



CENTRE FOR  
STRATEGIC AND  
INTERNATIONAL  
STUDIES



**TENEGARA**  
STRATEGICS

# Grab and the Gig Economy: **Strengthening Economic Resilience**

2019 Study



June 2020



## Executive Summary

### Grab and the Gig Economy: Strengthening Economic Resilience

- *Research by CSIS and Tenggara Strategics finds that the Grab ecosystem creates economic opportunities both within and beyond the platform*
- *Gig work enabled by Grab contributed Rp 77.4 trillion to the Indonesian economy in 2019, up by 58% from Rp 48.9 trillion in 2018*
- *Driver-, merchant- and agent-partners across 12 cities reported improved quality of life and financial inclusion after joining Grab*

New research by the Centre for Strategic and International Studies (CSIS) and Tenggara Strategics finds that gig work powered by Grab supports Indonesia's economic resilience. GrabBike and GrabCar driver-partners, GrabFood merchant-partners and GrabKios agent-partners surveyed across 12 cities reported that Grab not only provides better economic opportunities for informal workers - who constitute 56.5% of Indonesia's labor force<sup>1</sup> - but also stimulates small business growth and job creation outside of the Grab platform.

Through gig work across four services - GrabBike, GrabCar, GrabFood and GrabKios - Grab contributed Rp 77.4 trillion to the Indonesian economy in 2019, up 58.3% from Rp 48.9 trillion in 2018. Grab partners surveyed also reported significant improvements in quality of life and financial inclusion after joining Grab.

The study, conducted in January 2020, combined qualitative and quantitative methods through face-to-face surveys with 5,008 GrabBike and GrabCar driver-partners, GrabFood merchant-partners and GrabKios agent-partners in 12 cities: Greater Jakarta, Surabaya, Bandung, Medan, Makassar, Semarang, Yogyakarta, Denpasar, Palembang, Bandar Lampung, Balikpapan and Manado. The study used a systematic random sampling method and call-back on 50% of the respondents for quality control.

<sup>1</sup> According to Statistics Indonesia (BPS), around 74 million workers, or 56.5% of the labor force, worked in the informal sector as of February 2020.

### **Grab ecosystem creates new economic opportunities both within and beyond the platform**

Grab Indonesia started with ride-hailing services such as GrabBike and GrabCar, and has expanded exponentially into food deliveries with GrabFood, and offline-to-online services through GrabKios (previously known as Kudo) - building a mutually reinforcing ecosystem where growth in one business unit stimulates growth in the others. As a result, Grab's contribution to the Indonesian economy grew significantly in 2019 compared with the previous year.

The study found that GrabFood merchant-partners' contribution to the Indonesian economy surged by 79% to Rp 37.3 trillion in 2019 from Rp 20.8 trillion in 2018, making it the biggest source of Grab's economic contribution last year. GrabBike driver-partners' contribution increased by 67% to Rp 26.2 trillion from Rp 15.6 trillion; GrabCar driver-partners' contribution grew by 11% to Rp 10.8 trillion from Rp 9.7 trillion; and GrabKios agent-partners' contribution rose by 17% to Rp 3.1 trillion from Rp 2.7 trillion.

#### **Economic Contribution**

<b>Vertical</b>	<b>Yearly Contribution 2018 Study</b>		<b>Yearly Contribution 2019 Study</b>
GrabFood	Rp 20,843,493,673,200	+79%	Rp 37,278,108,162,535
GrabKios / Kudo	Rp 2,675,637,929,400	+17%	Rp 3,143,248,473,118
GrabBike	Rp 15,650,210,525,613	+67%	Rp 26,203,228,071,429
GrabCar	Rp 9,722,358,642,857	+11%	Rp 10,794,334,477,760
<b>Total</b>	<b>Rp 48,891,700,771,070</b>	<b>+58%</b>	<b>Rp 77,418,919,184,842</b>

#### ***GrabFood and GrabKios support small business growth***

The study found that GrabFood merchant-partners and GrabKios agent-partners saw their monthly sales increase by 35% and 17%, respectively, after joining Grab. The GrabFood platform, which offers a vast customer base and a wide fleet of delivery partners, has also encouraged Indonesians to start food businesses. Some 12% of GrabFood merchant-partners said they considered starting their businesses because of GrabFood, while 16% said they had joined the GrabFood platform from the first day they opened their businesses.

#### ***GrabBike driver-partners benefit from GrabFood growth***

As GrabFood merchant partners' businesses grew, GrabBike driver-partners saw increased earning opportunities from higher demand for food delivery. On average, 37% of their trips in 2019 were orders for GrabFood delivery. The survey also found that GrabBike driver-partners' average monthly income grew by 124% from Rp 2.1 million to Rp 4.6 million after joining Grab. In comparison, the national average of minimum wage in Indonesia was Rp 2.5 million in 2019 <sup>2</sup>.

<sup>2</sup> Manpower Ministerial Decree B-M/308/HI.01.00/X/2019:  
<https://jdih.kemnaker.go.id/katalog-1623-Surat%20Edaran%20Menteri.html>

***Grab supports job creation outside the platform***

The study further finds that growth within the Grab ecosystem created jobs outside of the digital platform. As GrabFood merchant-partners and GrabKios agent-partners' businesses grew, they hired more people from their community. As many as 27% of GrabFood merchants hired more workers after joining Grab. The GrabFood merchants hired on average two additional workers in 2019. Meanwhile, 6% of GrabKios agents hired more workers after joining Grab. The GrabKios agents hired on average two additional workers to meet consumer demand.

***Grab provides economic opportunities to address different needs***

The flexibility of gig economy platforms also means that Grab can provide earning opportunities to those who need it the most; for example, those that may be undergoing hardship due to job losses. The study found that in 2019, 31% of GrabBike and 26% of GrabCar driver-partners had no income or employment before joining Grab. GrabKios agents who were previously unemployed made Rp 10.4 million in sales per month after joining Grab.

At the same time, the Grab platform is able to deliver income stability to those who may choose gig work as their main occupation. The study finds that 65% of GrabBike partners and 73% of GrabCar partners regarded driving with Grab as their main occupation.

**Grab enhances partners' quality of life and improves financial inclusion**

Based on measurements on a 10-point scale across six dimensions of well-being – social, psychological, economic, environmental, spiritual and physical – Grab partners across all four services reported that their overall quality of life improved by 13% on average after joining Grab. GrabBike driver-partners reported the highest increase in quality of life by 21% from 6.3 to 7.6. GrabFood merchant-partners reported the highest score in quality of life after joining Grab at 8.0.

Grab partners reported increases in quality of life across all six dimensions measured. Social well-being saw the most substantial improvement, contrary to common perceptions that gig work is lonely. Grab partners surveyed said that they valued having a community of fellow Grab partners that supported them in times of need.

The survey also found that being a part of the Grab ecosystem improves partners' access to financial services. As many as 19% of GrabBike and 12% of GrabCar driver-partners opened their very first bank account when they joined Grab. More importantly, earning opportunities offered by Grab have enabled many of them to start saving money on a regular basis. Specifically, 75% of GrabBike partners and 69% of GrabCar partners now regularly save money in the bank, with average savings of Rp 890,000 and Rp 1.4 million a month respectively. In addition, 46% of GrabBike partners, 34% of GrabCar partners and 50% of GrabFood partners reported that they had better and easier access to lending after joining Grab, as financial institutions trust them more. This gives them the means to take loans to further grow their business or invest in new motorcycles or cars.

**Grab partners continue to rely on Grab to earn a living post COVID-19**

A follow-up survey of Grab partners in Greater Jakarta found that almost all GrabBike (98%), GrabCar (98%) and GrabFood (100%) partners said they would continue to rely on Grab to earn a living post COVID-19. GrabBike driver-partners are likely to tap into Grab's multiple service offerings to diversify their income source - with 20% saying they will rely on transportation services, 48% on food delivery services and 32% on package delivery services for the bulk of their income.

**Customers combine Grab transport services with public transportation**

In addition to the survey on GrabBike, GrabCar, GrabFood, and GrabKios partners, this research included a survey on Grab's customers, with a specific focus on customers' need for mobility. The study shows that Grab customers combine Grab services with public transportation in their daily mobility, especially customers in Greater Jakarta, where public transportation is relatively better. Although the substantial majority of Grab customers uses GrabBike and GrabCar for end-to-end transportation, around 15% to 23% of them combine GrabBike and GrabCar services with public transportation. In Greater Jakarta, the number is double, specifically ranging from 27% to 48%.

Furthermore, the study also found that consumers perceive the value of GrabBike and GrabCar services in terms of safety, convenience, time-saving and cost-saving. GrabBike services, according to 87% of customers, saved time, while 86% considered GrabBike to be safe, 85% comfortable and 72% said the service saved money. Likewise, the GrabCar service, according to 92% of respondents, was safe, while 91% said it was comfortable, 70% said it saved time and 56% claimed it saved costs.

Meanwhile, the GrabFood platform helps customers by making take-out food more accessible. The study shows that 90% of Grab customers consider GrabFood to be comfortable, 84% said it saved money and 76% said it saved time.





## Methodology

### Grab partners survey

To measure Grab's contribution to advancing Indonesia's gig economy through the development of a collaborative digital ecosystem, CSIS and Tenggara Strategics conducted a survey in 12 cities, namely the five major cities of Jakarta, Surabaya, Bandung, Medan and Makassar as well as the seven second-tier cities of Semarang, Yogyakarta, Denpasar, Palembang, Bandar Lampung, Balikpapan and Manado. The survey was conducted through face-to-face interviews with Grab partners in four services, namely GrabBike, GrabCar, GrabFood and GrabKios. The targeted sample for each service was 150 for major cities and 75 for second-tier cities. The total targeted sample was 5,100 respondents among Grab partners.

