

# The social and economic impacts of COVID-19 on households and strategic policy recommendations for Indonesia

## Pathbreaking collaboration to inform better policy

- Largest survey of Covid-19 yet based on face-to-face interviews with households identified by BPS.
- **12,216 households** surveyed across all 34 Indonesian provinces in **October-November 2020**.
- Particular attention on **children** and **other groups**, women, people with disabilities.

### Sumatera

SUSENAS: 20.7%  
Survey: 20.8%

### Kalimantan

SUSENAS: 6%  
Survey: 6%

### Sulawesi

SUSENAS: 6.7%  
Survey: 6.7%

### Java

SUSENAS: 58.8%  
Survey: 58.7%

### Bali-Nusa Tenggara

SUSENAS: 5.3%  
Survey: 5.5%

### Maluku-Papua

SUSENAS: 2.5%  
Survey: 2.4%



**What are the impacts of  
the COVID-19 pandemic on poverty and  
other livelihood indicators at the  
household level?**

# The impact of Covid-19 on household finance has been severe and is likely to continue in 2021 and beyond



3 in 4 face  
reduced income



Among those who switched  
jobs, 1 in 2 formally employed  
moved to informal jobs



1 in 2 have no  
savings to  
support  
themselves



9 in 10 family  
businesses  
hit



# COVID-19 has impacted many aspects of the Indonesian Households

## Household Finance

The impact of COVID-19 on household finance has been severe



74% face reduced income



51% have no savings



14% primary earners switched jobs

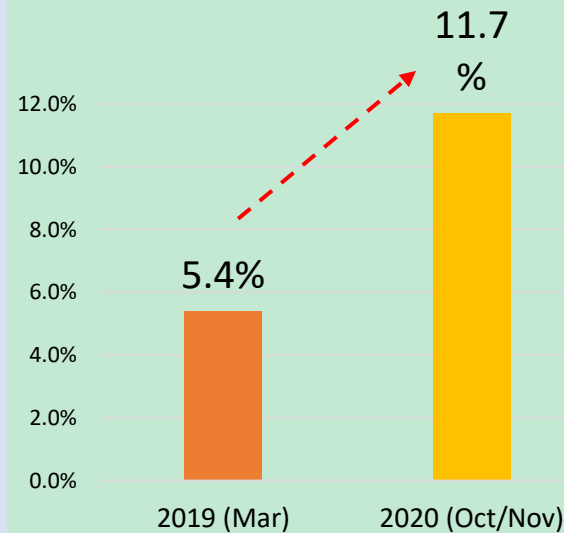


70% primary earners worked from workplaces

## Food Security

More households face insecurity

Proportion of households facing 'moderate to severe' food insecurity<sup>1</sup>



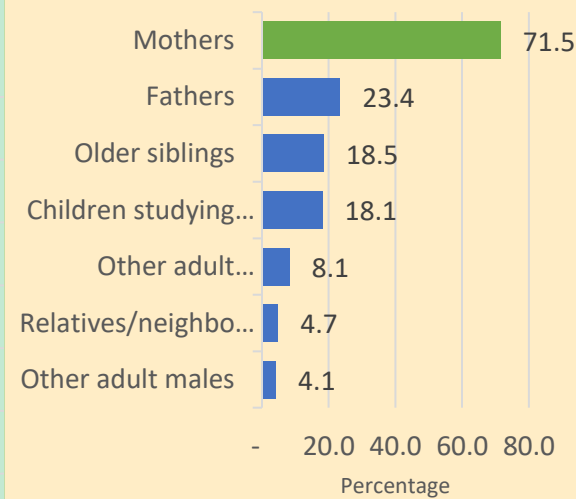
Note:

1. This is a rough estimate based on survey results. There are methodological differences between 2019 BPS estimate

## Gender Equality

Gender inequality widened with additional caring responsibility for women

Main carer supporting children with remote learning (by HH with school-age children)



## Disability

People with disability faced additional challenges

75%

households with a members with disability have lower income than in January 2020

37%

households with a child with disability have not been able to access therapy and other health services.

