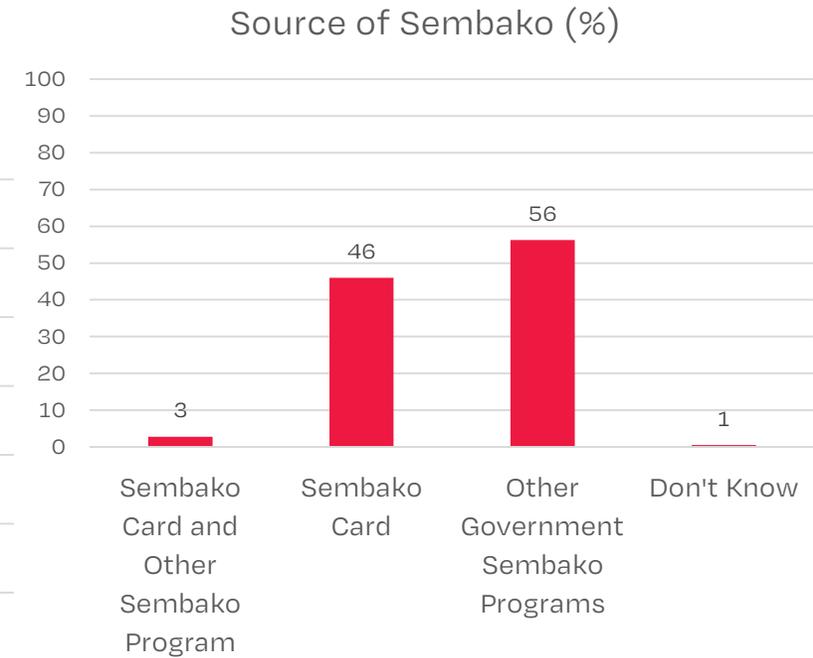
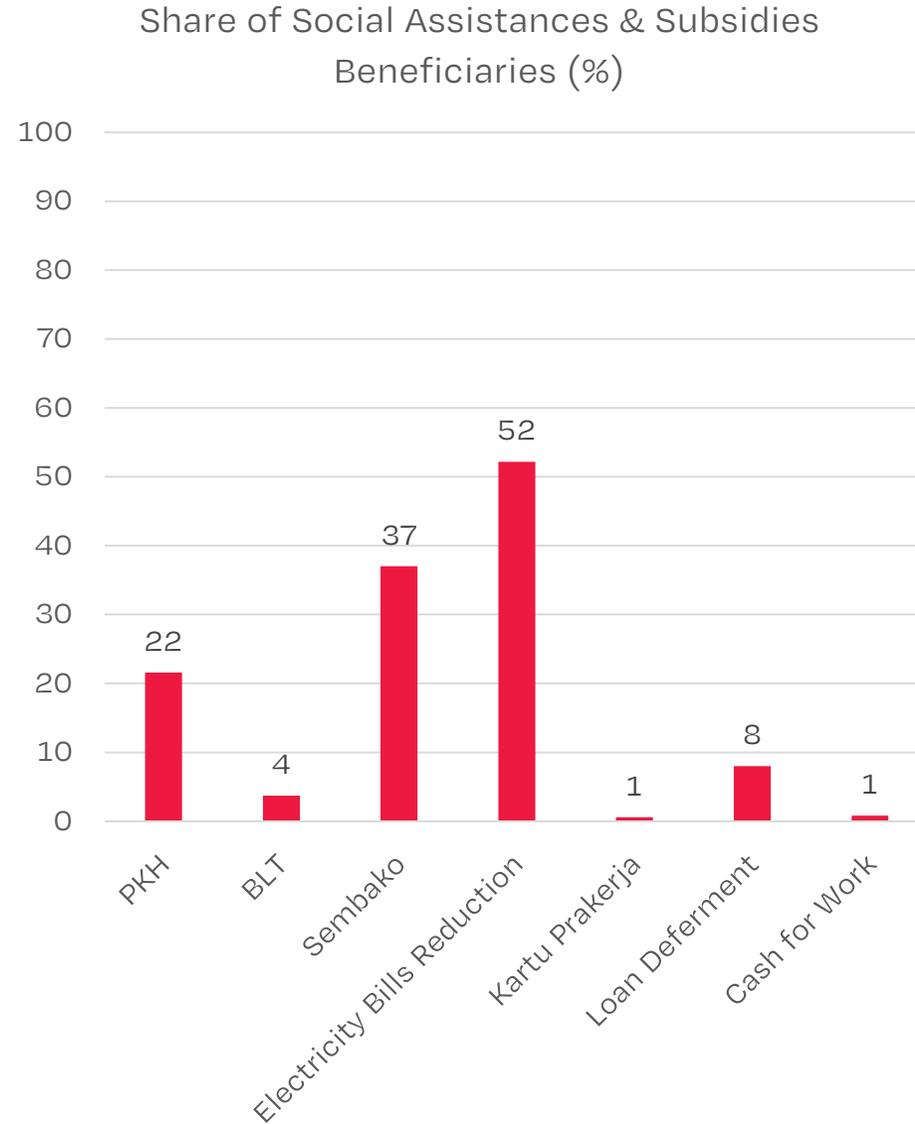
Safety-net