**Grab partners survey sample design by service and city, 2019**

	Target Number of Respondents				
	GrabBike	GrabCar	GrabFood	GrabKios	Total
Greater Jakarta	150	150	150	150	600
Surabaya	150	150	150	150	600
Bandung	150	150	150	150	600
Medan	150	150	150	150	600
Makassar	150	150	150	150	600
Semarang	75	75	75	75	300
Yogyakarta	75	75	75	75	300
Denpasar	75	75	75	75	300
Palembang	75	75	75	75	300
Bandar Lampung	75	75	75	75	300
Balikpapan	75	75	75	75	300
Manado	75	75	75	75	300
<b>Total</b>	1,275	1,275	1,275	1,275	5,100

### Number of Grab partners interviewed by service and city, 2019

	Actual Number of Respondents				
	GrabBike	GrabCar	GrabFood	GrabKios	Total
Greater Jakarta	144	141	150	126	561
Surabaya	150	150	150	143	593
Bandung	150	150	150	150	600
Medan	150	179	150	150	629
Makassar	149	150	150	148	597
Semarang	75	46	75	75	271
Yogyakarta	75	75	75	66	291
Denpasar	75	75	75	75	300
Palembang	73	75	75	75	298
Bandar Lampung	71	70	72	75	288
Balikpapan	74	81	57	73	285
Manado	74	75	72	74	295
<b>Total</b>	1,260	1,267	1,251	1,230	5,008

The average response rate was 98.2%. GrabCar had the highest response rate at 99.4%, followed by GrabBike at 98.8%, GrabFood at 98.1% and GrabKios at 96.5%. Across cities, the response rate at Bandung, Medan and Denpasar reached 100%. There was an exception for Medan, because the number of GrabCar partners interviewed exceeded the target at 179 respondents. The lowest response rate was seen in Semarang with 90.3% due to reluctance from GrabCar partners in the city to participate in this survey.

In selecting the samples, the researchers used the systematic random sampling method. The first step was to make a list of potential respondents for each service using Grab's database. Then, our team narrowed down the list by excluding partners that had been inactive in the three months before the survey. The next step was to select a variable that represents a fundamental characteristic of the population. For GrabBike and GrabCar's partners, the selected variable was age. Hence, the age distribution of selected respondents for GrabBike and GrabCar should be similar with the age distribution of eligible potential respondents.

For GrabKios' partners, the selected variable was the type of services provided by GrabKios agents to consumers, which consists of a) wholesale or staple food, b) electronic bill payment, c) selling phone credit, d) electronic money transfer, e) registration to become a Grab driver partner, f) smartphone insurance, g) express delivery service, and h) investing in gold. GrabFood, on the other hand, used the random selection process by excluding big restaurant chains.

After the interviews, 50% of the respondents were contacted again to verify their participation in the survey. All call backs were conducted by the main team in Jakarta.

### Grab customer survey

In addition to the survey of GrabBike, GrabCar, GrabFood and GrabKios partners, this research also included a survey on Grab customers, with a specific focus on customers' need for mobility. The survey was conducted through phone interviews, reaching 1,275 respondents from 12 cities. Greater weight was given to Greater Jakarta, Surabaya, Bandung, Medan and Makassar as Indonesia's major cities by doubling the number of respondents to 150 in each city. The number of respondents in smaller cities was 75 per city. After the interviews, 50% of the respondents were contacted again to verify their participation in the survey. The phone survey was conducted by the main team in Jakarta.

#### Grab customer survey sample design and number of customers interviewed by city, 2019

	Grab's Customers	
	Target	Interviewed
Greater Jakarta	150	150
Surabaya	150	150
Bandung	150	150
Medan	150	150
Makassar	150	150
Semarang	75	75
Yogyakarta	75	75
Denpasar	75	75
Palembang	75	75
Bandar Lampung	75	75
Balikpapan	75	75
Manado	75	75
<b>Total</b>	1,275	1,275

### Grab partners follow-up survey

The COVID-19 pandemic has affected the livelihood of many people, including Grab partners. To see how Grab partners fared during the pandemic, we conducted a phone survey to interview GrabBike, GrabCar and GrabFood partners in Greater Jakarta. The three business lines were chosen because their operation involves people movement, while Greater Jakarta was chosen because it is the country's epicenter of the outbreak.

The study used the GrabBike, GrabCar and GrabFood partner respondents from the economic contribution survey in Greater Jakarta as a sample pool, from which 50 respondents from each service were selected using a simple random sampling method. After the interviews, 50% of the respondents were contacted again to verify their participation in the survey.

#### Grab partners phone survey sample design and number of respondents interviewed, 2020

	Grab's Partners	
	Target	Interviewed
GrabBike	50	50
GrabCar	50	50
GrabFood	50	50
<b>Total</b>	150	150



## **Quality of life study**

In conducting the quality of life study, CSIS-Tenggara Strategics combined qualitative and quantitative research methods to comprehensively assess how joining Grab impacts partners' quality of life. Since the quality of life construct has a complex composition, there is neither an agreed definition nor a standard form of measurement. This study adopts the definition from the World Health Organization (WHO) that delineates quality of life as "an individual's perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns" (WHO, 2017). Furthermore, the WHO explains that people's perception of their quality of life is complexly affected by their perception of their physical health, psychological condition, spiritual state, social relations and their relationship with the environment.

### **1. Qualitative Study**

In order to get a quality of life concept in the context of gig workers' income-earning activities, CSIS-Tenggara Strategics conducted two focus group discussions (FGDs) in the qualitative stage of this study, comprising an FGD with experts and an FGD with Grab partners.

The FGD with experts was to understand the experts' ideas regarding the concepts of quality of life in relation to academic theories or business practices, the relevance of the well-being concepts in achieving quality of life and assessing improvements in gig workers' quality of life. There were seven participants in the expert FGD, consisting of a human resources researcher, a psychology lecturer, a labor economics researcher and four Grab Indonesia executives, representing GrabBike, GrabCar, GrabFood and GrabKios.








The FGD with Grab partners was to understand gig workers' perceptions of well-being and their quality of life in relation to their work as a Grab partner, to acquire quality of life concepts from the partners' perception, get the partners' perceptions regarding the improvement of their quality of life after joining Grab, their expectations regarding improvement of their quality of life in the future and understanding whether joining Grab helped the partners achieve the quality of life improvement they expected. There were eight partners participating in the partner FGD, two partners each from GrabBike, GrabCar, GrabFood and GrabKios verticals.

The FGDs with experts and partners provided several dimensions of quality of life relevant to Grab partners. These dimensions were then measured based on indicators that emerged from the two FGDs. These indicators served as a reference in developing the survey design for the quantitative stage of the research.

### **2. Quantitative Study**

In the quantitative stage, Grab partners' perceptions of their quality of life was measured through indicators based on six well-being dimensions – economic, social, physical, psychological, environmental and spiritual dimensions. The data were collected through a face-to-face survey, which was integrated with the Grab partners survey in the 12 cities, covering all partner respondents in the four Grab verticals – GrabBike, GrabCar, GrabFood and GrabKios.

This study followed a self-report study approach, in which respondents read the questions in a survey questionnaire and then immediately responded to them by picking the best answers that represented their condition. The indicators were measured by the Likert scale of 0 to 10. Surveyors were supported by a Likert visual aid to help Grab partners in answering the questionnaire. The Likert scale was used to provide a clear positive or negative choice where respondents were asked to answer, for example, from the scale of very bad or very negative or very undesirable to very good or very positive or very desirable.

										
<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>
Very Bad	Bad		Neutral		Good		Very Good			
Very Dissatisfied	Dissatisfied		Neutral		Satisfied		Very Satisfied			
Very Insufficient	Insufficient		Neutral		Sufficient		Very Sufficient			
Very Hard	Hard		Neutral		Easy		Very Easy			
Very Negative	Negative		Neutral		Positive		Very Positive			
Very Unhelpful	Unhelpful		Neutral		Helpful		Very Helpful			

To obtain the Grab partners' perception of their quality of life before and after joining Grab, the same questions were asked twice to identify the difference between the current situation after joining Grab and the past before joining Grab. In the first instance, a question was raised to get an immediate response from the respondents on their current situation. The same question was asked again to learn about the partners' past situation before joining Grab. The respondents were given approximately 30 seconds' retrospection on their past situation before joining Grab.

### Study time frame

The whole process of partners, customers and quality of life surveys, from sample processing to quality control, was conducted between December 2019 and February 2020, with face-to-face interviews conducted from January 24 to January 28, 2020 and quality control done from February 11 to February 24, 2020. The phone interviews for follow-up survey were conducted on June 16 to June 18, 2020.



