

Beyond Unicorns

Harnessing Digital Technologies
for Inclusion in Indonesia

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2021

What are the
different ways people
can benefit from *the*
digital economy?



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WORKERS ←





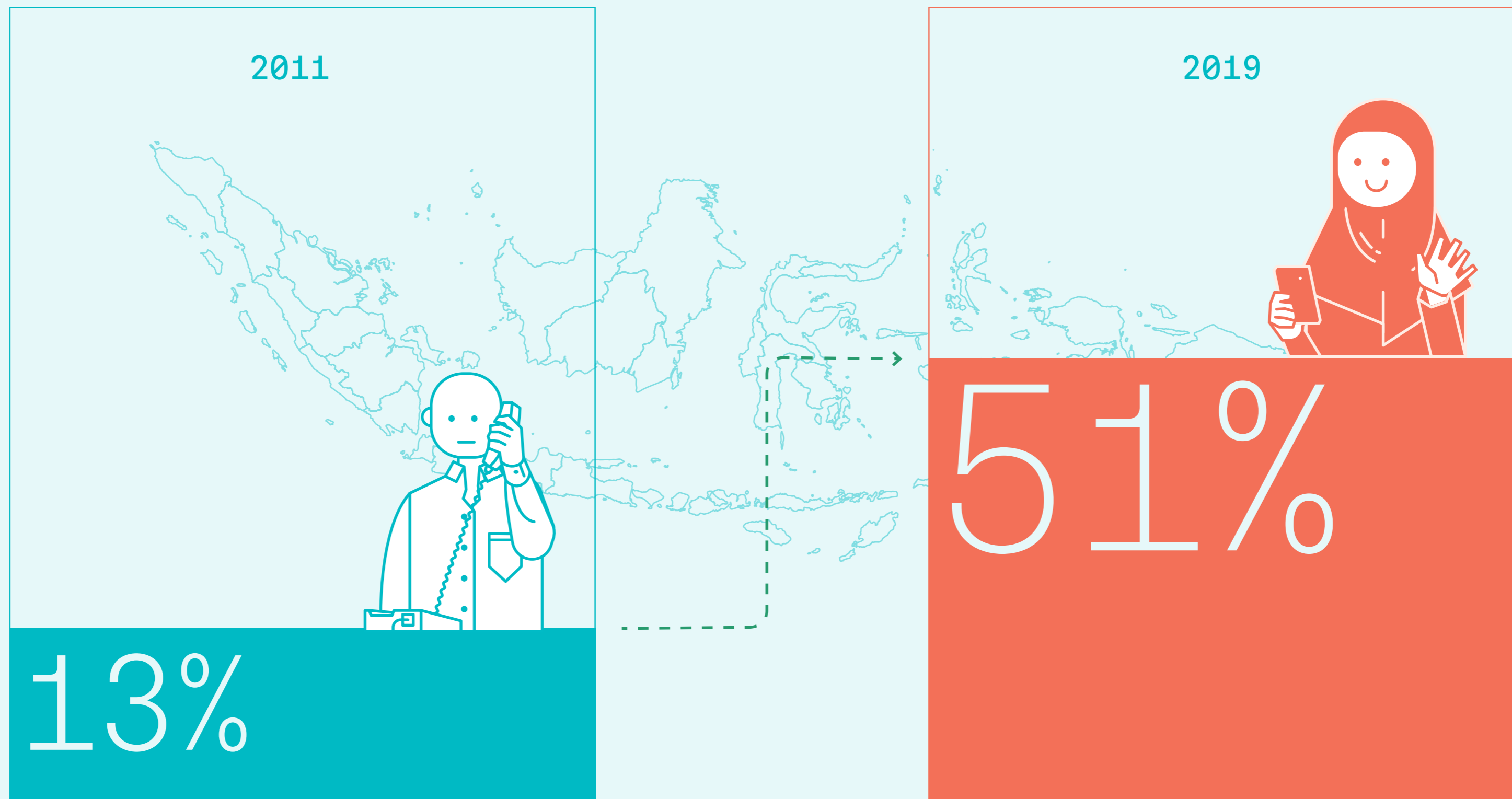
What are the different ways people can benefit from *the* digital economy?

WORKERS ←

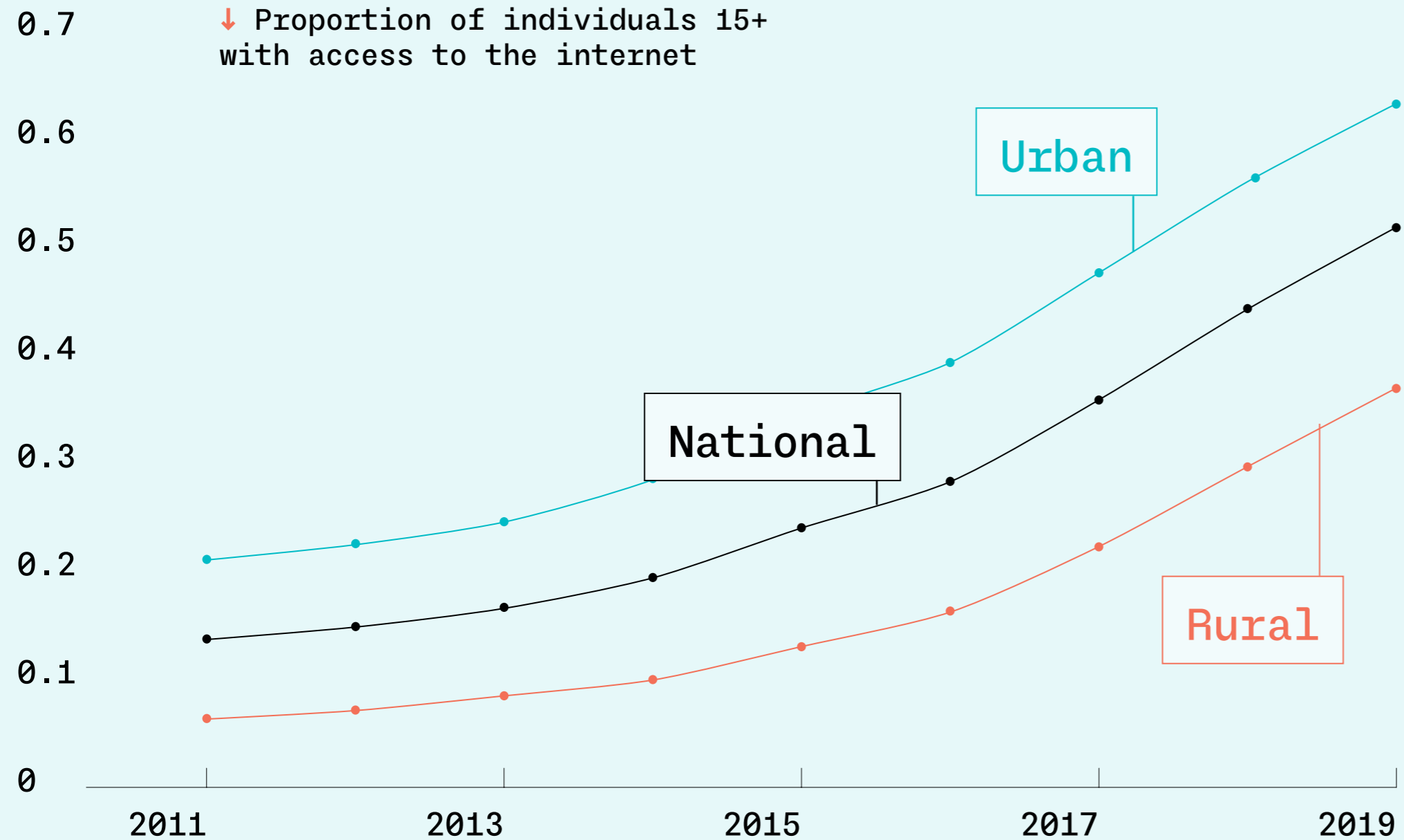


Big strides *in* boosting connectivity...

