

CHAPTER I

INTRODUCTION

A. Background of the Study

Recently, the world is focusing on one thing, Covid-19. Novel Coronavirus, or the official name is Covid-19, which first found in a city in China named Wuhan, a city in Hubei Province, in late December 2019. A state of emergency has been declared in global health since December 31st 2019, by the local authorities of China. In the following month (January), many more people in China, including many province, cities and region were confirming the cases in the area (Wu et al., 2020)

As an initial Chinese response, the government of Wuhan and 15 cities in the Hubei Province has implemented a travel ban covering more than 57 million people ("China coronavirus: Lockdown measures," 2020). This condition involved stopping all public transportation in urban areas and traveling abroad through train, flight, and long-distance buses. Many events related to the New Year and tourist attractions were also closed for fear of contagion, including the Forbidden City festivals in Beijing, traditional temple fairs, and other festive gatherings. Hong Kong also raised the response to infectious diseases to the highest level, declared a state of emergency, closed its schools until mid-

February, and canceled its New Year celebrations ("Why China's Deadly Viral Outbreak," 2020).

It is crucial to prevent the worse outbreak of the virus, WHO have issued instruction and Covid-19 containment strategies for the ordinary people, clinicians, travelers, and infected patients to follow the instruction including the instruction about physical distancing, wearing masks, and the right way to wash the hands (Rodriguez-Morales et al., 2020).

The World Health Organization said that it is "extremely concerned" at the fast spread of the Covid-19 epidemic and not combating it enough, adding that it could be classified as a pandemic. The WHO Director-General stressed that it is still possible to reduce the number of infections through firm health policy measures. The Director-General of the World Health Organization announced on Wednesday (March 11th, 2020) that the United Nations organization considered the new Coronavirus, which causes the "Covid-19" disease, which is spreading in all parts of the world, "a global epidemic," adding that the number of people infected with a virus Corona the newcomer (Covid-19) reached the level of the global epidemic, the number of cases worldwide reached 118 thousand cases in 114 countries, and the death of 4 thousand and 291 people. However, the disease has been declared as a global epidemic or "pandemic," which is understood as a difficult situation to control an outbreak that is spreading globally (WHO, 2020).

In Yogyakarta Province, the number of cases is relatively lower than many other provinces in Java, as shown in the table below.

Table 1. 1: List of Covid-19 cases in Java Island in August 2020

No.	Province	Total Cases	Active Cases
1	Banten	1858	382
2	DI Yogyakarta	741	310
3	DKI Jakarta	21767	7037
4	Jawa Barat	6584	2389
5	Jawa Tengah	9659	3402
6	Jawa Timur	22324	5728

Source: BNPB Indonesia (2020).

Until now, there is vaccine or particular drug protocol that is currently used to treat the patients, but still limited in number. Though, many countries claimed that they are developing the vaccine for the virus. Because of that, the best way to control the pandemic is to prevent the significant outbreak as tight as possible (Habib, 2020).

The planet has been seriously impacted in a number of respects. One of them is the global economy, which has been seriously impacted. To 'flatten the curve' and avoid virus transmission, several countries introduced new legislation on lockout, border closure, travel bans, and self-quarantine, which had a major effect on the economy in all sectors. Covid-19 has an effect on agriculture,

petroleum, and oil in the primary sectors. The automotive industry is located in the secondary sector. In addition to the tertiary industries, the pandemic affects education, childcare, the financial industry, hospitality, travel, transportation, real estate, information technology, and the food market. (Nicola et al., 2020).

There are many sectors in which the Coronavirus affects the global economy:

1. Trade exchange because it impedes productivity, supplies, and weakens global demand, including oil demand.
2. Financial dependency, as well as its economic and moral consequences, have had an impact on global financial markets, which have seen crashes and the worst results since the start of the high financial crisis in 2008. As a result, the stock markets have a pessimistic measure of consumers' views of the virus's effect on the global economy.
3. Travel and transportation have an impact on global supply and demand because it has lowered flight frequencies and closed many airports across the world.

The virus has three effects on a country's local economy:

1. Enhancing economic activity by interfering with development, utilities, transportation, tourism, and shopping, as well as decreasing supply and demand. Some cities have been put under curfew and converted into ghost towns, as seen in China and Italy, and the number is rising globally..

2. The costs of response and containment, including saving, promoting, and preventive programs for the health sector as well as the economic and social sectors, are higher and increasing.
3. Confidence and certainty. Confusion and confusion about what is going on can reduce interest, leading to a reluctance to invest, spend, and travel.