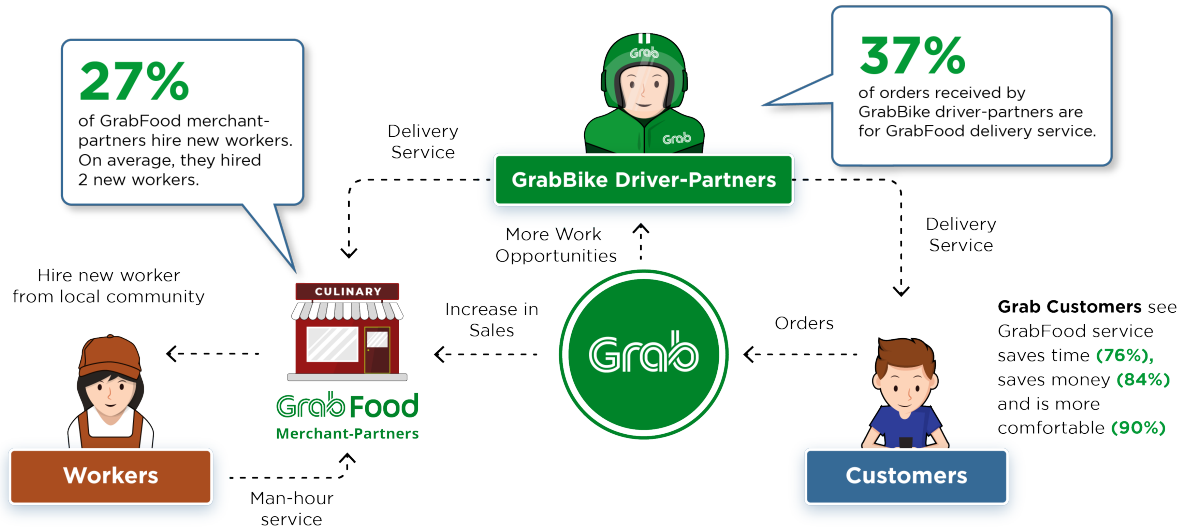
## **The growth engine to Grab's gig ecosystem**

Grab Indonesia has brought its pioneering technology innovation into the food and beverage industry, which is dominated by micro, small and medium enterprises (MSMEs) and is an important provider of employment in Indonesia. First of all, the Grab platform brings benefits to its merchant partners by allowing them to reach untapped markets by expanding their customer base.

Secondly, the Grab platform builds an interlinked digital ecosystem so GrabFood merchant partners can work collaboratively with GrabBike driver partners to provide on-demand food delivery services. This creates value not only for Grab partners but more so for Grab's customers so they can order food at their convenience (for more about customer convenience, please refer to the report on the Customer Survey).

The Grab platform has made it possible for such a collaborative gig ecosystem to flourish. The Grab platform gives GrabFood merchant partners and GrabBike driver partners the benefit of more orders and customers get a greater choice of food and beverages, as well as ease in getting their orders. As a result, take-out food and beverages produced by the MSMEs become more accessible to customers, helping to push up demand for the products. As the GrabFood merchant partners' businesses grow, they also benefit their community by providing employment. In other words, the benefits that the Grab ecosystem offers have attracted people to join and contribute, which subsequently boosts the economy around them.

### GrabFood's collaborative ecosystem

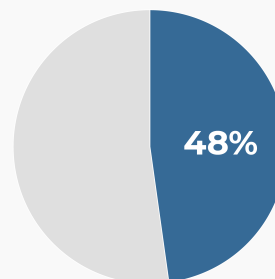


### GrabFood economic contribution 2018 & 2019



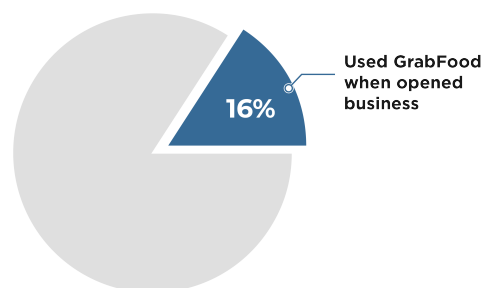
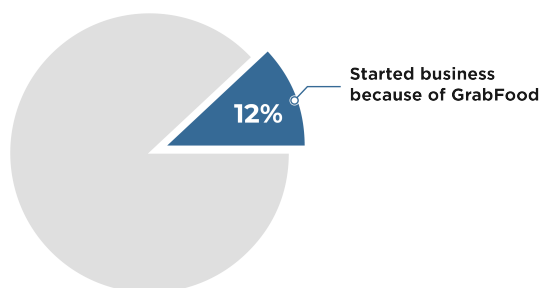
Grab's collaborative digital ecosystem that connects GrabFood merchant partners with GrabBike driver partners and the large Grab consumer base has boosted GrabFood's economic contribution to the Indonesian economy. The CSIS-Tenggara Strategics study found GrabFood's contribution to be the biggest factor in Grab's economic contribution to the Indonesian economy last year. GrabFood's contribution grew by 79% to Rp 37.3 trillion in 2019 from Rp 20.8 trillion in 2018, accounting for almost half of Grab's total economic contribution from four verticals last year.

As GrabFood merchant partners' businesses have grown, GrabBike driver partners have seen higher demand for their food delivery service to keep up with GrabFood orders. GrabFood and GrabBike, two separate business lines interconnected by the Grab platform, bolster each other's business growth. According to the study, 37% of GrabBike partners' trips on average last year were orders for GrabFood delivery.

**GrabFood merchant partners' sales  
after joining Grab****Increasing sales without additional  
investment**

**48%** of GrabFood merchant-partners increase their sales without additional investment. On average, they saw their sales increased by **24%**.

As demand increased, GrabFood merchants reported that their sales rose by 35% on average to Rp 49.6 million per month after they joined Grab from only Rp 36.7 million per month before they joined Grab. While the GrabFood merchants have to produce more food and beverages to increase their sales, some have been able to do so without having to spend any additional investment to increase their production capacity. The study found that 48% of GrabFood partners reported an increase in sales of 24% without additional investment. This is equivalent to having extra sales of Rp 3.9 million per month while spending no extra money on investment.

**Starting a food business because of GrabFood**

The GrabFood platform, which offers a wide customer base and a huge fleet of delivery partners, has encouraged people to start food businesses. The study shows that 16% of GrabFood merchants used the GrabFood platform when they first opened their business, and 12% of the merchants said that they considered starting the business because of GrabFood.

Furthermore, the benefits of the ecosystem have extended beyond the digital platform, creating a collective impact for everyone in the ecosystem. As GrabFood businesses increased, according to the study, 27% of merchant partners hired new workers last year. On average, they hired two workers from among their community to help them meet consumer demand.





## Empowering SMEs through integration with suppliers, financial services

Traditional *warung kelontong* (retail kiosks) are going through extensive digitalization to optimize their business operations. During their offline years, *warung* retailers had to rely on themselves to get grocery supplies for their kiosks. This included comparing prices and physically bringing the supplies from wholesalers to their kiosks on their own. Now, the Grab ecosystem has digitally connected *warung* retailers to suppliers and an online payment system. Warung retailers no longer have to leave their premises to get grocery supplies for their kiosks, which can be bought at a competitive price from wholesalers and paid for digitally.

The digital ecosystem that Grab offers through GrabKios not only optimizes *warung* operations by integrating kiosks into their suppliers, but also diversifying their businesses by making financial services available. The Payment Point Online Banking (PPOB) made available by the Grab ecosystem allows GrabKios agent partners to diversify their offerings from grocery sales to offering mobile top up and billing payments. For many GrabKios partners, their revenues from the PPOB services have exceeded those of grocery sales, thus increasing their overall sales and GrabKios agent partners' contribution to the economy. According to the CSIS-Tenggara Strategic study, GrabKios agent partners' contribution to the Indonesian economy increased by 17% to Rp 3.1 trillion in 2019 from Rp 2.7 trillion in 2018 study – when GrabKios was named Kudo.

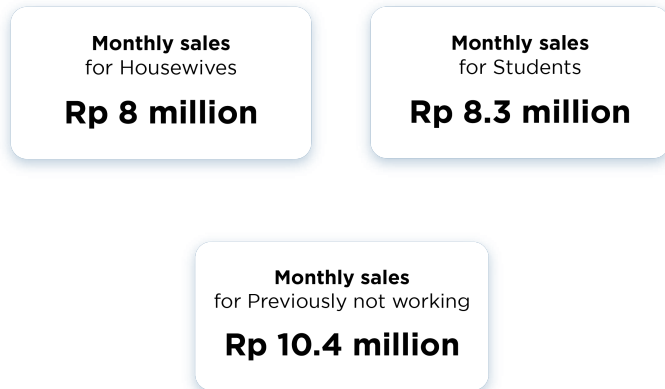
### GrabKios economic contribution 2019 & 2018





GrabKios agent-partners saw on average **17%** sales increase compared to their sales before joining Grab, with current sales of **Rp 11.4 million** per month, from previously **9.8 million** per month.

### GrabKios gives the opportunity for people who are not in the work to earn income

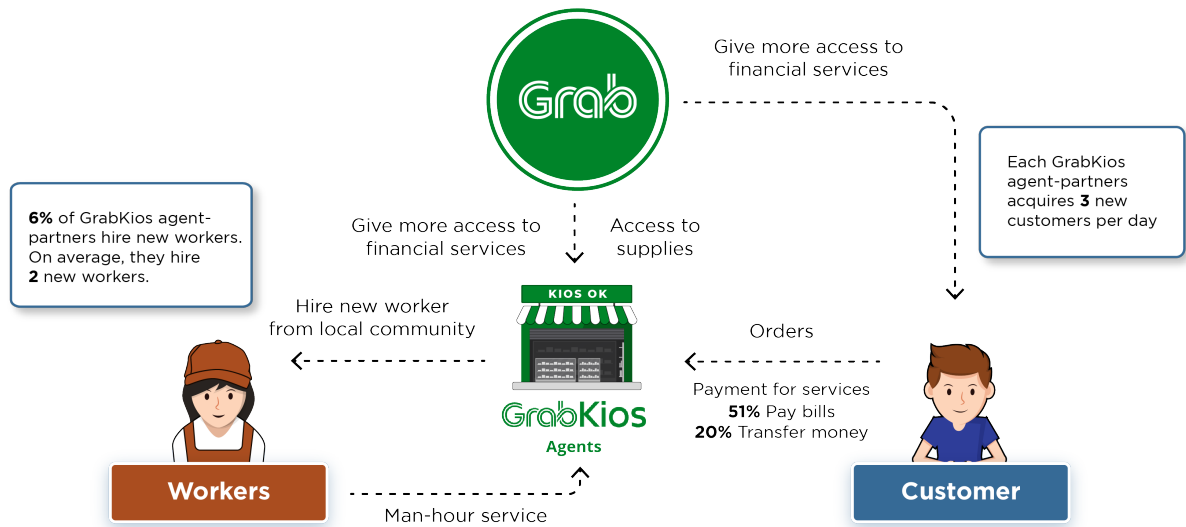


The study also found that GrabKios merchants' sales increased by 17% to Rp 11.4 million per month on average in 2019 from Rp 9.8 million before joining Grab. Furthermore, GrabKios gave new income opportunities to people who otherwise had little or no income at all, such as housewives who had sales of Rp 8 million per month on average in 2019, students with sales of Rp 8.3 million and those previously unemployed with Rp 10.4 million in sales per month.

