JICA Ogata Sadako Research Institute for Peace and Development Human Security and the Practices of Empowerment in East Asia Research Project

# Food Security Under COVID-19 in Indonesia:

From Protection to Empowerment

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This Working Report covers the mid-term results of the individual case studies in the current Human Security and Practices of Empowerment in East Asia Research Project. Use and dissemination of this working report is encouraged; however, the JICA Ogata Sadako Research Institute for Peace and Development requests due acknowledgment for which this working report has provided input. The views expressed in this paper are those of the author(s) and do not necessarily represent the official positions of either the JICA Ogata Sadako Research Institute for Peace and Development or JICA.

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# Abstract

The strategy to contain and mitigate COVID-19 transmission through strict mobility restriction, including a lockdown option by governments around the globe, can be counterproductive to human security. This is especially concerning for both human and food security if such control measures are implemented without being accompanied by a sound social protection mechanism. This article aims to understand the devastating downside risk caused by COVID-19 and the impact on vulnerable populations in Southeast Asia, particularly Indonesia. Informed by protection and empowerment paradigms, this Working Paper asks: (1) What is the impact of COVID-19 on food access and nutrition security among the most vulnerable groups in our communities; (2) What were the measures taken by external stakeholders to protect and empower COVID-19 affected communities between March 2020 and March 2021. The author adopts a triple-helix security approach to explore the extent to which COVID-19 has impacted food security in Indonesia. This Working Paper combines literature review, content analysis, and online participant observation. The initial findings suggest COVID-19 presents a unique opportunity for Indonesia to experiment with one of the most extensive emergency cash transfer programs (CTP) in Indonesia's modern history. Various forms of cash-transfer programs have emerged as a solid empowerment approach rooted in the libertarian paternalism paradigm to ensure access to income However, gaps in leadership, decision-making, and timing of cash and food security. distribution have compromised peoples' survivability, and therefore human security is at stake.

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Keywords: COVID-19; food security; Indonesia; empowerment; human security; non-traditional

security

#### 1. Introduction

Widespread mobility restrictions imposed by governments around the globe can compromise access to food security due to disruptions and delays in the movement of goods and services. However, a better picture can be seen from world cereal production as the aggregative data suggests an increase in output by 1.9 percent (year-on-year) between 2019 and 2020 (FAO 2021a).

Nevertheless, as shown in a joint analysis from the Global Network Against Food Crisis and the Food Security Information Network (FSIN) carried out in April 2021, 155 million people across the globe were facing life-threatening acute food insecurity in 2020 or up from 135 million in 2019. COVID-19 has affected global food security (FAO 2021a) because the transmission of COVID-19 follows existing trade and transportation networks, and disruptions in those networks have affected the economics of food supply and demand (Barlow et al. 2021). Finally, one of the most significant human security concerns in the  $21^{st}$  Century includes the fear that a decline in GDP of a single percentage point in an economic recession will eventually push at least 2 - 3 per cent of the human population into poverty (Laborde et al. 2020).

The Food and Agricultural Organisation (FAO) reports that as of the beginning of 2021, there are 45 Low-income food-deficit countries (LIFDCs), including 34 in Africa and 9 in Asia, that require humanitarian food assistance due to the combined risk of conflicts, climate-related shocks, and the effects of the COVID-19 pandemic (FAO 2021b). This is a slight increase from the same period in 2020 and 2019, where about 44 and 41 LIFDCs required international food aid (FAO 2020). Such an increase in the demand for food aid is not a third-world phenomenon as it also emerged in the developed world, including in Australia (McKay et al. 2021) and the United States (O'Hara and Toussaint 2021).

Nevertheless, pandemics do not strike society randomly, including COVID-19 (Whitehead 2021).

Pandemics often create system-wide risks, including cascading and unprecedented effects in many sectors at many levels (Renn 2020). Also, the impact of COVID-19 on human security can be amplified by pre-existing unequal vulnerabilities and risks in LIFDCs, including Low- to Medium-Income Countries (LMICs). For example, in Central Sulawesi, Indonesia, the compounded impact of COVID-19 is co-shaped by old and new residual risks from the past originating from tsunami-genic earthquakes, soil liquefaction, landslides and long-term partisan conflicts (Triyanti et al. 2021).

The real COVID-19 impacts have, however, been more apparent in the context of food access. The mobility restrictions on people, goods, and services have impacted on food supplies and the distribution of labour, seeds, fertiliser supplies as transportation disruptions have continued. COVID-19 restrictions have impacted immediate access to food by consumers resulting from lockdowns, closure of food outlets, income losses, and price changes. The World Food Programme reported that 369 million children had missed their school meals due to COVID-19 restrictions on schools in 199 countries as of April 2021.<sup>1</sup> Furthermore, mobility restrictions will also challenge the global fight against obesity. They can increase the risks of obesity as children and parents stay more at home with less opportunity to burn calories (Woertz 2020). Thus, even though changes in global food prices during 2020 remained controllable in many countries (Devereux et al. 2020), COVID-19 has emerged as a worldwide threat to human security in the near and long-term future. At the same time, the global climate crisis tops up new risks of losses and damage to production and supply chains on top of such residual risks and vulnerabilities that originated from the ongoing deficits in human development and resilience.