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

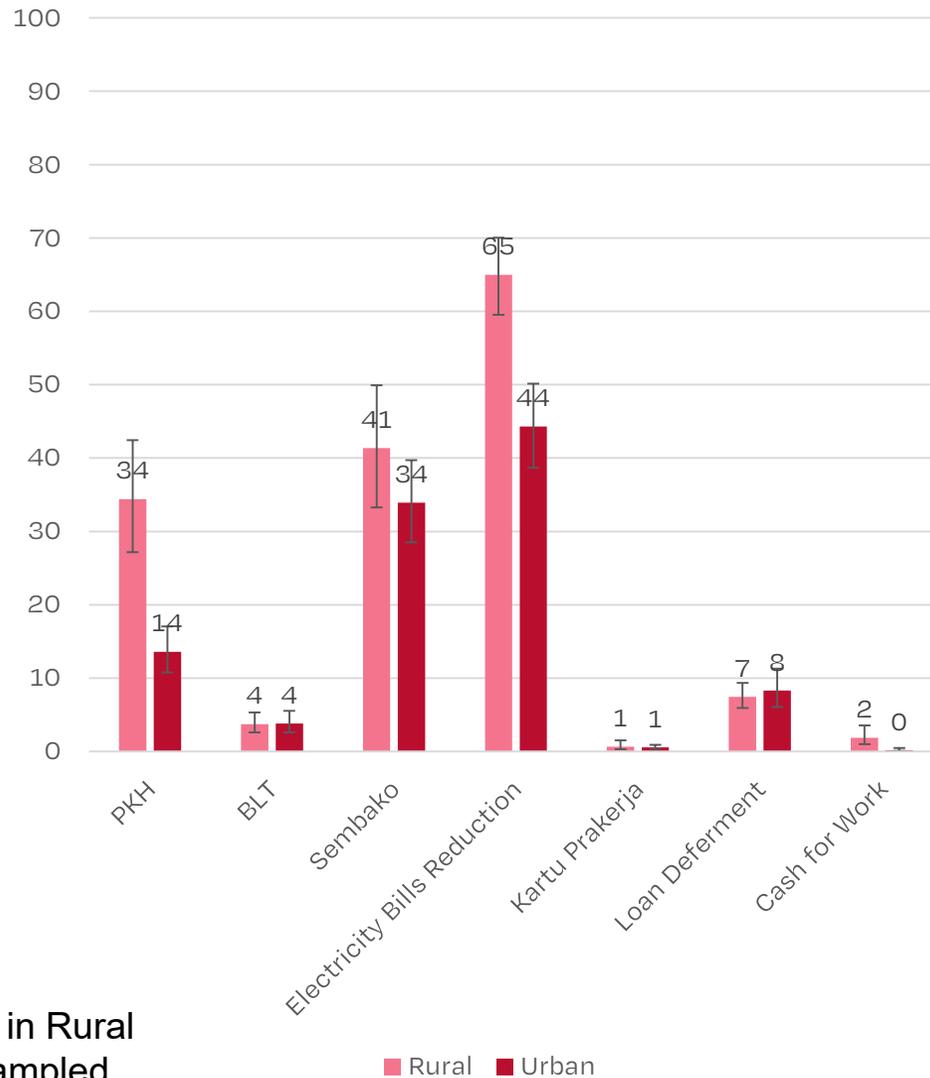


More households in rural areas reported receiving programs*

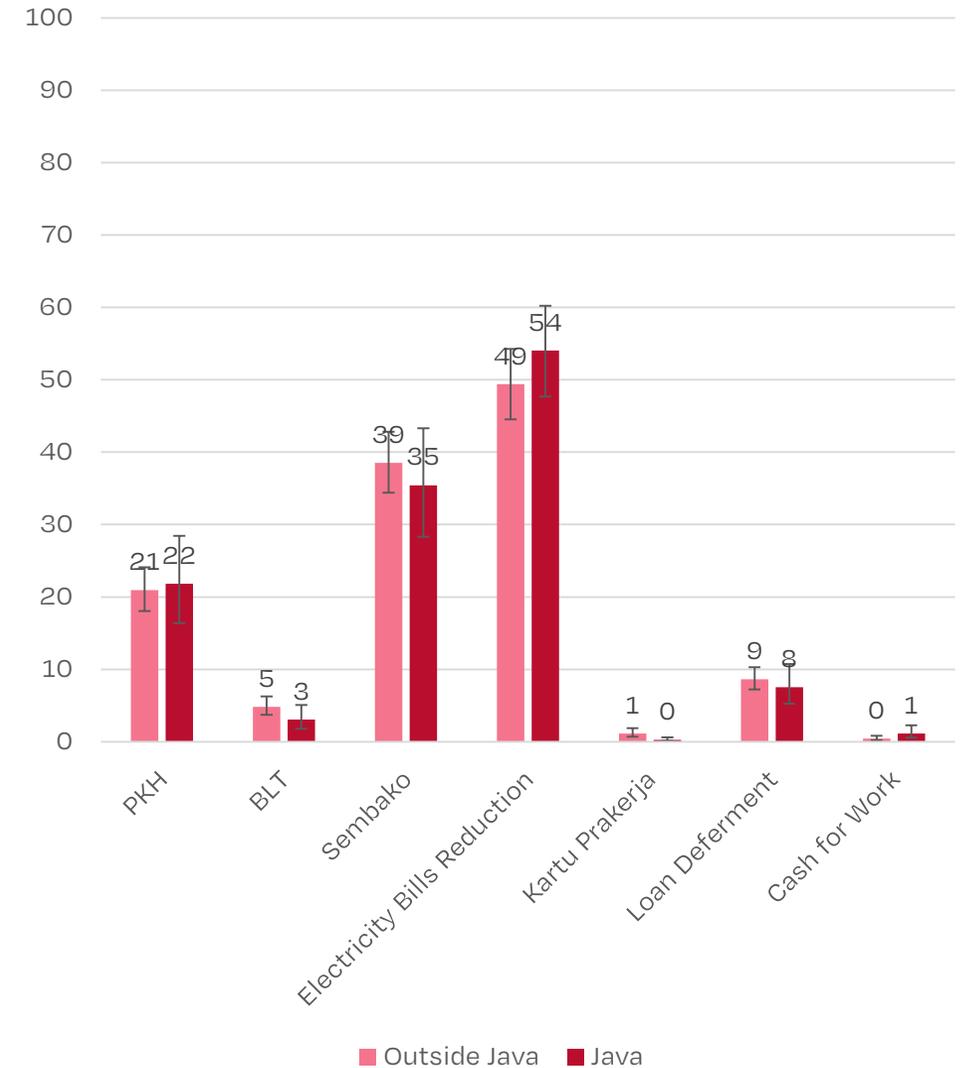
But probability to receive is the same between Java and outside Java

*Rural, PKH beneficiaries in Rural Survey 2019 were over sampled

Share of Social Assurances & Subsidies Beneficiary HH, by Urban/Rural (%)

