

# Responding to COVID-19 in Indonesia

A community-side story of quick response and gradual adaptation of the low and middle income segment to the global pandemic

December, 2020

# About this report

- The first eight months of 2020 have been difficult for almost everyone around the world. The COVID-19 pandemic, the only event in the past 100 years with such unprecedented impact, has claimed 965,071 lives across the globe and crippled the economy of numerous countries. In a nutshell, 2020 has so far witnessed restricted mobility, a constant fear of exposure to the virus, loss of income, and loss of loved ones.
- We have been tracking the impact of the pandemic on low- and middle-income (LMI) households, which have uncertain and irregular incomes. As per our data, the monthly income of these households ranges from USD 95 to USD 716, with a median income of USD 341.
- We conducted two rounds of data collection in Indonesia, as part of multi-country, multi-round research. For the first round of data collection on the impact of COVID-19 on LMI people, we interviewed 80 LMI households in April, 2020. The second round was conducted in July, with 241 LMI households across the three main islands of Java, Sumatra, and Bali in Indonesia. In both rounds, we collected the data through telephonic interviews.
- Please see Annex 1 and 2 for the research methodology and a note on the difference between data collected for rounds 1 and 2.
- Wherever possible, we have compared data between April and July, 2020. We encourage you to visit this interactive data dashboard here.
- This research is part of a multi-country research initiative to understand the impact of COVID-19 on LMI segments across Asia and Africa. Refer to our global report here.



## Lead authors:

Rahul Chatterjee

Agnes Salyanty

Alfa Gratia Pelupessy

## Reviewers:

Graham A. N. Wright

Raunak Kapoor

## Contributions:

**Data quality assurance:** Mohak Srivastava

**Data collection support:** RISE Indonesia

**Copy edit support:** Dhruvi Sharma

**Design support:** Vinod Hatwal

# Table of contents

01

About the report

02

02

Executive summary

04

03

Recommendations

05

04

Main findings

09

05

Annexes

21



## Executive summary

- As the Government of Indonesia (Gol) progressively lifts restrictions, the number of positive cases of COVID-19 in the country has now surpassed 400,000. This places Indonesia among the top 20 countries in the world with the highest number of COVID-19 cases.
- With the relaxation of movement restrictions across many locations, the number of positive cases is on the rise again, especially in certain new clusters, such as factories and educational institutions including schools and colleges. The virus also continues to enter homes as infected workers pass it on to their family members.
- Though misconceptions about the symptoms of COVID-19 are still prevalent, the level of awareness has increased in the LMI segments. However, the urban LMI segment is relatively less concerned about the serious health repercussions of COVID-19.
- The LMI segment prefers to visit formal healthcare facilities including private hospitals or clinics as well as public health facilities. However, the unavailability of doctors, social pressure, and fear of infection discourage this segment, especially women, to access healthcare.
- Gol has allocated a budget of more than USD 45 billion for various social protections programs, most of which are targeted at the vulnerable sections, including LMI segments.

We believe, in the medium to long term, the Gol may need to pursue certain structural reforms for better preparedness to deal with such pandemics in the future. Given below are some measures for the government to tackle the current situation:

1. Focus on specific high-risk clusters and run targeted communication campaigns. Also enforce stricter safety protocols and make contact tracing procedures more effective;
2. Promote the use of telemedicine as a complementary service that supports government health facilities;
3. Continue to extend a social security net to vulnerable segments and develop a robust targeting approach to minimize inclusion and exclusion errors.

# Recommendations



# Recommendations on immediate measures



1. Focus on specific high-risk clusters and create targeted communication campaigns focused on misconceptions and the lack of health related knowledge towards COVID-19

- Since July, factories and education facilities are the top two clusters of COVID-19 transmission, which then potentially lead to widespread community transmissions. The local government should monitor both the number of cases and transmission patterns closely, and determine whether a lockdown is required. The government should also increase testing rates in other potentially high-risk clusters, such as in traditional markets, in a densely populated residential areas, or in other areas where the public gathers in huge numbers.
- The local government should collaborate with municipal representatives of both the Manpower and Education ministries to mandate factory owners and education institutions to impose certain minimum protocols. This would help mitigate the risk of transmission in the workplace as well as educational facilities. The measures could include mandatory testing at a pre-defined frequency, strict adherence to hygiene protocols, and adequate air ventilation systems for indoor venues.
- Local governments need to take a more strategic approach for the communication of health protocols and adopt effective above-the-line and below-the-line communication campaigns, including extensive involvement of frontline workers and local community leaders. For example, a cassette-based or digital recording to remind people of the health protocols is a good low-cost campaign method. The authorities can broadcast the recording through existing loudspeakers in places like factories, schools, and village mosques during the break.
- The contact tracing ratio of Jakarta, the capital city, holds the highest incidence of COVID-19 cases by 1:8. This is significantly below the WHO standard of 1:25. While the local administration has ramped up efforts to identify volunteers to undertake extensive contract tracing, similar efforts are needed at the national level to control the spread of the virus while the number of confirmed cases is still low.

## Recommendations on immediate measures

### 2. Promote the use of telemedicine as a complementary service that supports conventional government health facilities

- The Ministry of Health has been working with 12 telemedicine providers to provide information about COVID-19, arrange interactive health consultations with licensed doctors, and to connect patients to hospitals. On the other hand, Puskesmas\* health clinics have been the backbone of accessible\*\* primary healthcare services for all segments, especially the LMI segment. The Ministry of Health should collaborate with telemedicine providers to include Puskesmas in the telemedicine ecosystem. This can be done by running a pilot that lets telemedicine app users book appointments with polyclinic doctors in a selected Puskesmas. This can help LMI households that prefer to visit Puskesmas to access more affordable health facilities. Countries like South Korea have successfully extended telemedicine facilities in primary healthcare facilities.

### 3. Continue to extend a social security net to vulnerable segments and develop a robust targeting approach to minimize inclusion and exclusion errors

- The Ministry of Finance has submitted a bill for the 2021 national budget that includes an extension of the current G2P program. In continuation of our recommendation on the first round of the study, the government should incorporate a system to tag a range of vulnerable groups, such as the elderly and disabled as well as migrant workers, as part of the updated integrated social welfare database (DTKS).
- In cases where the government has expanded G2P programs, such as PKH and Kartu Sembako, the Ministry of Social Affairs (MoSA) should re-map the workload capacity of the appointed social facilitators responsible for both technical monitoring and reporting. If needed, MoSA can openly recruit social facilitators based on the number of targeted beneficiaries to maintain an optimum\*\*\* ratio between the facilitators and beneficiaries.
- The pandemic urges Gol to implement more adaptive G2P programs. Changes are inevitable in the benefit amount, program, targeted beneficiaries, among others. Hence, social facilitators need appropriate skillsets to mentor and empower the poor. For this, MoSA should consider digital channels for training and capacity building of the social facilitators.

\*Puskesmas are government-mandated community health clinics that provide healthcare on the sub-district level across Indonesia.

\*\*World Bank analysis of Indonesia's primary healthcare supply-side readiness shows that Puskesmas are more accessible, measured in time, as only 2% of the national population took more than an hour to reach a Puskesmas.

However, the proportion of the population that faces this travel time was much higher in Papua and in East Nusa Tenggara.

\*\*\* According to MoSA research, the optimum ratio between PKH facilitator and beneficiaries is 1:150-200.

## Recommendations on medium to long-term structural reforms

The government may need to pursue certain structural reforms for better preparedness to deal with such crises in the future

Based on existing challenges that Gol faces in the identification, targeting, and authentication of new G2P beneficiaries, we list potential steps that can help improve the quality of the G2P programs:

- Use alternative databases and electronic verification systems to identify and target new beneficiaries for social assistance programs: The government uses the Integrated Social Welfare Data (DTKS)\* to target all beneficiaries under the social assistance programs. A major issue for the government is opening bank accounts or e-wallets for new beneficiaries. The quality of beneficiary data, either obtained through DTKS or self-reported in case of new programs, does not comply with the customer due diligence requirements of financial service providers, as mandated by OJK. This delays the transfer of emergency funds or in-kind benefits to vulnerable people. The government could utilize the existing databases of some large financial service providers to cross-verify the identity details of new beneficiaries to open accounts and transfer benefits. Such a mechanism can complement ongoing efforts to identify new beneficiaries. This includes the identification of new beneficiaries by local government officials, such as village heads, and in some cases, self-reporting by beneficiaries to enroll for government programs.
- Implementation of biometric-based authentications, linked to the national ID database, for social assistance delivery: This is another critical policy measure that could make the delivery of social assistance programs more robust in the future. This is already included as one of the building blocks in Gol's G2P transformation vision. The government should expedite its implementation in the wake of the current crisis.
- Prepare a social security database to identify different vulnerable segments and clean the entire social security database to ensure the quality of data: The efficiency of a G2P program depends on the quality of the database. Our first round of study recommended that the Gol match the basic demographic details of beneficiaries with the database of unique ID numbers (NIK). Additionally, the government should also periodically clean its entire social protection database by linking it to other government databases. This will help remove duplicates, update eligible beneficiaries, and identify incomplete and inconsistent data. The program should allow newly enrolled beneficiaries with no formal accounts to self-report the details of either their bank accounts or e-wallets. With this, payment service providers do not have to scramble to open accounts for a large number of beneficiaries and minimize errors in data input.

