

THE IMPACT OF THE COVID-19 PANDEMIC ON THE DECLINE IN THE WELFARE OF THE PEOPLE OF BOGOR CITY

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Abstract

This study aims to explore the impact of the COVID-19 pandemic on the welfare of people in Bogor City. The primary data came from 36 respondents from five sub-districts in Bogor City from different professions and affected by the pandemic as well as in-depth interviews with the heads of puskesmas, sub-districts, and representatives of RT leaders. Respondents' income experienced a sharp decline of between 30%-70% at the beginning of the pandemic while spending tended to remain constant. This condition causes respondents to have to anticipate family expenses. In general, there has been a decrease in respondents' income levels during the pandemic, but not all respondents have made drastic changes in food patterns. They only change certain types of side dishes and prefer to find other sources of income to maintain old spending patterns rather than change family spending patterns.

Keywords: COVID-19 Pandemic, Economic Impact, Changes in Consumption Patterns

INTRODUCTION

The COVID-19 disaster better known as the Corona Virus has been in the public eye since its appearance was detected in China for the first time in early 2020. The death of thousands of lives due to this virus has made it the center of attention of many countries, including Indonesia. The COVID-19 pandemic has proven to have put pressure on economic and social conditions in Indonesia and prefers social distancing as a solution rather than lockdown, which is locking access in and out of the area for anyone to prevent the spread of the virus which is commonly used by most countries. The essence of social distancing is to avoid social activities directly with others, while a *lockdown* means that an area will be isolated and there will be a complete cessation of all activities in the region. The fundamental reason why Indonesia prefers to enact

Social restrictions are that many Indonesians rely on daily wages, so they will be vulnerable to not being able to find a livelihood if *the lockdown* is imposed. Indonesia since the end of 2019. This economic impact has far-reaching impacts throughout Indonesia. The economy of each region is threatened, coupled with regional conditions that are worse than before. Because of this, the Indonesian government immediately took aggressive steps so that the spread rate could be suppressed as much as possible.