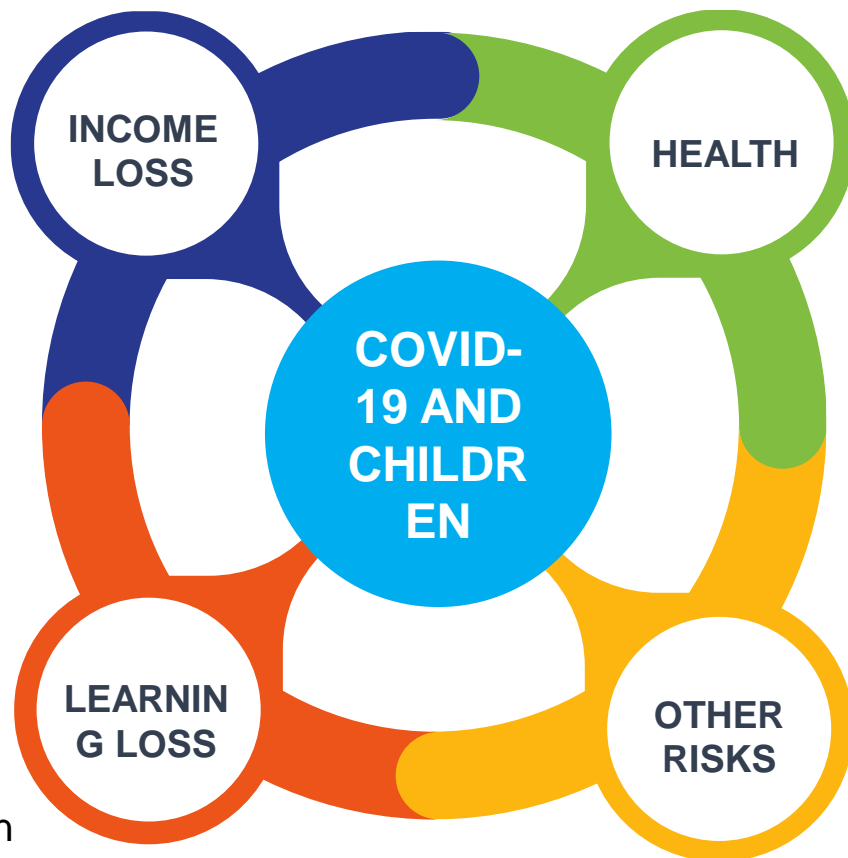
# Children are facing multidimensional challenges

## Income Loss

- 75% households who have children.
- 2.1 million more children in poverty
- 57% HHs with school children in the bottom 40% have difficulties with educational cost

## Learning Loss

- 64% parents concerned about the disruption in learning process
- 44% parents observed their children are less motivated to learn



## Health

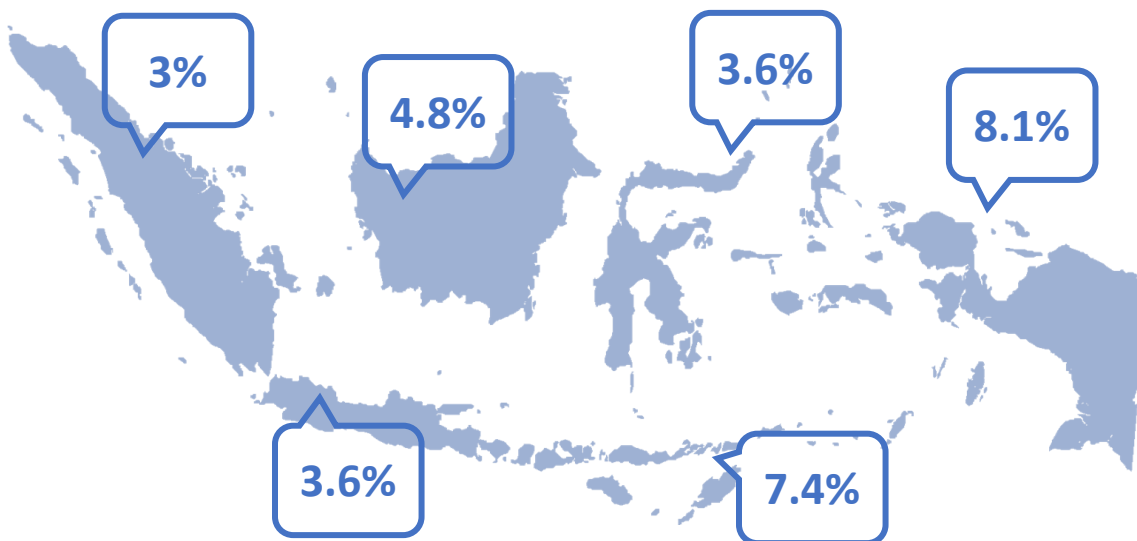
- 40% fear their children will contract COVID-19
- 13% with children under 5 did not vaccinate
  - 18% in rural, 10% in urban
- Children might have inadequate nutrient.
  - Only 9% of HHs with children can consume red meat, and only 38% can consume milk and dairy

