Main Messages

This brief presents findings from the first of five rounds of a nationally representative panel survey of 4,338 households across 40 districts and 35 cities in 27 provinces of Indonesia. The survey was implemented through 15-20 minute phone interviews.

KEY FINDINGS INCLUDE:

1. Adverse impacts on income, employment and food security, with a quarter of households sampled reporting that breadwinners had stopped working, income losses among 64 percent of those who continued to work and increased food insecurity for about a third of households;

2. Non-farm business and service sector workers most affected with agriculture acting as a partial buffer;

3. 54 percent of households in the bottom 40 percent reported benefiting from at least one Government social assistance program and the share rose to 78 percent after accounting for loan deferment and electricity subsidy programs. Still just over two in five households in the bottom 40 percent had not received any assistance under the Program Keluarga Harapan (PKH), Sembako, Bantuan Langsung Tunai (BLT), Kartu Pra-kerja, or cash-for-work programs.

With businesses closed and large-scale mobility restrictions imposed after the Covid-19 outbreak, 24 percent of breadwinners – mostly wage workers and non-farm business owners – had stopped working by May 2020. The most frequently cited reasons for not working were closure of business or office due to Covid-19 mobility restrictions (54 percent of those not working) and being furloughed (16 percent). Another 5 percent reported being laid off from a business that continued operating. The vast majority of those working prior to the outbreak had been engaged in either wage work (57 percent) or non-farm businesses (30 percent), with the remaining in farm businesses working as owners, farmers, or cultivators. At the time of the survey, the crisis had taken a high toll in the first two groups: Among those who stopped working, wage workers constituted the largest share (59 percent), followed by those in non-farm businesses (36 percent) and a mere 5 percent in farm businesses.

Those who stopped working were concentrated in the service and industry sectors. Among those who stopped working, service sector workers constituted the largest share (55 percent), fol-
Most households (54 percent) in the bottom 20 percent of income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (ii) a severe shock (growth estimate of -2.0 percent estimated under assumptions of a deep global recession and moderate domestic restrictions).

The government’s economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent of the population reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and moderate domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

Among those who continued working, reductions in income were widespread across all sectors of employment, including agriculture. Overall, 64 percent of those who continued working received incomes lower than before the outbreak. Those engaged in non-farm businesses (mostly micro and small businesses) and wage work were most likely to report reduced incomes (88 and 59 percent of workers respectively), as did many in farm businesses (43 percent). Income shocks were widespread among services and industrial sector workers, as well as in agriculture (figure 2). 8 percent of workers switched sectors or type of work, mainly to agriculture.

Over a third of households reported eating less than usual in the week prior to the survey, suggesting that food insecurity may be rising. 31 percent of households reported shortage of food at least once during the past week because of lack of money or other resources, while 38 percent reported eating less than usual. These numbers indicate a significantly higher level of food insecurity than that reflected in the 2009 Susenas, in which the share of households reporting running out of food and eating less than usual is estimated under the PKH, Sembako, BLT, Kartu Pra-kerja, or cash-for-work programs. The share stood at 51 percent of households among those experiencing reduced incomes. 20 percent of households in the bottom 40 percent who reported shortage of food had not received Sembako, and coverage was still especially low among the recently launched Kartu Prakerja and BLT programs, standing at 3 and 5 percent respectively.

The government’s economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

To mitigate the impact on the poor and vulnerable, relief measures need to be rolled out faster in coming months and expanded to include the neediest. The latest World Bank (WB) estimates suggest that in the absence of mitigation measures the economic fallout of the pandemic could push 5.5 to 8 million Indonesians into poverty. GOI’s response has been strong. Economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent of the population reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

Among those who continued working, reductions in income were widespread across all sectors of employment, including agriculture. Overall, 64 percent of those who continued working received incomes lower than before the outbreak. Those engaged in non-farm businesses (mostly micro and small businesses) and wage work were most likely to report reduced incomes (88 and 59 percent of workers respectively), as did many in farm businesses (43 percent). Income shocks were widespread among services and industrial sector workers, as well as in agriculture (figure 2). 8 percent of workers switched sectors or type of work, mainly to agriculture.

Over a third of households reported eating less than usual in the week prior to the survey, suggesting that food insecurity may be rising. 31 percent of households reported shortage of food at least once during the past week because of lack of money or other resources, while 38 percent reported eating less than usual. These numbers indicate a significantly higher level of food insecurity than that reflected in the 2009 Susenas, in which the share of households reporting running out of food and eating less than usual is estimated under the PKH, Sembako, BLT, Kartu Pra-kerja, or cash-for-work programs. The share stood at 51 percent of households among those experiencing reduced incomes. 20 percent of households in the bottom 40 percent who reported shortage of food had not received Sembako, and coverage was still especially low among the recently launched Kartu Prakerja and BLT programs, standing at 3 and 4 percent of households respectively.

The government’s economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

To mitigate the impact on the poor and vulnerable, relief measures need to be rolled out faster in coming months and expanded to include the neediest. The latest World Bank (WB) estimates suggest that in the absence of mitigation measures the economic fallout of the pandemic could push 5.5 to 8 million Indonesians into poverty. GOI’s response has been strong. Economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

The government’s economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

To mitigate the impact on the poor and vulnerable, relief measures need to be rolled out faster in coming months and expanded to include the neediest. The latest World Bank (WB) estimates suggest that in the absence of mitigation measures the economic fallout of the pandemic could push 5.5 to 8 million Indonesians into poverty. GOI’s response has been strong. Economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

To mitigate the impact on the poor and vulnerable, relief measures need to be rolled out faster in coming months and expanded to include the neediest. The latest World Bank (WB) estimates suggest that in the absence of mitigation measures the economic fallout of the pandemic could push 5.5 to 8 million Indonesians into poverty. GOI’s response has been strong. Economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

To mitigate the impact on the poor and vulnerable, relief measures need to be rolled out faster in coming months and expanded to include the neediest. The latest World Bank (WB) estimates suggest that in the absence of mitigation measures the economic fallout of the pandemic could push 5.5 to 8 million Indonesians into poverty. GOI’s response has been strong. Economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).

To mitigate the impact on the poor and vulnerable, relief measures need to be rolled out faster in coming months and expanded to include the neediest. The latest World Bank (WB) estimates suggest that in the absence of mitigation measures the economic fallout of the pandemic could push 5.5 to 8 million Indonesians into poverty. GOI’s response has been strong. Economic relief measures and expanded social assistance programs have yet to reach many of those adversely affected. Most households (54 percent) in the bottom 40 percent reported a reduction in income and consumption at the individual and household levels under assumptions of a deep global recession and severe domestic restrictions; and (iii) a severe shock (growth estimate of -2.0 percent).