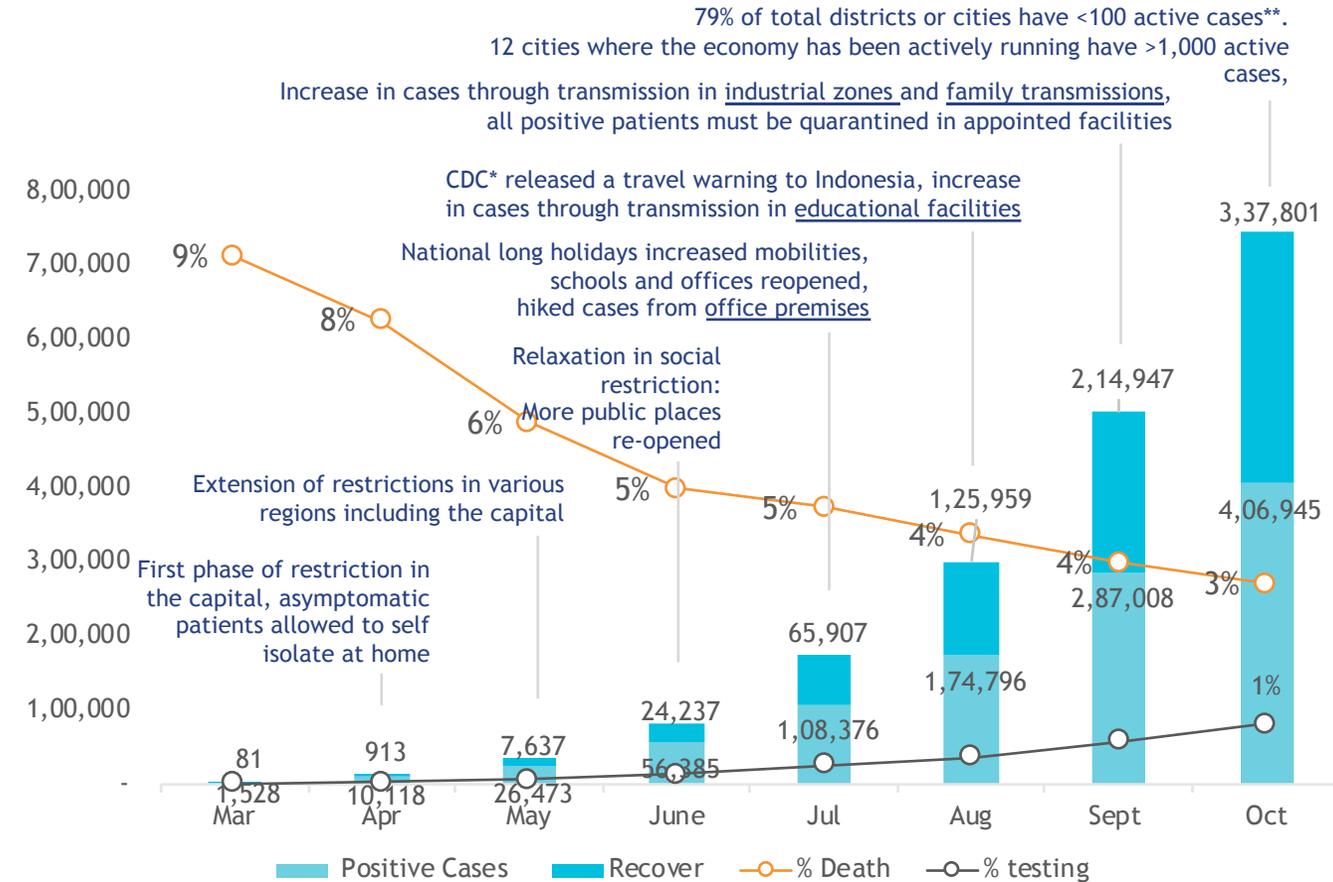
\* The Integrated Social Welfare Data (DTKS) for the Social Protection Program is an electronic data system that contains social, economic and demographic information from individuals with the lowest welfare status in Indonesia.



## Main findings

# In response to the rise in COVID-19 cases and its economic repercussions, the Government of Indonesia allocated more than USD 45 billion (~IDR 677 trillion) to cushion people's livelihoods and the economy

COVID-19 cases in Indonesia, as of 31st October, 2020



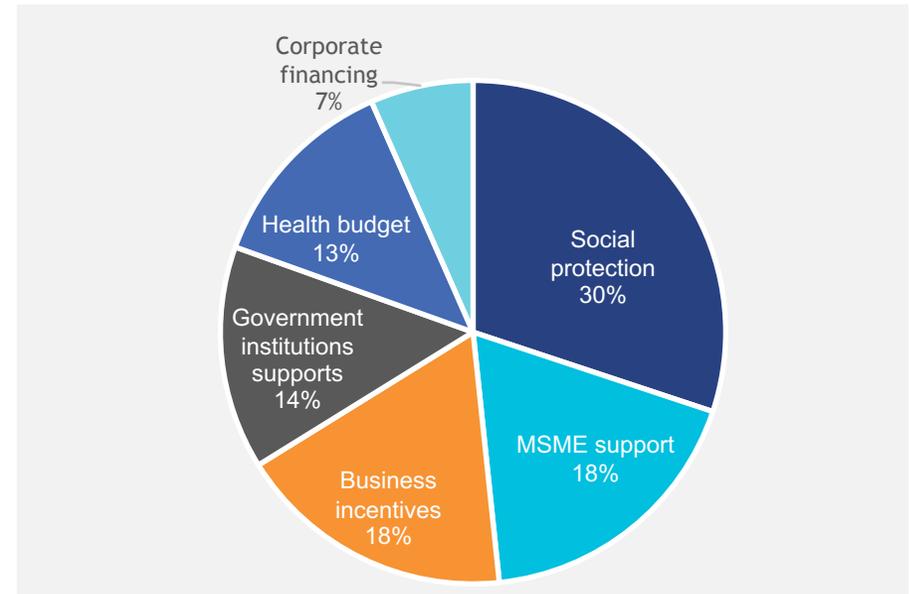
Sources: WHO, infeksiemerging.kemkes.go.id, covid-19go.id

\*CDC: Centers for Disease Control and Prevention

\*\* Active cases: The number of confirmed cases minus the number of recovered cases and deaths. Active cases are considered infectious.

At the end of March, the President of Indonesia declared a public health emergency through a presidential decree and ordered large-scale social restrictions, including in public facilities and transportation. This mandated all regional policies to align with the decree.