## Other risks

- 45% reported behavioural challenges among their children.
- 7% had at least one child who is working. 2.5% of the working children started since the pandemic.
  - 9% in rural, 5% in urban

# Challenges in learning from home might increase learning inequality

## Households with schooling children who started to use internet since April 2020



## Among HHs with schooling children



### 57% do not have reliable internet

- 59% in rural, 56% in urban
- 63% in Bottom 40%, 37% in Top 20%



### 30% do not have the necessary device

- 23% in rural, 13% in urban
- 23% in Bottom 40%, 7.5% in Top 20%

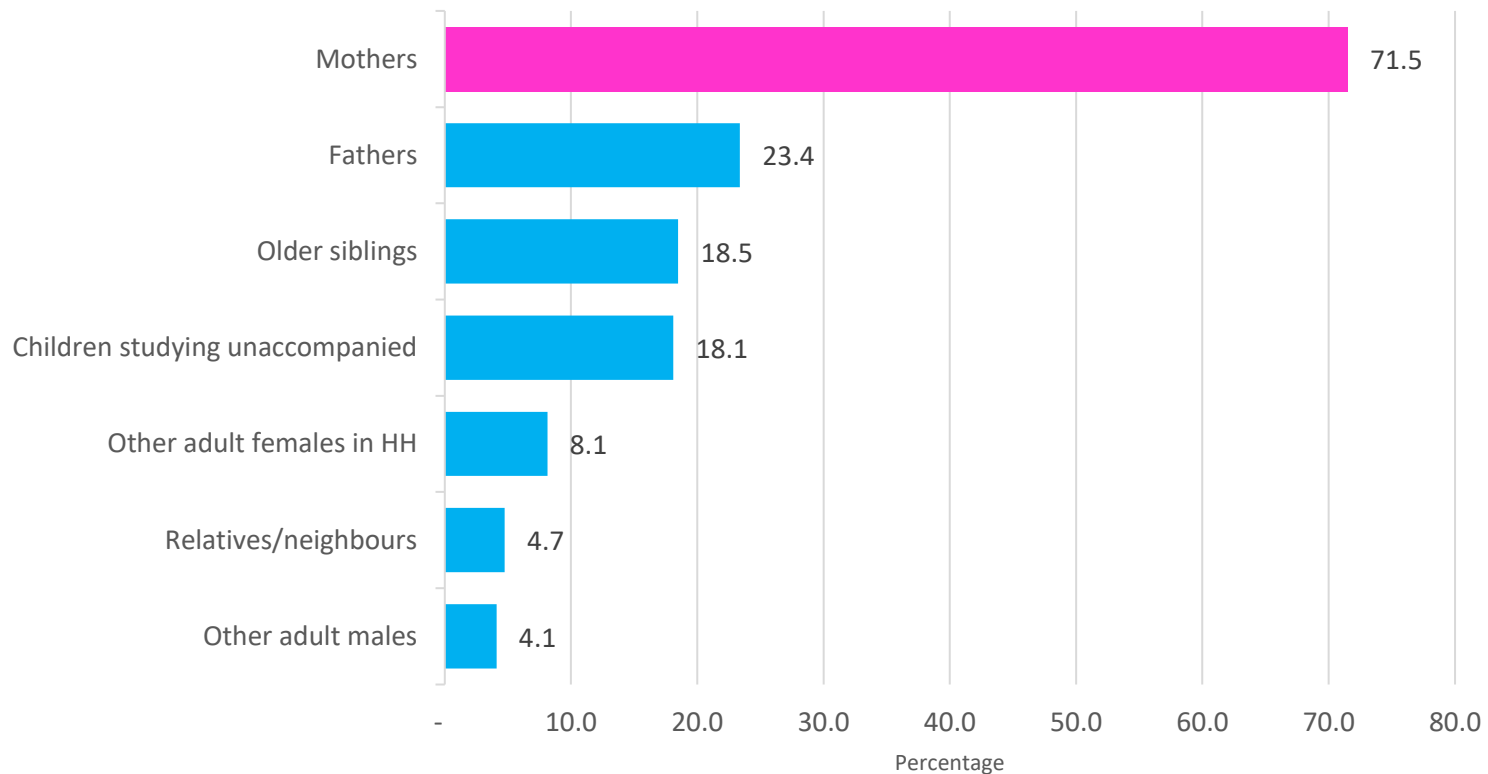


### 35% parents have limited capacity to teach the children

- 36% in Bottom 40%, 30% in Top 20%
- 35% in both rural and urban

## Gender inequalities widen as women take on more responsibilities

### Main carer supporting children with remote learning (by HH with school-age children)



30% of HHs with children spend more time in doing HH chores, **but only 7% said their chores are divided equally among HHs members.**

*“During the mornings, I am an emotional wreck. I have to cook for the family, clean my house, wash clothes, bathe my children. On top of this, I have to help my older child to learn online while carrying my baby.”*

*Mother of two children, Tabanan Regency, 14 December 2020*



# People living with disabilities are struggling in different ways

**8 in 10**

Decrease in  
income among  
households  
with 'mild'  