According to the study, mobile phone credit top-up payment was the number one service that customers were looking for when visiting GrabKios, followed by billing payments, grocery shopping and money transfer. Some 32% of agent partners had customers who visited their kiosks for mobile phone top-up service every day, and 61% of agents provided the same service not every day but several times every week. For billing payment, 17% of agents had customers for the service every day, and 51% of agents had several customers come for the service in a week.

As for grocery shopping, 47% of GrabKios agents who had grocery stores had several customers visiting their kiosks for grocery needs every week and 7% saw their customers coming to them for the service every day. For money transfer, 20% of GrabKios agents had several customers visiting their kiosk to transfer money every week. With GrabKios agents, customers can either deposit money into their own bank accounts to increase savings or transfer their money to other bank accounts.

## GrabKios' collaborative ecosystem



Similar to GrabFood, the benefits of the Grab ecosystem through GrabKios extend beyond the digital platform. First of all, GrabKios agents benefited from the Grab platform by giving them online access to grocery suppliers as well as financial services through PPOB online banking. Because of the added value, GrabKios agents got an average of three additional customers every day since joining Grab, meaning that more people now had access to their products and services. As GrabKios agents' businesses have grown, they have hired more people to keep up with the higher demand, providing income opportunities to people outside of the Grab platform. The study found that 6% of GrabKios agents hired two new workers last year for their business after joining Grab.



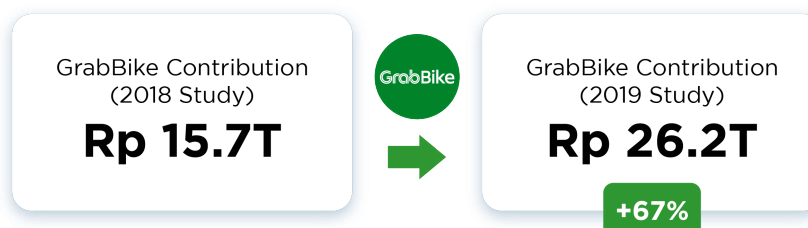
## Continuous evolution to support nascent gig economy

As a company that pioneers the digitization of *ojek* (motorcycle taxi) services, Grab has taken one step further to improve the livelihood of its partners who are reliant on the digitally driven gig economy. First, Grab platform connects GrabBike passengers with driver partners more effectively and efficiently. It reduces drivers' idle time and thus increases their welfare as well as saves customers' waiting time.

Second, the Grab platform offers an interlinked digital ecosystem that enables GrabBike driver partners to work collaboratively with GrabFood merchant partners in delivering new value, not only for Grab's customers but also other stakeholders. This is especially helpful for driver partners in the event their income from transporting people decreases significantly.


More importantly, the transformation occurs without changing the nature of *ojek* as a community of individual drivers and has given them a strong sense of belonging to the profession. (More about GrabBike driver partners in their community, please refer to our report on the Quality of Life survey)

### GrabBike's economic contribution, 2018 and 2019



Because of the new collaborative ecosystem, GrabBike's economic contribution to the Indonesian economy increased by 67.4% to Rp 26.2 trillion (US\$1.85 billion), according to a 2019 survey by the Center for Strategic and International Studies (CSIS) and Tenggara Strategics, from Rp 15.65 trillion cited in our 2018 survey. This increase shows the hidden potential of the collaborative ecosystem in Indonesia's nascent digitally driven gig economy.

**Average increase in income enjoyed by  
GrabBike driver partners in 2019**

 **124%**

Now **Rp 4.6 million**  
Before **Rp 2.1 million**

**Average increase in income enjoyed by  
GrabBike driver partners in second-tier  
cities in 2019**

 **136%**

Now **Rp 4.5 million**  
Before **Rp 1.9 million**

**Average Increase in income enjoyed  
by GrabBike driver partners in Greater  
Jakarta in 2019**

 **119%**

Now **Rp 5.5 million**  
Before **Rp 2.5 million**

**Average increase in income enjoyed by  
GrabBike driver partners in first-tier  
cities outside Greater Jakarta in 2019**

 **113%**

Now **Rp 4.6 million**  
Before **Rp 2.2 million**

The Grab platform and the new collaborative ecosystem it creates benefit GrabBike drivers individually. The income of GrabBike drivers increased by 124% on average to Rp 4.6 million per month from Rp 2.1 million, their average income before partnering with GrabBike. The largest increase was enjoyed by partners from second-tier cities such as Palembang in South Sumatra, Bandar Lampung in Lampung province, Yogyakarta, Semarang in Central Java, Denpasar in Bali, Balikpapan in North Kalimantan and Manado in North Sulawesi. Their income increased by 136% to Rp 4.5 million from Rp 1.9 million.

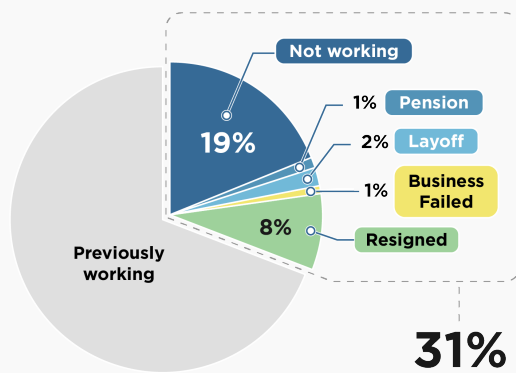
Meanwhile, income for driver partners in Greater Jakarta (Jabodetabek) increased by 119% to Rp 5.5 million per month. Although the rate of increase is smaller in Jakarta, the income itself is larger, reflecting the difference in standard of living between Jakarta and other cities. Drivers from other major cities such as Bandung in West Java, Medan in North Sumatra, Makassar in South Sulawesi and Surabaya in East Java experienced a 113% increase in monthly income to Rp 4.6 million.



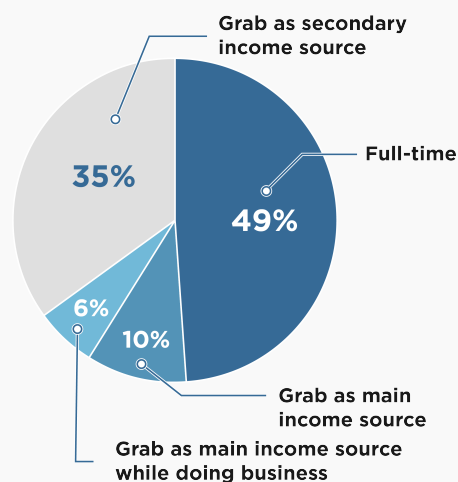
Besides improving the income of individual drivers, Grab's new collaborative ecosystem also creates new career opportunities for people who lose their jobs or businesses.

According to our survey, 31% of GrabBike drivers are in this category. Out of the 31%, around 19% had been unemployed for a long time and 8% for a short term because they started job hunting immediately after resigning from their previous jobs. The rest were pensioners (1%), entrepreneurs whose business went bankrupt (1%) and laid-off workers (2%).

**New employment opportunities  
provided for GrabBike driver  
partners in 2019**



**Proportion of GrabBike driver partners  
who regard Grab as main or secondary  
jobs in 2019**



In a focus group discussion with GrabBike drivers, many of the participants emphasized the importance of having a stable income. Without a stable income, it is better for them to look for other opportunities.

Our survey found that 65% of GrabBike driver partners regarded driving with Grab as their main occupation, a statement to the fact that partnering with Grab provided the stability in income they desired. Out of the 65%, 6% decided to pursue entrepreneurial activities in their spare time. Another 10% chose to take on a second job. For 35% of GrabBike driver partners, their partnership with Grab was considered as a flexible job that could be carried out whenever they wanted to.

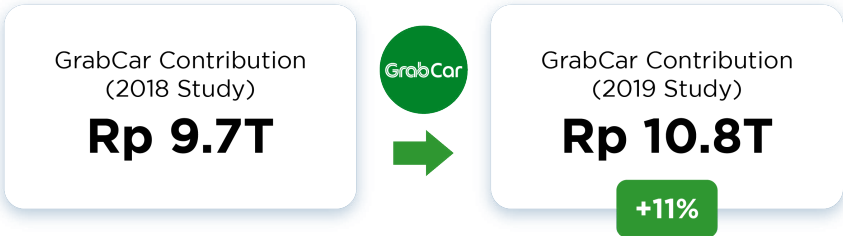


## Consolidating progress, embracing collaboration

Just like in the *ojek* industry, Grab Indonesia is also a pioneering technology company in digitizing car taxi services. The digitization of taxi services has improved the quality of taxi services in most cities and towns in Indonesia. As a result, demand for taxi services has increased and in turn has improved drivers' income. This opportunity has attracted more people to enter the industry as barriers to entry become lower or even non-existent.

The digitization of taxi services has also given rise to gig work in the industry. The spread of the gig economy in the industry has occurred not only in major cities but also in smaller cities. Grab, as the leading company in digitizing taxi services, wants to push things to the next level by introducing a collaborative digital ecosystem, which begins with the implementation of GrabExpress Car, which allows GrabCar drivers to collaborate with entrepreneurs and small businesses from various industries. This GrabCar innovation is still new, but a brighter future awaits its driver partners.