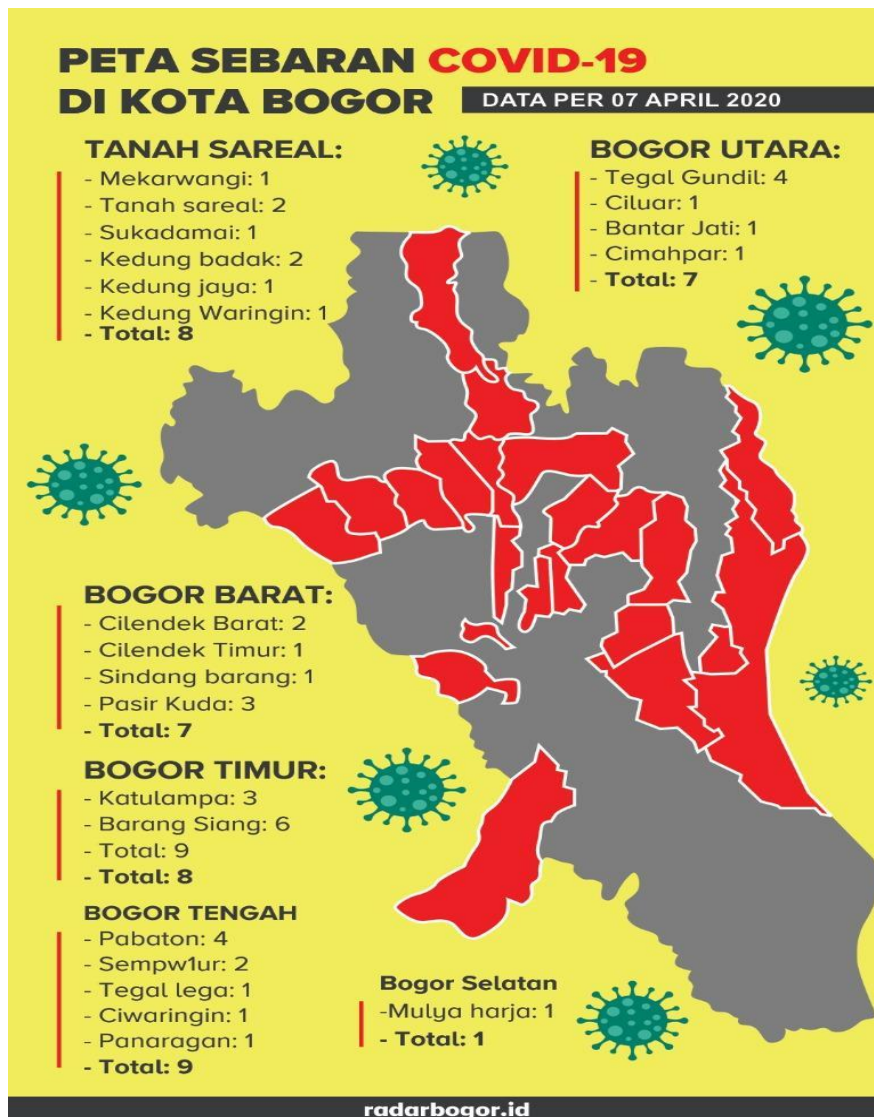


Figure 1. Risk category for increasing Covid 19 cases in Bogor city
Source: Bogor City Health Office, 2020

Because Indonesia is a developing country, the problem of poverty is important and central to its development efforts. The diversity of views on poverty shows that poverty is a multi-dimensional phenomenon. This phenomenon makes measuring poverty not easy. However, poverty must still be measured as a picture and material for poverty reduction policymaking. The World Bank Institute (2020) suggests four reasons for poverty must be measured, namely (1) so that the poor continue to be on the agenda and considered, (2) the identification of poor people and the need for interventions on poverty alleviation, (3) monitoring and evaluation of projects or intervention policies on the poor, and (4) evaluation of the effectiveness of government institutions in poverty alleviation



Figure 2. Bogor City Poverty Line 2014-2019

Source: Statistical Center Body, 2019

The poverty rate has a significant positive influence on the total number of COVID-19 cases. One reason this happens is that poor individuals and populations do not have access to health services and may be misinformed and miscommunicated due to a lack of access to information channels, thus, they are more likely to ignore public health warnings (Ahmed, Ahmed, Pissarides, & Stiglitz, 2020). Previous research by (Patel et al., 2020) stated that several main reasons such as overcrowded accommodation, limited access to private outdoor spaces, inflexible work, and unstable working conditions are factors that increased COVID-19 exposure in poor populations. During the period 2014 to 2019, the number of poor people in Bogor City fluctuated from 30.93 thousand people in 2014, increased for two consecutive years until in 2016 the number of poor people was recorded at 34.11 thousand people, but the last three years since 2017 the number has continued to decrease until in 2019 to 31.46 percent or 4.88 percent of the population, or it can also be said

that there is 4.88 percent of Bogor City's population living below the poverty line. The poverty line is the boundary line that distinguishes between poor and non-poor groups. This line shows the number of dollars needed by individuals to be able to meet their minimum living needs, both food and non-food needs. People with expenditure values below the poverty line will be categorized as poor. Conversely, people with expenditures greater than the poverty line are categorized as non-poor. Bogor City Poverty Line in 2014, recorded 369,079 rupiah per capita per month (Figure 2). The figure shows that a person in Bogor City will be categorized as a poor resident if the total expenditure for food and non-food consumption each month is less than 369,079 rupiah. The poverty line in 2015 reached 403,905 rupiah per capita per month and continued to increase for the following year. In 2019, the poverty line was recorded at 523,726 rupiah per capita per month. On average, the rate of increase in the poverty line during 2014-2019 was 7 percent per year.