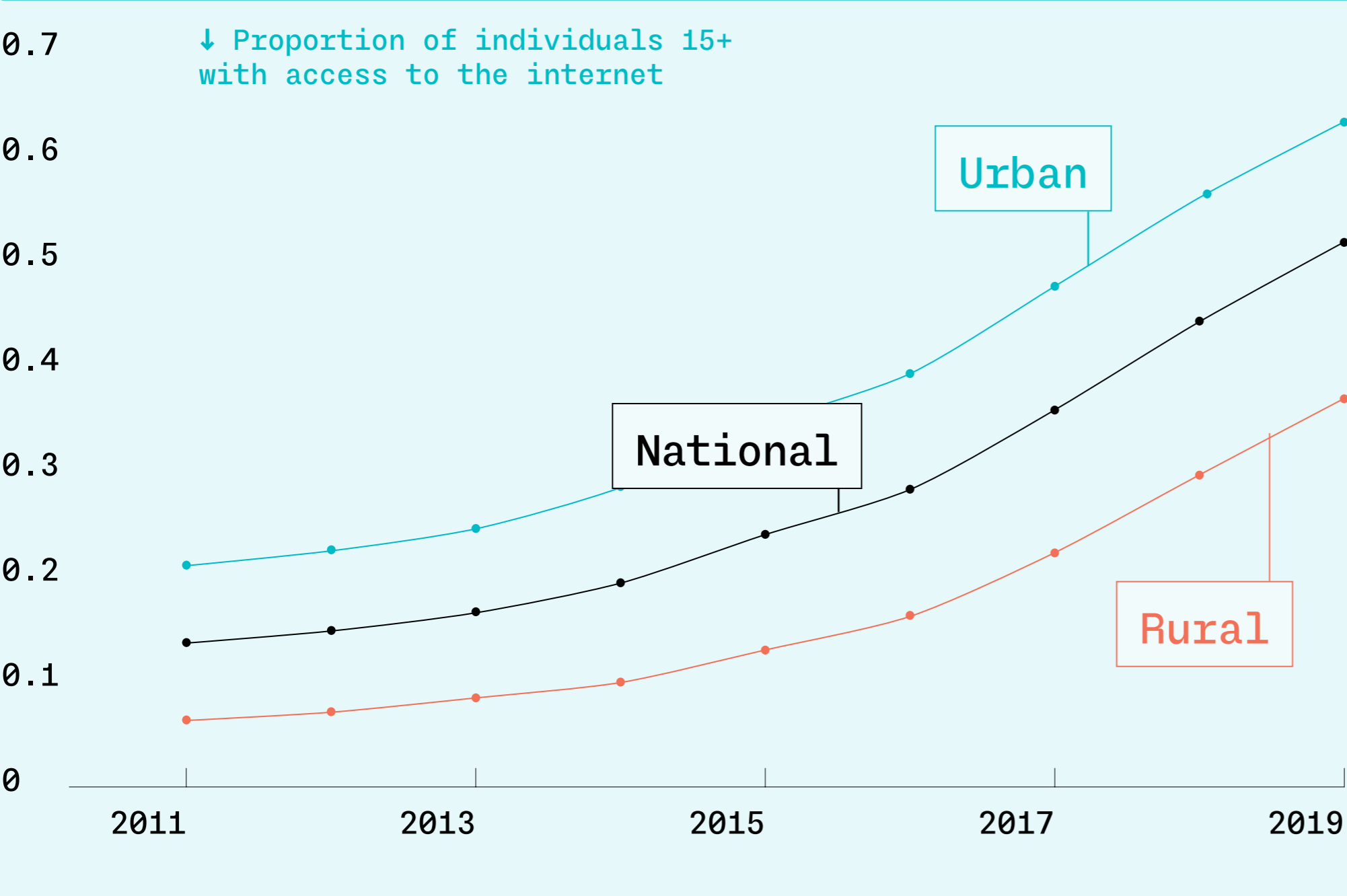
INCREASE IN INTERNET ACCESS AMONG ADULTS (15+)