### GrabCar's economic contribution, 2018 & 2019



Because of a collaborative digital ecosystem, GrabCar's contribution to the Indonesian economy has increased. Based on a 2019 CSIS-Tenggara Startegics survey, GrabCar's economic contribution stood at Rp 10.8 trillion, an 11% increase from Rp 9.7 trillion in the 2018 survey. Although the increase in GrabCar's contribution is not as large as Grab's other verticals, specifically GrabBike, which has forged a strong collaborative ecosystem with GrabFood, GrabCar has the potential to catch up in the future.

**Average increase in income from  
becoming a GrabCar driver partner  
in 2019**

 **107%**

Now **Rp 7.8 million**  
Before **Rp 3.8 million**

**Average increase in income from  
becoming a GrabCar driver partner in a  
second-tier city in 2019**

 **133%**

Now **Rp 7.8 million**  
Before **Rp 3.3 million**

**Average increase in income from  
becoming a GrabCar driver partner in  
Greater Jakarta in 2019**

 **72%**

Now **Rp 8.6 million**  
Before **Rp 5.0 million**

**Average increase in income from  
becoming a GrabCar driver partner in a  
first-tier city outside of Greater Jakarta  
in 2019**

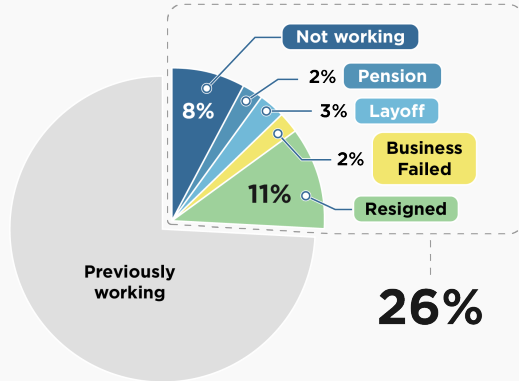
 **102%**

Now **Rp 7.7 million**  
Before **Rp 3.8 million**

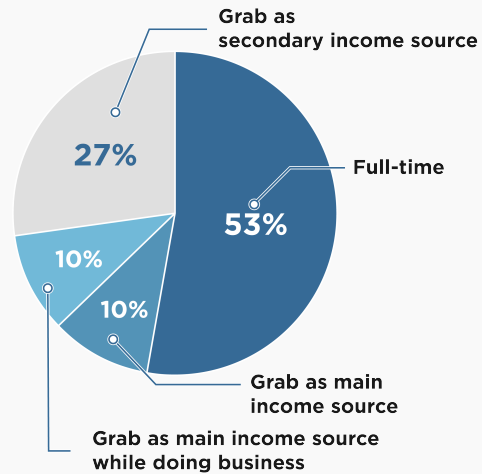
In addition to the improvement in economic contribution, the adoption of the collaborative digital ecosystem in the GrabCar platform improved driver partners' income by 107%, on average, to Rp 7.8 million per month in 2019 from Rp 3.8 million, which was the average income before they partnered with GrabCar. The largest increase in income was enjoyed by drivers in second-tier cities such as Palembang, Bandar Lampung, Yogyakarta, Semarang, Denpasar, Balikpapan and Manado. According to the 2019 survey, their income increased by 136% on average to Rp 7.8 million from Rp 3.3 million before joining GrabCar.

GrabCar's drivers in Greater Jakarta experienced 72% increase in income to Rp 8.6 million. Unlike GrabCar's drivers from other cities, drivers from Greater Jakarta had higher income prior to working with Grab, at Rp 5 million per month. GrabCar's drivers from four other first-tier cities, specifically Bandung, Medan, Makassar and Surabaya, saw their income double after working with Grab to Rp 7.7 million, around the same level of income enjoyed by drivers from second-tier cities.

### New employment opportunities provided for GrabCar driver partners in 2019



### Proportion of GrabCar driver partners who regard Grab as a main or secondary job in 2019



GrabCar is also creating new career opportunities through gig work for people who have lost their jobs or businesses. According to our survey, 26% of GrabCar driver partners had such a background. Out of the 26%, 8% had been unemployed for a long period of time and 11% had been unemployed for a short period of time, as they immediately searched for new job opportunities after resigning from their previous job. The rest were laid-off workers (3%), pensioners (2%), and entrepreneurs whose businesses had gone bankrupt (2%).

Another important aspect of the gig economy is income stability, and Grab through its digital ecosystem has been successful in providing such income stability to its partners. Our survey found that 73% of GrabCar driver partners chose partnering with GrabCar as their main occupation. Out of the 73%, 10% decided to pursue entrepreneurial activities in their spare time. Another 10% took a second job. In addition, 27% of GrabCar partners saw Grab as flexible gig work that could be done anytime they chose.



## Financial Inclusion

### **Grab gives partners wider access to financial inclusion**

Financial inclusion, according to the World Bank<sup>1</sup>, means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

Having access to a transaction account such as a bank account is a first step toward broader financial inclusion, since a transaction account allows people to store money, as well as send and receive payments. A transaction account serves as a gateway to other financial services, which is why ushering unbanked Indonesians into the financial system through a transaction account has been the Indonesian government's priority.

Indonesia's financial inclusion index rose from 67.8% in 2016 to 76.2% in 2019. But it is still below those of its peer countries in Southeast Asia, such as Singapore at 98%, Malaysia 85% and Thailand 82%<sup>2</sup>. Indonesia needs to do more to get the unbanked population access to transaction accounts, and then move those who have access to accounts to account usage. To reach the unbanked people, Indonesia needs the help of all, including private sector innovations to push for low-cost accounts, including mobile and digitally enabled payments. As a technology pioneering company, Grab Indonesia is in a strong position to help the unbanked people in its collaborative ecosystem to access financial services.

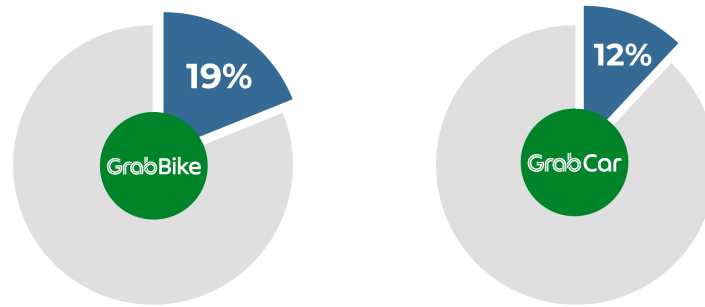
The CSIS-Tenggara Strategics 2019 study shows that Grab provided Grab partners with broad access to financial facilities. As many as 19% of GrabBike and 12% of GrabCar driver-partners opened their very first bank account when they joined Grab. All of the partners now own a savings account. Not only that, these partners use their savings accounts for real, day to day transactions.

<sup>1</sup> The World Bank, "Financial Inclusion." <https://tinyurl.com/y88d48vo>

<sup>2</sup> Antaranews.com, "Indonesia's financial inclusion index increased in 2019: Jokowi," Jan. 28, 2020. <https://tinyurl.com/y9ec5uga>