Based on data from the Bogor City Health Office in November 2020 (Table 1) in Bogor, there were 2195 cases of close contact, 724 suspected cases, and 644 positive cases of COVID-19. A suspect case is someone who has one of the following criteria: a) A person with an Acute Respiratory Infection (ARI) and in the last 14 days before symptoms develop has a history of travel or lives in a country/region of Indonesia that reports local transmission; b) People with any of the symptoms/signs of ARI. there are the last 14 days before symptoms develop have a history of contact with a confirmative/probable case of COVID-19; c) People with severe ARI/severe pneumonia requiring hospitalization and no other cause based on a convincing clinical picture

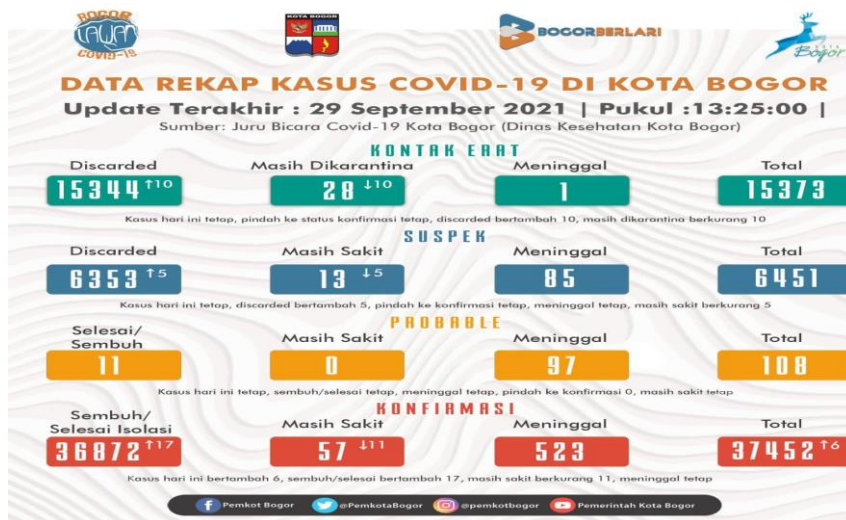
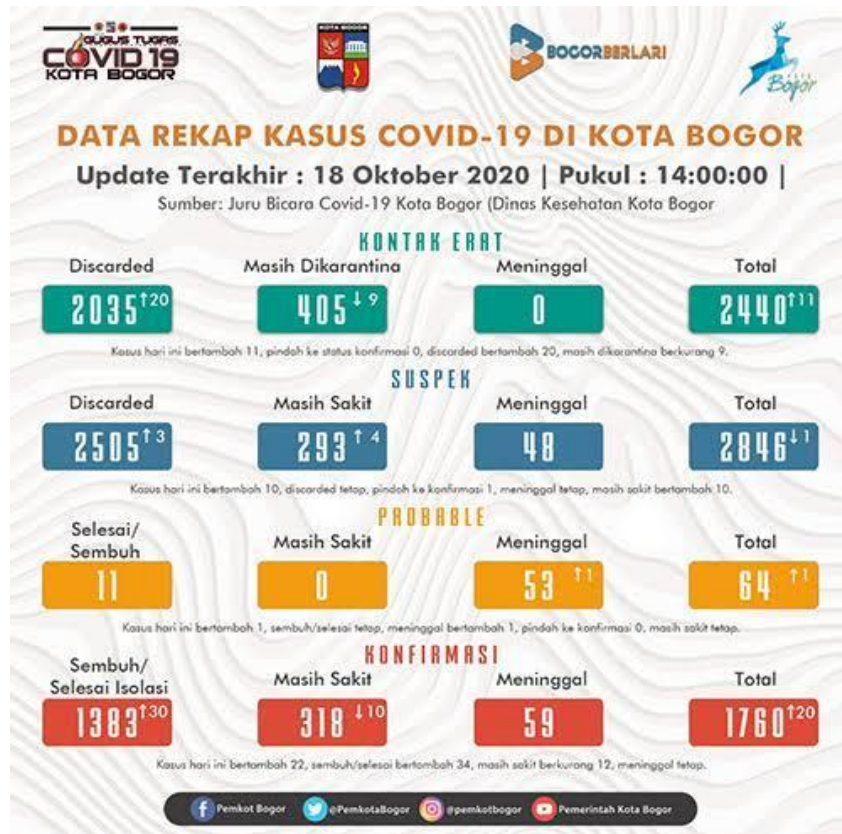