The United Nations General Assembly Plenary 31th Special Session Meeting in December 2020 raised concerns over potential famines in the near future (United Nations 2020). COVID-19

<sup>&</sup>lt;sup>1</sup> See the School Feeding Closure Map via this link: <u>www.wfp.org/school-feeding</u>

remains an ongoing threat for the rest of the world for years to come. Despite the possibility that the world might contain COVID-19 in the future, the actual cost of COVID-19 on human security, including food security, will be significantly high.

The COVID-19 virus transmits along social-economic fault lines, including the social and economic inequalities that pre-exist in many local communities, including the developed world (O'Hara and Toussaint 2021; Gundersen et al. 2020). Vulnerable groups include the people in risky, low income, manual jobs that in almost all sectors 'have been more exposed to covid-19 as their face-to-face jobs cannot be done from home' (Whitehead 2021). More impoverished communities with limited access to health services pre-COVID-19 have also been more vulnerable to severe disease once infected because of higher pre-existing illness levels (Whitehead 2021). Such groups will be pushed back into poverty sooner or later. COVID-19s impact on poverty incidence may cause the poverty headcount to increase up to 400 million new poor living under the \$1.90 (global absolute) poverty line, and over 500 million new poor living under the social and social social and social social and social and social social and soc

In brief, COVID-19 can potentially devastate the food system and create long-lasting impacts on vulnerable populations and their access to food and adequate nutrition. Supply restrictions have affected food producers and food importers equally. The former face difficulties selling their products across borders or ensuring incoming production inputs such as seeds, fertilisers, and technological supplies. The latter cannot guarantee incoming supplies and face the uncertainty of state access offshore to ensure food availability onshore.

While necessary, lockdowns and extensive restrictions of mobility have led to large-scale declines in labour incomes. Lack of robust social protection policy, vigorous state-led transfer programs, and limited labour markets compromise food access in many poverty pockets in Southeast Asia. As a result, four million migrant 'workers' families in Myanmar are at risk of income shocks (Diao and Wang 2020) due to lockdowns in countries where they work. The low-income families in Southeast Asia from Indonesia and the Philippines who often benefit from international remittances have now faced prolonged income losses that might last longer than anticipated.

The objective of this Working Report is to assess the protection and empowerment dimension of COVID-19 response by the Government, the local governments and non-state actors in Indonesia. This explorative study will focus on Central Sulawesi and East Nusa Tenggara provinces, which were recently hit by tsunami-generating earthquakes (in Central Sulawesi) in 2018 and tropical cyclone Seroja (in East Nusa Tenggara) in 2021. A particular interest is also to explore the compounding effects of COVID-19 and natural hazards on human security and food security.

# 2. Interaction of COVID-19, Natural Hazards and Human Insecurity: Context of Central Sulawesi and East Nusa Tenggara

As of 20 July 2021, Indonesia had recorded about three million COVID-19 confirmed cases with about 74k deaths. Almost half of the death occurred during April-July 2021. The country has conducted 23.5 million PCR tests for about 16 million people, excluding antigen and other types of tests. Almost 42 + 16 million vaccination shots (subsequently for first and second shots) had been made by mid-May 2020 (Satgas 2021). Despite a decrease in daily cases in the first quarter of 2021, however, the Indonesian COVID-19 pandemic curve wildly increases during the second quarter of 2021 (See Figure 1).

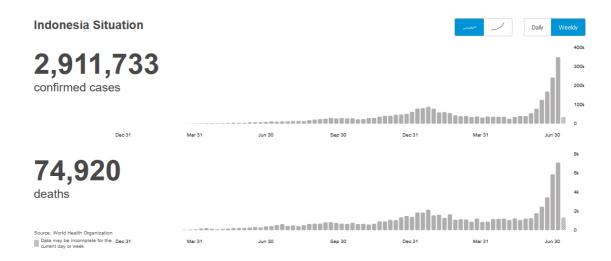


Figure 1. Indonesia's confirmed cases and death as of 20 July 2021

The total impact of COVID-19 on food production in Indonesia remains to be assessed. Nevertheless, it is estimated that there could be a decline in the agricultural labour force by 4.7 percent, which is likely to cause a decline in production by 6.2 percent (Adji et al. 2020). The anti-import sentiments that dominate Indonesian food politics today can be counterproductive. Suppose most food-producing countries, including rice and cereals exporters, also experience significant declines in production. In that case, there is little guarantee that the Indonesian Government could import foodstuffs anytime they wish to cover the shortfall.

On the other hand, the impact on economic access to food has been a growing challenge. A survey of local lockdown impacts on the lives of communities in Jakarta, Banten, and West Java - administered by the Social Science Panel for Disaster and the Indonesian Institute of Sciences (LIPI) during 3-12 May 2020 - suggested that almost half of respondents (44%, n=919 respondents) have lost most of their income, and as much as 17% have lost their jobs. Most of them (79%, n=919) were labourers or employees, and the rest were self-employed, especially in the trade, industry, transportation, and service sectors. The lockdown policy (a.k.a PSBB – a large-scale restriction of movement) limits their work activities. Among the respondents who have lost

their income source, more than half of the respondents admitted that they received government assistance, and about half (55%) claimed that they would survive to meet family food needs for the next week. In contrast, about 7% of the respondents could not meet their family's basic needs for one day (Hidayati et al. 2020).