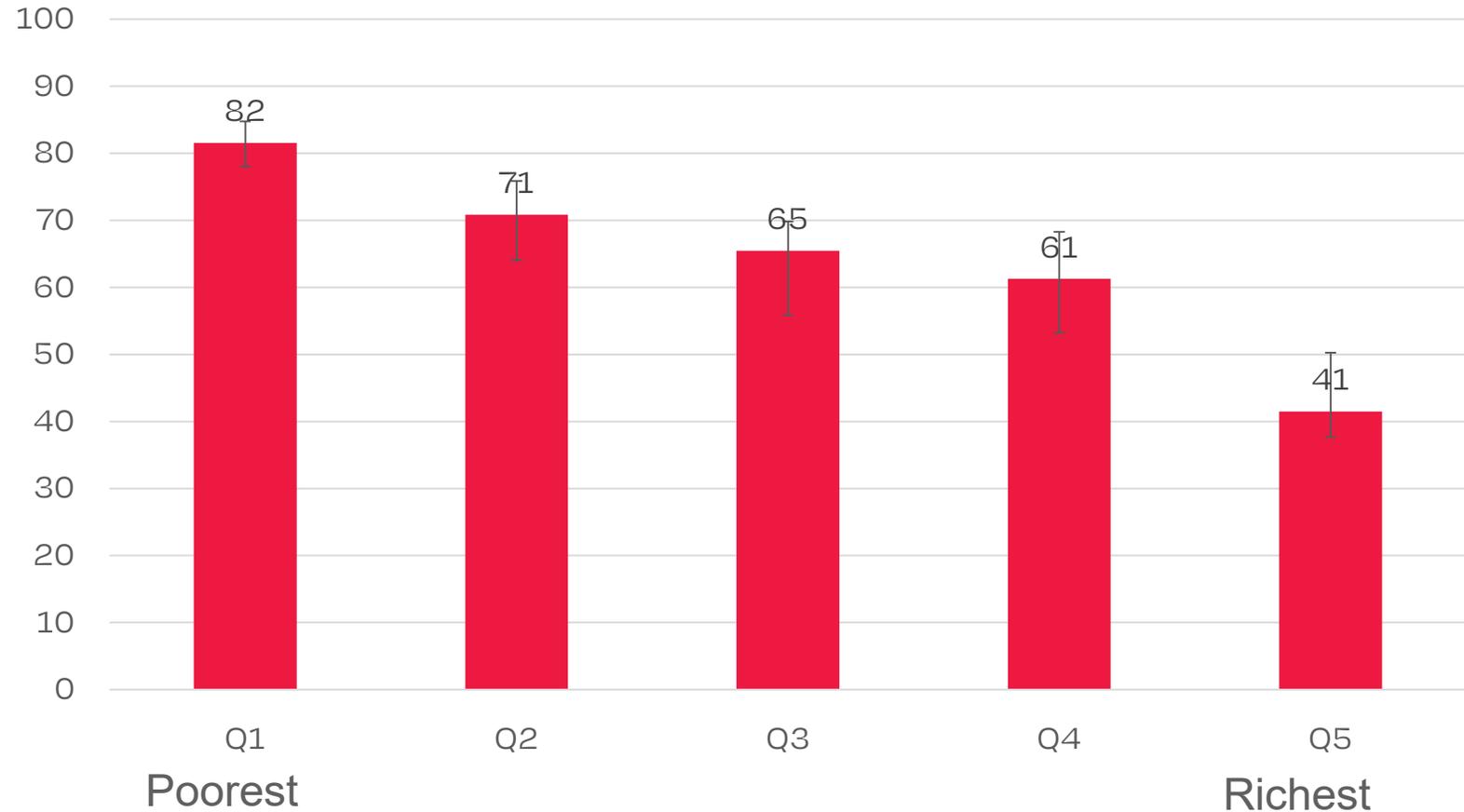


Share of Social Assurances & Subsidies Beneficiary HH, by Region (%)



