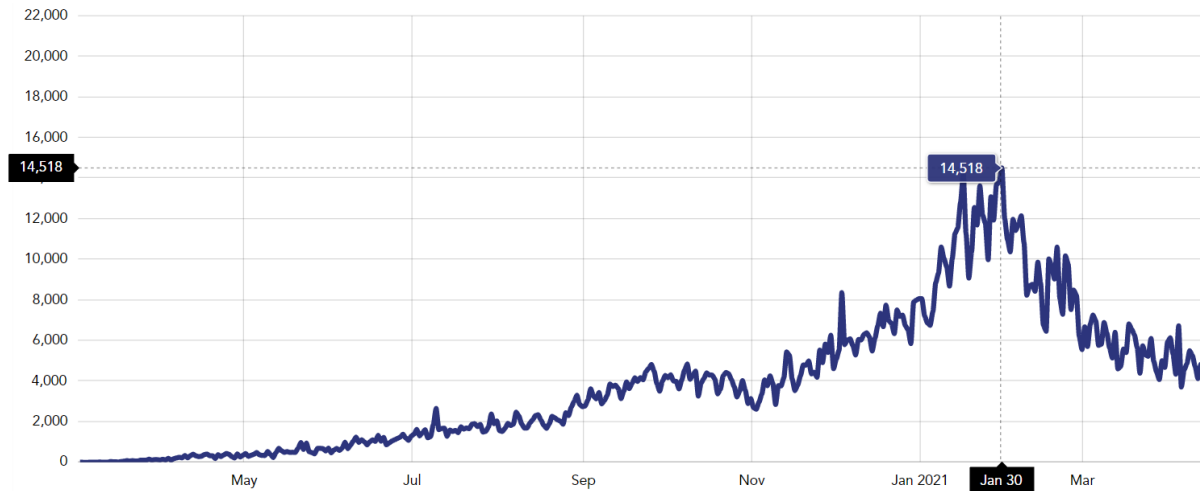


One Year after Covid-19 Pandemic

REFLECTION ON POLICY RESPONSES IN INDONESIA



Indonesia has passed the peak of daily confirmed covid-19 cases at the end of January 2021. Source: <https://covid19.go.id/>

Indonesia Covid-19 Pandemic in Brief

Highlights

- Over 1.6 million cases have been confirmed for the past one year of Covid-19 pandemic in Indonesia.
- The government had enacted countermeasures to limit the spread of the virus through travel restriction policies.
- The pandemic has harshly hit almost all sectors, although it created opportunities to improve the system, business processes, and technology adoption rate.
- In Indonesia, more than 10 million people have been vaccinated with 50% of them completed the second vaccine and it could be used as the stepping stone to welcome the new normal and start economic activities.
- Three survival strategies are proposed to cope temporarily with the on-going and soon-to-over pandemic so that corporations will be ready.

Many policies have been implemented and lifted after President Jokowi announced the first Covid-19 case on March 2nd, 2020. A policy called big scale social restriction or PSBB becomes the first central government countermeasures by mid of March. All sectors were in shock as economic activities are strictly limited to only fundamental sectors, namely health, food, energy, communications, finance, logistics, and retail. By June 2020, the travel restriction policy was loosened by the local government level based on the covid-19 zone. Different travel restriction policies have been implemented back and forth ever since until confirmed cases reached 1.6 million by April 20th, 2021.