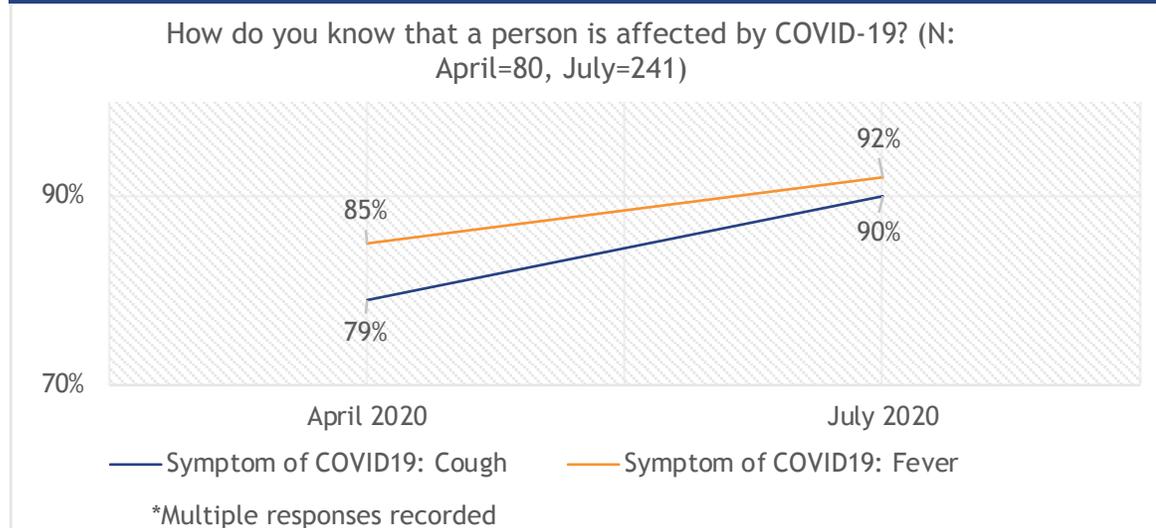
In response to the health situation and to mitigate the social and economic effects of the pandemic, the government allocated USD 45.83 billion (~IDR 677.2 trillion) for the affected groups. The chart below presents the details:



# The government's efforts to increase the awareness of COVID-19 preventive measures among LMI segments have succeeded, with significantly more people who follow correct practices now

Social media (92%) is the main source of information, followed by TV (79%) and personal social networks, including friends and relatives (44%)

More than 90% of the people are aware of the two most common symptoms of COVID-19 (N: April=80, July=241)\*



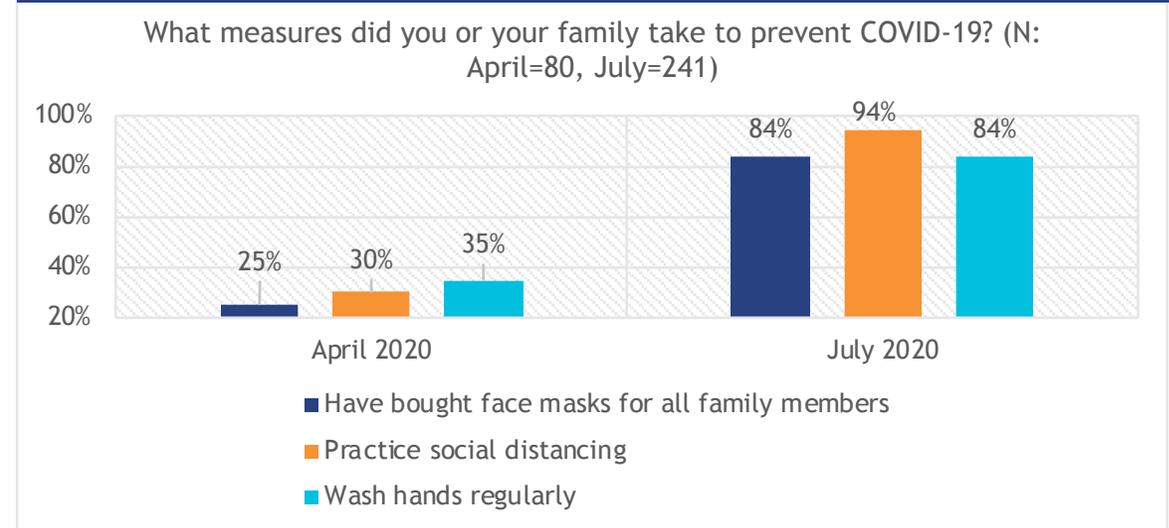
- Relatively less common symptoms are also known to many, including breathlessness=73% and a sore throat=53% (July, 2020)
- 90% of respondents are aware that the symptoms are not always noticeable, such as in asymptomatic cases (July, 2020)
- 81% mentioned (July, 2020) about “coming in contact with infected people or objects” as the major reason for the spread of the disease

Contacting infected people: April=67%, July=61%\*\*

Touching infected objects: April=14%, July=20%\*\*

\*\*In the April data, multiple responses were allowed for this question. We made it a single response question in July data to make the responses more specific.

Significant improvement is visible in the use of masks, handwashing, and adherence to social distancing guidelines



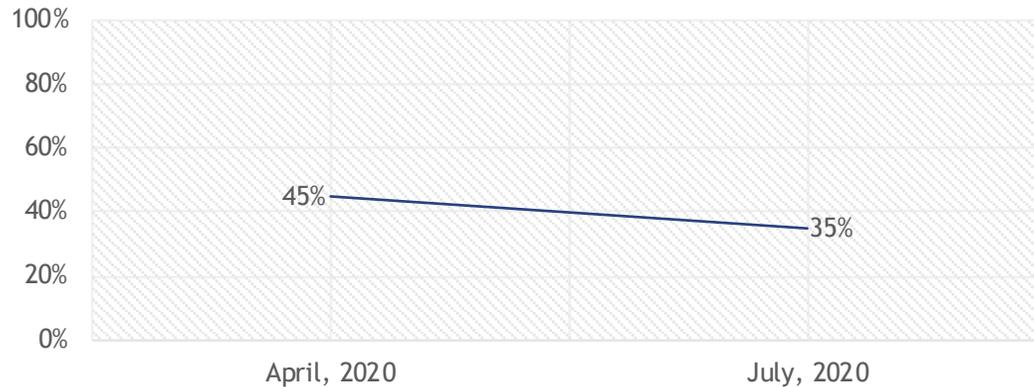
- People no longer just purchase masks, they wear them too. 90% of respondents reported wearing face masks every time they went out in the past week. (July, 2020)
- 65% of respondents feel that “most people follow government guidelines about the prevention of COVID-19” (July, 2020)
- 61% feel sad and worried about the current economic situation and the fact that the pandemic is getting worse (July, 2020)

# As people adapt to the relaxed social restrictions, the fear of COVID-19 is in decline

Probable causes of the reduced fear include a high rate of recovery rate from COVID-19, greater concern over economic hardship than the fear of infection, compliance with correct practices, etc.

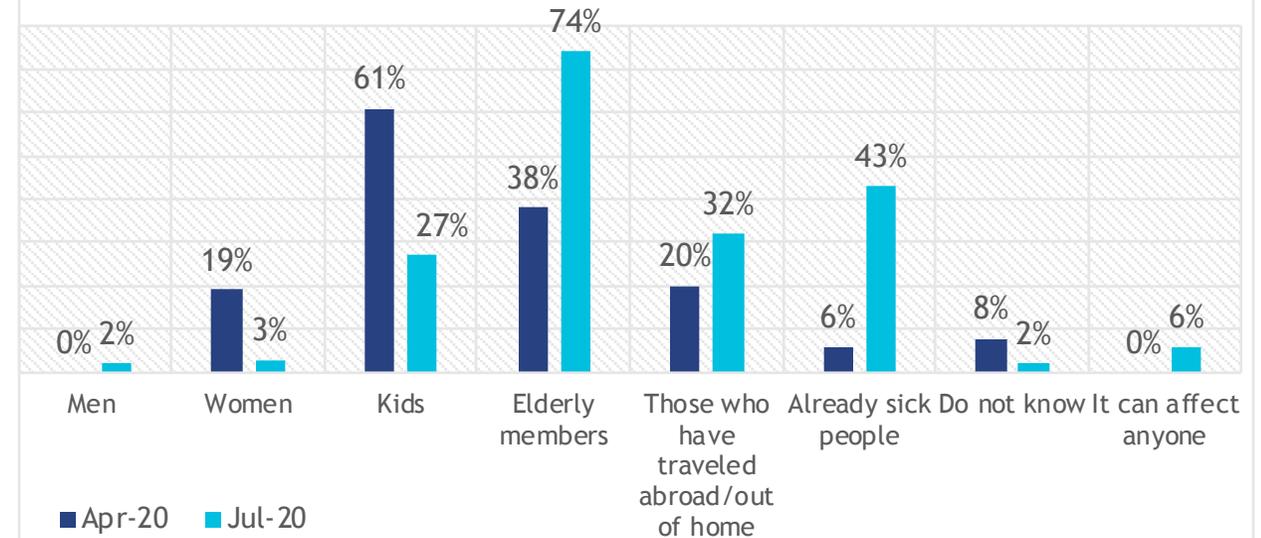
## Fewer people now believe that COVID-19 is a highly fatal disease

How fatal (will lead to death most of the time) is this infection? Highly  
(N: April=80, July=241)



## People are more clear about who is more susceptible to infection

Do you know who among your family members are most prone to COVID 19?