disability



**1 in 3**

Disruption in access  
to health for  
households with  
children &  
individuals with  
more severe  
disability

*"I have been postponing taking my son for his regular physiotherapy at the hospital. The facility is not closed but I am afraid of getting COVID-19 if I go there. But, his legs have started to get weaker and he says it hurts when he walks."*

# Mental health of children and adults is taking a toll



## Unhappiness, depression excessive anxieties

Head of household 17.2% and their  
spouse 16.2%



### Main reasons

**68.3%** Money and job issues

- 71% in urban, 65% in rural
- 70% in male-headed, 61% in female-headed



**51.9%** worried about being infected and/or  
losing family members to virus.



## Children are under stress

**21%** find it harder to  
concentrate



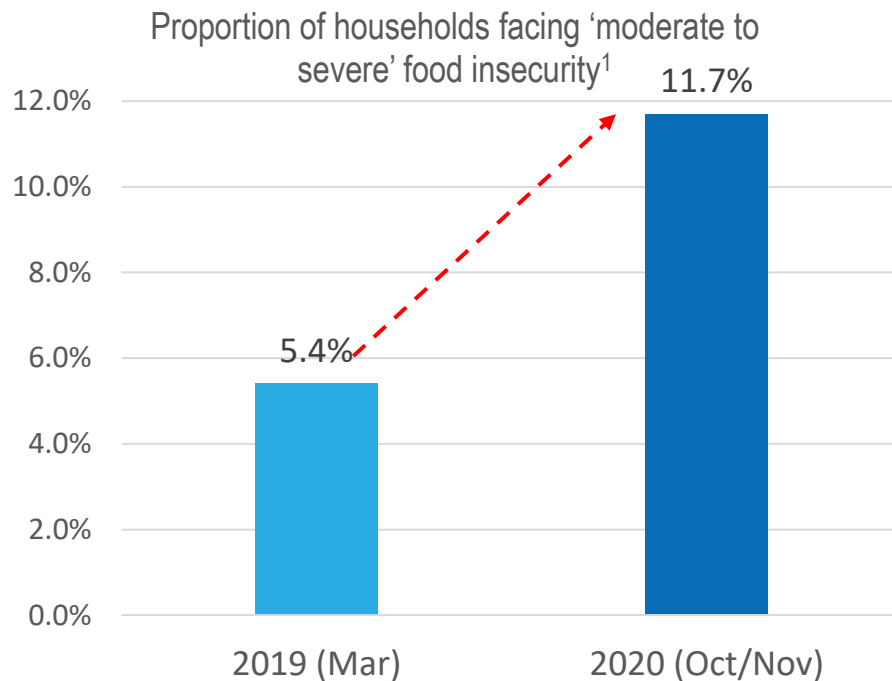
**13%** becoming angry and  
rebellious more often

**7%** sad



**6.5%** trouble sleeping

# Food insecurity is a watchpoint



Note:

1. This is a rough estimate based on survey results. There are methodological differences between 2019 BPS estimate.

2. We exploit the provincial variation of change in people mobility as a proxy of social distancing measure and we find that decreasing mobility increase the food insecurity score. The data is an average from April 1<sup>st</sup> to October 31<sup>st</sup> from the COVID-19 Community Mobility Reports for Indonesia. 3. Mild food insecurity: at least answer one "Yes" from the eight questions.