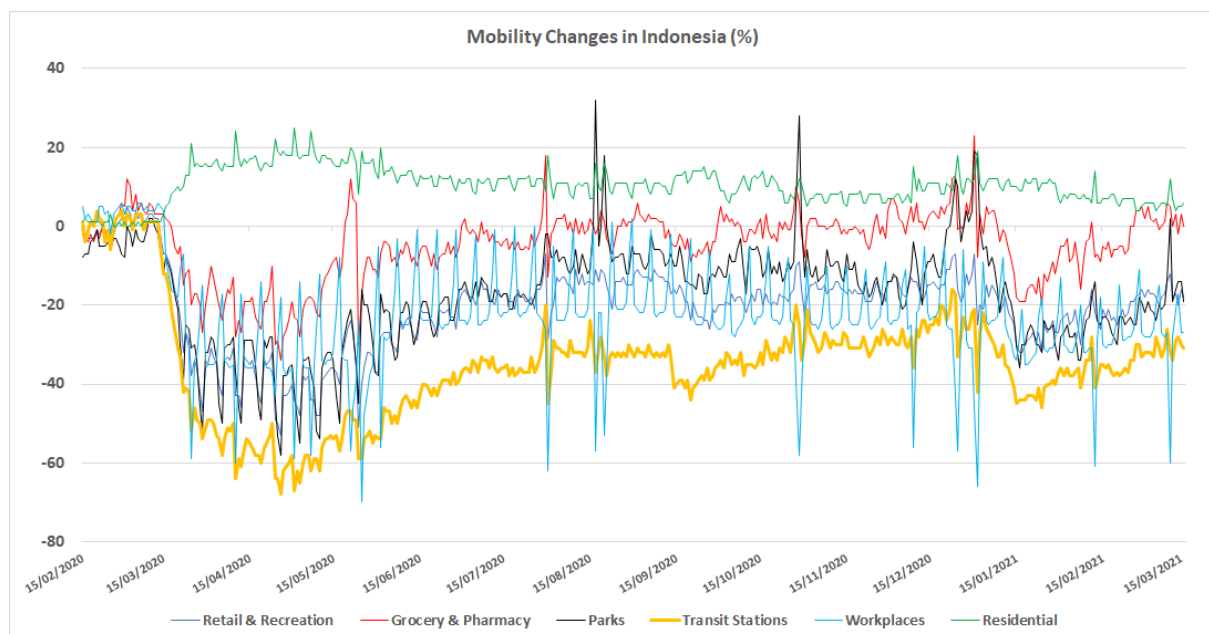
Transportation suffered most in the year 2020 with 15.04% of c-to-c economic contraction according to the national Q4 2020 economic report. It was expected from the start of the pandemic since the travel industry relies on primary demand. As activities are limited, there will be reduced travel demand. The pandemic has been torturous particularly to the aviation companies with at least 31 of them went bankrupt worldwide.

On the contrary, health becomes the most growing sector in 2020 with 11.60% c-to-c growth. However, it cannot fully cope with the huge amount of covid-19 patients. Thousands of health facilities from international-class hospitals to local clinics were in scrutiny. Jakarta once faced more than 85% bed occupancy rate back in December 2020.

Education sector did not go unnoticed, as school from home or online school policy applied nationwide. The decision had to be taken even

though some locations are not covered by the internet. Education institutions were forced to quickly adapt to rapid technological changes.

During the past one year, Center for Policy and Public Management SBM ITB has done some empirical studies on the impact of covid-19 pandemic to several sectors, such as transport, energy, and education. Following parts will present opportunities lie ahead for the aforementioned sectors which have been affected heavily by the pandemic.



Residential mobility in Indonesia has increased, while public transit stations are still slumping. Source: Google Mobility

Cargo Business as Opportunity for Transportation Sector

Survived transportation companies in Indonesia saw opportunities in the cargo business as revenue from passengers continues to decrease. From airline companies to ride-hailing providers, they revamped their logistics products.

Passenger-based transportation demand in Indonesia roughly decreased by 40%, especially public transport modes which were avoided by most of the people. Transit stations have never

been back to normal according to Google Mobility Report in Indonesia since the first travel restriction policy was implemented. Further, our study found that the higher the covid-19 risk, the higher probability of the person to stay at home, and eventually results in a decrease of public transportation usage. This is an opportunity for non-motorized transportation modes as they are mostly private modes, although the willingness to shift must be confirmed by future empirical studies.