Figure 3. Close Contacts, Suspected Cases, and Covid-19 Positif Bogor City October 2020
Source: Bogor City Health Office

Population density also affects the prevalence of COVID-19 cases, in this case, measured by the number of cases. Population density plays an important role in the growth of COVID-19 because it is proportional to the rate of contact (Rocklöv & Sjödin, 2020). Previous studies from 2020 in Iran using the Partial Correlation Coefficient (PCC) function and Sobol-Jansen confirmed that population density has a direct relationship with the COVID-19 outbreak (Ahmadi, Sharifi, Dorosti, Jafarzadeh Ghouschi, & Ghanbari, 2020). Urban population density provides a greater impact on the spread of COVID-19 if social distancing is not carried out. Bogor City is an area with the highest population density window in West Java has a higher risk of spreading the Covid 19 virus.

The COVID-19 pandemic is predicted to have a tremendous impact on sectors such as trade performance, exchange rates, and business activities and will experience a drastic decline. The impact of the COVID-19 pandemic has caused reduced labor supply, unemployment, reduced income, increased costs of doing business in every sector (including disruption of production networks in each sector), reduced consumption due to shifts in consumer preferences for each item, people's vulnerability to disease and vulnerability to changes in economic conditions. Social restrictions imposed by the government have affected all communities, especially the lower middle-income class and daily workers. Groups of people who were not previously poor ended up becoming poor because of these wide-scale restrictions.

The results showed a wave of layoffs and a decrease in workers' incomes during the PSBB period in Indonesia. The percentage of layoffs of workers/employees/employees in Indonesia at the end of April 2020 was 15.6 percent, consisting of 1.8 percent of layoffs with severance pay and 13.8 percent of layoffs without severance. Table 1 shows an almost balanced percentage between male and female layoffs, at 16.7 percent and 14.2 percent, respectively. The percentage of layoffs due to COVID-19 from the results of this study appears to be greater than the ILO's prediction of 10.5 percent in the second quarter of 2020. However, the number of layoffs is almost the same as the number of layoffs in the United States which in July 2020 was 14.7 percent (Ziv, 2020). Even Cox (2020) predicts unemployment in the United States will reach 32.1 percent due to COVID-19. The magnitude of the influence of COVID-19 is explained by Ozili (2020) that sudden economic disruptions caused by COVID-19 are not only damaging but also have an excessive impact because they create demand and supply shocks in almost every business field. The COVID-19 pandemic has also had an impact on decreasing the income of workers who were not laid off. Of the respondents studied, there were 31.0 percent of workers claimed their income decreased by less than 50 percent, and 8.6 percent of workers whose income decreased above 50 percent

According to Law No. 13 of 2003 concerning Manpower, layoffs need to be carried out in several processes, including deliberation between employers and labor unions. If it does not result in consent, the last resort is through the courts for dispute resolution. As the Company's responsibility for laid-off workers, the company is required to provide severance pay, award money, or compensation money for employees (articles 156 and articles 160-169). Furthermore, some restrictions allow employers to make layoffs, so they cannot be done unilaterally and arbitrarily. Layoffs without severance pay are also a violation of the law and are classified as *industrial abuse*. The COVID-19 pandemic cannot be used as a justification for companies to make policies that normatively violate workers' human rights to get severance pay