## Percentage of HHs with moderate to severe food insecurity

- 15% of HHs with member with disabilities
- 14% of female-headed HHs and of Bottom 40 HHs
- 13% of HHs with children

**Mobility restriction also increase the mild food insecurity<sup>2</sup>. And the impact is higher for:**

- Poorer households
- Households with children

Food Insecurity Experience Scale (FIES) Survey Module (FAO)

Q#	FIES Indicator	
1	WORRIED	Light
2	UNHEALTHY	
3	FEWER FOOD	
4	SKIPPED MEAL	Moderate
5	ATE LESS	
6	RAN OUT	Severe
7	HUNGRY	
8	WHOLE DAY WITHOUT	

**What are the key  
recommendations to  
support social protection  
system in the post-COVID19  
recovery?**

## Social assistance is reaching many people in need but it could reach farther

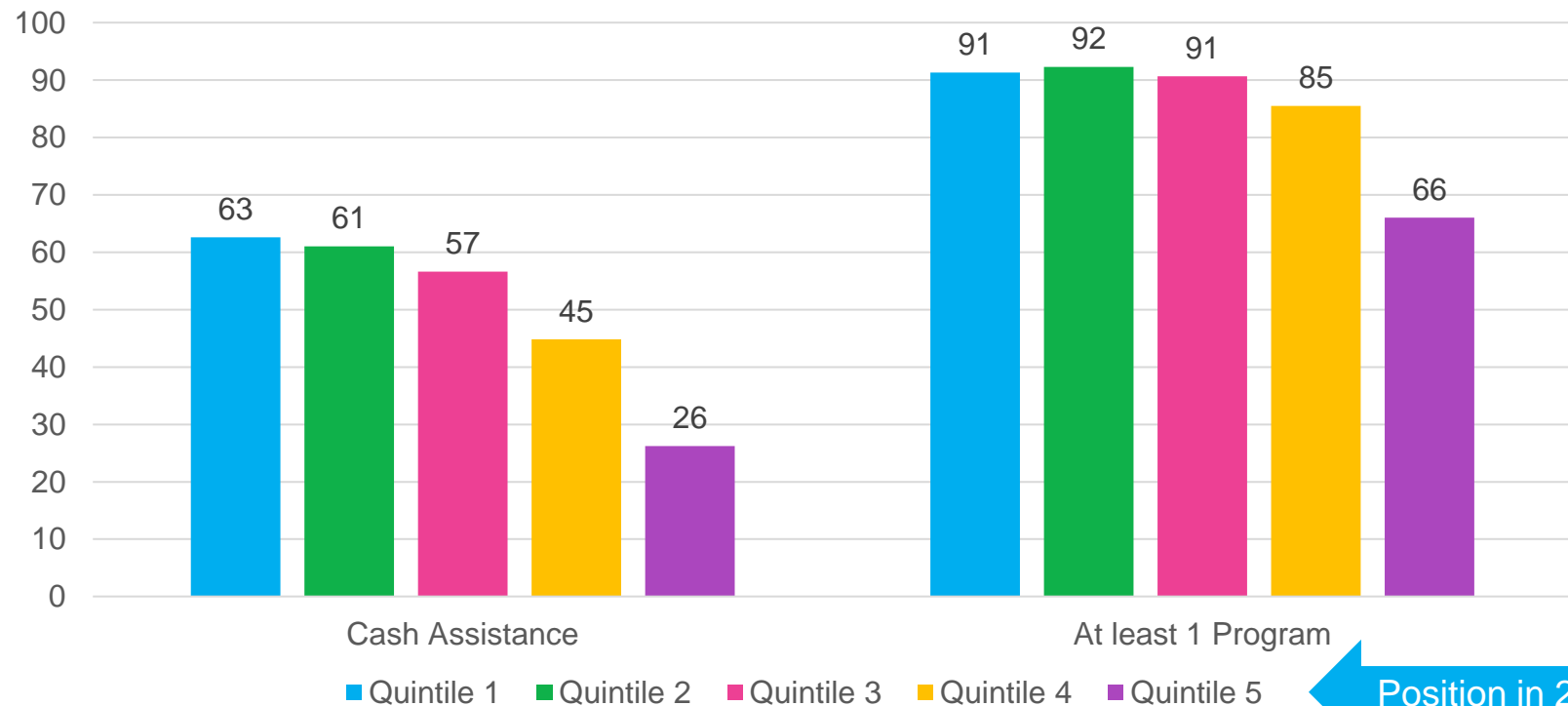
**85%** received at least one form of social assistance