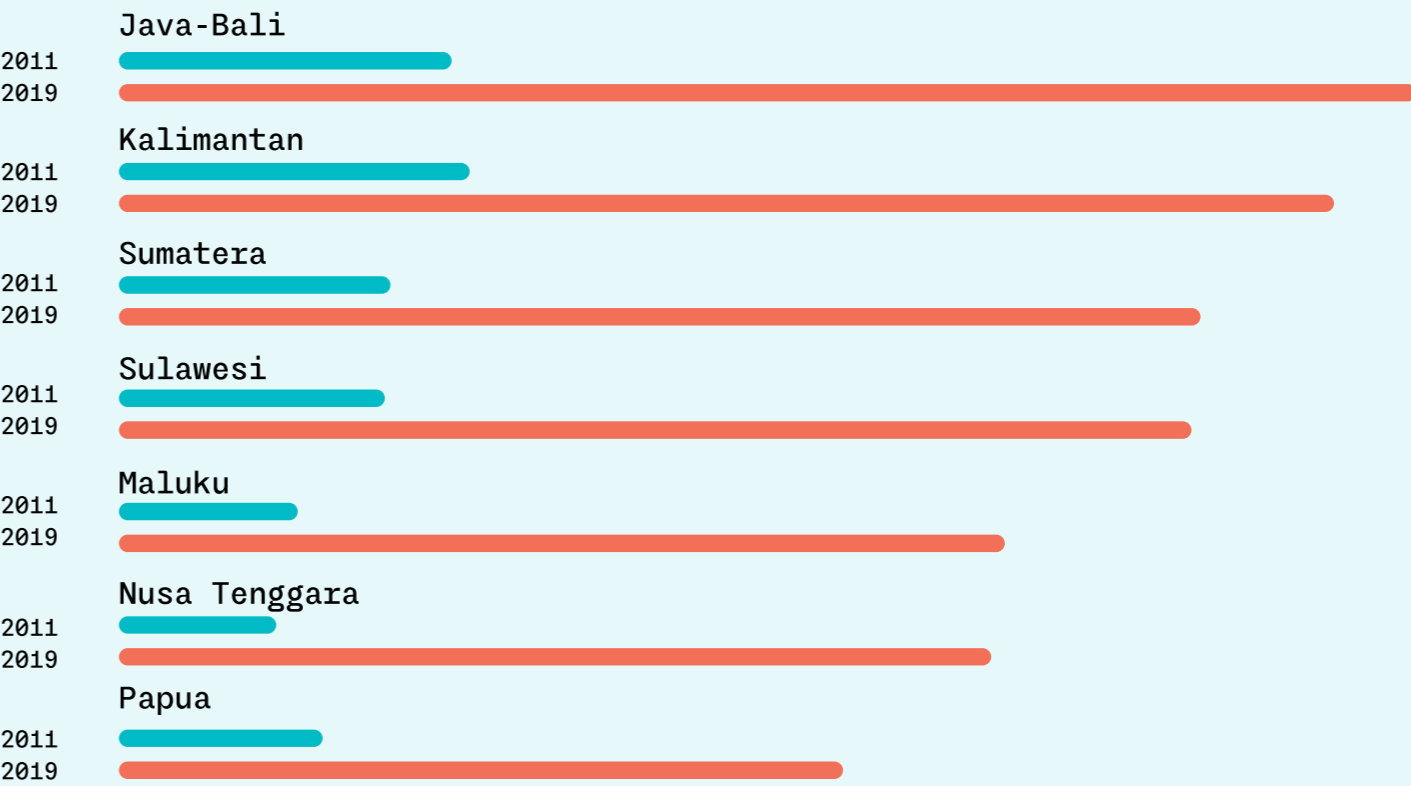
But *many* yet to get on board



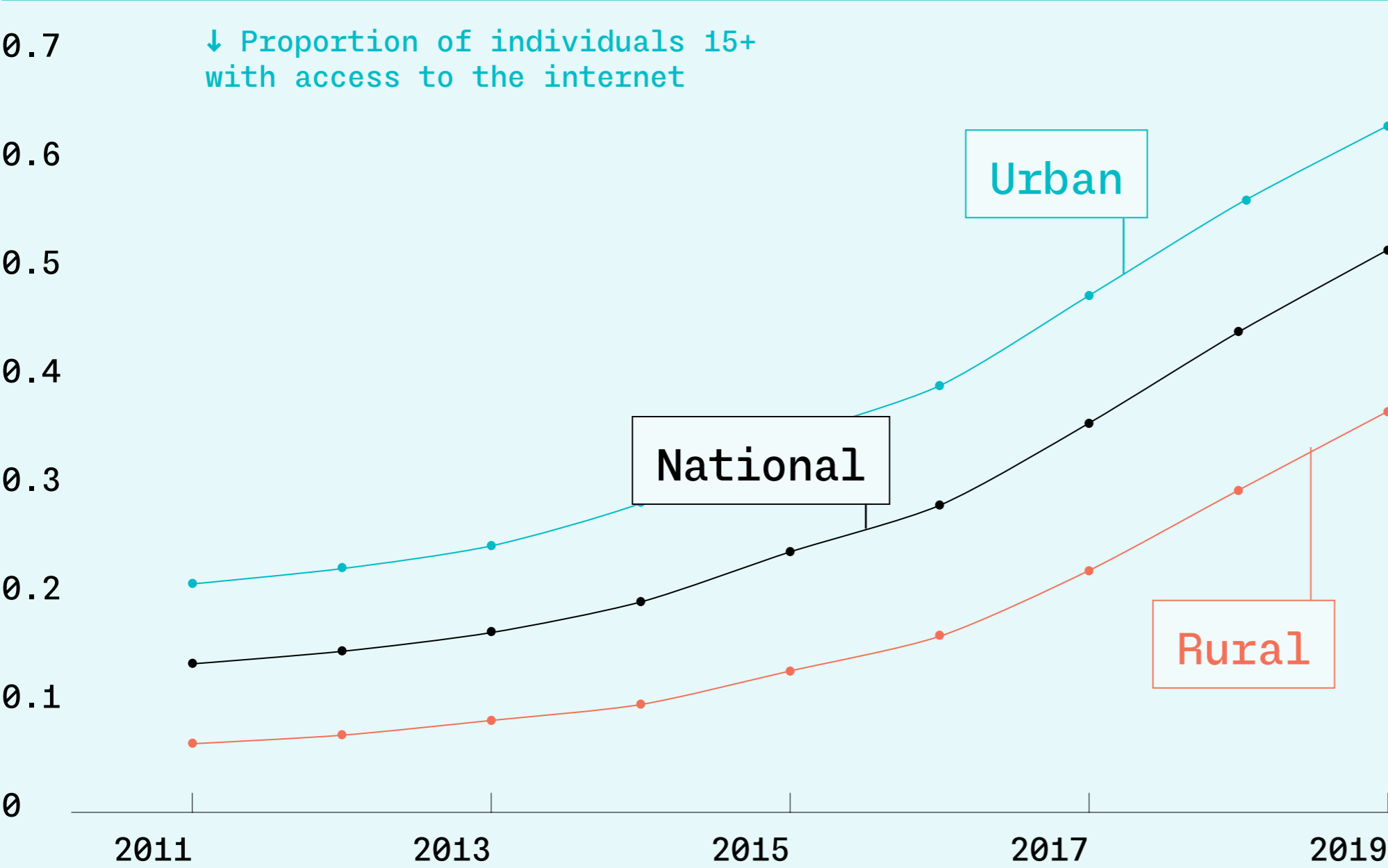
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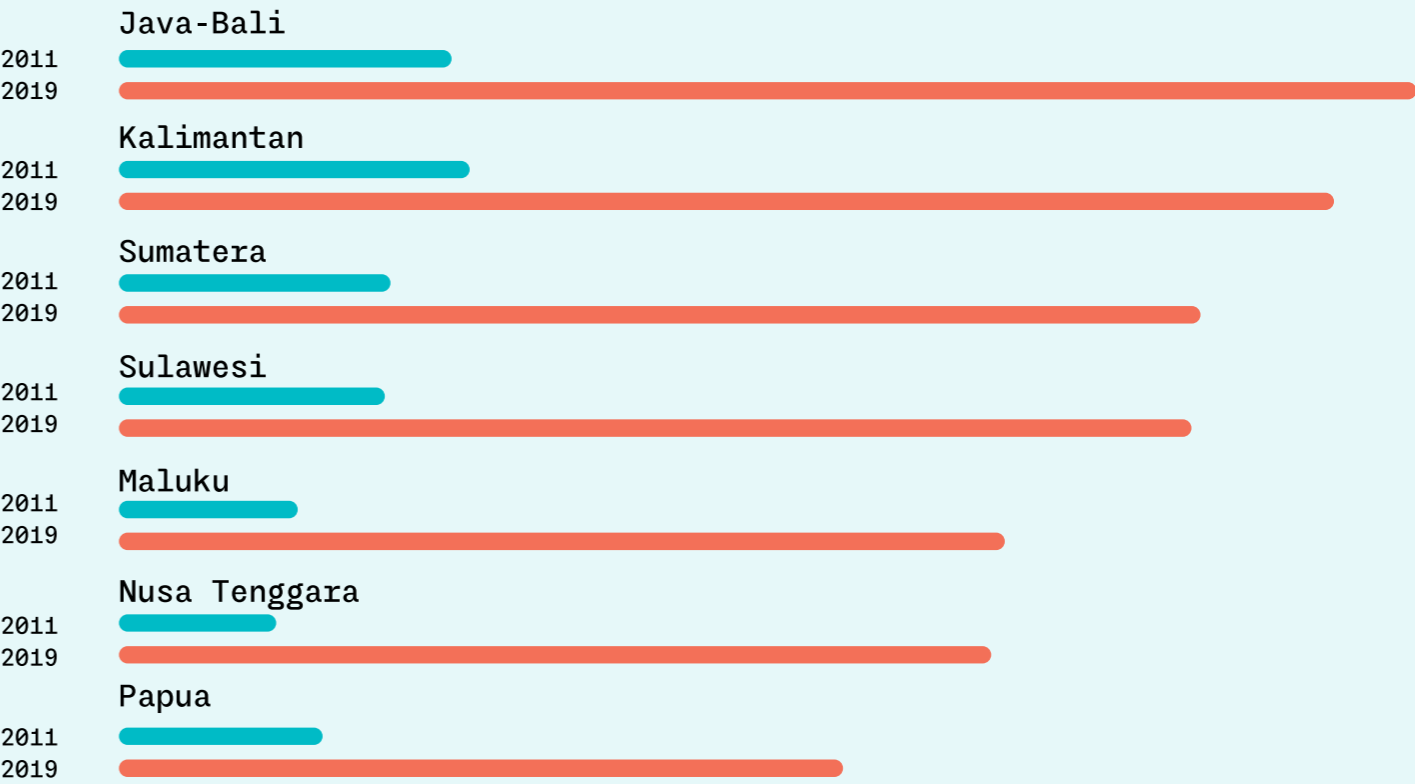
↓ Proportion of adults with access to the internet, by island regions in 2011 and 2019



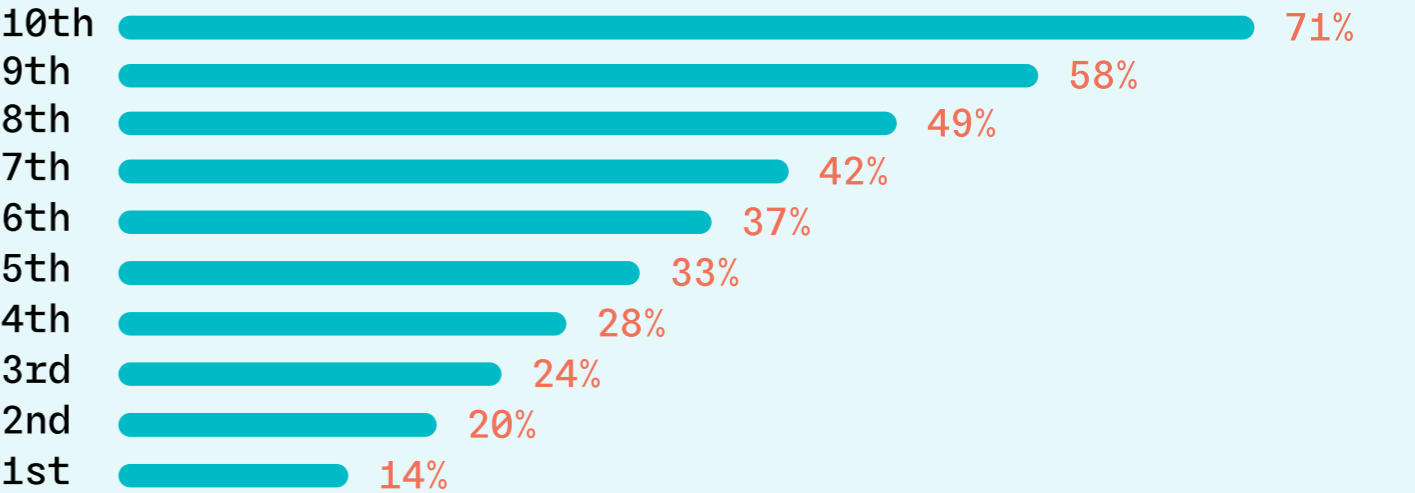
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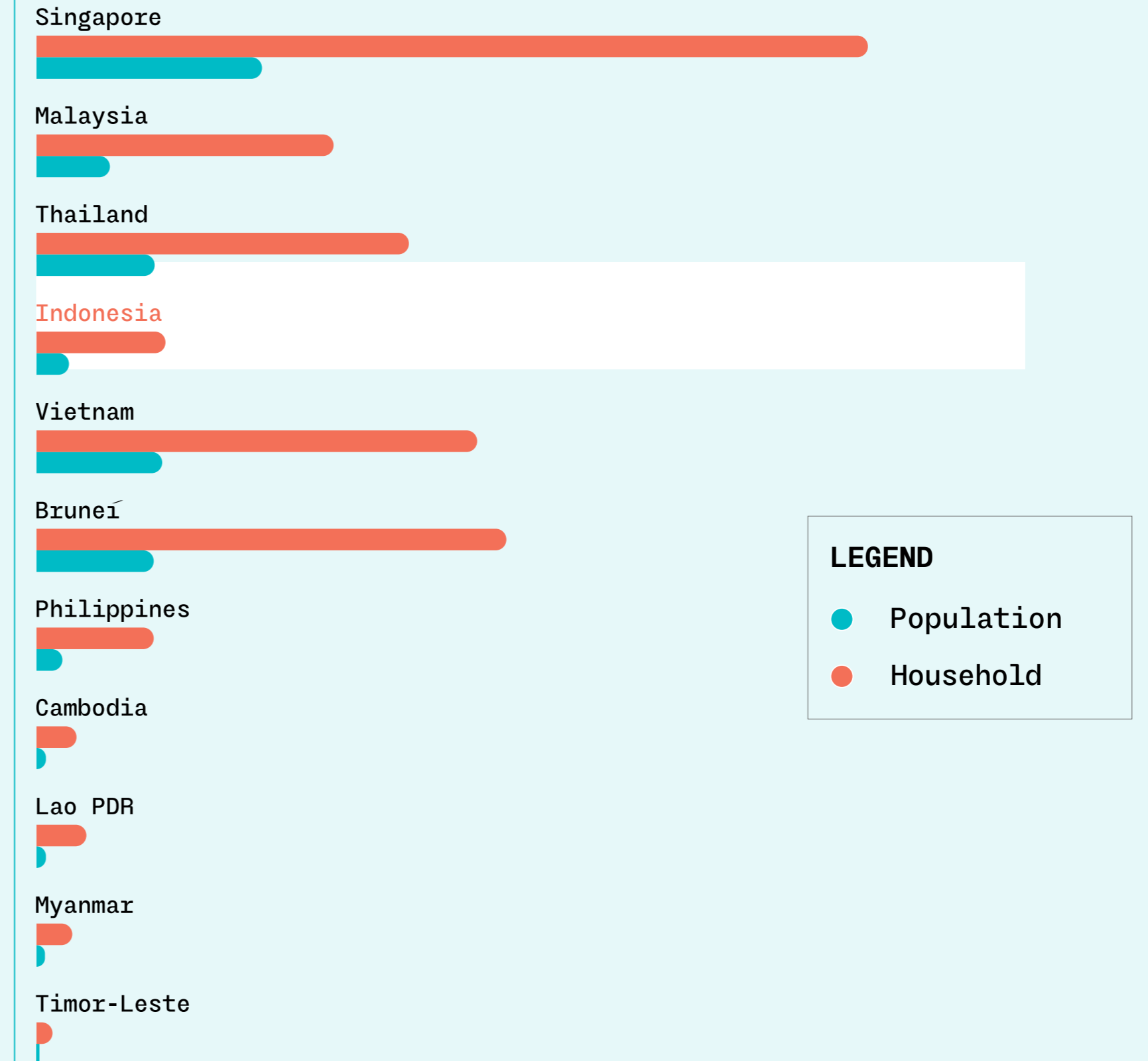