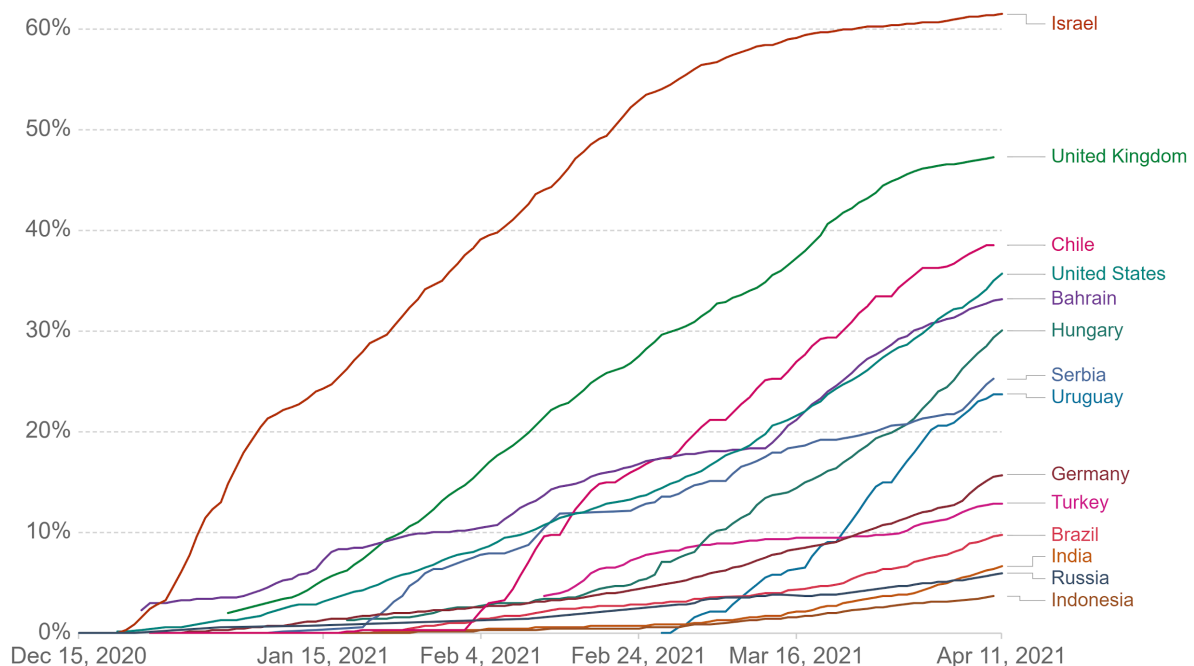
On the other hand, logistics received more demand during the pandemic period. It is caused by the first travel restriction policy that allowed the logistics sector to operate during the period.

On-demand delivery services market was also bigger due to the increase of stay at home frequency. Those facts led several transportation companies to pivot temporarily as logistics providers to serve mainly health-related goods.

Share of people who received at least one dose of COVID-19 vaccine

Share of the total population that received at least one vaccine dose. This may not equal the share that are fully vaccinated if the vaccine requires two doses.

Our World
in Data



Indonesia vaccination rate vs other countries. Source: Oxford Martin School <https://ourworldindata.org/covid-vaccinations>

Health System Revitalization

Covid-19 pandemic is the best practice to test the health system maturity of a country. It collapsed the health system in several countries instantly. The world was polarized into countries which successfully exercised virus containment and countries that were unable to control the virus spreading. Indonesia is one of the countries that implemented optimum policy to balance the virus containment and allowed economic activities.

Indonesia encountered the pandemic period where the health system can be revitalized; from social safety net database synchronization, hospital service improvement, local clinic networks, and even cold chain development for vaccination

infrastructure. To this date, there are already 1.6 million confirmed cases, while the vaccination rate has reached 3.6% or more than 10 million people. Government agility in bilateral and multilateral vaccine diplomacy shall be appreciated. Government needs to ensure the vaccination program is successfully implemented to ensure the economy goes back to normal.

According to Oxford Martin School's Our World in Data, Israel has successfully started vaccination early and reached more than 61% vaccination rate, followed by the UK (47%), Chile (38%), and US (35%). The US had jabbed more than 100 million of their people, followed by India (91m), UK (32m), Brazil (20m), Germany (13m), and Turkey as many as Indonesia.