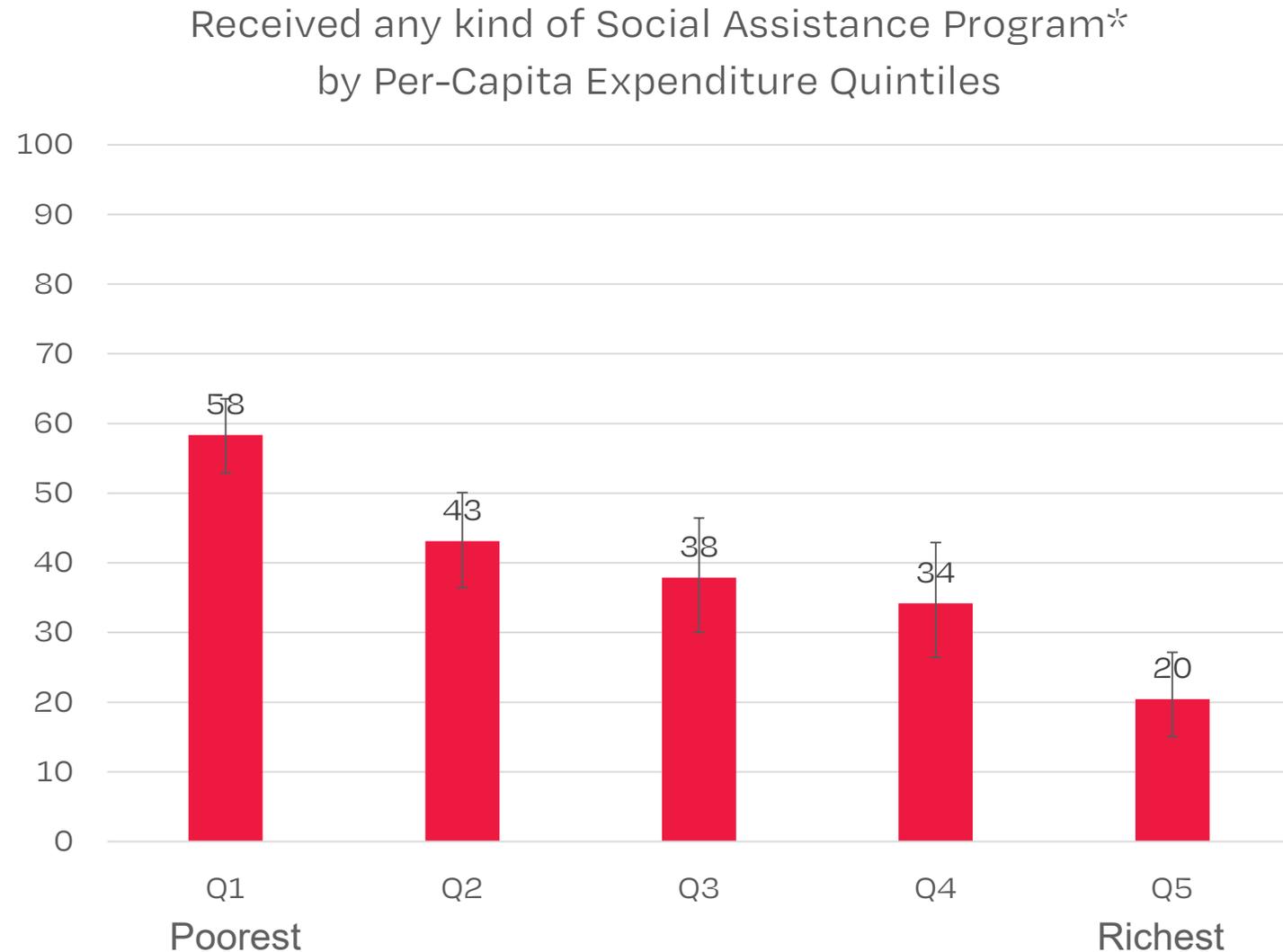
Coverage of Government's economic relief measures and expanded social assistance programs is **pro-poor**

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



*Includes PKH, Sembako, BLT, Kartu Pra-Kerja, public works, loan deferment and electricity bills reduction