Hidayati et al. (2020) also found that most respondents change their consumption patterns and menus according to their respective economic conditions (49%). Other efforts include using savings (34%), continuing to work even though most of the salary/wages were deducted (31%), borrowing money from family/relatives (15%), selling goods (14%), and going into debt at small shops (4%).

In a different survey, SMERU (2021) found that about thirty per cent of respondents were worried about their family prospects in accessing food as they could not feed their families. The proportion of households facing moderate or severe food insecurity rose to 11.7% in 2020. Income reduction and disruptions to food delivery systems were the main factors contributing to food insecurity. Households who have a person with a disability experienced more income and job loss. About ten per cent of the households with a mild disability experienced job loss due to COVID-19; 8 of 10 experienced a decrease in income compared with before the pandemic.

Meanwhile, households who have a member with a severe disability could not access the health or therapy services they needed, and more female-headed families said they did not have savings (56.7%) to help cushion the impact of the crisis compared with men (50.6%) (SMERU 2021). For many households, a loss of earnings was not the only challenge: almost a quarter of respondents (24.4%) said their expenses had risen, too. Increased costs for groceries and other essentials were the main contributors to this rise in costs. Also, a significantly higher proportion of households with children (65%) are spending more on the internet or mobile telephone charges than those

without children (28.9%) (SMERU 2021).

#### 2.1 The Disaster Displacement Context of Central Sulawesi

The earthquakes followed by tsunamis and liquifactions that rocked Central Sulawesi on 28 September 2018 caused 2,081 casualties, 1,075 people missing, about 211,000 displaced, and 68,000 damaged houses (BNPB 2018). The total economic loss was estimated to be USD 910 million (IDR 13.8 trillion) (BNPB 2018) or about 350% of the entire development budget of the Province in 2019 (Pemda Sulteng 2019)

#### 2.2 The Disaster Displacement Context of East Nusa Tenggara

Tropical Cyclone Seroja recently hit East Nusa Tenggara (NTT) province, causing a total loss of about US\$ 243 million and affecting about 52.8k houses (Ama, 2021). In the Kupang district alone, the cyclone destroyed 88 dams and 11.7km of water-pipe networks. NTT is one of Indonesia's poorest provinces that often face food insecurity and malnutrition. Since 2000, the province has been hosting new Indonesian that originated from Timor Leste. Some of these communities remained living in a transitional shelter where recently being also hit by Cyclone Seroja in April 2021.

# 3. Research Framework

Food security is among the seven dimensions of the human security framework (Caballero-Anthony 2016; King and Murray 2001; UNDP 1994). In the light of the previous phases of the "Human Security in East Asia" Project, Hernandes et al. (2019) detail the perceptions shared by human security professionals that climate change can trigger natural hazards such as floods and droughts that lead to lost and damaged crops.

This research is part of the Third Phase of Human Security Studies in East Asia (HSSEA), a

project initiated by JICA. The project is a continuation of the First and Second Phase of Human Security in East Asia Project. This Working Paper approaches food security under COVID-19 from the lenses of interdisciplinary human security. The author offers an alternative analytical framework that cross-breeds human security, non-traditional security (NTS), and state security approaches to understand the responses from states and civil society actors to COVID-19 (Figure 2).

There is a solid justification for such a combination of the frameworks because mitigating potential food crises during COVID-19 demands multi-pronged security approaches where narrow security thinking is unhelpful given the scale of the catastrophe. In the previous HSSEA project, there were cases from the Philippines where government respondents believed that poverty, lack of food, and education are the root causes of security issues (Atienza 2019). Furthermore, policymakers in East Asia in general mention food security as one of the state security threats, and some countries have taken various pathways to frame food security as a human security dimension variable (Atienza 2019). For example, in Thailand, Food Security is included in the human security index (HSI) as institutionalised by the Thailand Ministry of Social Development and Human Security (Jumnianpol and Nuangjamnong 2019). In contrast, Vietnam ensures that food security is treated as one of the highest national security priorities mandated by Resolution 63/NQ-CP to provide short and long-term security and development agendas (Pham et al. 2019). Food safety is also seen as either related to and part of Vietnam's food security agenda.

Figure 2 suggests that food security is a triple-helix security phenomenon that is naturally anchored in all forms of security. The context in China (Project 1, HSSEA) indicates that human security is often part of non-traditional security, including food security issues (Xiao 2019). One recent empirical research study on human security in East Asia maintained the view that state security contributes to human security. Nevertheless, human security does not equal state security,

as people should not be sacrificed for state security agendas because human beings are not means but ends in themselves (Mine, Gomez and Muto 2019). This paper proposes a middle way to solve the tension between human security, non-traditional security (NTS), and the broader state security agenda. Figure 2 presents the possibility to interpret food security as a subset of human security and NTS and state security. Figure 2 also suggests a shared space between human security, NTS, and state security.

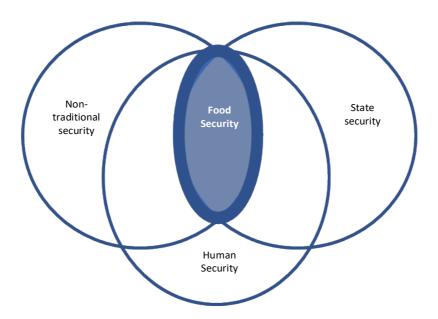


Figure 2. The framework of food security as a shared human security governance framework

The author is mindful that outside the security paradigms above, various analytical lenses through which COVID-19 impacts food security should be understood. The FAO's four dimensions of food security, namely availability, affordability, quality, and safety (Teng 2020), are the long-standing variables. Sen's entitlements framework helps us understand how COVID-19 impacts household production-, labour -, trade- and transfer-based entitlements to food (Sen 1999; Deveroux et al. 2020).

