



Financial Inclusion Story of Ride-Hailing

Stories from Gojek and Grab Drivers
in Indonesia



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Background

In Indonesia, motorcycle taxi, or **ojek** (pronounced "awe-jack" in local language), has been instrumental in the daily life of many people in Jakarta. The people use ojek to take them to their office or any place within certain radius to beat the notorious Jakarta's jammed traffic. In 2010, a Harvard graduate started to systemize the ordering of ojek service named the company Go-jek. Now Gojek do not only transport people from place to place, but also order and bring foods for its customers, picking up and sending packages, and many other services.

Grab came to Indonesia to compete with Uber, but then also going into the online ojek business after seeing the success of Gojek. Grab now offer similar services from transporting people from one place to another, to Grab Food for ordering foods, Grab Express from package delivery, and many others. With Uber out of Indonesia, Gojek and Grab are now the main players in the ride-hailing industry in the country.

Gojek claims to have 2 million drivers working in 167 cities and regencies across Indonesia. A survey by University of Indonesia revealed that by the end of 2018 Gojek has contributed up to Rp. 44.2 trillion or US\$ 3 billion to the Indonesian economy. Grab also claim to have 2 million drivers all over the country. Both Grab and Gojek are now decacorn with business valuation of more than US\$ 10 billion.





Objectives of the Survey

The main objectives of the survey is to develop an understanding of the financial lives of Grab/Gojek driver pool and implications that these Grab/Gojek jobs may have on financial inclusion.

Further, the survey will provide evidence of (i) how online ojek driver jobs complement drivers' livelihoods weighing any positive and negative dimensions, (ii) if and how these jobs can enable the use of financial services for drivers and the customers they interact with, and (iii) identify any opportunities for DFS providers to leverage on online ojek drivers to expand digital service ecosystem.

In the span one week, we managed to interview 6 Grab and Gojek drivers.



Dennys, 49 years
Lives in Cileduk, just outside of Jakarta. Married, father of 2 kids. Gojek is his only income source.



Arif, 47 years
Commutes to Jakarta everyday from Pamulang, 25 km away. Married, with 2 kids. Grab is his side job.



Ali, 35 years
Lives in Ciamis, W. Java. Single father of 1 kid. Sends money home every week. He only works as Gojek driver.



Siska, 37 years
Lives in Pondok Cabe, near Jakarta. Single mother of 1 kid. Her Grab income is higher than her previous job.



Nana, 40 years
Lives in Ciputat, in Tangerang. Former security guard, has 2 kids. Join Gojek 3 years ago, no he starts at 5:00 am everyday.



Deni, 48 years
Lives in Ciputat. Divorced, father of 4 kids. From Surabaya. Joined Grab in 2018, loves the freedom of managing his own time.

Dennys Nurcahya - Gojek

49 years, lives in Cileduk, Tangerang.



On Livelihoods

- Started to work as Gojek driver since 2016 after 11 years working as cleaning service personnel at the National Stadium.
- Gojek is his only source of income. He loves it because he is not an employee, but a partner so he can set how hard he wants to work.
- He earns on average Rp. 200 thousand nett per day before Covid-19. Now his income drops 50%.
- Works maximum 15 hours; mostly from 6:00 AM to 7:00 PM for 30 days per month.
- He lives in Cileduk, just 10 km outside of Jakarta, so he takes his bike to Jakarta to find customers. He circles within 10-15 km radius.
- He prefers Go-ride, taking people to places with 15 rides per day. Not a fan of Gofood, because he had a bad experience. Gosend is ok.
- But with the pandemic hits Jakarta, he now focus on Gosend and a few Gofood orders.

On Financial Inclusion

- He has two banks account, one of them because he applies to become a driver at Gojek.
- He also starts using Gopay, because customers pay him with Gopay. He taught himself how to top up, transfer to his bank account, etc.
- To become a driver, he has to have a motorcycle (average cost is Rp. 12-17 million brand new and Rp. 5-7 million second hand). The jacket and helmet costs him Rp. 500 thousand, which he paid Rp. 10,000 in installment per day.
- Now that he can do everything from his phone and he can use Gopay, he does not go to CICO agent anymore. He goes to ATM to cash out, since he still needs cash for other transactions.
- In managing liquidity, he transfer back and forth between the balance he has in his bank account and his Gopay account. He tries to save money by giving it to his wife.
- With the smartphone, which he can buy from Gojek in installments, he is now comfortable using apps to check his balance, to transfer money, to use Gopay. He learns by himself or he asks someone who knows.
- He learned about the opportunity of becoming Gojek driver from his friends, and he now share information or teach new drivers how to use app, when he gets the chance.