**51%** received cash assistance

But **1 in 3** in bottom 40% did not receive cash

- 33% with children, 41% in urban areas did not receive

### Poorest and most vulnerable received the most support



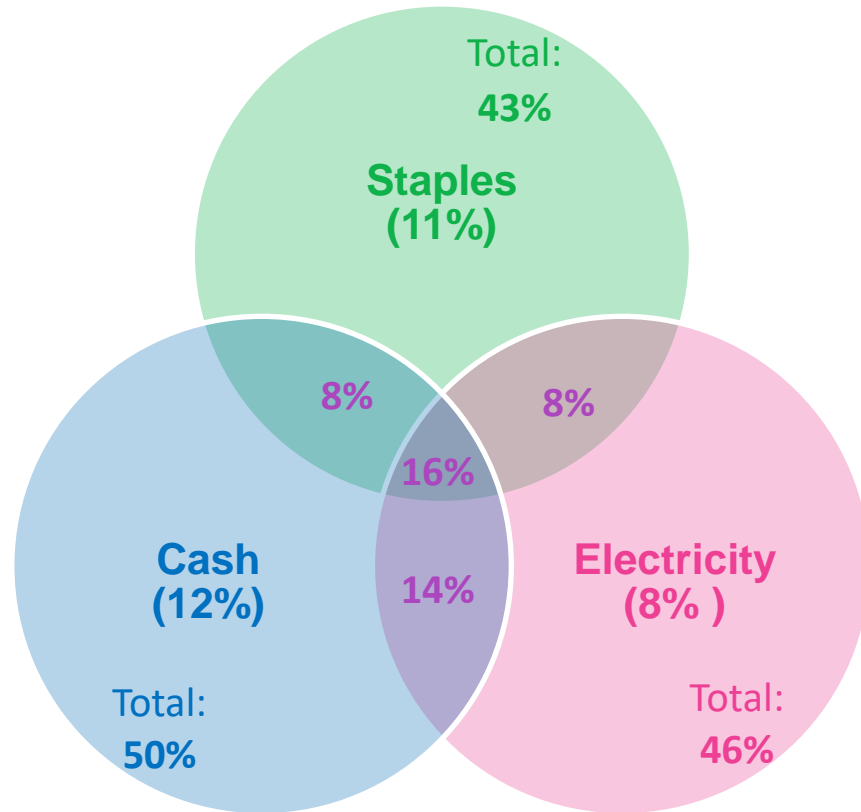
Position in 2019

But, households in all quintiles were impacted by COVID-19 pandemic in 2020

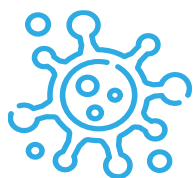


# Many people received complementary assistance

Complementarity among three largest programs by all recipients (in %)