Suppose development can be defined as an opportunity to expand human freedoms (Sen 1999).

In that case, disasters and pandemic events, on the contrary, can be defined as a direct threat to development through compromising human freedoms and human insecurity. Furthermore, deprived freedoms and capabilities can lead to different forms of human insecurities, including food insecurity and hunger.

To what extent a person can cope with insecurities triggered by the events depends on the 'entitlement basket' ranging from producing food (production-based entitlement), buying food (trade-based entitlement), working for food (labour-based entitlement) and getting food aid (transfer-based entitlement). This suggests that the potential impact of COVID-19 on food security can be explained by classical food entitlement theory (Deveroux et al. 2020; Sen 1983).

However, the entitlement approach can also be complemented by the food system approach for greater understanding. COVID-19 challenges all food sub-system dimensions, from production and trade to safety and nutrition sub-systems. The food systems approach envisions that the COVID-19 pandemic is not the only disaster variable, though, as climate variability and change continue to work on the biophysical and socio-political-economy contexts that shape the way people operate at the producer, consumer, and nutrition sub-system levels (Deveroux et al. 2020; Lassa 2012).

Alternatively, the food systems approach envisions that COVID-19 operates in biophysical and socio-political-economy contexts that shape the way people operate in the producer, consumer, and nutrition sub-systems. (Deveroux et al. 2020; Lassa 2012). The COVID-19 pandemic emerged from a local seafood market in Wuhan (Yang and Wang 2020), suggesting that local food systems can be a source of risks that can emerge from a small outbreak into a global pandemic. COVID-19's original story exhibits the truth that food safety remains a key pillar in food security and key to human security globally. Therefore, the traditional divisions of food security and food

safety – legally and institutionally speaking – are neither practical nor necessary as they situate in the larger food systems context. The challenge is how both can be included in a more integrated framework.

COVID-19 and its interplay with existing risks might pose severe consequences for food insecurity, including a potential increase in hunger and undernutrition due to increased local and global food 'system' disruptions. However, food security can be rescued by a robust cash transfer program in the light of food entitlement theory (Sen 1983).

The literature often sees a cash transfer protection strategy (Slater 2011) paid by either government or NGOs to poor households (Miller 2011) as a way to offset shocks from natural hazards (such as droughts) and pandemics by reducing risks and vulnerabilities of the affected families (Devereux and Sabates-Wheeler 2008; Sabates-Wheeler and Deveroux 2010). In many cases, the initial objective of such cash transfers is to enable low-income families to sustain their access to food (Slater 2011) in the time of peril, including during droughts and pandemics.

# 4. Objective and Methods

The author focuses on Indonesia in general, emphasising COVID-19 impacts on displaced and disaster-affected populations in Central Sulawesi and East Nusa Tenggara Province. It uses an explorative study strategy by asking the following questions:

- What are the impacts of COVID-19 on food access, and who are the most vulnerable groups that are more likely to experience hunger?
- What were the measures taken by external stakeholders to protect and empower COVID-19 affected communities between March 2020 and March 2021?

Figure 3 exhibits the overall scope of the study.

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As an initial stage of a 24-month research project, this explorative study is informed by literature review, content analysis, and online participant observation. The literature review strategy was used to examine published literature from both grey and peer-reviewed sources. The content analysis examines both policy documents and mainstream media contents (from Nusa Tenggara Timur - Pos Kupang newspaper; and Central Sulawesi - Radar Sulteng newspaper published between March 2020 and March 2021). The author targeted a minimum of 50 news posts pertinent to food security from each province from 1 March 2020 to 30 March 2021.

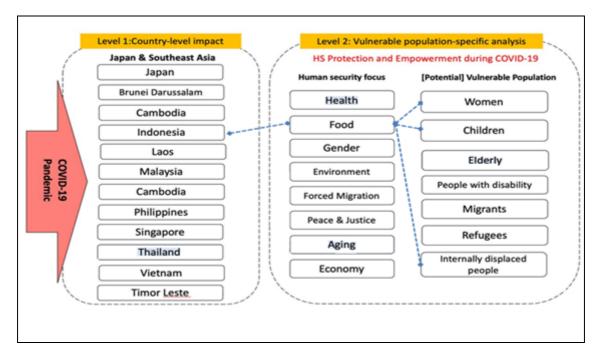


Figure 3. Coverage of Food Security Study in Indonesia

# 5. Initial Findings

# 5.1. Macro Protection Policy and Fiscal Response

COVID-19 was declared a major emergency by the National Disaster Management Office of Indonesia as of 28 February 2020. Such a national disaster declaration practice is not common in the crisis management context in Indonesia, where it is often the President that makes the call for a disastrous event to be qualified as a "national disaster." Nevertheless, the decision was backed later by the Presidential Decree (Kepres 9/2020) on the formation of a Task Force for Rapid Response to COVID-19 (13 March 2020). This Presidential Decree has been the basis for sectoral responses from national and local level governments.