Only a few people know and remember the helpline number

**3%**

Respondents in July, 2020 reported that they know and remember the helpline number

“

At present, the public is not too concerned about COVID-19, despite a rise in the number of patients each day. When will this pandemic end?

- A 35-year-old woman who sells food, from a semi-urban area of Depok

”

# Policymakers need to make efforts to curb misconceptions and identify the segment of the LMI population that struggle to follow correct practices

Proper targeting and appropriate messaging to address the gaps is essential

## Misconceptions towards COVID-19 awareness, though not too high, still exist



1

57% believe that a runny nose is a symptom of COVID-19 (in April, 50% believed this)



2

7% believe that COVID-19 is not dangerous and think people overreact (in April, only 1% believed this)



3

14% believe that herbal medicines can help prevent COVID-19



4

11% believe that COVID-19 is a human-made biological weapon (in April, only 9% believed this)

- Policymakers need to focus on specific socio-demographic segments and create targeted communication campaigns targeted at misconceptions and the lack of knowledge.

\* See this [dashboard](#) for gender-disaggregated data

## Who is less likely to have correct knowledge and more likely to be misinformed?

People from semi-urban or urban areas have more knowledge of those symptoms of COVID-19 that are not as common

Indicator	Rural	Semi-urban	Urban
Symptoms of COVID-19: Sore throat	45%	60%	51%
Symptoms of COVID-19: Loss of ability to smell	1%	24%	10%

More people from urban areas believe that the disease is not serious

Indicator	Rural	Semi-urban	Urban
It is not a dangerous disease	6%	5%	10%

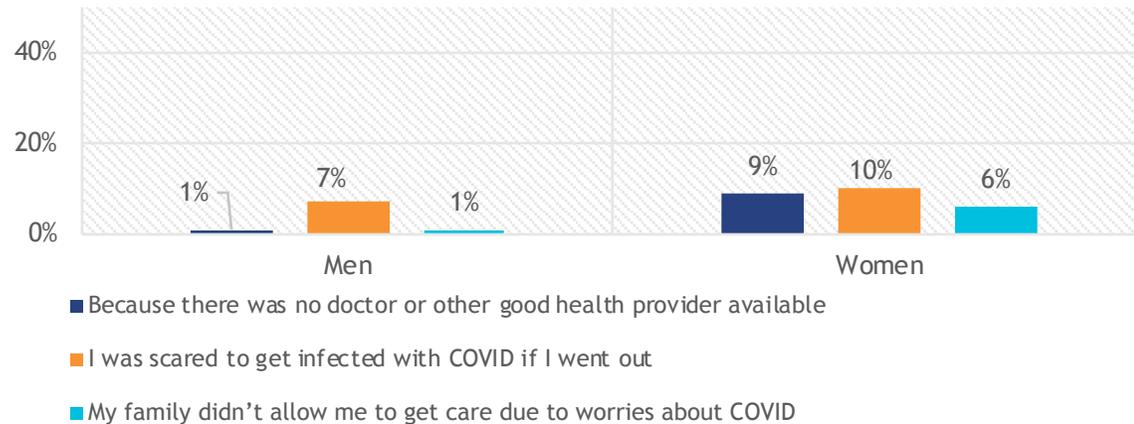
- Women are more aware of the key aspects of COVID-19, as compared to men\*
- Misconceptions are more prevalent among men, as compared to women.\* The assumption that runny nose is a symptom of COVID-19 or that COVID-19 is a biological weapon are some common misconceptions.

# The pandemic has restricted access to healthcare for women

## People prefer to visit private hospitals and clinics

### Issues related to the unavailability of doctors, fear of infection, and social norms restrict women's access to healthcare

Did the COVID-19 pandemic ever result in you not getting healthcare when you needed it? (July 2020; N: men=138, women=103)

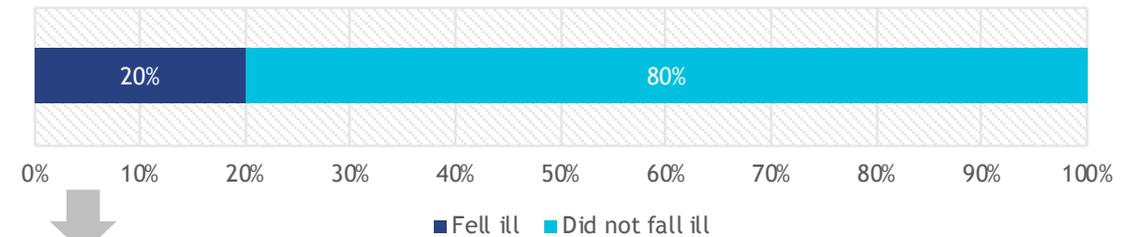


“A neighbor met with an accident. He was first taken to the puskesmas (public health facility) and then referred to the Sardjito Hospital (a government hospital). But his wife was not willing to take him to Sardjito as it was a COVID-19 center and she was afraid of contracting the infection. So she took her husband back home and sought alternative treatment through “shines” (Chinese alternative healer).

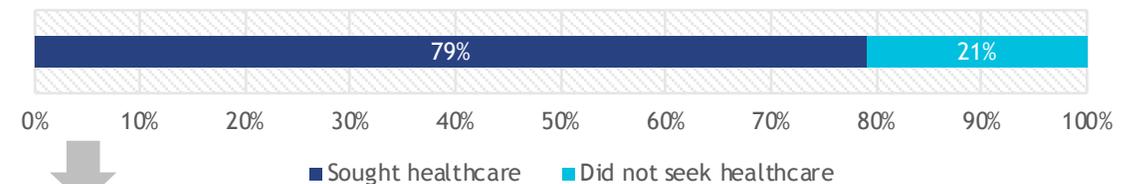
- A 52-year-old food seller woman from Yogyakarta

### Healthcare-seeking behavior at the time of COVID-19

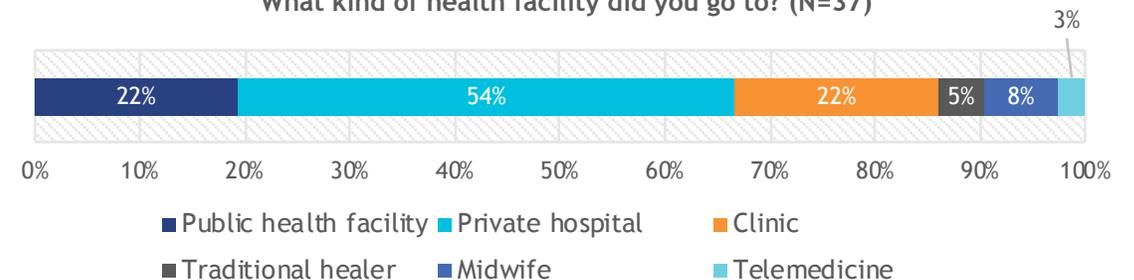
Did any member of the family fall ill in the last three months? (N=241)



Did you seek care for the disease? (N=47)



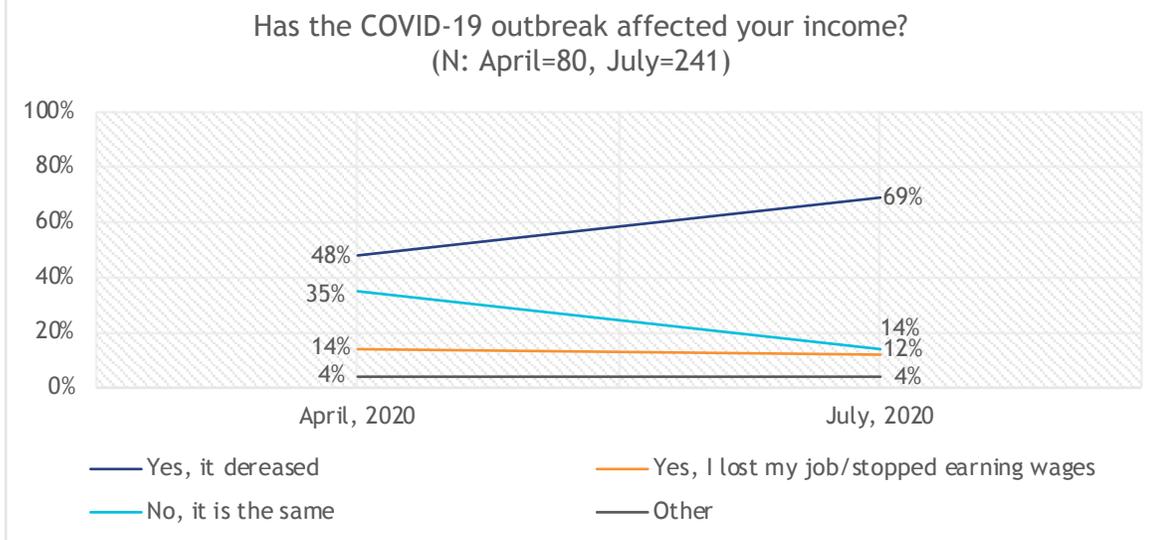
What kind of health facility did you go to? (N=37)