## Very few running a small family business received support

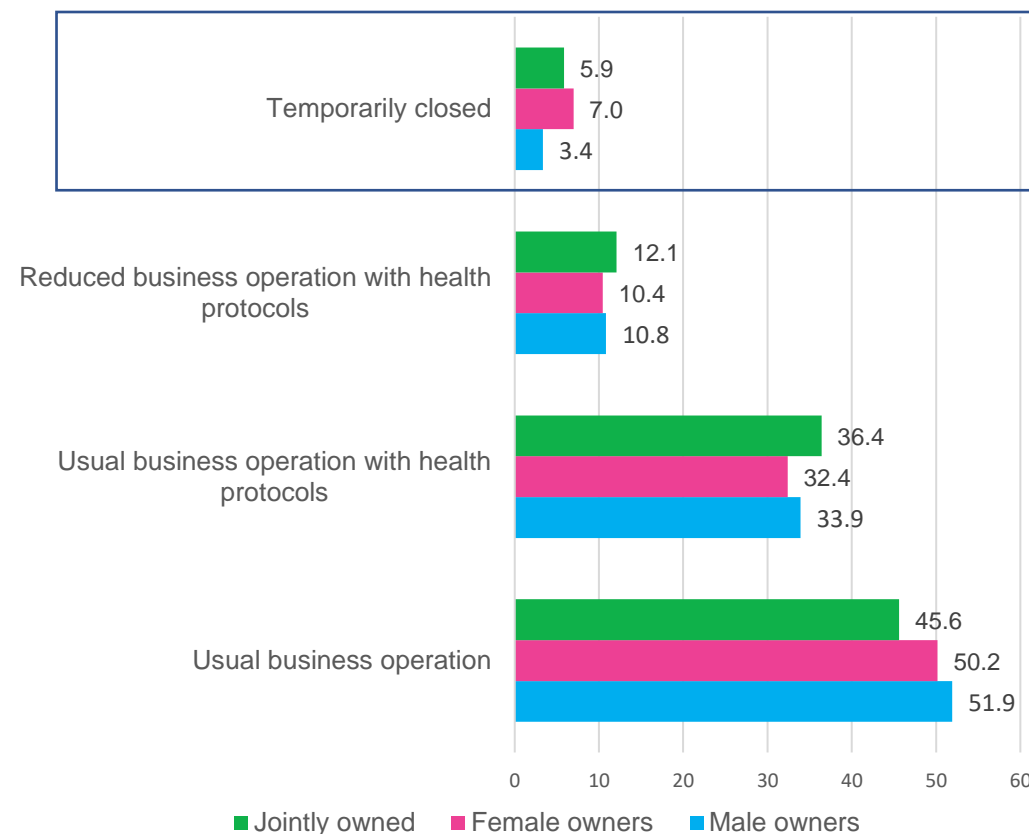


90% of households with business\* impacted by COVID-19 shocks



Only 7,5% received business support\*\*

### More female owned business had to close down



\*One third of all households has at least one member running a business

\*\*This is much lower than findings in typical business survey because this joint-survey is based at household level, instead of business. Hence, it is more likely to capture the smallest and most informal business. Caveat: Survey may have underreported individual programs such as BPUM because of the timing of program rollout.