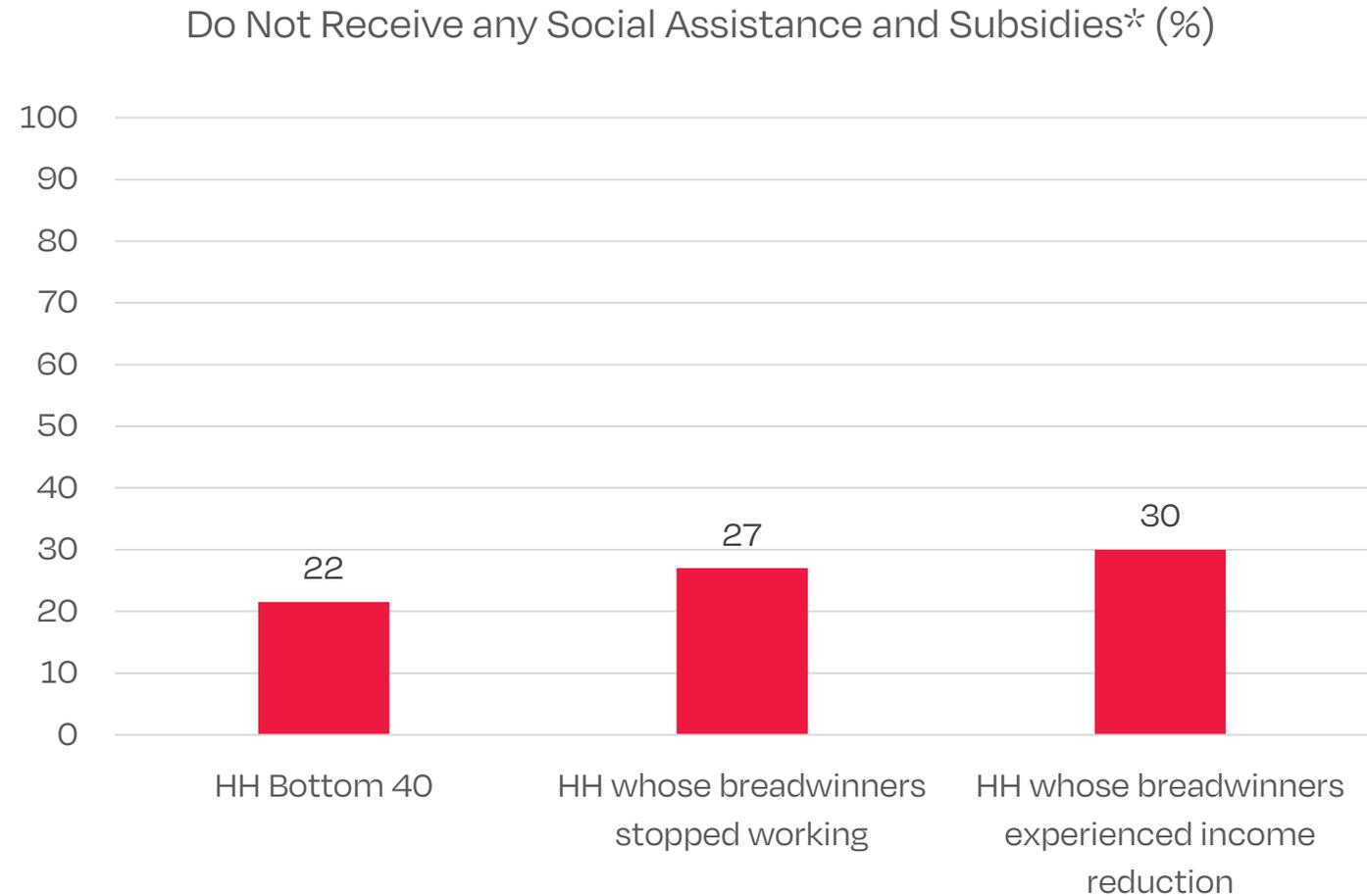
Similar pattern observed when only taking into account Social Assistance programs



*Includes PKH, Sembako, BLT, Kartu Pra-Kerja, and public works

Nearly 80% households in the bottom 40 reported receiving at least one relief measures program