# Between April and July, the economic conditions have worsened for most

The major coping strategies included the control of expenses and opting for new sources of income

In July, 69% of respondents reported a drop in income, an increase of 21 percentage points from April, 2020

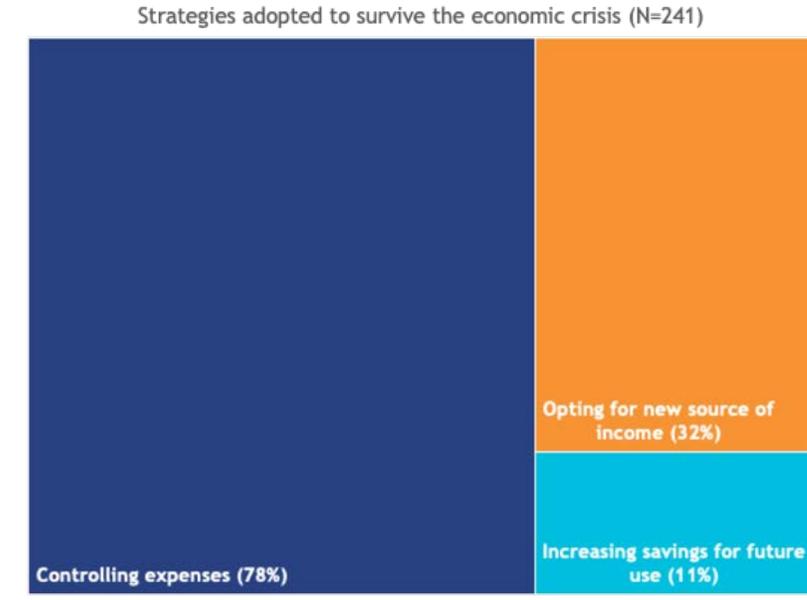


- LMI households reported a 50% decrease in median income in July, 2020 as compared to pre-COVID-times
- 5% have changed their occupation

“During the pandemic, my whole family was unemployed. To tackle the situation, my mother improvised our daily food menus and reduced the portions. I have become thin, it is like I am on a diet.”  
- A 23-year-old woman from Yogyakarta

# N=197, the respondents who mentioned decreased or no income

LMI people have adopted various strategies to cope with the economic crisis (July, 2020)\*



97% believe that this decrease in income is only a temporary

\*Multiple responses recorded

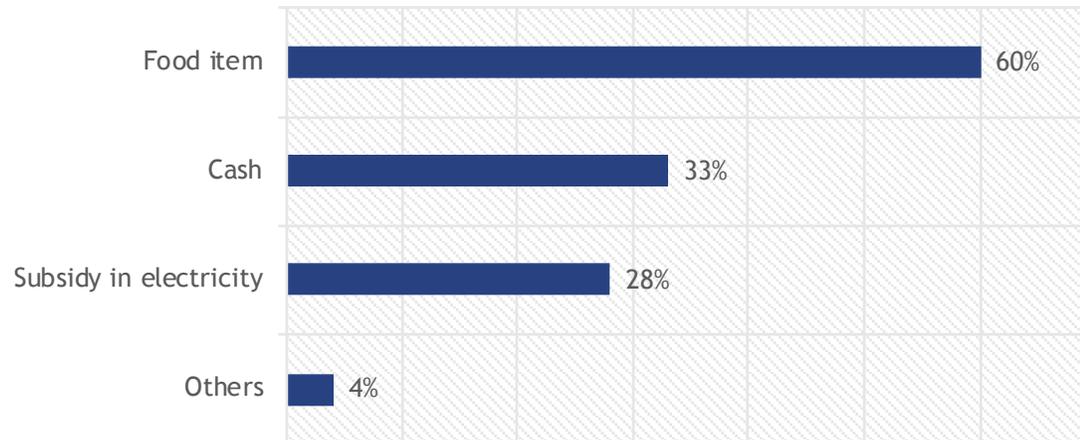
# Half of the LMI segment received government benefits since the onset of the COVID-19 pandemic

The major demands include food supply, subsidies or cash payments, and relaxation of electricity and water bills

- 48% of respondents mentioned they received government benefits since the COVID-19 situation started. (July, 2020)
- The two major forms of assistance people received from the government to control COVID-19 include disinfection of the area (64%) and enforcement of social distancing (53%). (July, 2020)

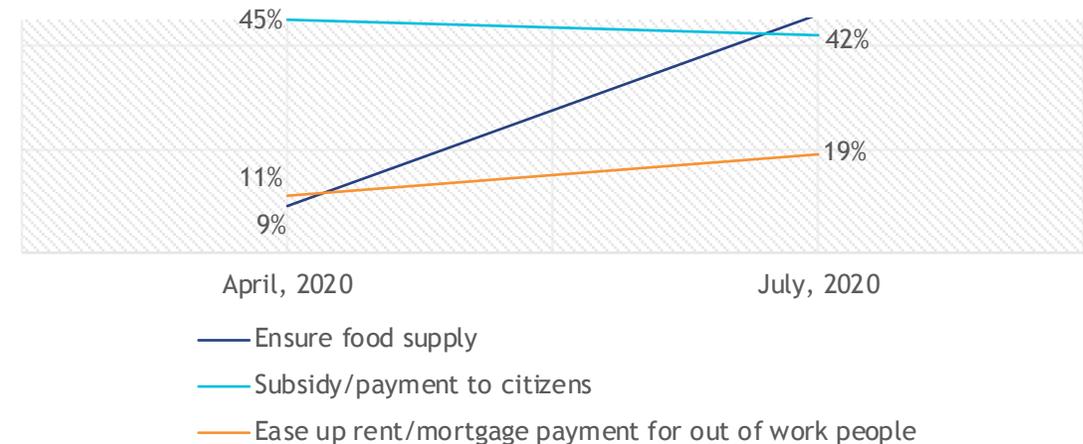
## Food items are the most commonly received government assistance reported by respondents

What benefits did you receive from the government until now (July, 2020)? (N=116 comprising those who received government benefits)\*



## The demand for government support is visible. This can be attributed to a felt need as well as expectation generated from ongoing government support programs

What support do you expect from the government? (N: April=80, July=241)



The sudden increase in the demand to ensure food supply can be attributed to the lockdown, which was imposed between the two rounds of data collection.