↓ Proportion of adults with access to the internet in 2019, by decile of per capita consumption



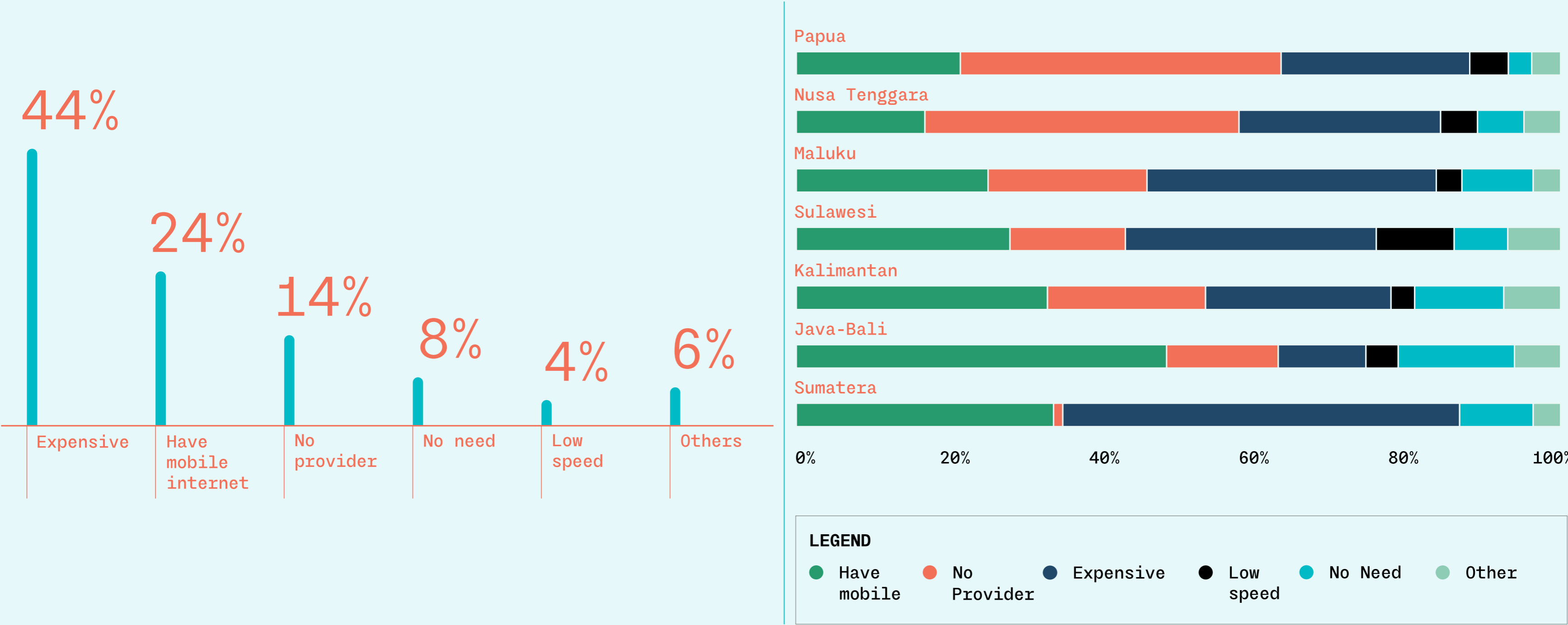
Fixed broadband
penetration lagging
neighbors..