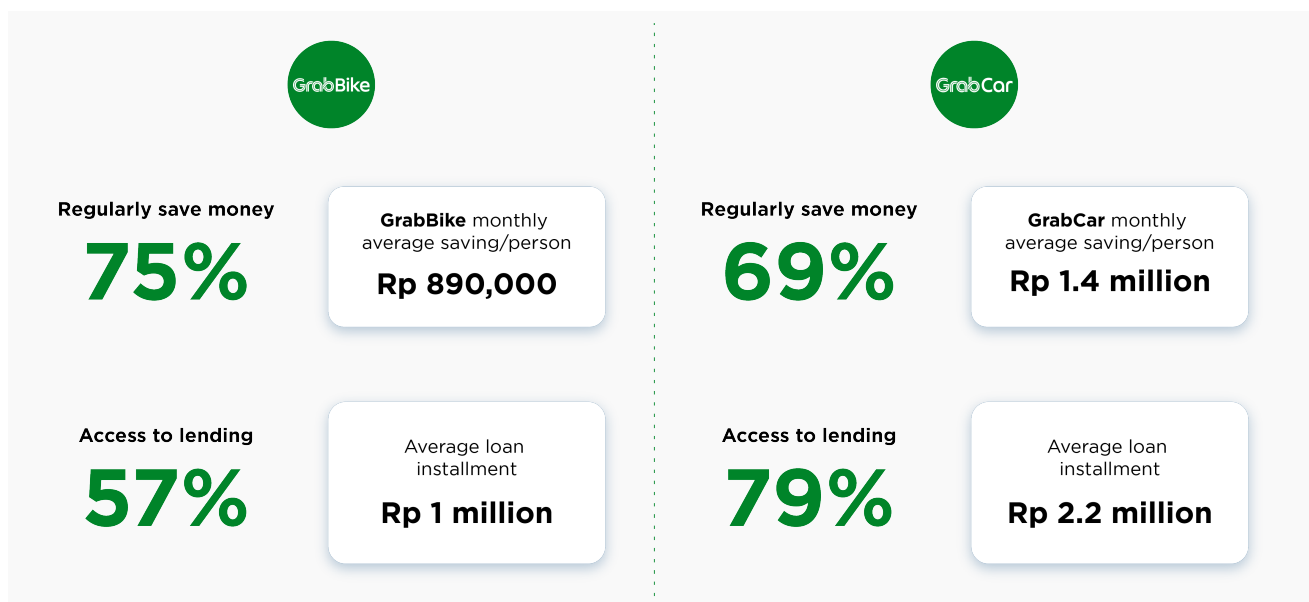


### Partners having their first bank accounts after joining Grab



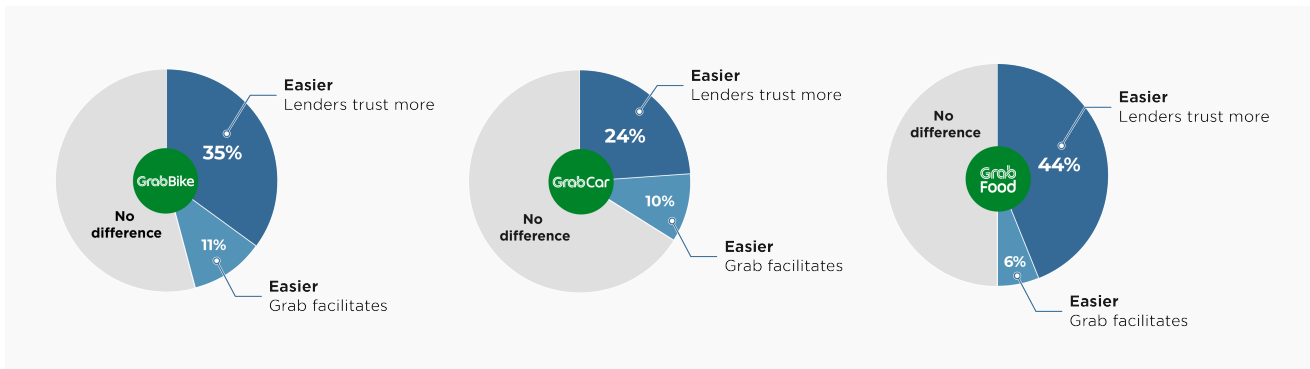
Although their job is categorized as freelance or gig work, GrabBike and GrabCar partners are able to either regularly save money in their banks or buy durable goods in installments, particularly for their first motorcycle or car. As many as 75% of GrabBike partners regularly saved Rp 890,000 a month and 57% had an instalment of Rp 1 million on average per month. For GrabCar partners, 69% of them regularly saved Rp 1.4 million a month and 79% had an installment of Rp 2.2 million on average per month.

### Partners' saving and access to lending



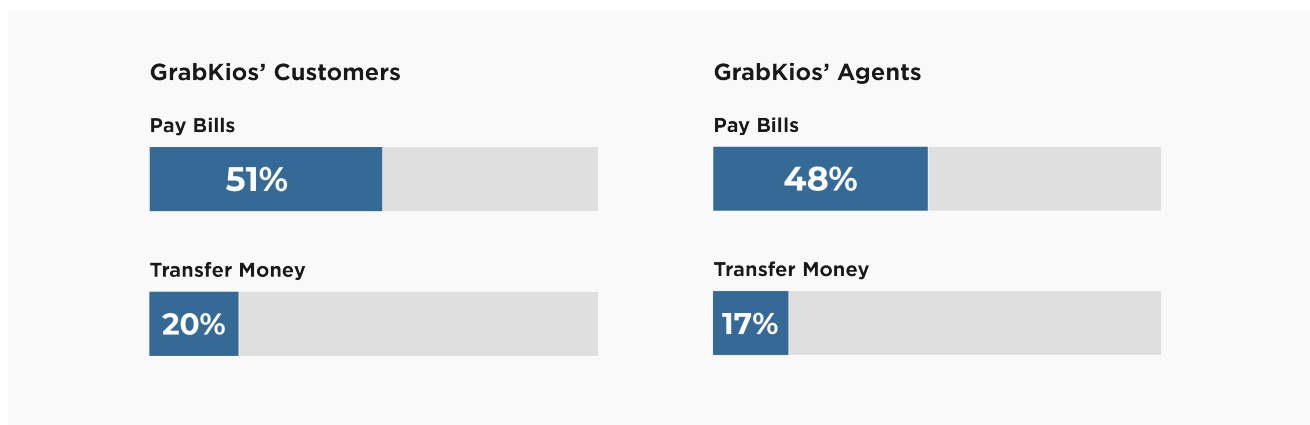
Being a Grab partner has increased their credibility in the eyes of lenders, and therefore, they find it easier to get loans. As many as 46% of GrabBike partners, 34% of GrabCar partners and 50% of GrabFood partners said they had easier access to loans since joining the Grab platform. Of those numbers, 35% of GrabBike partners, 24% of GrabCar partners and 44% of GrabFood partners said joining Grab made them more trusted to lenders.

### Easy access to lending



Whereas for GrabKios, financial services such as bill payment and money transfer are among the services it offers, thus giving those unbanked Indonesians access to the financial services. The study found 51% of GrabKios agents reported they regularly served customers for bill payment and 20% for money transfer every week, while 48% GrabKios agents used the bill payment service and 17% used the money transfer service for their own need regularly every week.

### Unbanked Indonesians access to financial services





## **Partners' well-being improves across multiple dimensions**

This study adopts the World Health Organization's definition for quality of life as "an individual's perception of their position in life in the context of the culture and value systems in which they live and in relation to their goals, expectations, standards and concerns". Furthermore, the WHO explains that people's perception of their quality of life is complexly affected by their perception of their physical health, psychological condition, spiritual state, social relations and relationship with the environment.

This study combined qualitative and quantitative research methods to comprehensively assess how joining Grab impacts partners' quality of life across the WHO's six dimensions of wellbeing: social, psychological, economic, environmental, spiritual and physical. Based on both qualitative and quantitative parts of the study, gig workers on the Grab platform reported an improvement in their quality of life across all of these dimensions after joining Grab.

### **Qualitative study**

The Center for Strategic and International Studies (CSIS) and Tenggara Strategics conducted two focus group discussions (FGD) in the qualitative stage of this study, comprising an FGD with experts and an FGD with Grab partners.

The FGD with experts confirmed the WHO's six dimensions to measure quality of life. Meanwhile, the FGD with Grab partners — two partners each representing the GrabBike, GrabCar, GrabFood and GrabKios verticals — showed an overall improvement in the partners' quality of life across all the six dimensions of wellbeing, which can be summarized as follows:

#### **1. Economic wellbeing**

Grab partners perceive economic wellbeing as the ability to afford their needs, to be free of debt and to have investments for the future. Grab partners reported that they were now able to afford health insurance and pay for their children's education. Some also reported to have bought their first houses and new vehicles after joining Grab. One GrabFood partner even shared that he had been able to scale-up his business from one outlet in one city to 100 outlets in 45 cities in three years.

*"[...] I bought a house worth Rp 175 million [US\$12,234] with a down payment of Rp 20 million. However, at my age, which bank would approve me for a loan? I negotiated with the developer to pay the rest in installments [...] I completed the payments within 15 months with the help of Grab."*  
– Arnold (GrabBike), 56

## **2. Social wellbeing**

Grab partners value being both at the giving and receiving ends of support among members of their community. GrabBike and GrabCar moderators who are responsible for reaching out to 600 to 700 community members feel a sense of satisfaction from being useful to others by helping them stay informed. Although there were some driver partners who considered themselves lone fighters, they still received help from the community, especially when they encountered trouble on the road. Grab partners said they've had the opportunity to meet new people and explore business opportunities, as well as learn from each other.

*"If [you work] on the road, friends are necessary. If I have flat tire, for example, the community is helpful."* – Hadi (GrabBike), 26

## **3. Physical wellbeing**

Grab partners assess their physical wellbeing from how often they get ill. However, they also believe that illnesses are related to their state of mind; things that add to their emotional burden and consume their time would also burden them physically. Similarly, when they feel at ease, they do not feel physically burdened by their work. Furthermore, Grab partners value health insurance as helping to improve their physical wellbeing.

*"[In terms of] physical wellbeing, I rarely get sick because my activities are only serving customers visiting my kiosk."* – Faqih (GrabKios)

## **4. Psychological wellbeing**

Grab partners believe it is important to stay happy and enjoy their work while trying to reach their targets. However, they are also worried about accidents and other risks affecting their tasks, such as a one-star rating from customers. Nonetheless, partners still feel positive and hopeful in doing their work.

*"Sometimes, we try to do our best but still get a one-star [rating]."* – Ahmad (GrabCar)

## **5. Spiritual wellbeing**

Being able to help others improves Grab partners' spiritual wellbeing. They feel satisfied knowing that what they do pleases God and see what they gain from their work or business as God's blessing to be used to benefit others. Grab partners feel they have the responsibility to give back what they have gained from their work or business.

*"My purpose is to seek passive income in this world and in the hereafter."* – Agung (GrabFood)

## 6. Environmental wellbeing

Grab partners assess their environmental wellbeing by the physical space around them. Pollution, traffic jams, parking spaces and resting areas are issues that affect their environmental comfort. Furthermore, locations and their cleanliness affect businesses in attracting customers.