EMPIRICAL REVIEW

A study by Esubalew A. (2006) on the determinants of urban poverty in one of the cities in the Amhara region, Debre Markos, found that average monthly income, family size, education level, and incidence of disease as significant determinants of urban poverty. While all classes of society can be equally affected by this pandemic, marginalized communities, especially the urban poor, freelancers, and temporary and informal workers have been disproportionately affected by the pandemic. The immobility of workers from satellite cities and their inability to pay for health care, coupled with situations that force them not to come to work make them more vulnerable to the pandemic (McKibbin & Fernando, 2020). In general, people are not prepared for the implementation of mobility restriction policies. So, the increasing number of COVID-19 cases is a form of low public compliance with the implementation of this regulation (Cartenì, Di Francesco, & Martino, 2020). The success of social distancing policies is directly related to the demographic

situation of local communities. Some literature examines the demographic situation in Indonesia regarding economic variables such as economic growth, unemployment, and consumption structure (McDonald, 2014). However, the wave of the COVID-19 pandemic shows the behavior and productivity of the population. For example, DKI Jakarta Province is the most populous province in Indonesia as well as the province that recorded the highest number of COVID-19 cases compared to other provinces, with an increase in new cases of 1.7 percent in early August (WHO, 2020).

RESEARCH METHODOLOGY

This form of research is research that uses descriptive and exploratory analysis. This study uses this descriptive analysis as an analytical tool that aims to analyze the condition of the people of Bogor during the COVID-19 pandemic. The location of this research was carried out in five sub-districts in Bogor City, namely West Bogor District, East Bogor District, North Bogor District, South Bogor District, and Central Bogor District. Central Bogor City is used as a research location because it is an area with the highest density and the highest poverty rate in West Java, so social restrictions will have a broad impact on the community and the pandemic

Covid-19 has had a broad impact on its people. This study uses primary data obtained and collected by itself to obtain the information needed. Data collection method using questionnaires, observations, and in-depth interviews. Questionnaires are used as interview guidelines for respondents. Questionnaires and interviews are intended for respondents who are sampled. The population used is the entire community of Bogor City. The sample consisted of five respondents from five sub-districts in Bogor City so the total respondents were thirty-six respondents. The sampling technique uses purposive *sampling* techniques by assigning special characteristics as needed

RESULTS AND DISCUSSION

A study by Esubalew A. (2006) on the determinants of urban poverty in one of the cities in the Amhara region, Debre Markos, found that average monthly income, family size, education level, and incidence of disease as significant determinants of urban poverty. While all classes of society can be equally affected by this pandemic, marginalized communities, especially the urban poor, freelancers, and temporary and informal workers have been disproportionately affected by the pandemic. The immobility of workers from satellite cities and their inability to pay for health care, coupled with situations that force them not to come to work make them more vulnerable to the pandemic (McKibbin & Fernando, 2020). The respondents in this study amounted to 36 people from five sub-districts in Bogor City. The age range of respondents is mostly in productive age, most in the age group of 35-45 years as much as 50%. When viewed from the age composition, it can be concluded that respondents are young couples with a maximum number of dependents of 3-4 people (50%). The status of respondents is almost all heads of household (husbands) and only 10% have the status of wives.

Respondents who are wives stated that the reason they participate in earning a living is to help ease the economic burden of their husbands, especially during the pandemic because there are respondents' husbands who no longer work during the pandemic.

The dynamics of poverty are closely related to the demographic characteristics of households, especially family size, dependency ratio, sex of the head of household, age composition, and literacy of the head of household. Household size is a major demographic factor

and is generally positively associated with poverty status (Qureshi and Arif, 2001; Chaudhry,2009). Large family sizes will likely burden additional household assets and resources (McKay and Lawson, 2002). It was recorded that 53% of respondents had junior high and elementary school education and only 8% of respondents had diploma education. When related to the respondent's last educational condition with the type of work, it can be seen its relevance. The types of jobs of respondents ranged from drivers, online motorcycle taxi drivers, food vendors, salon services, mask sellers, parking attendants, tailors, newspaper sellers, laborers, and retail gasoline sellers. The majority of these professions have daily income, so if they do not work it means they do not earn income.

