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## **CSIS Commentaries DMRU-001-EN**

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# **COVID-19: Is 'Lockdown' a Necessity?<sup>1</sup>**

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As the number of COVID-19 cases in Indonesia increase, suggestions on how to address the issue have come from all corners. One common suggestion — a strategy that has been carried out in some other countries — is to stop human movement and traffic, also known as lockdown and/or regional quarantine. The governor of Jakarta is one who has suggested to “close” the Jakarta region in order to minimize the spread of the virus.

To lockdown a city or region is a big undertaking; thus, a number of questions must be answered

before option for such policy. What are the main objectives? What are the underlying references? Would a lockdown really support the attainment of the said objectives? Let's elaborate further.

### **Is it effective?**

Lockdown by nature is designed to prevent the virus coming in from outside of a region. However, if the virus is already inside, such policy will be ineffective. It is only effective for reducing the spread to other regions. Italy, for instance, locked down the Lombardi province at the end of February, which was considered the most severe

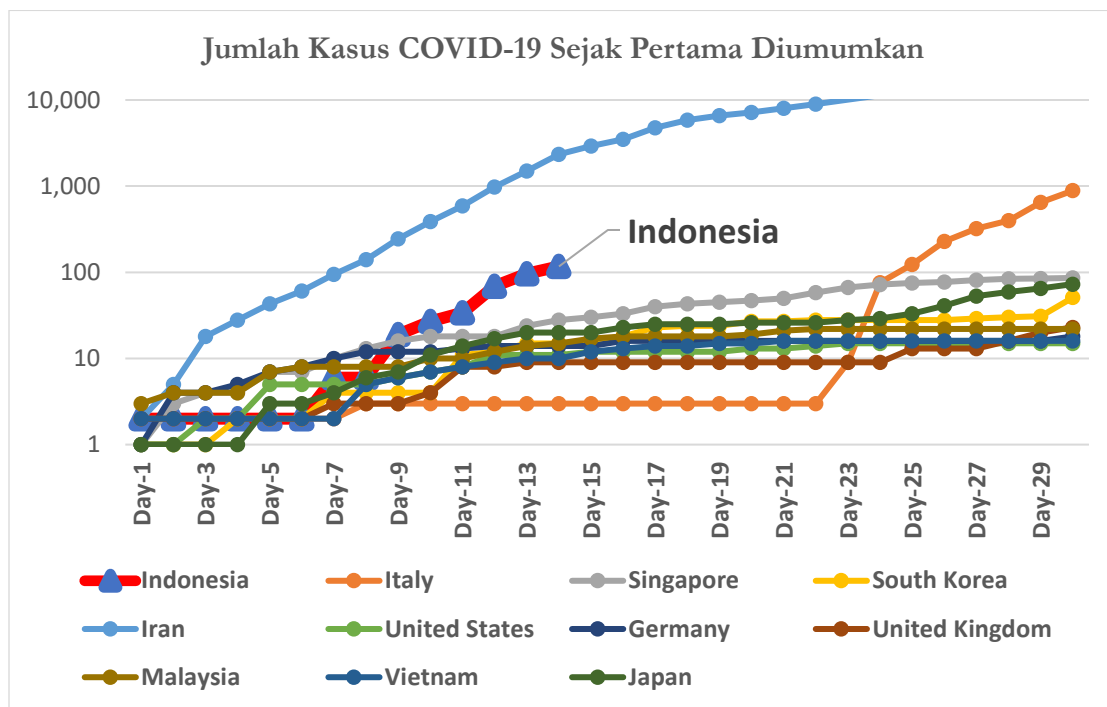
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<sup>1</sup> This article is first published in Indonesian, see Damuri, Y., 2020. Tepatkah Lockdown dalam menghadapi COVID-19. *CSIS Commentaries*, [online] DMRU-001-ID. Tersedia di: <<https://csis.or.id/publications/tepatkah-lockdown-dalam-menghadapi-covid-19>>

location. However, this policy has not been effective as the virus has already spread to other regions. When this policy was then implemented nationally on March 9, the number of new cases were still on the increase to 15000, or three times before the national lockdown.

In Indonesia, as of today, there are 117 cases of COVID-19, which are distributed among the greater Jakarta region (which includes neighboring

cities) as well as some cities in Java. Locking down Jakarta will not stop the virus from spreading in Jakarta or even in other regions, because the virus has already existed in the surrounding areas of Jakarta. As of right now, Indonesia is still in the preliminary stage (Figure 1). The number of new cases will increase, whatever the policy is. On the contrary, if lockdown is implemented, there maybe unintended problems, as discussed below:



Source: Calculation based on WHO dataset by Haryo Aswicalhyono, CSIS Indonesia

### Logistics and staple foods preparedness

Lockdown policy requires adequate supply of staple food and other necessities. Jakarta is almost fully dependent on other regions' supplies. Lockdown policy must take into account price increase and scarcity of supply, which will lead to other social problems.

At present, food prices in Jakarta continues to increase. According to the daily data collected by PIHPS, the rice price has started to increase albeit relatively small. Sugar price has increased by 16% within the recent couple months, while similarly, egg and poultry have increased 10%

and 5% respectively. Price increase will continue due to scarcity of raw materials.

If lockdown policy is implemented without adequate preparation and clear procedure, it will result in confusion and public unrest. For the middle-up socioeconomic class, the impact may not be substantial, as they can prepare well for the price increase. In fact, high demand of food supply as part of the preparation of the middle-up class in the process will cause the increase of food price. As a result, the middle-low to low income families will be worst impacted.