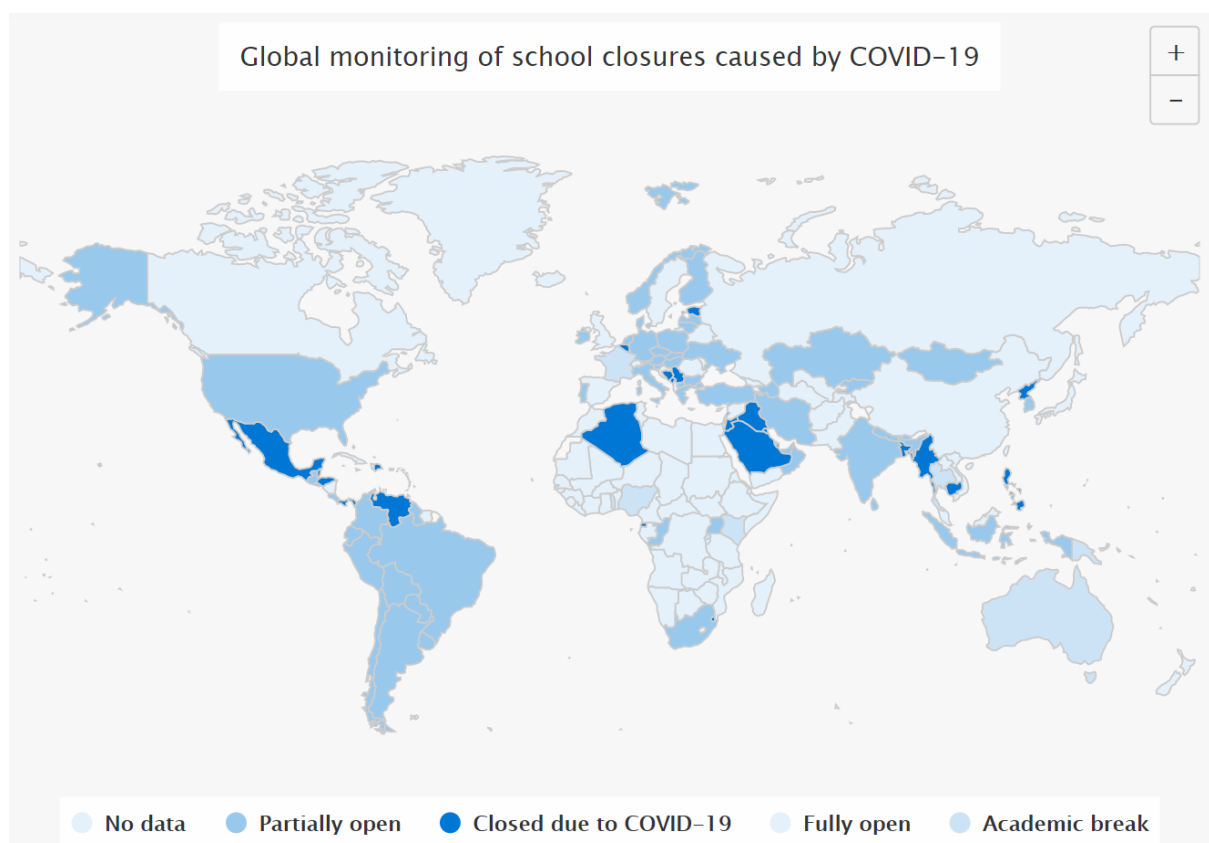
Digital Adoption Rate in Education

Education is inextricably linked despite indirectly involved in the pandemic situation. School from home policy is believed to be ineffective for the students. Few schools have tried offline classes but followed by new covid-19 cases, so most of the schools are still hesitant to open up face to face class. The dynamics of education policy during the period continue with the school reopening plan by July, 2021. This plan is more visible as teachers and lecturers have already been vaccinated by the first half of this year.

However, the pandemic was actually transforming the education sector into the future as its digital adoption rate increased significantly. The total broadband data usage during the pandemic for

one of the Indonesia telecommunication providers was increased by 11% with education services sharply increased by more than 280%. Information and communication sector was growing c-to-c by 10.58% in 2020 apart from the education sector which also enjoyed growth of 2.63%.

Unexpected transformation created opportunities for educational institutions to provide more services never offered before, such as online courses, online degree programs, cloud training collaboration with private educational entities, etc. School reopening hopefully will not drag back education digital transformation in Indonesia. Rather, it shall embrace technological changes and be incorporated into our next education system and curriculum.



Indonesia applies a partially open school policy. Source: <https://en.unesco.org/covid19/educationresponse#schoolclosures>

Survival Strategies

Based on several joint-research conducted with government and private institutions, Center for Policy and Public Management SBM ITB summarize three survival strategies applied by those who survived the pandemic.

1. Nudging, an attempt to influence people's behavior with indirect suggestions and positive reinforcement.
2. Big Data, utilizing real-time data to drive business decisions to improve the accuracy of its impact.
3. Social Media, presenting institutional policies closer to the audience by leveraging the use of well-known digital platforms in Indonesia.

Conclusion

One year after covid-19 pandemic, the government, private sector, and civil societies had attempted to prevent this nation from collapsing. Many predicted that the economy will bounce back slowly in 2021 and will start going to normal in 2022. Nevertheless, we need to be optimistic that the pandemic is going to be over.

Afterwards, institutions will need to include future scenarios on their updated plan. Now that any disruptions are possible, changes must be applied to the existing strategic plan. Future research also needs to be conducted around the lesson learned of pandemic aftermath topics and how institutions equip themselves to be ready for further shocks.

This Policy Brief is the result of one year of studies on the impact of covid-19 pandemic in Indonesia by the Center for Policy and Public Management, School of Business and Management, Institut Teknologi Bandung. Presented data were gathered from primary surveys and interviews as well as secondary data from government institutions and private corporations.

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