Since the epidemic will eventually paralyze the global economy as a whole, there are hopes of slower growth in China, a downturn in Japan, and a recession in France. There is also significant financial assistance in Germany, the closing of industrial areas in northern Italy, and an emergency reduction in interest rates to zero in the United Kingdom and the United States, with massive liquidity, pumped to save the financial sector and support the economy in America and the euro area (750 billion euros) ("Coronavirus: Which countries are most able to recover," 2020).

The Government of the Republic of Indonesia has made strenuous efforts to handle Coronavirus, also concerning about preventing the virus from entering Indonesia. Those several maximum efforts, including requesting all Provincial and District /City Health Offices, Referral Hospitals, Port Health Offices (KKP), and Technical Center for Environmental Health (BTKL) to increase preparedness; Installing 135 thermal scanners in major airports in Indonesia, especially those that have flight routes to and from China; Providing health alert cards and Communication, Information and Education (KIE) to all

passengers that will be entering Indonesia during this period; Arranging more than 100 Referral Hospitals; Starting on February 5th, 2020, all flights to and from China were temporarily unavailable, the temporarily canceled service for visa-free and visa-on-arrival facilities for Chinese citizens, and the temporarily revoked service of imports of live animal products from China, as well as other preventive measures (Kemenlu, 2020).

The Indonesian government has taken a lot of measures to respond to the COVID-19 pandemic. This section contains a consolidated list of the actions that have or will come into effect very shortly. The Ministry of Manpower has released Circular No. M/67/HL.00.0-1/V/2020 on the Handout of Holiday Bonus for 2020 during the COVID-19 Pandemic. Governors should ensure that businesses in their respective provinces compensate their workers their lawfully due annual holiday bonus (Tunjangan Hari Raya or THR); companies that are unable to do so due to economic uncertainty caused by the COVID-19 pandemic can do so by paying the bonus in installments or deferring the THR payment to a later date depending on an agreement with the employees. and the employer as a side solution. This Circular was issued on May 6th, 2020. The Finance Ministry has regulated Minister of Finance Regulation No. 46/PMK.07/2020 on the Management of Grants from the Central Government to the Regional Government in the Effort to Mitigate the COVID-19 Pandemic and its Impact, which regulates grant money to the regional administration. The regulation

further provides guidelines on how regional governments can request grant money from the Central Government to combat the COVID-19 pandemic and its impact – with the Ministry of Finance working as the executing agency of the grants. This regulation was signed into law on May 5th, 2020 (Iswara, 2020).

The Indonesian COVID-19 Task Force has released a rule No. 4 /2020 on the Criteria of Personal Travel in the Effort to Mitigate COVID-19. The law specifies the criteria of people allowed to travel between areas where Large-Scale Social Restrictions (PSBB) have been implemented to include, among others, those who are providing basic services and essential economic errands, those need emergency care or are visiting direct deceased relatives, as well as public officials. This Circular takes effect from May 6th until May 31st, 2020.

حديث في الصحيحين عن سعد بن مالك وأسامة بن زيد وخزيمة بن ثابت أن النبي صلى الله عليه وسلم قال: "إن هذا الطاعون رجزٌ وبقية عذاب عُدب به قوم. فإذا وقع بأرض وأنتم بها، فلا تخرجوا منها فراراً منه. وإذا وقع بأرض ولستم بها، فلا تدخلوها."

(It is proven that the Prophet, may God's prayers and peace be upon him, said: "This plague is an emaciation and the rest of torture with which a people are tormented. If it falls on a land while you are in it, do not leave it to flee from it) Hadith in the two Sahihs on the authority of Saad bin Malik, Usama bin

Zaid and Khuzaymah bin. The decision of Indonesia government match with our prophet to protect the people from covid-19 witch mean stay in your place and limit the travel.

PSBB certainly has an impact on the economy. For example, in Jakarta, the measurement is if 75% of activity stops for 14 days, there will be -2.78% of the growth of Regional Domestic Product (PDRB) and the decrease in household income of -2.77%. Divided by the sectors that are impacted by the pandemic, the household is the most impacted as well as Small and Medium enterprises and corporations (Susilawati et al., 2020).