↓ Fixed broadband penetration



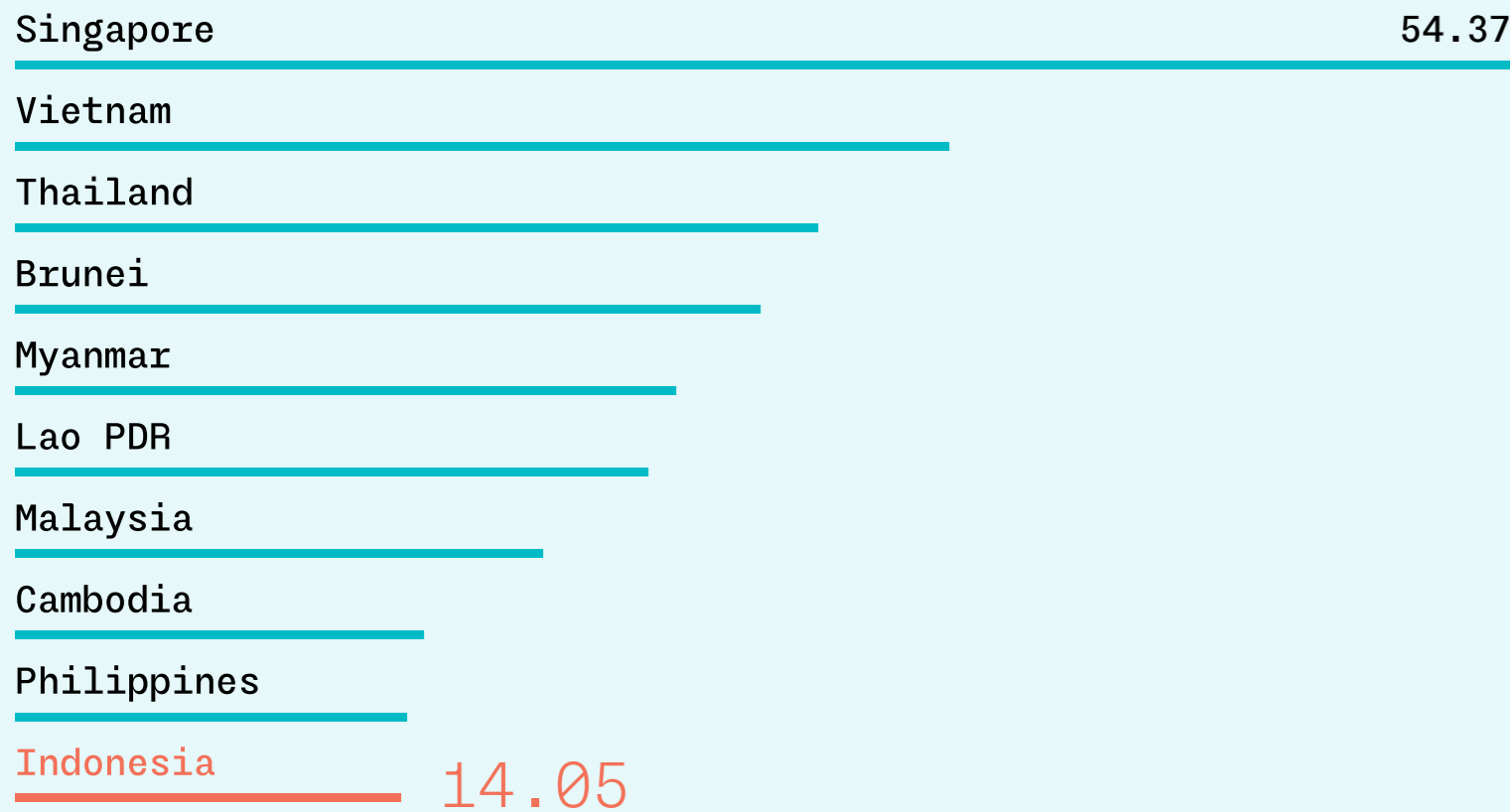
Affordability a constraint for many

Reasons for not subscribing to fixed broadband, broken down by island regions

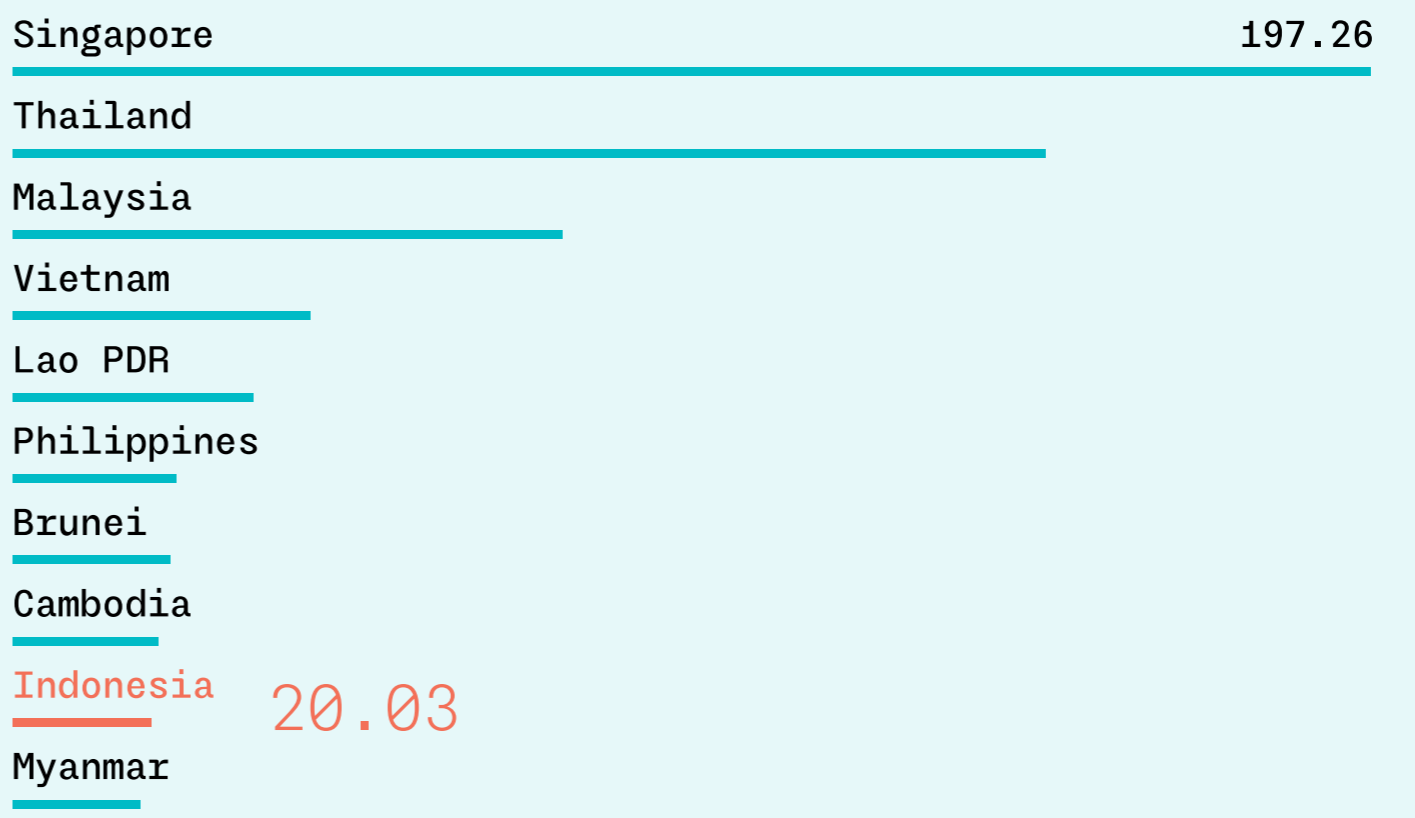


Quality is another impediment to productive use of the internet

↓ Mobile broadband throughput (Mbps)



↓ Fixed broadband throughput (Mbps)



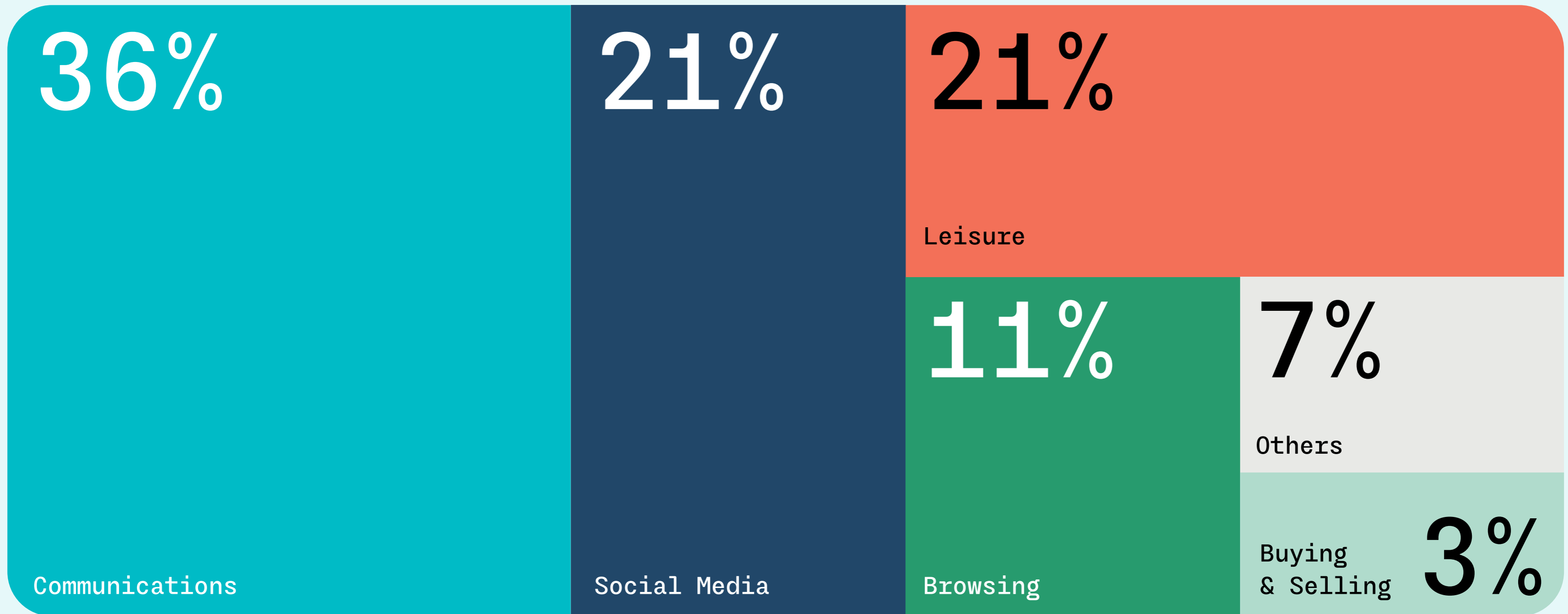
Indonesians *who are connected* use the internet quite **intensively**