Since the beginning of the Pandemic, the Government has been reluctant to put robust measures in place to mitigate the impact, including ambiguity in protection. The government is conflicted with protecting the economy and preventing poverty (in all situations, including non-crisis ones) with saving life from COVID-19 emergencies. In general, critical views on the government response has been recorded (e.g. Djalante et al. 2020). Given all the availability of information from the science of pandemics, the inability of the government to act firmly in time to contain the virus offshore was one of the reasons why Indonesia remains unable to pass the first wave of the COVID-19 (Lassa and Booth 2020).

Despite being late and remaining indecisive in making crisis management decisions in comparison to many middle-income countries in Asia, "fortunately", Indonesia was able to implement some social protection measures anticipating food crisis and hunger. The bigger pictures of the macro-level policy pertinent to food security from March 2020 till March 2021 can be seen in Table 1.

The Indonesian President issued Directive 4/2020 that specifically instructed communities on the need to refocus fiscal priorities, including the need to reallocate budgets, and procure goods, and services to deal with COVID-19 (Table 1). Ensuring food security budget reallocation, strengthening health response and services, and a national insurance scheme have been the four agendas of the Directive (Djalante et al. 2020).

Also, notable key regulations aim to protect citizens by ensuring their access to food and other

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fundamental rights. The central Government adjusted its fiscal allocation led by the Ministry of Finance (MoF). Two critical decisions by MoF in March 2020 include: First, the decision on "Distribution of special grant allocation for infrastructure in the health sector and grants for health operation for COVID-19 response" and second, the decision on "Distribution and the use of shared income grant, fiscal allocation, general allocation grant, special allocation grant and regional incentives for 2020 fiscal response to COVID-19." The former aimed to control the COVID-19 using both medical and public health measures, while the latter aimed to create incentives that ensure social protection and access to food and other fundamental rights.

| Date                   | Issuing agency  | Title of regulation   | Reference   |
|------------------------|---|---|---|
| 28<br>February<br>2020 | BNPB (National<br>disaster management<br>agency)                    | Declaration of Special Emergency<br>Situation of the COVID-19 Epidemic<br>Disaster in Indonesia   | Directive of<br>BNPB Head<br>9A/2020                |
| 13 March<br>2020       | President of Indonesia  | Task Force for Rapid Response to COVID-19   | Presidential<br>Decree ( <i>Keppres</i> )<br>9/2020 |
| 14 March<br>2020       | Ministry of Finance   | Distribution of Special Grant Allocation<br>for Infrastructure in Health Sector and<br>Grants for Health Operation for COVID-<br>19 response  | Decision of MoF<br>6/KM.7/2020                      |
| 16 March<br>2020       | Ministry of Finance   | Distribution and the use of Shared income<br>grant, fiscal allocation, general allocation<br>grant, special allocation grant and<br>regional incentives for 2020 fiscal<br>response to COVID-19 | MoF Regulation:<br>19/PMK.07/2020                   |
| 20 March<br>2020       | President of Indonesia  | Revision of Presidential Decree on Task<br>Force for Rapid Response to COVID-19   | Presidential<br>Decree ( <i>Keppres</i> )<br>9/2020 |
| 20 March<br>2020       | President of Indonesia  | Refocussing of activities, fiscal allocation<br>and procurement of goods and services<br>for the acceleration of COVID-19<br>response.  | President<br>Instruction<br>(Inpres 4/2020)         |
| 21 March<br>2020       | Ministry of Finance   | Tax incentives for Compulsory Tax<br>Holders affected by COVID-19   | MoF Regulation 23/PMK.03/2020                       |
| 23 March<br>2020       | Ministry of<br>Communication and<br>Information                     | Acceleration of socialisation of COVID19<br>Prevention at Provincial and District/City<br>levels.   | Circulated letter<br>SE 2/2020                      |
| 24 March<br>2020       | Village, Regional<br>Disadvantage and<br>Transmigration<br>Minister | Village Response for COVID-19 and<br>Cash for work in Villages  | Circulated Letter<br>SE 8/2020                      |

Table 1. Key Regulations Related to Food Security in Indonesia Feb 2020 - March 2021