If we look at the experience in Hubei Province, China — the regional lockdown policy has been considered a success. Nonetheless, the social and economic costs that have been borne are significantly high. According to an article in *The Economist*, many small and medium enterprises in the province went bankrupt, and some find it impossible to bounce back their business. Moreover, there is the psychological effect for the public.

### **Stagnant economic activities**

Lockdown policy would stop business and working activities; thus, the economic repercussion would be severe. Technology enable people to do several jobs virtually; however, it is unfortunate that 80% of working activities in Jakarta require people to be present physically and/or to meet in person. This is concerning since Jakarta accounted for 25% of national GDP, with coverage of 60% of national economic activities.

Let's look further into the effects of lockdown and restrictive policies on national economies.

We can assume that due to the restriction, approximately 50% of economic activities would stop. This is equivalent with 30% of national economic activities, considering Jakarta's paramount importance. With a simulation in CGE model, it can be predicted that 30% reduction of economic activities would decrease almost 12% of GDP. Should the lockdown take place for two weeks' period, Indonesia's yearly GDP would slump by 0.5% — if it is a one month's period, it would be 1%.

A half percent might look insignificant. Nevertheless, this is equivalent with a loss of IDR 75 trillion, a value as high as DKI's regional budget for 2020 of about IDR 88 trillion. Moreover, this calculation only accounts for activities in real sector, without taking into account the financial as well as the psychological effects. A negative sentiment in the financial market could exacerbate the economy.

Furthermore, the distributional effect from this activity would generate more burden to those in the middle-low income class. Their economic activities and jobs oblige their physical attendance. And this is still only half of the story of economic stagnation. Even without a lockdown, Indonesia's economy would still have to face the current dwindling global economic condition, which is predicted to reduce our national GDP by 1%.

In short, lockdown and restrictive policies would bring enormous negative economic consequences. This is prevalent not only to Jakarta but also to the national economy. Learning from other countries, there are actually several alternatives to such policy.

### **Alternative policies**

The most important thing in a pandemic is to prepare existing healthcare facilities. Although the virus has a moderate-to-low mortality rate of about 3-5%, and only would cause fatality to several vulnerable groups, the statistic shows that in China, 15% of the cases need professional hospital service. This means that for 10,000 positive cases, we would need 1,500 spaces in hospitals. This demand is difficult to be supplied by Jakarta *per se*. Lockdown policy would add to this problem.

Up to today, we are yet to see a comprehensive tracking strategy of the government, both at the central and local levels. Learning from the Taiwanese experience, their tracking system is good — below is a table of the tracking record of one Taiwanese COVID-19. The travel and activity details are informed to the society in several languages for two objectives: informing people about “dangerous” regions, and at the same time increase people's confidence towards the government. With technological development in GPS and mapping system, tracking and tracing should be easy and effective.

Another alternative policy is to recommend social distancing — individually, by personal initiative, and collectively, including for

religious and other societal activities. Added with good information of existing patient tracing details, the public could individually measure whether their social activities are considered as dangerous.

There are plentiful of alternatives for the national and local government to choose other than lockdown and massive quarantine. However, this should be conducted discreetly, as opposed to coercion-based actions. The

government should not opt for a lockdown policy because it lacks ideas or options. A reckless action would cause economic, social, and health consequences. Therefore, a thorough analysis and deliberation are needed before making this decision. Statistics and data may help to forge a better policy direction. Moreover, experiences from other countries such as Taiwan and South Korea could also serve as insightful lessons and examples.

**Track Record of VOCID-19 Case Number 32 (a Foreign Worker with initial of TL)**

16-Feb-20		18-Feb-20	
18.00	Ride a taxi to Dapoinglin MRT station with destination of Taipei MRT Station (TMS)	10.32	Check out then ride train to Shulin Train Station
18.46	Ride a train to Shulin Train Station	11.16	Ride Sanchung Bus no. BL38 to Dhongseng Park Bus Stop, going to home.
19.34	Ride Sanchung Bus no. BL38 to Dhongsheng Park Bus Stop, going to home.	12.36	Back to ride Sanchung Bus no. BL38 to Shulin Train Station
		12.39	Shop around the station
		13.00	Ride train to Bangqiao Train Station
		13.20	Drop off a friend to THSR Station who's going to ride THSR no. 133 with destination of Kaoshiung
			Ride train to Shulin Train Station (arrived at 13.51)
		14.05	Ride Sanchung Bus no. BL38 to home in Shulin
17-Feb-20		19-Feb-20	
15.07	Ride Sanchung Bus no. BL38 to Shulin Train Station	08.52	Ride Sanchung Bus no. BL38 to Shulin Train Station
15.09	Arrive at TMS	09.00	Ride train to TMS
15.42	Having a walk in underground stores in TMS	09.33	Ride MRT in Zhonghe-Luzhou line to Jingan MRT Station
16.42	Ride MRT in Tamshui line to Zhuwei MRT Station	10.02	Ride taxi to hospital to look after new patients. Next, TL do activities here until 24 February
17.15	Arrive at Minzu Road and return to Zhuwei MRT station to ride MRT again in Tamshui line to Shihlin MRT Station		
18.42	Leave the station and go to Thamsui Line again to change lane to Bannan(1) line with destination of Longshan Temple MRT Station		
19.06	Having activities in Wanhua region in Taipei, in Xiyuan Road Section 1.		
	Go back to Longshan Temple MRT Station to shop		
	Ride MRT in Bannan line to TMS		
20.40	Seeking hostel to sleep		

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**COVID-19 Commentaries Editors**

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