*"As driver partners [working] on the road, we need places to rest for a while. For example, at gas stations, there are decent ones, but some have an unpleasant smell." – Saami (GrabCar), 38*

All participants in the FGD with Grab partners reported an improvement in their quality of life after joining Grab. The economic dimension dominated the discussion as it was a more measurable indicator. However, the social and psychological dimensions also dominated the discussions as most participants said they now feel more beneficial to others, more respectable and free from debt, as illustrated by the excerpt below:

*"[Since joining Grab,] my quality of life has improved, and I feel more useful to others. The work that used to be underestimated has changed because of the higher income [it brings]." – Saami (GrabCar)*

### Quantitative Study

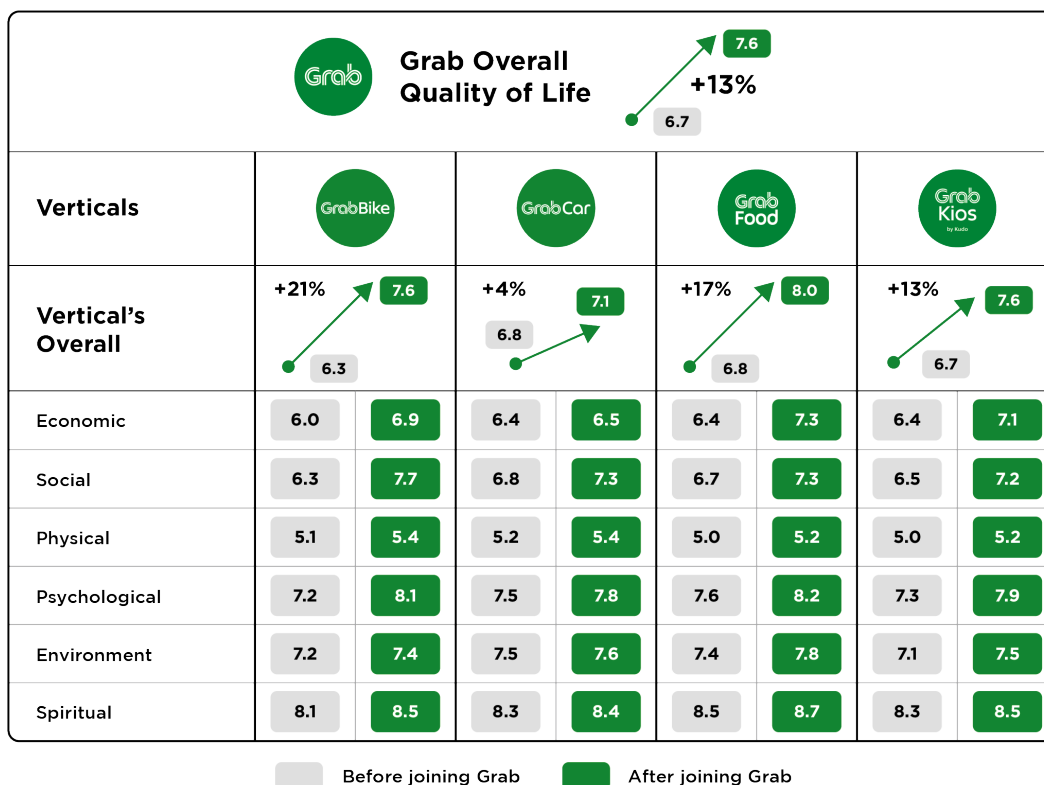
In the quantitative stage, Grab partners' perceptions of their quality of life was measured through indicators based on the six wellbeing dimensions: economic, social, physical, psychological, environmental and spiritual. The data was collected through a face-to-face survey, which was integrated with the Grab partners survey conducted in the 12 cities, covering all partner respondents in the four Grab services or verticals, namely GrabBike, GrabCar, GrabFood and GrabKios.

Based on measurements on a 10-point scale across the six dimensions of wellbeing, Grab partners across all four services reported that their overall quality of life improved by 13% from 6.7 points on average before joining Grab to 7.6 points after joining Grab. Furthermore, social wellbeing shows the highest increase among the six quality of life dimensions, followed by economic wellbeing and psychological wellbeing.

GrabBike driver-partners experienced the highest increase in overall quality of life by 21% on average from 6.3 points before joining Grab to 7.6 points after joining Grab. GrabFood merchant-partners have the highest overall quality of life after joining Grab at 8.0 points, increasing 18% on average from 6.8 points before joining Grab. GrabKios agent-partners' overall quality of life improved by 13% from 6.7 to 7.6 points after joining Grab. Lastly, GrabCar driver-partners' overall quality of life improved by 4% from 6.8 to 7.1 points. The improvement in points recorded was statistically significant.



## Grab partners' quality of life



### 1. GrabBike

The survey shows that GrabBike driver-partners experienced the highest improvement in the overall quality of life among the four verticals. The quality of life aspect that increased the most was the social wellbeing, with a 21% jump from 6.3 points to 7.7 points. This dimension is followed by economic wellbeing, which improved 16% from 6.0 to 7.0 points, and psychological wellbeing, which increased by 13% from 7.2 to 8.1 points, hapus respectively. Spiritual wellbeing improved slightly by 5% yet remains at a high level, increasing from 8.1 to 8.5, while hapus and environmental wellbeing rose by 3% from 7.2 to 7.4 points, hapus each. Their physical wellbeing showed little improvement, increasing by 6% from 5.1 to 5.4 points.

### 2. GrabCar

GrabCar driver-partners experienced modest improvement in their quality of life. However, they also started off with a better life quality before joining Grab compared to GrabBike driver-partners. Social wellbeing remains the quality of life aspect that saw the highest improvement with an 8% increase from 6.8 points to 7.5. Psychological wellbeing and physical wellbeing come next with a 5% increase from 7.5 and 7.8 points and a 4% increase from 5.2 and 5.4 points, respectively. The economic wellbeing, environmental wellbeing and spiritual wellbeing

had little improvement but remained at a high quality-of-life level, with economic wellbeing increasing by 2% from 6.4 and 6.5 points, environmental wellbeing up by 2% from 7.5 to 7.6 points and spiritual wellbeing inching up by 1% from 8.3 points to 8.4.

### **3. GrabFood**

GrabFood merchant-partners showed the highest overall quality of life after joining Grab among partners in all verticals. They also experienced the second-highest improvement in overall quality of life after GrabBike driver-partners. Economic wellbeing contributed the most to quality-of-life improvement with a 14% increase from 6.4 to 7.3 points. Social wellbeing saw a double-digit improvement of 10%, going from 6.7 points to 7.3, while psychological wellbeing increased by 8% from 7.5 to 8.1 points. Their environmental wellbeing improved slightly by 4%, yet remains at a high level, rising from 7.4 points to 7.8. Spiritual well-being was up by 3% from the higher level of 8.5 to 8.7 points. Physical wellbeing improved by 6% from 5.0 to 5.2 points.

### **4. GrabKios**

GrabKios agent-partners also experienced improvements in their quality of life after joining Grab. The social wellbeing aspect saw the highest improvement with an 11% increase from 6.5 points to 7.2, followed closely by economic wellbeing, which increased by 10% from 6.4 to 7.1 points, and psychological wellbeing with a 9% increase from 7.3 to 7.9. Their environmental wellbeing improved by 5% from 7.1 points to 7.5. Spiritual wellbeing improved slightly by 3% yet remained at high level, rising from 8.3 to 8.5, while physical wellbeing showed little improvement, increasing 4% from 5.0 to 5.2 points.

The qualitative and quantitative research findings confirm that Grab partners' quality of life increased across multiple dimensions after joining Grab. Their quality of life improved beyond the economic wellbeing dimension, showing that there were non-monetary benefits that partners enjoyed after joining Grab.

From the economic contribution survey, we learned that increases in Grab partners' income or sales boosted their economic contribution to the Indonesian economy by 58% to Rp 77.4 trillion in 2019 from Rp 48.9 trillion in 2018. This increase was responsible for the improvement of Grab partners' economic wellbeing. Further than that, the quality of life survey also shows that Grab partners' quality of life improved in other dimensions, too, especially in the social and psychological dimensions. Grab partners now feel they are more useful to others, have the support from their community and feel positive and hopeful about their work with Grab.



## Consumer Survey

### **GrabBike, GrabCar support public transport**

The digital economy is a two-sided market, where producers and consumers benefit from technological systems. Likewise, the Grab platform benefits both Grab partners as producers and their customers under the Grab ecosystem. It creates a virtuous cycle in which producers get more value when there are more consumers and vice versa.

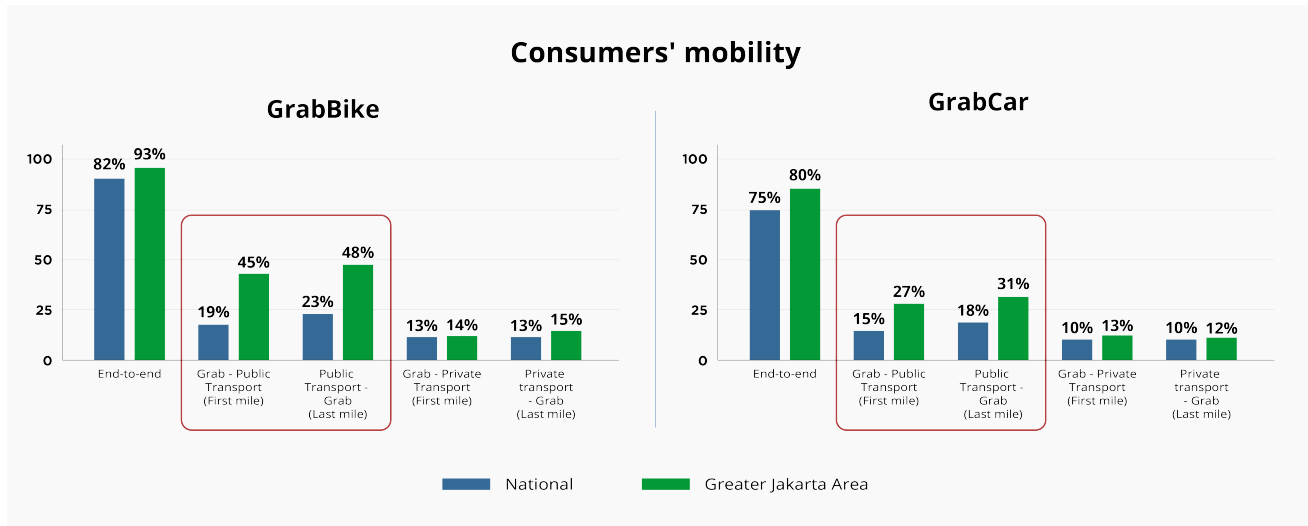
In addition to the survey on GrabBike, GrabCar, GrabFood, and GrabKios partners, the CSIS-Tenggara Strategics study included a survey on Grab's customers, with a specific focus on customers' need for mobility. The survey was conducted through phone interviews, reaching customer respondents from 12 cities: Greater Jakarta, Surabaya, Bandung, Medan, Makassar, Semarang, Yogyakarta, Denpasar, Palembang, Bandar Lampung, Balikpapan and Manado.