|               |                        |  | 1                           |
|---------------|------------------------|--|-----------------------------|
| 31 March 2020 | President of Indonesia | National Budgeting Policy and the<br>Stability of Budgeting System for | Government<br>Regulation in |
| 2020          |                        | COVID-19 Pandemic Disaster and/or                                      | Lieu of Law                 |
|               |                        | Managing Threats for National Economy                                  | 1/2.020                     |
|               |                        |  | 1/2020                      |
| 21.34 1       |                        | and/or the Stability Budgeting System                                  |                             |
| 31 March      | President of Indonesia | Declaration of Community Health  | President Decree            |
| 2020          |                        | Emergency Situation for COVID-19                                       | 11/2020                     |
| 31 March      | President of Indonesia | Big Scale Social Restriction for                                       | Government                  |
| 2020          |                        | Accelerating COVID-19 Eradication                                      | Regulation                  |
|               |                        |  | 21/2020                     |
| 16 April      | Ministry of Social     | Implementation of Food and Cash  | MoSA Decree                 |
| 2020          | Affairs (MoSA)         | Transfer Support for COVID-19  | 54/HUK/2020                 |
|               |                        | Pandemic   |                             |
| 10 July       | Ministry of Workforce  | Time adjustment for social security                                    | Permenaker                  |
| 2020          | (Menaker)              | protection benefits for pre-posting                                    | 10/2020                     |
|               | <b>`</b>               | migrant workers during non-national                                    |                             |
|               |                        | disasters i.e. COVID-19  |                             |
| 8 July        | Ministry of Social     | Implementation of Food and Cash  | MoSA Degree                 |
| 2020          | Affairs (MoSA)         | Transfer Support for COVID-19  | 86/HUK/2020                 |
|               |                        | Pandemic   |                             |
| 11 August     | Ministry of Social     | 2 <sup>nd</sup> Amendment of Implementation of                         | MoSA Decree                 |
| 2020          | Affairs                | Food and Cash Transfer Support for                                     | 100/HUK/2020                |
|               | (MoSA)                 | COVID-19 Pandemic for Fiscal Year                                      |                             |
|               |                        | 2020   |                             |
| 14 August     | Ministry of Workforce  | Government Assistance Guidelines for                                   | Permenaker                  |
| 2020          | (Menaker)              | Wage / Wage Subsidies for Workers /                                    | 14/2020                     |
| _0_0          | (1,101,101)            | Workers in handling COVID-19 impact                                    | 1                           |
| 30            | Ministry of Social     | Implementation of Cash Transfer Support                                | MoSA Decree                 |
| December      | Affairs (MoSA)         | for COVID-19 Pandemic 2021   | 161/HUK/2020                |
| 2020          |                        |  | 101/11011/2020              |
| 15            | Ministry of Workforce  | Implementation of wage in specific                                     | Permenaker                  |
| February      | (Menaker)              | labour-intensive industries during                                     | 2/2021                      |
| 2021          | (michaker)             | COVID-19   | 2/2021                      |
| 2021          |                        | 00010-19   |                             |

Source: Author - modified and updated from Djalante et al.(2020).

# 5.1.1 Ministry of Social Affairs and Social Protection

The Ministry of Social Affairs (MoSA) has been a national champion for social protection programs that are the most pertinent to ensuring the poor's food security access. At MoSAs disposal, various social protection programs have been part of both regular development and disaster response related programmes. MoSA remains vital in the overall COVID-19 related protection as it manages 62% of the 2020 adjusted budget (172.2 out of 204.95 trillion Rp or 9.1 out of 14.6 Billion US\$). Below are some of the examples of the use of the existing program to

help the most vulnerable groups as informed by the MoSA and Ministry of Finance<sup>2</sup>:

- The number of beneficiary families (KPM) of the Family Hope Program (PKH) was increased from 9.2 million to 10 million families in 2020. The distribution of PKH, which was previously per 3 months, became per month from April to December 2020. From April to June, KPM received PKH twice;
- MoSA is responsible for distributing food basket (Bansos Sembako) to 1.9 million beneficiaries and rice packets to 10 million beneficiaries;
- The amount of PKH benefits per year for: (1) pregnant women Rp 3,750,000 (US\$ 260);
  (2) Children aged 0-6 Rp. 3,750,000 (USD 90); (3) Elementary school children/equivalent Rp1,125,000 (USD 89); (4) Junior high school children / equivalent Rp1,875,000 (USD 135); (5) High school children / equivalent Rp. 2,500,000 (USD 178);
  (6) Severe disability Rp. 3,000,000 (USD 214); (7) Seniors 70 years and over IDR 3,000,000. PKH assistance is given to a maximum of 4 people in 1 family. The highest assistance was IDR 10 million / year, the lowest assistance was IDR 900 thousand / year.
- The number of basic food card beneficiaries was increased from 15.2 million to 20 million KPM. The primary food card nominal was increased from IDR 150,000 to IDR 200,000 per KPM, given over the nine months until December 2020.
- Village Direct Cash Assistance (BLT) of IDR 600 thousand / KPM/month (April-June 2020) and IDR 300 thousand / KPM/month (July-September 2020). BLT Desa is given to poor or underprivileged families in the village who are not recipients of PKH assistance, basic food cards, and pre-work cards. Data collection for KPM candidates considers the Integrated Social Welfare Data (DTKS) of the Ministry of Social Affairs.

# 5.1.2 Ministry of Workforce (MoLa)

As shown in Table 2, the Government's assistance via MoLa is in the form of subsidised

<sup>&</sup>lt;sup>2</sup> See the details at: Policy for the poor, accessed via: <u>https://www.kemenkeu.go.id/covid19</u>

salaries/wages of US\$ 42 per month paid for up to 4 months. The Ministry of Workforce issued the Regulation (Permenaker) 14/2020 to execute government assistance in the form of salary/wages subsidies given to workers. The beneficiaries must meet the following requirements: a. Are Indonesian citizens as evidenced by a population identification number; b. Be registered as an active participant in the BPJS Ketenagakerjaan – the current workers' social security program as evidenced by a membership card number; c. Be workers or labourers who receive salaries or wages; d. Participate until June 2020; e. Be an active participant of the social security program for employees who proportionately pay contributions on a salary or wage below IDR 5 million (US\$ 350) (five million Rupiah) according to the latest salary/wage reported by the employer to BPJS Ketenagakerjaan and recorded in BPJS Ketenagakerjaan; and f. Have an active bank account.