5th

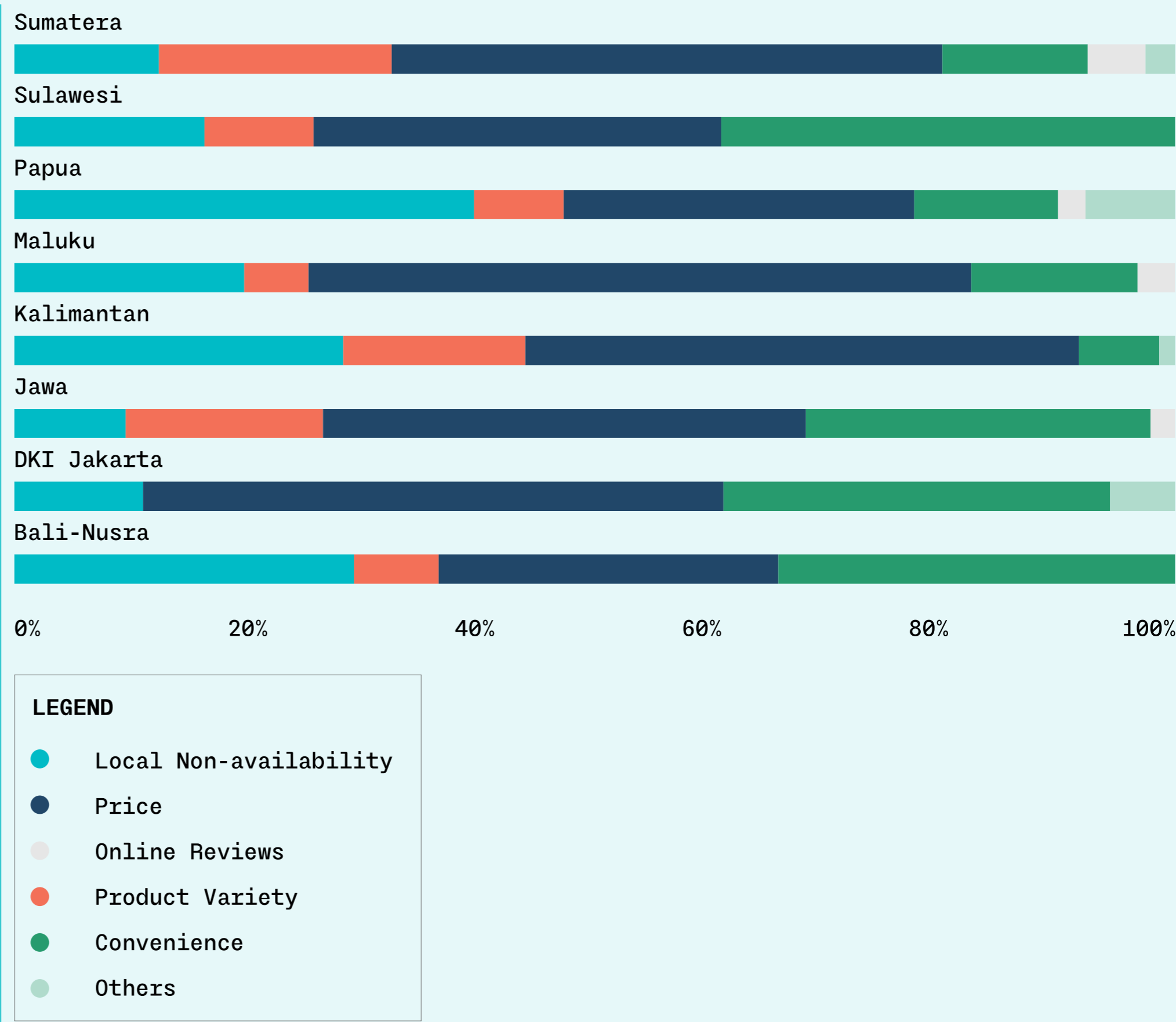
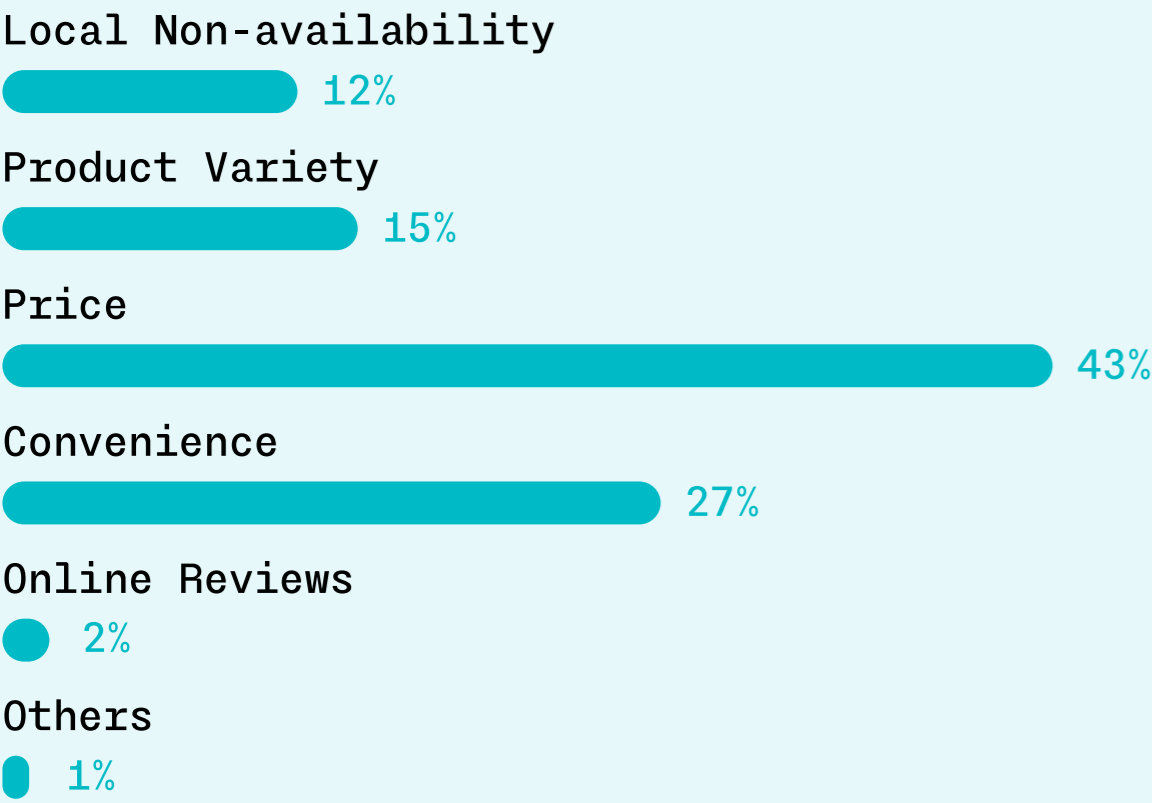
Indonesia is
the 5th most
internet-
engaged
country in
the world



Indonesians *who are connected* use the internet quite *intensively*



E-commerce generating value *for* consumers



Ride-hailing provides crucial connectivity services & a whole lot of other amenities



One in four Indonesians and almost 2 in 5 urban dwellers reported using digital ride hailing services

21%

↳ of the urban population ordered food using the digital ride-hailing apps



Newer opportunities for workers, but concentrated in certain sectors, geography and among certain types of workers

33%

of digital gig jobs were being performed by workers for whom this was their first ever job

10 HRS

a week of work on average more than every other type of worker in Indonesia

6.2%

more per hr in earnings for digital gig workers

E-commerce too is generating opportunities, *but* several challenges constrain scaling of benefits