The study found that, nationwide, 82% of GrabBike users and 75% of GrabCar users used Grab transport services for end-to-end transportation, from the departure point to the final destination. In Greater Jakarta, this number is higher, with 93% of GrabBike customers and 80% of GrabCar customers using Grab transport services for end-to-end transportation. This shows that customers are making optimal use of Grab transport services for their daily mobility.

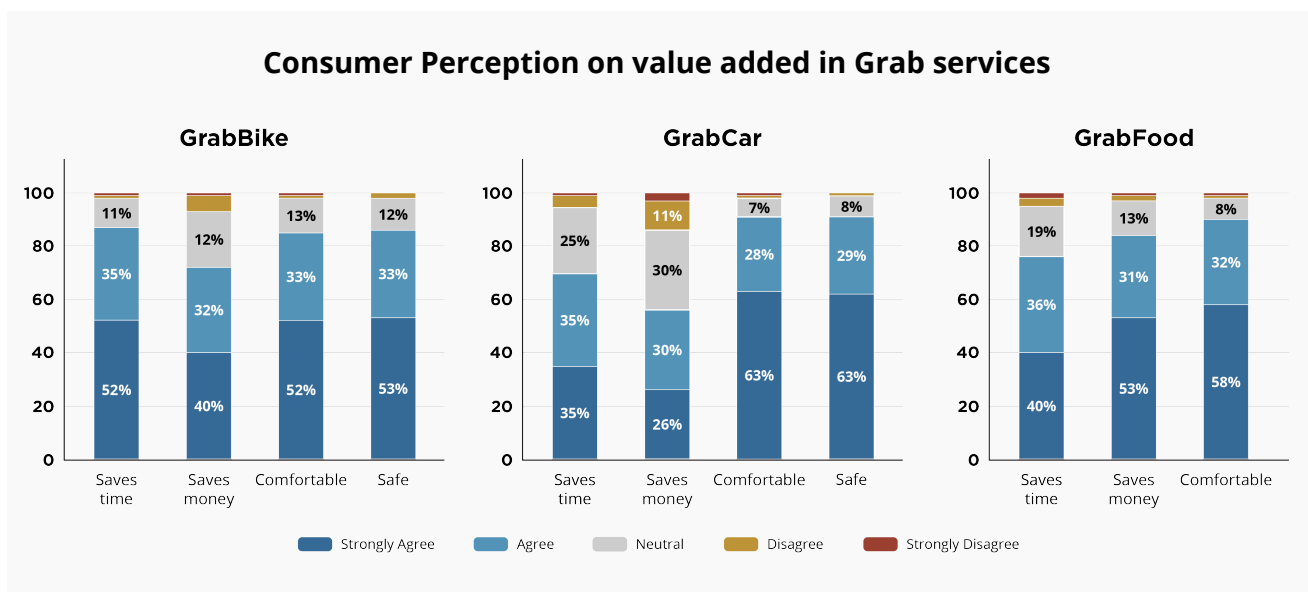
The study also found that Grab customers combined Grab transport services with public transport in their daily routine. Customers used Grab transport services either as the first mile transportation – from their departure point to the closest public transport transit point – or their last mile transportation – from public transport transit point to their final destination – or both, for first-mile and last-mile transportation.

Nationwide, 19% of customers used GrabBike transport service as a first-mile service and 23% as a last-mile service in combination with public transport. Interestingly, in Greater Jakarta, the number of people combining GrabBike service with public transport was more than double the national average, with 45% of customers using GrabBike as a first-mile and 48% as a last-mile service. This makes sense, since Greater Jakarta has relatively better public transport infrastructure than other regions of Indonesia.

Likewise, nationally, 15% of customers used GrabCar transport services as a first-mile and 18% as a last-mile service in combination with public transport. In Greater Jakarta, those numbers were almost double the average, with 27% using GrabCar as a first-mile service and 31% as a last-mile service. These results show that GrabBike and GrabCar support the use of public transport by providing connectivity in locations where public transport is not available.



Grab customers even combine Grab transport services with private modes of transportation in their daily mobility. At the national level, 13% of customers used GrabBike either as a first-mile or last-mile service in combination with private transportation. That national average is not very different from the figures for Greater Jakarta, where 14% of customers used GrabBike as a first-mile and 15% as a last-mile service. Similarly, at the national level, 10% of customers utilized GrabCar either as a first-mile and/or last-mile service in combination with private transportation. In Greater Jakarta, 13% of customers used GrabCar service as a first-mile and 12% as a last-mile service for their daily mobility.



**Grab services provide safety and convenience**

Furthermore, the study found that consumers value GrabBike and GrabCar services for their safety and convenience as well as for saving them time and money. GrabBike services, according to 87% of the surveyed customers, saves them time, while 86% valued the safety, 85% appreciated the comfort and 72% said it saved cost. Likewise, GrabCar services, according to 92% of customers, are safe, while 91% said they were comfortable, 70% of said they saved them time and 56% of the costumers value the cost-saving opportunity.

As for on-demand food delivery, the study found that 90% of customers said GrabFood services were comfortable, 84% said they saved them costs and 76% of the surveyed consumers said using GrabFood saved them time.





## Follow-up Survey

### **Majority of partners to continue working with Grab**

The Indonesian government announced the country's first confirmed case of COVID-19 on March 2. Greater Jakarta soon became the country's epicenter of the outbreak, prompting the Jakarta administration to implement large-scale social restrictions (PSBB), a policy later followed by surrounding local governments. This imposed limitations on economic activities in Greater Jakarta, affecting the livelihoods of many, including Grab partners.

However, things are looking better. After having implemented the PSBB measures for two months, the Jakarta administration has begun the "transitional PSBB" period to welcome the "new normal" to restore economic and social activities. During this time, the government has been encouraging people to resume their activities while following health protocols. We conducted a follow-up survey with 150 GrabBike, GrabCar and GrabFood partners in Greater Jakarta – 50 respondents each – to see whether they would rely on the Grab platform to earn a living during the new normal and beyond. The results of the survey found that the majority of Grab partners said they would continue to rely on the Grab platform to earn a living during the new normal and after.

#### **GrabFood**

As people were required to stay at home during the PSBB period, the food delivery sector flourished due to an unexpected rise in demand. This trend was particularly favorable for small and medium businesses connected to the sector as it allowed them to continue operating amid the economic shocks that have devastated other sectors. This is confirmed by the results of our follow-up survey that showed that 100% of GrabFood merchant-partners were ready to work as Grab merchant-partners in the new normal, 100% said they would continue to rely on the Grab platform to earn a living in the new normal and after the COVID-19 pandemic was over.

**GrabBike**

The rapid business growth seen in 2019 has provided GrabFood and GrabBike partners with a reliable business environment within the Grab ecosystem that has cushioned the impacts of the COVID-19 pandemic on the economy, especially as the number of transportation passengers dropped. The Grab platform has allowed GrabBike partner respondents to shift their work to a more lucrative service, namely deliveries. Our follow-up survey found that 80% of GrabBike partners would rely on delivery services to earn a living in the new normal, with 48% saying they would rely on food deliveries, 32% on package deliveries and 20% on transportation services.

The follow-up survey also found that 100% of GrabBike driver-partners were ready to work as Grab partners in the new normal. Furthermore, 88% of GrabBike partners said they would continue to rely on the Grab platform to earn a living during the new normal and 98% said they would rely on the Grab platform to earn an income when the COVID-19 pandemic was over.

**GrabCar**

GrabCar driver-partners enjoyed relatively high and stable incomes according to the 2018 and 2019 economic contribution surveys. During the COVID-19 pandemic, unlike GrabBike driver-partners, GrabCar driver-partners could continue taking passengers even during the PSBB period, while adhering to health protocols. Entering the new normal, our follow-up survey found that 94% of GrabCar partners were ready to work as Grab partners during the new normal. Furthermore, 92% of Grab partners said they would continue to rely on the Grab platform to earn a living in the new normal, and when the COVID-19 pandemic is over, 98% said they would rely on the platform to earn an income.



## Endnote

The study was conducted in January 2020, prior to the onset of COVID-19. With the pandemic impacting many workers and the economy at large, CSIS-Tenggara Strategics believes the findings from this report suggest that the gig economy, powered by digital platforms like Grab, will have a significant role to play in supporting the recovery of Indonesia post COVID-19.

Indonesians will likely have to adjust to a “new normal” - where telework, virtual learning and social distancing will be more common than before, creating an increased reliance on digital services and deliveries. GrabFood and GrabKios can help small businesses adapt and grow in these new realities by embracing digitalization, while services like GrabBike and GrabCar can help keep the economy going by moving goods and allowing millions to continue earning an income during challenging times.

A follow-up survey of Grab partners in Greater Jakarta found that almost all GrabBike (98%), GrabCar (98%) and GrabFood (100%) partners said they would continue to rely on Grab to earn a living post COVID-19. GrabBike driver-partners are likely to tap into Grab’s multiple service offerings to diversify their income source - with 20% saying they will rely on transportation services, 48% on food delivery services and 32% on package delivery services for the bulk of their income.

As Indonesia starts to move past COVID-19, we believe that platforms like Grab and the gig economy can support the country on its road to recovery. Being digital-ready will be more important than ever in the new normal. Grab can help businesses adapt by making the shift online through services like GrabFood and GrabKios. We have also seen Grab tap into the increased demand for deliveries to launch new services like GrabMart and GrabAssistant, which should help create more earning opportunities for driver-partners. Ultimately, while there is still a lot of economic uncertainty ahead, we believe the gig economy will play an important part in helping to sustain livelihoods.

**Riyadi Suparno**

Executive Director of Tenggara Strategics

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