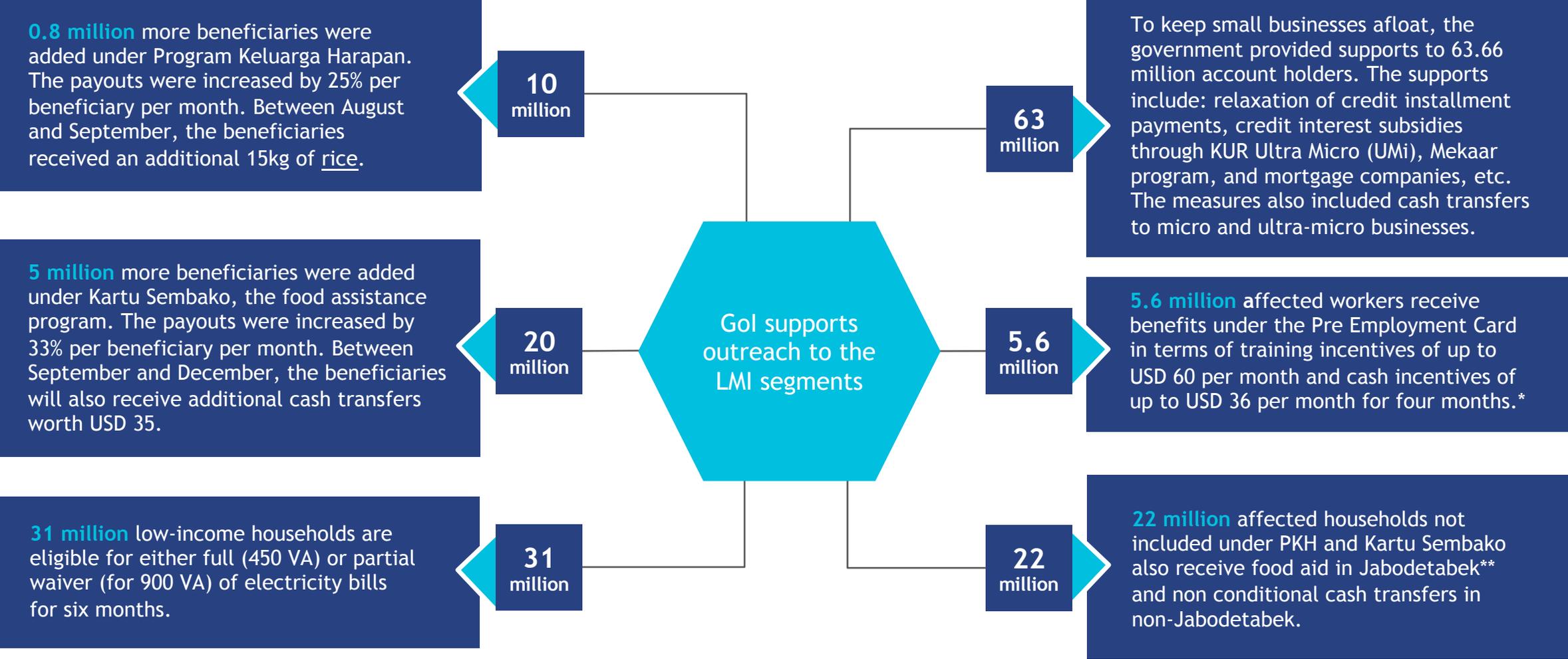
“

The government should continue BLT (direct cash assistance). Many people will be stressed if BLT is stopped.

- A 46-year-old man who works as a private employee from Surabaya

”

# Without government support programs, millions would fall into poverty. Until now, the support for the affected LMI segment has targeted 73 million households, 5.6 million workers, and 63.6 million small entrepreneurs



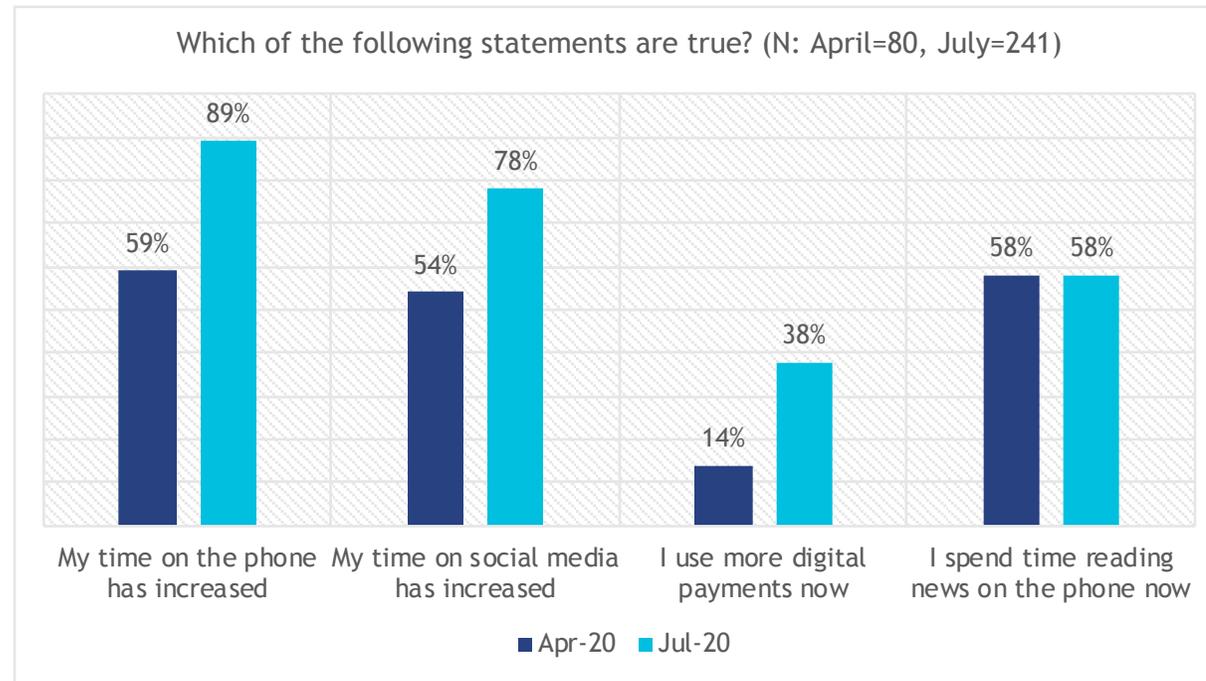
\* Until September, total pre-employment card beneficiaries reach 3.8 million workers

\*\* Jabodetabek: Jakarta, Bogor, Depok, Tangerang, Bekasi



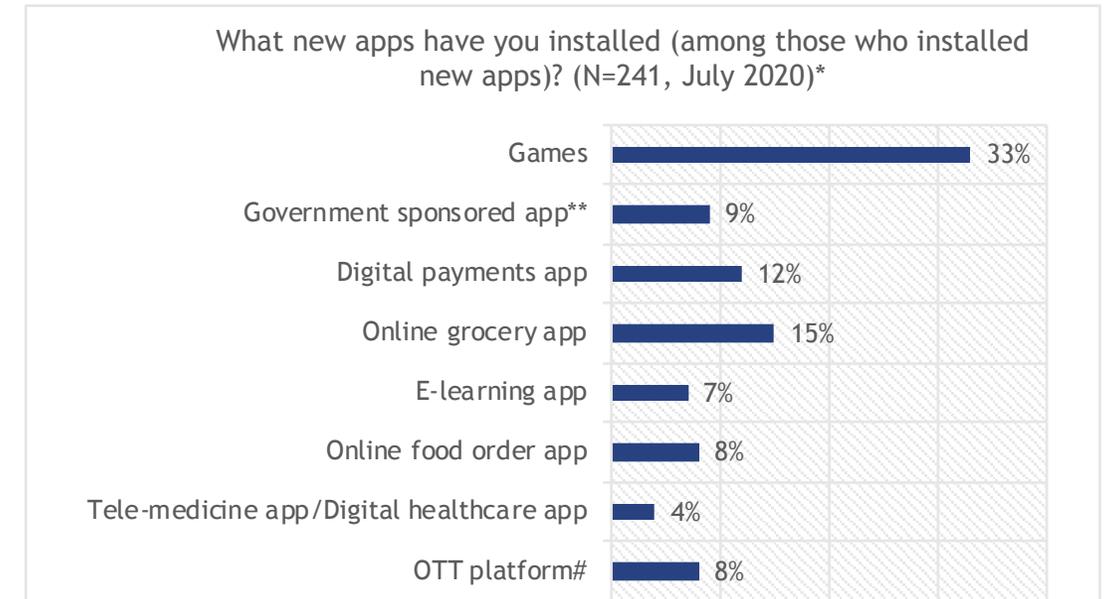
# Both men and women have been rapidly adopting the digital way of life

The policymakers should tighten the regulations to protect the emerging cohort of digital users



- The rise in digital adoption is not without its fair share of challenges. 43% of digital payment users mentioned that the major challenges they face are related to fraud (20%), missing money (6%), or overcharging by agents (17%). Poor network connection (37%) is another major challenge.
- Policymakers need to plan and execute customer protection policies to safeguard the emerging cohort of new digital users. The development of infrastructure to enable digital usage is also essential to bridge the digital divide.