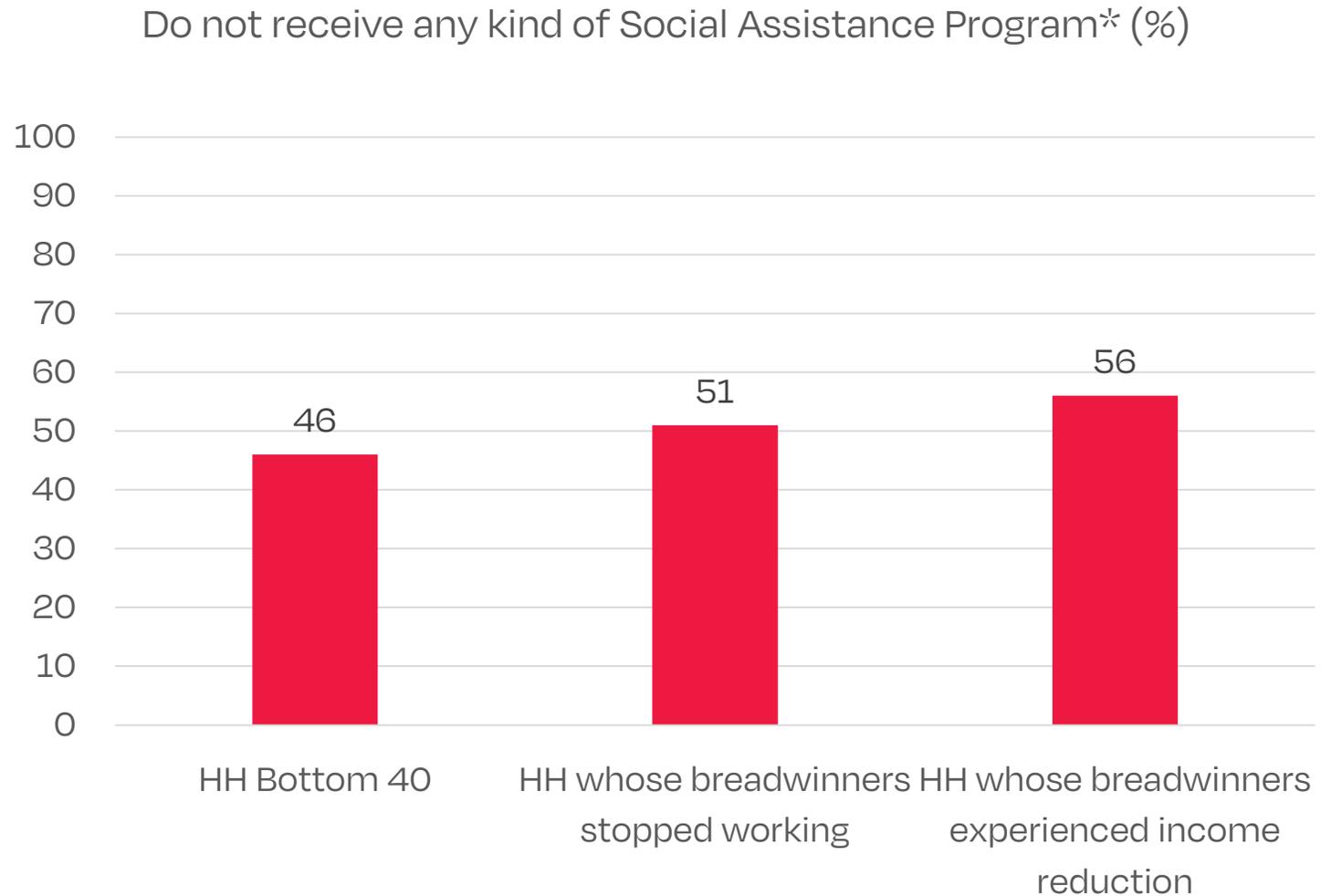
But, around one-third of households who experience income shocks do not received any



*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

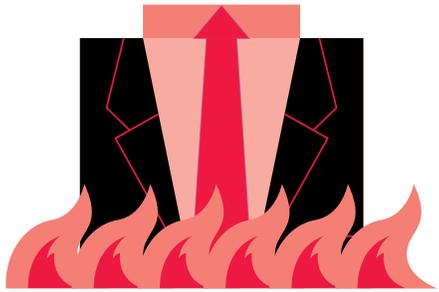
But, around half of households who experience income shocks do not received any



*Includes PKH, Sembako, BLT, Kartu Pra-Kerja, public works

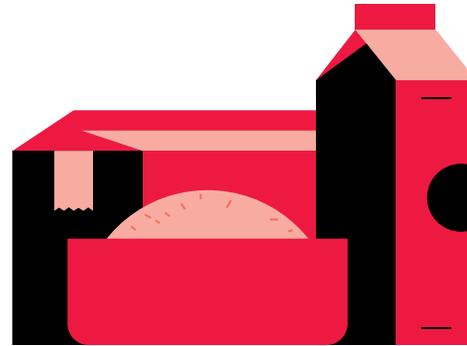
Policy Implications & Next Steps

Potential policy implications



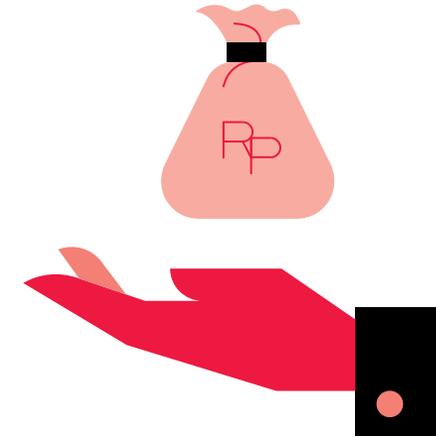
Employment & income loss

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

Next steps



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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