In addition, the Ministry of Workforce has also been administering a Pre-Employment Card policy as part of COVID-19 crisis management. The Pre-Employment Card Program is an incentive for workers who are laid off, job seekers, and micro and small entrepreneurs who have lost their jobs and/or experienced a decrease in purchasing power due to the Covid-19 pandemic well as workers who need increased competence. The pre-employment card program aims to develop workforce competence; increase the workforce's productivity and competitiveness, and develop entrepreneurship.<sup>3</sup>

The Government has allocated an agreed budget that has been increased from Rp. 10 trillion (USD 714 million) to Rp. 20 trillion (USD 1.3 billion) for 5.6 million workers who have been laid off or sent home with unpaid leave, informal workers, and micro and small business actors affected by COVID-19. Beneficiaries receive training fees of IDR 1 million, post-training incentives; IDR 42 USD/month for four months, and job survey incentives IDR 150k for three surveys.

<sup>&</sup>lt;sup>3</sup> See the full flagship program at <u>https://www.prakerja.go.id/</u>

#### 5.1.3 Ministry of Village, Regional Disadvantage Development and Transmigration

One of the most vulnerable groups in Indonesia is the people in remote and disadvantaged regions in Indonesia, where the health system and access to health services remain limited. In the last five years, the good news is that the central Government has created a nationwide incentive for village development through the Village Development Fund (ADD). At the moment, as instructed by the President and administered directly by the Ministry of Village Development, Regional Disadvantage and Transmigration, is to allow village governments (ca. 80,000) to shift existing funds to cash for work. Therefore, this is subject to future studies and investigations on how village governments can truly help COVID-19 affected communities by using the funding from ADD.

# 5.2 Multi-level incentives for food production

Through collaboration between the Ministry of Agriculture, the Ministry of Maritime and Fisheries and the Ministry of Social Affairs (MoSA), the government-financed a cash-transfer program for 2.7 million farmers and 1.1 fishers. By financing farmers government expects them to remain productive. The registration system for social protection might overlap in many places as the hypothetically poor communities entitled to cash transfers were also registered as farmers and fishers.<sup>4</sup>

At the local level, there is a clear pattern of interest from local media in Nusa Tenggara Timur and Central Sulawesi to expose some of the stories where local governments, jointly with police forces and local military leaders, send messages of hope in regard to food production at the district level. COVID-19 exacerbated the suffering of the disaster survivors in Central Sulawesi, including those in rural areas dependent on agriculture. The earthquakes in 2018 claimed lives and caused

<sup>&</sup>lt;sup>4</sup> For example, a farmer who returned the farmer cash assistance as he also received cash-transfer for the poor. <u>https://regional.kompas.com/read/2020/05/29/10315941/cerita-petani-yang-kembalikan-blt-karena-sudah-terima-bantuan-lain</u>

widespread damages to agricultural infrastructure such as irrigation channels. For example, in Sigli, a group of farmers in the Gumbasa irrigation area needed to shift to off-farm activities as they wait for their irrigation system to be reconstructed. During COVID-19, most of these farmers-turned-construction workers had to stay at home and lost their income generation activities.

#### 5.3 Cash Transfers as a Bridge of Protection and Empowerment

COVID-19 presents a unique opportunity for Indonesia to experiment with one of the largest cash transfer programs (CTP) in its modern history. Such a history is built on the lessons of several post-disaster and emergency cash transfer programs from both governmental agencies and NGOs. The CTP activities are regulated by the Ministry of Social Affairs (MoSA) Regulation No 5/2015 (KEMENSOS 2015). Traditionally, this regulation's subjects are MoSA and local governments' Department of Social Affairs (DoSA) at both district and provincial levels. In a development context, MoSA has been implementing several CTP related programs that aim at poverty alleviation and ensuring social development and protection in Indonesia for the last decade.

MoSA has recently been the leading agency for disaster-response-related cash transfers in Indonesia. It leads and coordinates local, national, and international humanitarian cash transfers through multiple platforms, including government cash transfer systems and humanitarian cluster systems. With or without the support of other ministries, MoSA, in coordination with the DoSAs, often coordinates and/or facilitates the local level arrangement of post-disaster-related cash transfers.

The key objectives of disaster-related CTP under MoSA are: First, ensure that survivors' basic needs are met; Second, ensure well-targeted and efficient stimulus assistance for recovery and social protection is available. Third, ensure accountable rehabilitation, recovery, and relocation

of survivors (KEMENSOS, 2015). MoSA's CTP can be used for payment for building materials, living allowance, transitional housing, heirs, empowering the economy of survivors, economic support for former combatants (in the context of post-conflict response), and support for villages that have been displaced and where uprooted people are concentrated (KEMENSOS 2015).

Each ministry has its role to play in ensuring and sustaining food security. There are five key ministries where COVID-19 fiscal are pooled for social protection (Table 2).