39% of respondents reported that they used some form of telemedicine (chat, video call, dedicated app)



“ We now mostly interact with students through WhatsApp. As a teacher at school, I must innovate methods to encourage learning and retention of information among students ”

- A 26-year-old teacher from a semi-urban area in Bandung

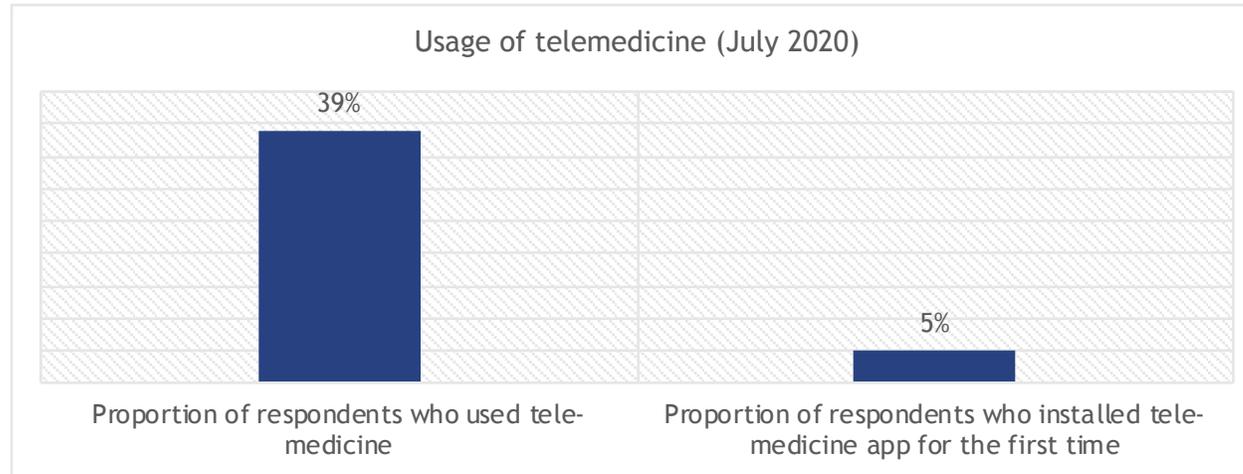
\*Multiple responses recorded

# Netflix, Amazon Prime, etc.

\*\* The Government of Indonesia has developed the apps PeduliLindungi to trace patients suspected of COVID-19 and BLC (Bersatu Lawan COVID) for self-diagnosis

# Though still a last resort, telemedicine applications have gained popularity over the last few months

4 in 10 LMI people resorted to telemedicine through phone and video calls, chatbots, or applications



Halodoc, a telemedicine company in Indonesia, claims that its platform saw a ten-fold increase in downloads during the COVID-19 pandemic. This increase was triggered after the Ministry of Health and the National Disaster Management Authority appointed Halodoc as a digital health service platform for access to rapid tests for COVID-19. Various other countries also saw this trend, where companies like Ping An Good Doctor (China) and MyDoc (Singapore) witnessed an increase in online consultations over the last few months. This indicates that telemedicine can help tackle limited access to health facilities and the unequal distribution of doctors across Indonesia.

- In Indonesia, we discovered that increasing digital behavior also included the use of telemedicine (39%).
- 5% of LMI respondents reported that they installed a health app during the pandemic.
- In March, the Ministry of Health announced its collaboration with the Indonesian Telemedicine Alliance (ATENSI). The objective was to provide COVID-19-related information and online consultations with doctors through selected health apps.\* The pandemic situation and the increased awareness of telemedicine apps has shifted the public's behavior around access to healthcare products and services digitally.

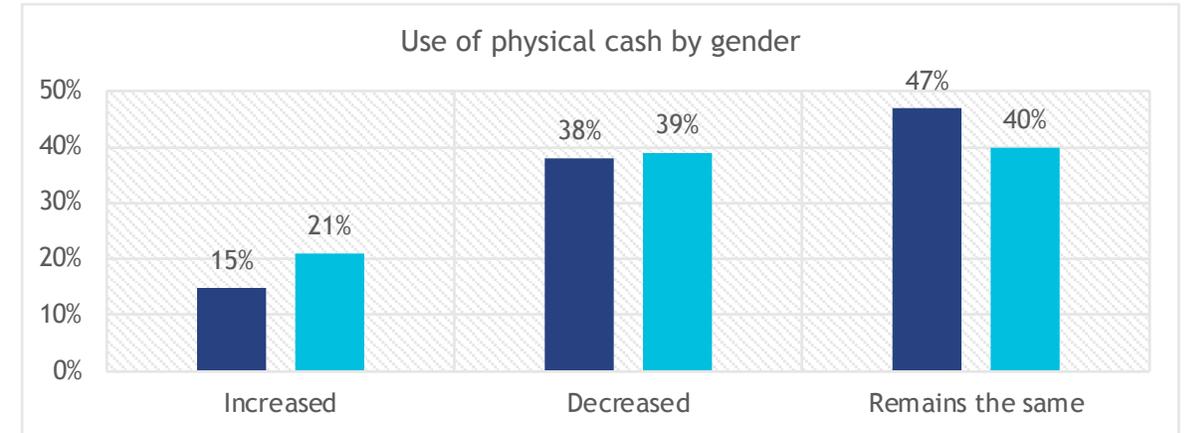
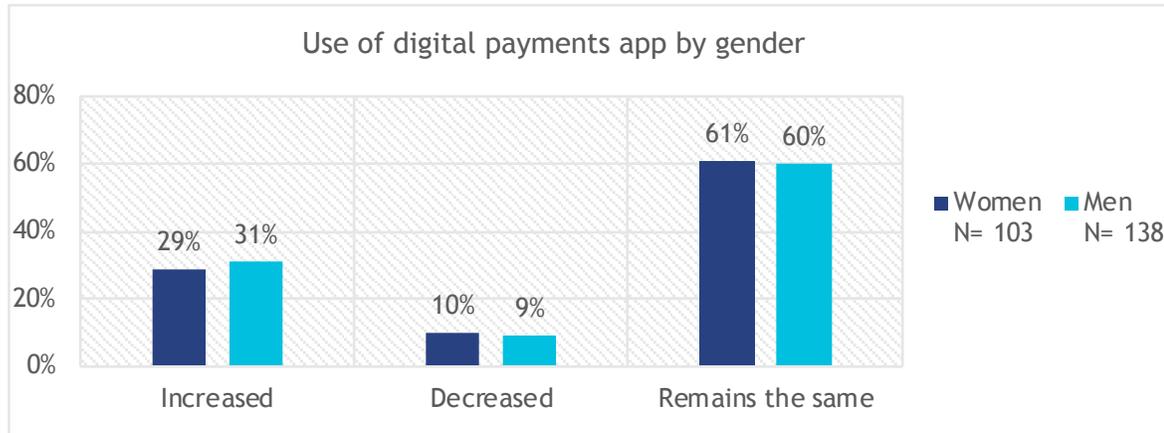
“For its promotion, the Halodoc (telemedicine) application offers free consultation to new users. So I used the app for pregnancy consultations because the midwife I usually consult was not available during the pandemic.”

- A 25-year-old woman who sells food, Bandung regency

\* KlikDokter-Kalbe, Gojek-HaloDoc, Grab-Good Doctor, Alodokter, SehatQ

# The awareness of digital payments has witnessed a gradual increase among women and men from the LMI segment

QRIS provides huge potential solution to encourage the uptake of digital payments among small merchants and LMI customers



The time Indonesians spent on the phone is the highest of the four countries where we conducted this survey. This behavior led to an increase in Indonesia's use of digital payments. The figures above highlight that both women and men in Indonesia increased their use of digital payments (30%).

In contrast, the use of physical cash declined by almost 40%, a significant decrease. In another study, we found that over-the-counter (OTC) digital transactions through agents decreased, while super platforms reported a spike in non-ride hailing digital payment transactions.

QRIS became effective in early January, 2020. QRIS-enabled transactions have witnessed significant growth, both in terms of volume and value. The QRIS frequency and amount of transactions until July, 2020 reached 9.59 million transaction with value of USD 49 million (~IDR 707.6 billion), respectively. Meanwhile, the Bank of Indonesia (BI) noted the presence of 4.5 million QRIS registered merchants. 85% (3.8 million) of them are micro and small entrepreneurs who have made the digital switch and are ready to facilitate transactions and educate the LMI segment on digital payment. However, this is just an initial step given that there are a total of 64 million MSME businesses. MSC also recommended the waiver of charges for digital micro-payments to encourage the adoption and use of solutions like QRIS in its recent study on MSMEs.