Questionnaires as a way of collecting data that researchers do, become the final stage in research. After that, researchers asked 1 question in the form of a questionnaire related to the chosen idea When Indonesia first set a corona alert at the beginning of the year, precisely in March, which then resulted in the hampering of all activities. One of the impacts felt is a decrease in income or loss of jobs. What do you anticipate doing before the pandemic status is set?

The Impact of the Pandemic on People's Income

Although the pandemic has caused people to lose their jobs, be laid off, change jobs, limit working hours, and lower wages, on the other hand, it has also created new job opportunities, such as cloth mask sellers, PPE tailors, hand sanitizer sellers, hand soap sellers, and medical equipment procurement. Herbal products such as herbal medicine have also increased in demand during the pandemic because they are believed to increase endurance. The COVID-19 pandemic can lead to new job opportunities that rely on creativity, for example, there is a Frozen Food business, which is semi-finished food that lives fried. In addition, the use of social media and applications has also grown rapidly during the pandemic because many sales transactions are carried out online During this pandemic, trading activities experienced very clear differences, many businesses were forced to close due to losses, sales turnover was much lowered, so there were those whose sales methods also changed to online, for example, originally selling donuts on the roadside now because they were not allowed to sell, so he Choose to sell donuts online. During this pandemic, it also opened up new job opportunities, namely becoming mask sellers and mask makers. Some residents were originally tailors specializing in clothes making and experienced quiet requests for makeovers, even though usually before the pandemic orders for seam making never broke and even had to queue. According to him, at the beginning of the pandemic people became afraid to leave the house, if it was not too important. As a result, the demand for stitch-making also dropped by 80%, even worse the stitches that have been finished being repaired have never been taken by consumers during the period

pandemic. Finally, to overcome the lack of demand for stitches, he slammed the steering wheel to sew masks but only based on orders. According to him, although the results are not as big as stitches, they can still increase family income. Moreover, her husband does not work, during this pandemic her husband finally wants to help sell garden products even though there are not many

It must be admitted that since the COVID pandemic was officially announced by the Indonesian government, and there were social restrictions and people reduced activities outside the home if not necessary, the impact also affected consumers who made transactions. There are those whose sales turnover has dropped by 50%. Many small businesses are affected due to the reduced number of consumers They carry out several strategies so that their sales last. This is exacerbated by the increase in raw material prices. A fried rice seller, during the COVID-19 pandemic, reduced his spending on raw materials such as mustard greens and rice by one-third.

However, as much as possible these respondents still set aside money from their income to save even though only 5,000-10,000 / day, where the savings are the results of savings from the income of their wives and respondents. Existing savings are intended to prepare for the future such as children's schooling, guarding, or other things. In addition to setting aside money, respondents already have savings where the savings are focused on meeting important needs such as paying for children's college outside the island, just in case they are sick, and not used for business. This savings is enough to meet the needs of the family to date.

The pandemic also had an impact on the impromptu profession, namely mask sellers. A mask seller said he could earn 700,000 – 1,000,000 in a day or even more in the early days of the spread of COVID-19. For his net profit, he could earn 40-50% of the day's income. Based on his statement, this respondent sold masks because during this COVID-19 alone, previously he sold clothes and during the pandemic income from selling clothes decreased so he switched to selling masks as well while selling clothes coupled with other sales such as glasses, gloves, raincoats. The sale of these masks is obtained by taking them from mask agents in Bogor Market.

What about the income of newspaper sellers during the pandemic? Are newspaper sales affected as well? Based on the results of interviews with respondents selling newspapers during the COVID-19 pandemic, newspaper sales also decreased, this is because most people do not do activities outside the home and many coffee shops close their businesses so they cannot stop by to sell at that place. It is said that before the daily pandemic, respondents could earn a net income of around 60,000 – 70,000 in a day with sales reaching 100-120 newspapers a day now during this pandemic sales have decreased, and usually get net income reaching 40,000 – 45,000. During the pandemic, he decided to reduce the number of newspaper picks taken from agents. According to respondents during this pandemic, the existing income is still enough to support daily needs. To increase income, these respondents used their expertise in repairing electricity in surrounding homes, repairing parlors, handymen, transporting sand, and other odd jobs. Respondents were also helped because their wives worked as scavengers, thus increasing family income.