The partial Jakarta shutdown was disastrous for Gojek and Grab Drivers. Meanwhile, Igun Wicaksono, the president of the app-based Gojek association Two-Wheel Movement Union (GARDA), expressed disappointment that the Go-ride and Grab Bike functions had been suspended after the Jakarta administration barred drivers from taking passengers. "I want the administration to review the rules so that drivers can carry passengers." ""We want the administration to review the rule so that drivers can transport passengers." Otherwise, please pay app-based Gojek and Grab drivers during the ban," he said on Friday, according to tempo.co. According to Igun, Gojek is a common and inexpensive mode of transportation for the general public on their regular commute. He also claimed that the association had demanded from the

government a Rp 100,000 (US\$ 6.30) payment for each driver, or half of the average daily income of app-based Gojek drivers (Nurbaiti, 2020).

Demand for rides has fallen by double digits, leaving drivers unable to make ends meet. Amir, a Gojek motorcycle driver in Indonesia, is having trouble paying his rent and is considering moving or cutting back on food. "My daily wage has been reduced to 30,000 rupiahs (\$1.91)," he said. "It's one-third of what I was doing before the coronavirus outbreak" (Jibiki and Nakano, 2020).

Stay-at-home orders have been given in both Singapore, where Grab is headquartered, and Malaysia. President Joko Widodo of Indonesia, Gojek's home country, has urged people to stay indoors. Last week, the capital, Jakarta, introduced tighter social controls, including a ban on ferrying motorbike passengers. According to data from Indonesia's Statista Analytics, Gojek dropped 11% over the same time span. However, rather than reducing expenses and staff, the two firms are supporting drivers. Until May 4th, Grab is giving drivers in Singapore a 30% discount on car rental fees. Throughout Southeast Asia, the organization provides cash stipends to drivers who are sick with COVID-19 or are put into quarantine. The startup has spent nearly \$40 million in cash on those assistance.

Gojek raised a relief fund of 100 billion rupiahs, or \$6.38 million, in late March, funded in part by executives contributing one-quarter of their annual salaries. The fund will provide drivers with expenses such as medical treatment

and equipment. On April 7th, the Indonesian company announced that it will distribute 1 million coupons worth 5,000 rupiahs per week for use at participating restaurants.

Many drivers have been affected after the embargo started due to the Coronavirus, their average income has decreased by more than half of the usual days, and many in Indonesia have protested about this crisis affecting them after the government banned cycling drivers from transporting passengers for fear of the spread of Corona, according to a survey by big data company Statqo Analytics, During the last week of March, Grab and Gojek experienced a 16% and 14% decline in daily ride-hailing users, respectively. On March 19th, three days after schools and several businesses were closed to avoid the spread of COVID-19, there was a substantial decline (Desfika and Hidayat, 2020).

Based on the above clarification and definition, research into the effect of the Covid-19 pandemic on Gojek and Grab drivers has become critical. This is why the author suggests a study titled "Analysis of the income of Gojek and Grab drivers in Yogyakarta during covid-19 pandemic."

B. Limitation of the Study

Conducting research covering all things will be very difficult. Therefore, it will not be feasible for the researcher. During the Covid-19 pandemic, there are many new policies, regulations, and behaviors applied in

the society in order to cope with the pandemic, and those things affected many sectors, especially the economy.

Many factors affect the income of Gojek and Grab drivers during the Covid-19 pandemic. However, concerning the limit, the researcher has decided to limit the research, and this research is only focusing on the work hour, Covid-19 protocols, and passenger behavior during the pandemic and how those factors affect the income of Gojek and Grab drivers. This research is only conducted in Yogyakarta province.

C. Research Questions

This research includes three questions as follows:

1. How has the income of Gojek and Grab drivers been impacted by work hours during the pandemic?
2. How has the income of Gojek and Grab drivers been impacted by Covid-19 protocols during the pandemic?
3. How has the income of Gojek and Grab drivers been impacted by customer behavior during the pandemic?

D. Research Objectives

According to the three questions of this research, here are the objectives as follows:

1. To analyze the income of Gojek and Grab drivers affected by work hours during the pandemic.
2. To analyze the income of Gojek and Grab drivers affected by Covid-19 protocols during the pandemic.
3. To analyze the income of Gojek and Grab drivers affected by work costumer behavior during the pandemic.

E. Research Benefits

The benefits of this research are as follow:

1. Theoretical benefits:
 - a. The application of similar theory and the addition of literature on the economic impact of Covid-19.
 - b. As reference and comparison to similar research.

2. Practical benefits:

- a. To university as a subject

This research is expected to be literature for further research.

- b. To researcher

This research adds the researcher's knowledge in the effect of the Covid-19 situation in the economy and in fulfilling one of the requirements of a bachelor's degree at the University of Muhammadiyah Yogyakarta.

c. To company and institution

This research is expected to help understand the drivers' needs and preferences and as input to make a policy about drivers.