| Agency   | Type of Protection   | Amount and Scale                                     | Food Security<br>dimension                             |
|--|--|--|--|
| MoSA   | PKH Program (Family Hope<br>Program  | Rp. 600k (US\$ 42) per<br>month paid for 4<br>months | Access to food;<br>Availability at<br>consumers' level |
|  | Food aid packages  | Rp. 300k (US 21) per<br>month paid for 4<br>months   |  |
| MoLa   | Incentives for workers with a salary below US\$ 350 per month  | Rp. 600k (US\$ 42) per<br>month for 4 months         | Access to food;<br>Availability at<br>consumers' level |
| Ministry of<br>Village and<br>Disadvantaged<br>Regions<br>Development<br>and<br>Transmigration<br>(MoVDRT) | A maximum 35% allocation of<br>Village Fund for cash transfer<br>prioritises basic needs (incl.<br>food) and health-related<br>spending. | Rp. 600 (US\$ 42) per<br>person for 3 months         | Access to food;<br>Availability at<br>consumers' level |
| Ministry of<br>Agriculture<br>(MoA)  | Cash Transfers Program for 2.7 million vulnerable farmers  | Rp. 600 (US\$ 42) per person for 3 months            | Production to ensure availability                      |
| Ministry of<br>Maritime and<br>Fisheries   | Cash Transfers Program for 1.1. million vulnerable fishers   | Rp. 600 (US\$ 42) per person for 3 months            | Production to ensure availability                      |

 Table 2. Social Protection via Cash Transfers as Proxy to Ensuring Food Access

The Government allocated a total of Rp. 17.2 trillion (US\$ 5.1 billion) in the Year 2020 for the Ministry of Village, Disadvantaged Regions Development and Transmigration (MoVDRT) to target the poorest of the poor affected by COVID-19. Each village establishes a committee

responsible for selecting the most vulnerable households to be the recipient of the cash transfer program through the Village Fund channel. During the first year of COVID-19, the agencies listed in Table 2 were not the only players that provided CPT to the affected communities. Several agencies adopted CTP to target vulnerable communities to cope with income losses and food insecurity.

### 6. Final Remarks

This study has shown that the best form of protection and empowerment is not simply a policy and a technical approach to pandemic and disaster response, but these must also include timely response to the crisis, including the ability to act in time to mitigate the situation from becoming a series of cascading events that create instability in social and economic situations. From the view of 'acting in time', there is the question of barely proactive protection measures. However, given leadership problems and the tendency to ignore scientific inputs, the response is often made when it is too late to contain the local transmission effectively.

Informed by the desk review strategy, this Working Paper explored interventions from the government and other actors during the COVID-19 crisis that continues to affect the country. The focus is on disaster displaced populations; especially women and children in the recently disasterhit regions of Indonesia like Central Sulawesi and East Nusa Tenggara. Unfortunately, this initial study could not fully explore the specific situation of the vulnerable groups due to the limitations of the methodology. Furthermore, given the scale of the events, there is no significant media coverage on the role of NGOs in food-focused COVID-19 responses in general, including in the regions of Central Sulawesi and NTT.

However, using an explorative general review strategy, it is possible to see the effectiveness of multi-pronged social protection policies for food security during March 2020-March 2021. The

study from LIPI and LPSK highlighted the importance of social protection support from the Government during mobility restriction periods (a.k.a. PSBB) (Hidayati et al. 2020). This approach has arguably supported the food security of vulnerable groups and low-income families. Unfortunately, such a strategy was not consistently adopted by the government in the second quarter in 2021.

A survey by SMERU (2021) also suggests that "most households (85.3%) received at least one form of social assistance, be it a cash transfer or some sort of "in-kind" assistance. Half of all households (50.8%) received a cash transfer. The most impoverished families received the most assistance. Among those in the bottom 40% of the expenditure (income) distribution, more than 90% received at least one form of aid, and more than 60% received cash. Most households that were economically secure before the pandemic but experienced a significant loss of income were also able to access assistance (approximately 70%).

Local governments have room to exercise food producers' protection and empowerment, including that of farmers and fishers. For example, local government can directly buy from local farmers' harvests for their food aid procurement during the intermittent mobility restriction at the district level. The local DoSA has exemplified this in Ponorogo, where direct buying from local farmers help solved market disruptions during COVID-19. This implies that a balanced approach to protection and empowerment can work best for human security amid the pandemic.

Unfortunately, the empowerment approach does not immediately benefit political elites. Due to political interest, the empowerment dimension of the cash-transfer program is often half-heartedly adopted by the central government. Eyeing the rent-seeking potential of the procurement of 11.9

million food baskets and rice packets<sup>5</sup> worthed trillions of Rupiah, the government decided to use an old response framework that is often prone to irregularities. Strong interest from politicians pushed the national government to appoint politically associated private sector organizations to procure food baskets from the national market and distribute to the local level. Such an approach is prone to corruption. The Indonesian Corruption Commission later caught the Ministry of Social Affairs due to evidence of the corruption of food aid procurement for COVID-19 affected consumers.

Nevertheless, disaster-response-related and pandemic-related cash transfers can empower vulnerable groups to comply with COVID-19 mitigation measures. Conventional post-disaster relief distribution (in the form of commodity transfers - e.g. food and non-food items) is grounded in paternalism's moral imperative where external actors decide what is best for survivors of disasters and conflicts (Lassa et al. forthcoming). On the other hand, cash assistance - as a form of basic income - can be seen as a more flexible and relatively less-intrusive type of aid that is rooted in the ideology of libertarian paternalism (Tahler and Sustein 2009) because peoples' choices towards emergency aid are not decided top-down by the central governments or "coercively enforced" but are creatively embedded in a new practice where people affected by disasters can experience a higher degree of agency and dignity (United Nations 2016).

<sup>&</sup>lt;sup>5</sup> See explanation on the food baskets and rice packets at MoSA Website: <u>https://kemensos.go.id/ar/kemensos-pastikan-bantuan-sembako-tersalurkan-cepat</u>

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