Annexes

# Annex 1: Study design



## The objective of the research

The objective of the research was to assess the following:

- Knowledge, awareness, and attitude toward the COVID-19 virus
- Practices, including healthcare-seeking behavior, adopted to prevent COVID-19
- Impact on social behavior, gender roles, digital life, and household economics
- The actual government response and expectations from the government

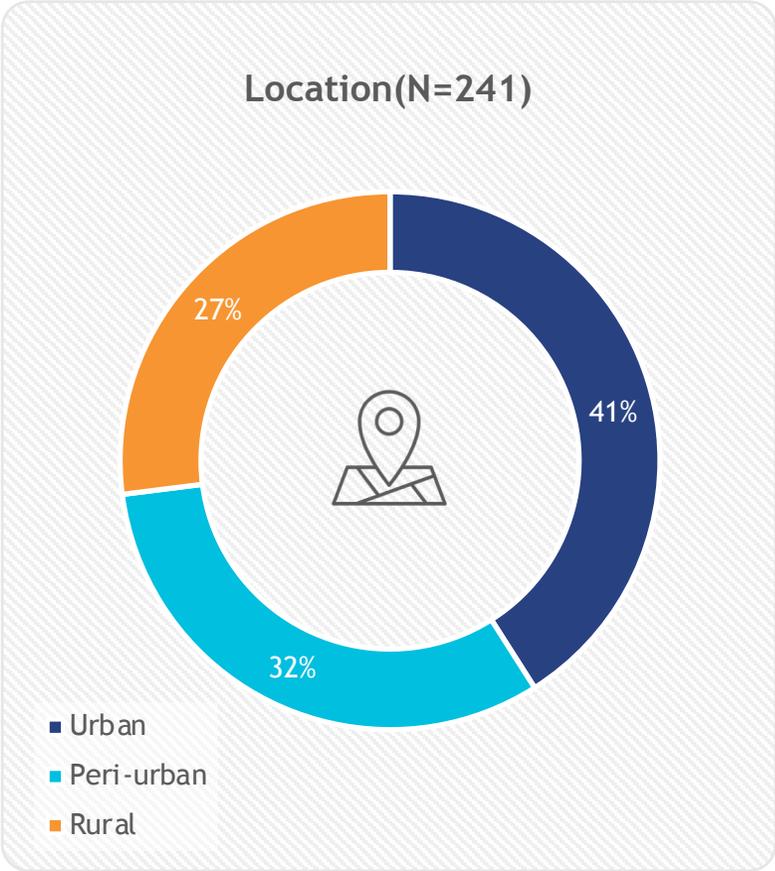
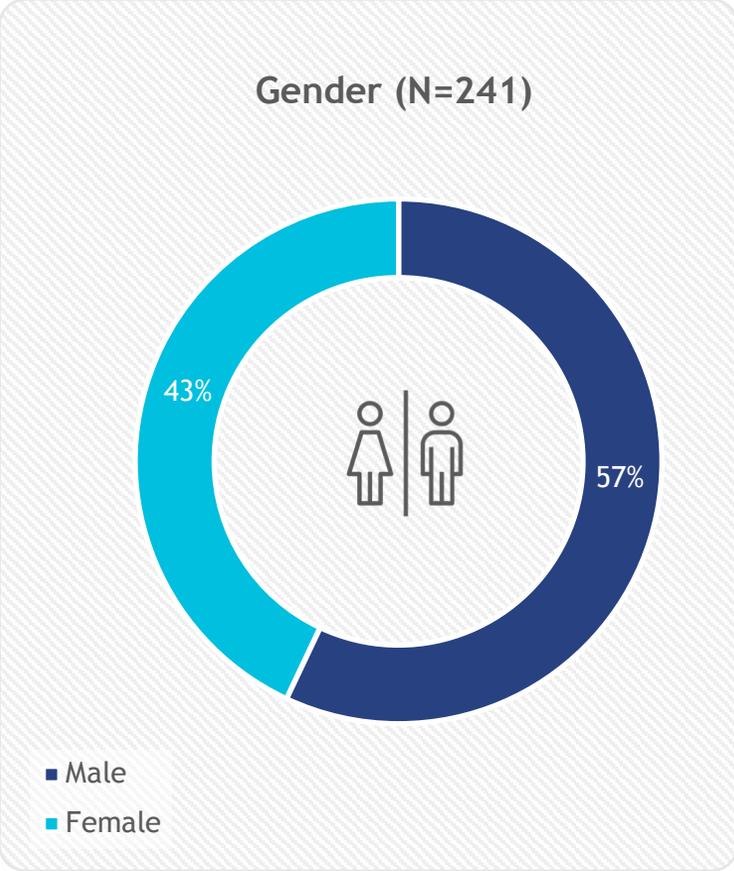
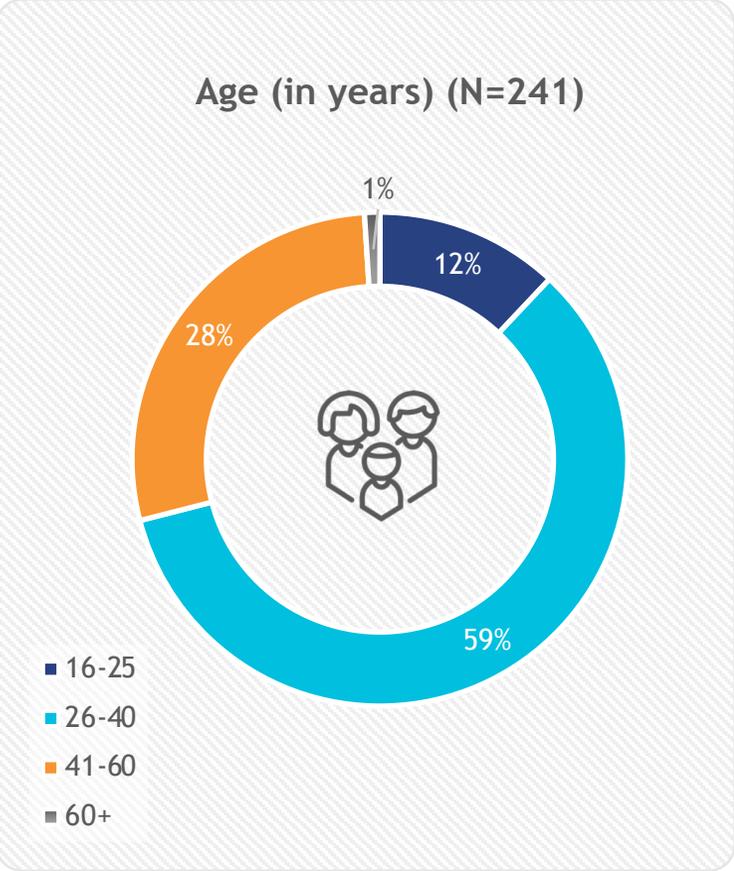


## Study design

- **Country in focus:** Indonesia.
- **Location divide:** Rural, urban, and peri-urban areas
- **Sample size:**
  - Round 1 (April 2020) = 80
  - Round 2 (July 2020) = 241
- **Method:** Telephonic survey (in both rounds)
- Data collectors were trained in detail about how to ask questions, where to probe, how to record responses, etc.
- Data quality was assured through virtual spot checks, telephonic back checks, review of audio recordings, and concurrent checking of data.
- Due to low and non-representative samples, the findings are directional and indicative, and cannot be generalized.

# Annex 2: Sample distribution

The sample for round 2 includes mostly young to middle-aged respondents. We interviewed more women than men and the sample is slightly skewed toward urban areas in terms of the location. Whereas, the sample for round 1 was heavily skewed toward urban areas (73%) and included more women (63%).



# MSC is recognized as the world's local expert in economic, social, and financial inclusion



International financial, social, and economic inclusion consulting firm with **20+** years of experience



**180+** staff in **11** offices around the world



Projects in **~65** developing countries

## Our impact so far

**550+**  
clients

**>850**  
publications

Assisted development of digital G2P services used by **875 million+** people

Implemented **>850 DFS projects**

Developed **275+ FI products** and channels now used by **55 million+** people

**Trained 9,000+** leading FI specialists globally

## Some of our partners and clients





[MSC corporate brochure](#) | Contact us at [info@microsave.net](mailto:info@microsave.net)

### Asia head office

28/35, Ground Floor, Princeton Business Park,  
16 Ashok Marg, Lucknow, Uttar Pradesh, India 226001  
Tel: +91-522-228-8783 | Fax: +91-522-406-3773 | Email: [manoj@microsave.net](mailto:manoj@microsave.net)

### Africa head office

Shelter Afrique House, Mamlaka Road,  
P.O. Box 76436, Yaya 00508, Nairobi, Kenya  
Tel: +25-420-272-4801 | Fax: +25-420-272-0133 | Email: [anup@microsave.net](mailto:anup@microsave.net)