## Nevertheless, there is room to reach more poor and vulnerable households

### Sumatera

Cash: 52% | B40: 66%

In-kind: 77% | B40: 78%

### Kalimantan

Cash: 49% | B40: 73%

In-kind: 70% | B40: 83%

### Sulawesi

Cash: 58% | B40: 68%

In-kind: 73% | B40: 83%

### Java

Cash: 49% | B40: 60%

In-kind: 81% | B40: 90%

### Bali-Nusa Tenggara

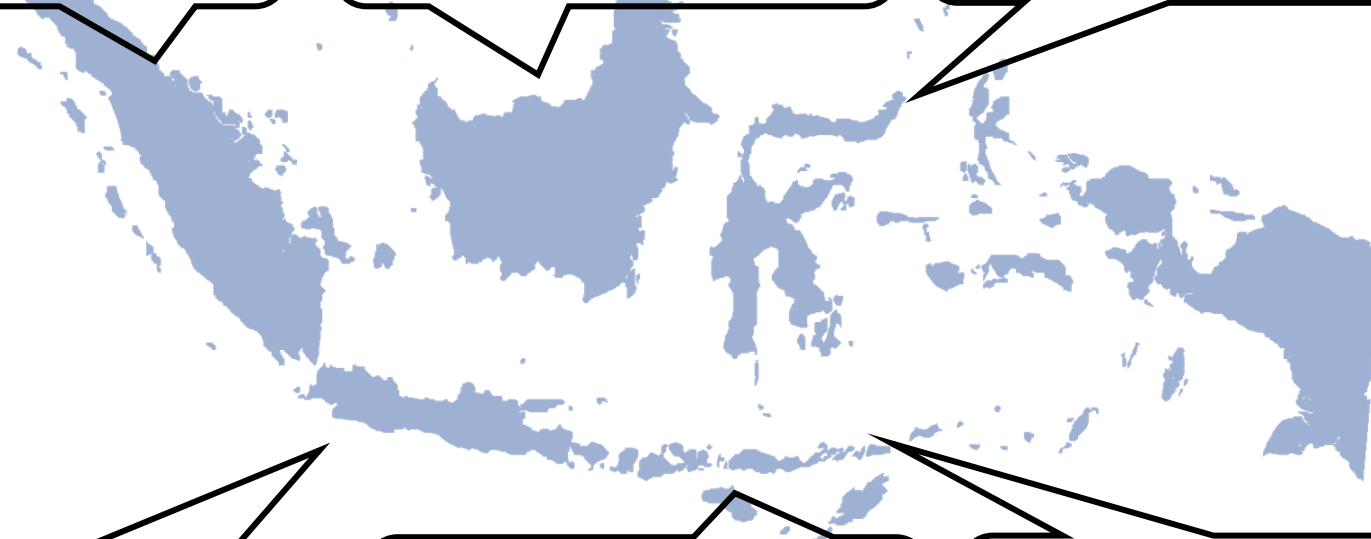
Cash: 63% | B40: 77%

In-kind: 78% | B40: 83%

### Maluku-Papua

Cash: 43% | B40: 57%

In-kind: 70% | B40: 79%





## Recommendations for building on effective social measures to reach more people



**Expand  
food  
assistance  
& combat  
supply  
disruptions**



**Maintain  
support to  
lower  
middle and  
middle class**



**Continue to  
assist more  
family  
businesses  
to recover**



**Extend  
social  
assistance,  
mainly for  
all children**

## Create pathways to support children and vulnerable group more



Ensure  
children to  
have  
quality  
learning



Keep children  
healthy and  
nourished



Protect children  
and vulnerable  
groups from  
violence, abuse  
and stress



Recognize  
and reduce  
women's  
care work



Enhance social  
protection to  
households and  
minimize health  
disruption

## Accelerate investments to improve delivery

Develop user friendly medium with up to date information about social assistance and business support programs

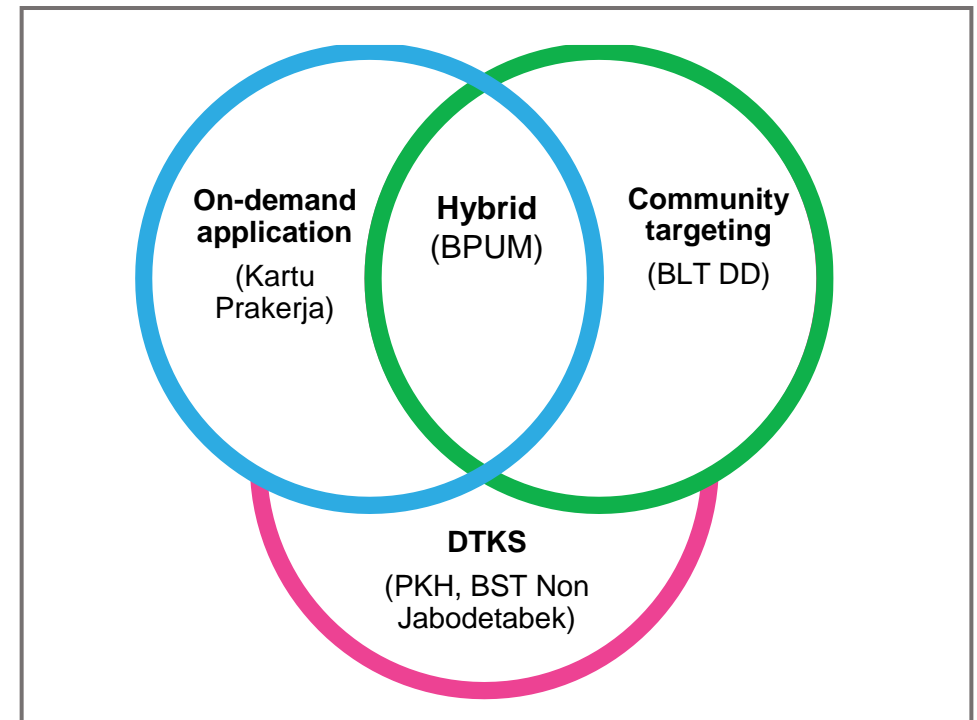


**1 out of 8 cash transfer recipients** did not know which program they had received.



**4 out of 10 households** with microbusiness unaware about available support.

Link new registrations to social assistance into single database for future targeting



**Thank you**