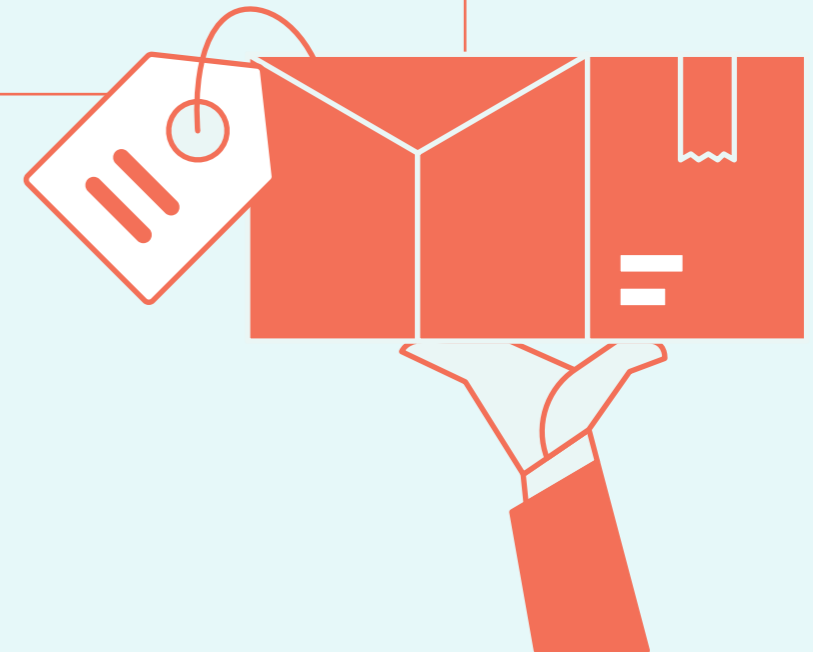


10.4%

13.2 million out of 127 million employed workers were engaged in e-commerce

Constraints on e-commerce expansion ↴

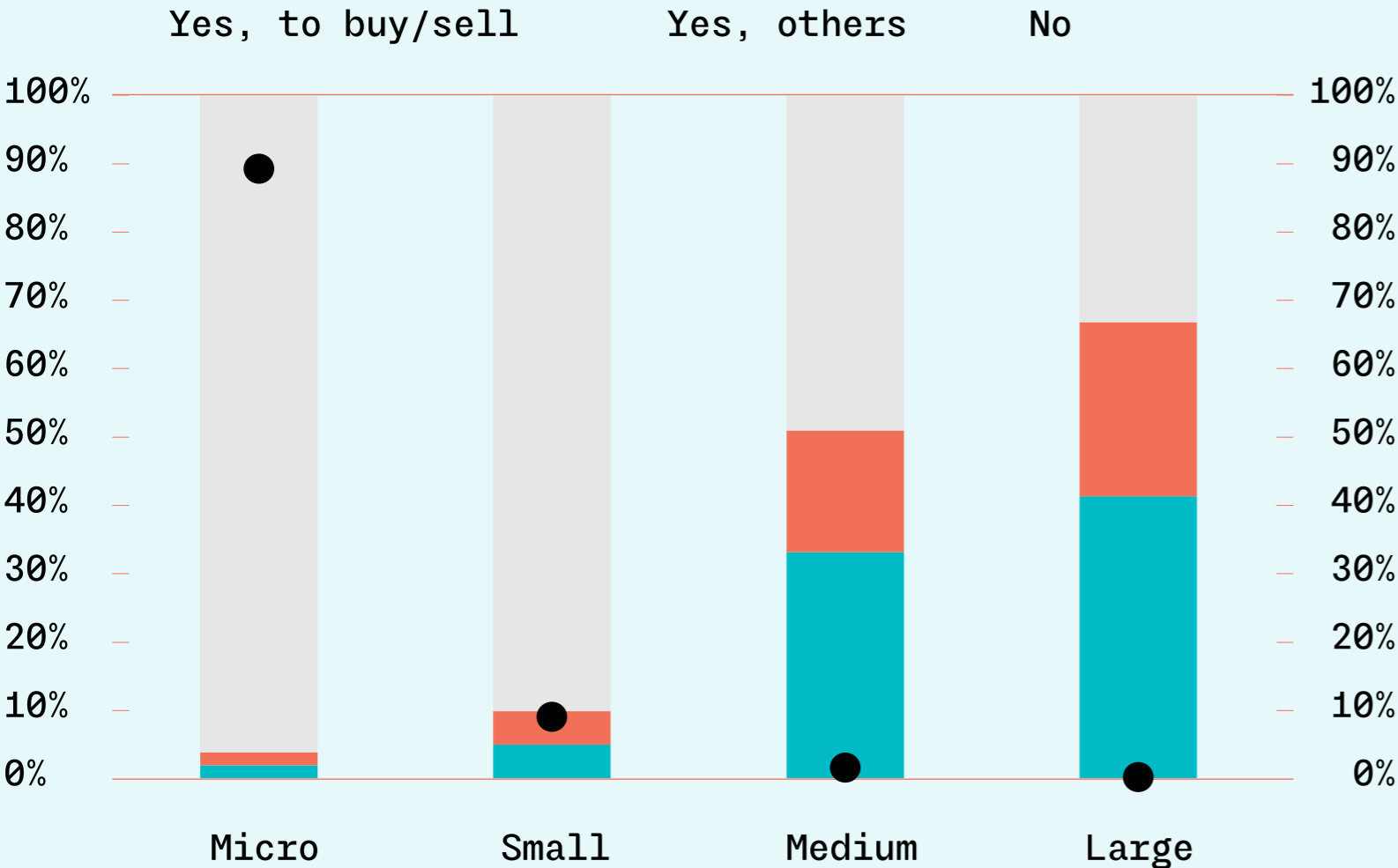
- 1 Cost of logistics
- 2 Limited trust in digital payments/financial services
- 3 Connectivity



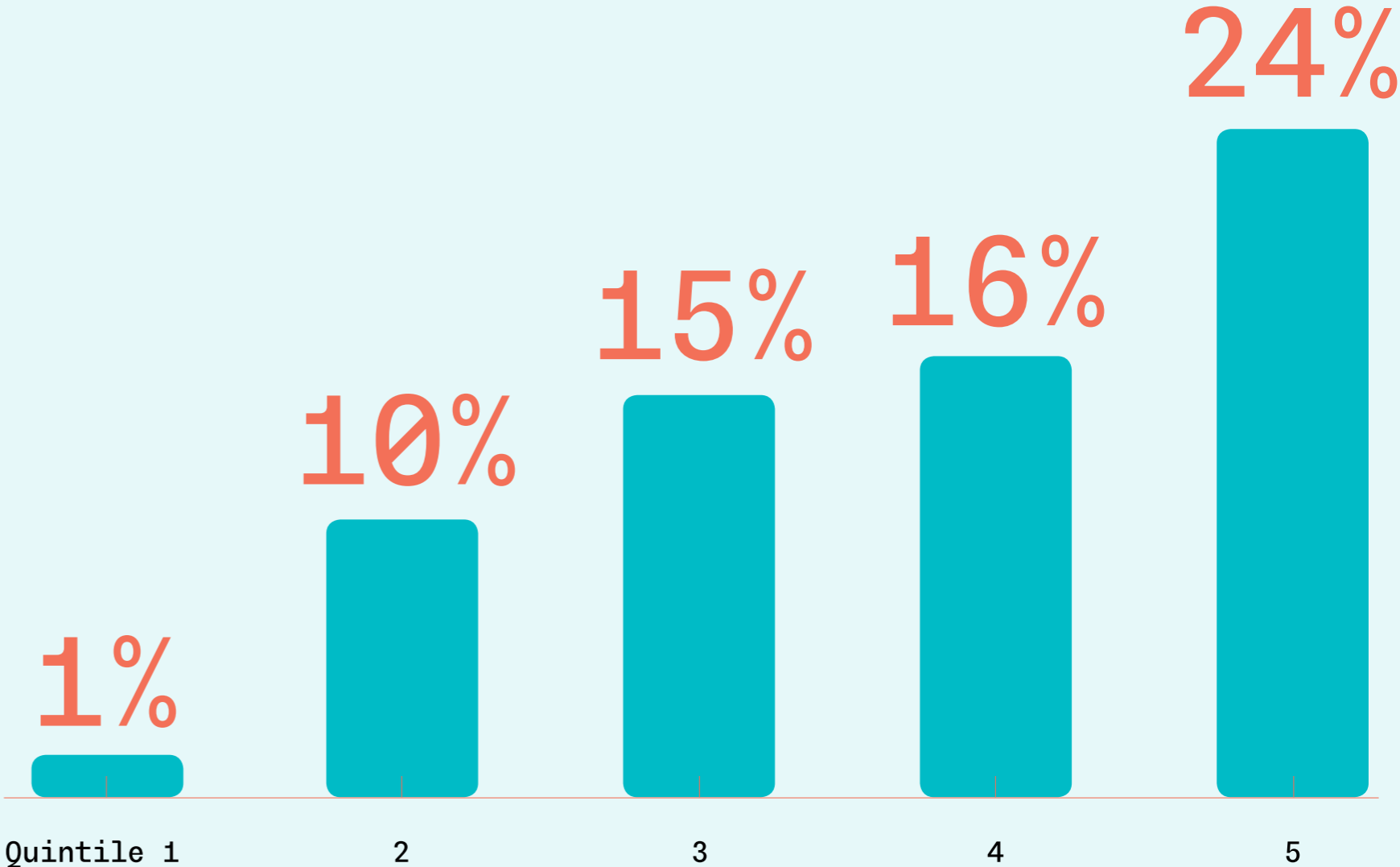
Low overall adoption among small and micro firms, *but* success driven by education and entrepreneurial experience for those who join

↓ LEFT AXIS SHARE OF NON-AGRICULTURAL ENTERPRISES THAT USE THE INTERNET, BY SIZE

↓ RIGHT AXIS THE SHARE OF ENTERPRISES OUT OF TOTAL NUMBER OF ENTERPRISES (DOT)



↓ Share of households with enterprises who use the internet for their business operations, by income status





Mau Belajar | Apa



Private sector led innovations are expanding
the menu of options for moving services
online, but reach is limited





A comprehensive digital ID framework – a low hanging fruit with huge potential returns



Fragmentation of data and systems
& lack of coordination and leadership constrain
digital transformation efforts

What can
be done?