Consumption Behavior Patterns

In general, there has been a decrease in respondents' income levels during the pandemic, but not all respondents have made drastic changes in food patterns. There are differences in respondents' spending patterns before and during the pandemic. Respondents made some adjustments as needed or eliminated some types of family expenses that were still possible. Plotting in difficult times is what they do. For food patterns, there are no drastic changes such as replacing the staple food of rice with other carbohydrate sources. They only change certain types of side dishes and prefer to find other sources of income to maintain old spending patterns rather than change family spending patterns. Other savings are made by bringing provisions to reduce lunch expenses because previously buying lunch at a stall. Buying credit per month becomes more economical only for the essentials. Some respondents reduced spending on cigarettes and made savings. Some respondents are looking for additional side dishes by fishing in the river. Although spending on food consumption was reduced by 40%, respondents continued to eat as usual, and only adjusted side dishes to the income earned. Some respondents received government assistance in the form of rice. During this pandemic, respondents received rice assistance from the government as much as 60 Kg with details of 20 Kg from the City Government, 20 Kg from the Provincial Government, and 20 Kg from Kelurahan. Expenditures for electricity and water costs have not changed drastically, they were helped by electricity subsidies provided by the government, especially for 450-watt customers. However, most respondents use unsubsidized 950watt electricity, because 450watt power is very limited in its usage capacity for now. For water

use, it turns out that not all respondents use water produced by PDAM Tirta Pakuan. Most respondents use rainwater sources, boreholes, and ditches/rivers for household needs. Drinking water usually they buy cheap refillable water. PDAM Tirta Pakuan during the pandemic did provide a 50% discount for low-income customers as well as social customers such as houses of worship, foundations, schools, or orphanages for three months. So it is enough to relieve consumers. In the calculation of PDAM Tirta Pakuan, there are at least 113 thousand of 129 thousand customers or 80 percent of Bogor residents who enjoy this PDAM bill-free program. Some of the following things were done by respondents in carrying out spending strategies: The government issued a policy during the pandemic by providing free electricity subscription fees for 4 months for households using the 450 VA power group. This greatly eased some respondents, but most of the respondents of the electricity group were 950 VAs who did not receive subsidies. In general, there is no increase in electricity costs during the pandemic due to normal use. PDAM's clean water expenditure has also not changed. Respondents only anticipate using rainwater for drinking and bathing water sources as well as for household needs. In general, respondents admitted that during the pandemic they continued to eat as usual, only changing certain types of side dishes. Some plan to buy side dishes at low prices in large quantities and store them in the refrigerator. During this COVID pandemic, respondents did save money by shopping in cheaper places. The types of side dishes that are being eaten are fish, vegetables, and chili sauce, if you don't have money, then only cook noodles or fry eggs. At first, some respondents smoked but because of covid, they chose to quit smoking so that the money to buy cigarettes could increase household costs. However, some other respondents chose to keep smoking and only reduce the number of cigarettes. Some respondents did not reduce their smoking habits and continued to smoke as usual, just switching to much cheaper cigarettes. For heavy smokers, they prefer to change cigarette brands rather than stop smoking because they think it is difficult. Some respondents got cigarettes from asking fellow smokers. The expenses they reduce are also children's pocket money. Incidentally, children also do not go to school so that they can save on snack expenses.

CONCLUSION

During this pandemic, many people live frugally and change their living behavior due to government policies to reduce the number of coronavirus transmissions which has put various business sectors out of business and made people aware of the importance of clean and healthy living patterns and behaviors so as not to be exposed to the coronavirus. The government is also trying to carry out a coronavirus vaccination program to make people healthy and realize the importance of healthy living behaviors free from various viruses. Hopefully, the corona virus will soon subside and an antidote can be found and life can return to normal

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