Improve Digital
Connectivity and
Universalize Access

2

Make the Digital
Economy Work
for All



Use Digital
Technologies to
Upgrade Services

3



Improve Digital
Connectivity and
Universalize Access

2

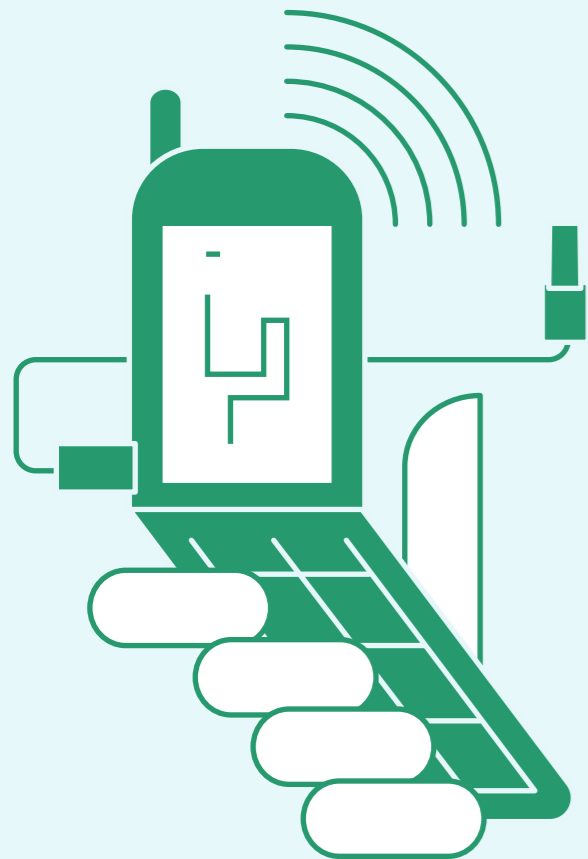
Make the Digital
Economy Work
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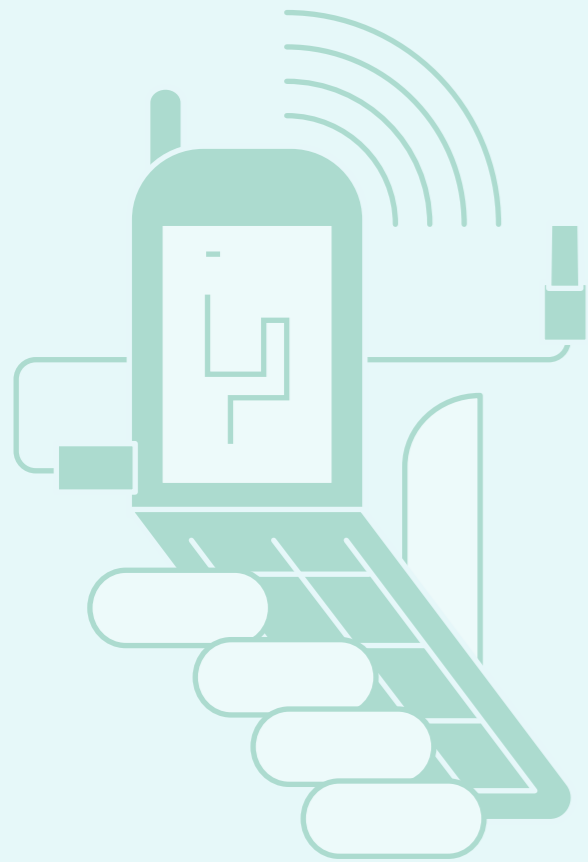
3

01 Improve connectivity & universalize access



- Optimize spectrum allocation for mobile broadband

Improve connectivity & universalize access

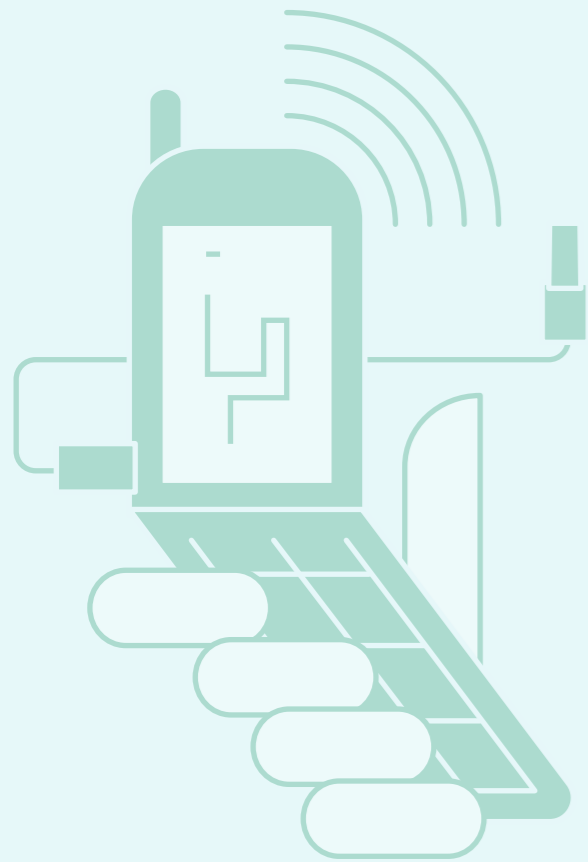


→ Optimize spectrum allocation for mobile broadband



→ Strengthen the sharing of active and passive infrastructure

Improve connectivity & universalize access



→ Optimize spectrum allocation for mobile broadband



→ Strengthen the sharing of active and passive infrastructure



→ Strengthen competition along the broadband value chain



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Connectivity and
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Economy Work
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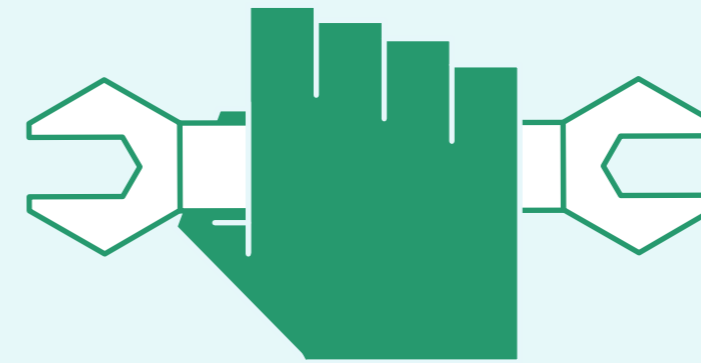
Make *the* Digital Economy Work for All



→ Support the development of logistics



→ Promote financial inclusion



→ Boost digital skills and skills for the new economy



→ Use tax policy instruments to ensure level playing field



Improve Digital
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Universalize Access

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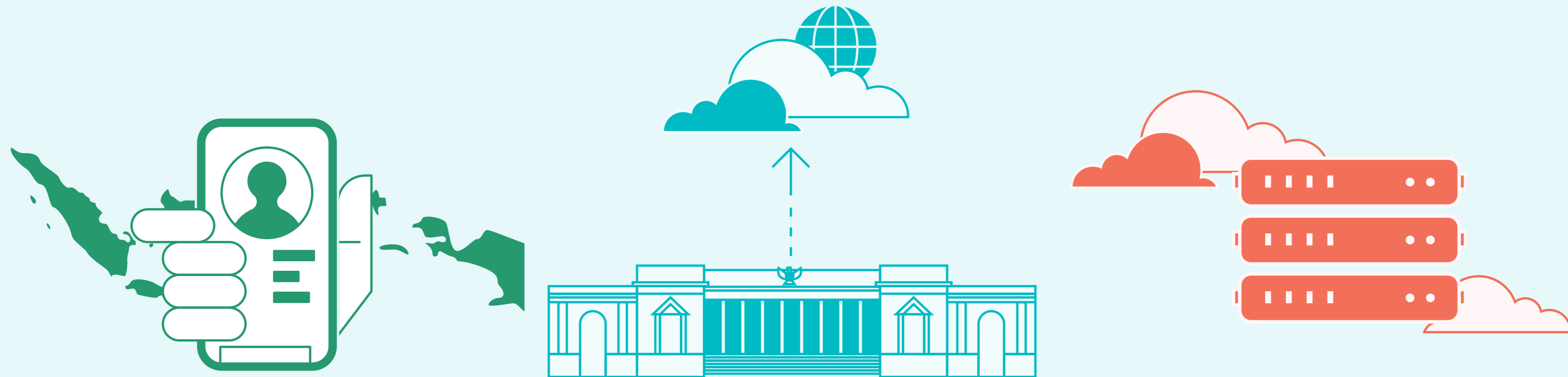
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Use digital technologies *to* upgrade services



→ Develop a national digital ID framework

→ Embrace a whole-of-government approach to digital transformation

→ Move towards whole-of-government data integration and management

Thank You

FOR MORE INFO, GO TO
→ www.worldbank/digitalindonesia