On Business Model and Other Potentials

- The driver gets 80% of the total fee and 20% goes to Gojek.
- Gojek, in the midst of the pandemic, is starting to offer its drivers basic staple food like rice and cooking oil. Drivers can also by motorcycle spare parts at a discount rate.



Arif Fadillah - Grab

47 years, lives in Pamulang, S. Tangerang.



On Livelihoods

- Joined Grab 3 years ago. Grab is an important part of his life now since he can earn extra income. Grab is his second important job; he has a daily job as personal driver, a 9:00 to 5:00 day job.
- He loves the flexibility of managing his own time and the extra money to help pay for his children's school fee, their pocket money, etc. His wife has run mom and pop store and now is applying to be Grabkios agent.
- Works between his daily job; mostly from 6:00 to 9:00 AM then after work from 5:00 to 11:00 PM. He only works on weekdays.
- He lives near Bogor and commutes every day.
- Earns on average Rp. 3 million per month before Covid-19, now you're lucky if you can get 3-4 orders (Rp. 20-80 thousand.)
- On average takes 8 customers (Grabride) and the rest is package delivery (Grab Express). Does not like Grabfood, had a bad experience.
- When he cannot take passengers because of Covid, he switch to package delivery and Grabfood.

On Financial Inclusion

- He has 2 bank accounts; one for work and one for paying installment for the house he bought.
- He also uses Ovo, but he keeps his Ovo balance low because he almost became the victim of a fraud. He also mostly uses cash for transactions. He uses Ovo for himself but also to top up customer's balance, so he unintentionally an agent.
- To become a driver, he has to have a motorcycle. The jacket and helmet costs him Rp. 500 thousand, which he paid Rp. 10,000 in installment per day. You also need birth certificate and a letter from the police to prove you don't have criminal records.
- He has bank account and moving balance from his bank account to his Ovo account is easy. He gives most of his earning to his wife, he only leave some for his work.
- The money he earns from Grab is used to pay electricity and other bills, installment for the house and send money to his son who studies in Islamic boarding house in another city.
- He finds smartphone and apps make his life easier because he can almost do many financial transactions from the phone.
- He does not use agents anymore since he can do many transactions or buy airtime from his phone.

On Business Model and Other Potentials

- The driver gets 80% of the total fee and Gran gets 20%.
- Grab has Grabkios and Grab drivers are encouraged to ask his wife who runs a retail store to apply for Grabkios.



Ali Topan Kurnia - Gojek

35 years, lives in Pamulang, S. Tangerang.



On Livelihoods

- Joined Gojek a few years ago while still working as a beer salesman. Did both jobs then decided to focus on Gojek as it gives him flexibility and he earns more than minimum wage.
- He works 12 hours a day, starts in the morning but if he earns enough he goes home early.
- Every day he gets about Rp. 300-400 thousand, but after gasoline, food, savigs, etc. he takes home around Rp. 250-300 thousand nett.
- He likes sending packages (Gosend) because he does not have to deal with people who can be difficult sometimes. In time of Covid, he takes more orders from Gosend and Gofood.
- He lives in Ciamis, West Java, so he rent a small room in a house in Tangerang.
- He roams 200-300 km each day covering 25-30 km radius set up by the apps. He goes to many places in Jakarta except N. Jakarta who is a bit dangerous.

On Financial Inclusion

- He uses a bank account to save money, top up and send money home. Has two bank account, one when he was salesperson and one more when he join Gojek.
- Sent money home every week, each Rp. 500 thousands, via bank apps in his smartphone. So he does not go to an agent anymore to transfer money.
- His "working capital" was motorcycle and he has to prove that he can drive motorcycle safely. There is a test for that. He has to buy 2 jackets and 2 helmet for around Rp. 500 thousands that he can pay in small installment to Gojek.
- Drivers can also get a loan from the company to buy handphone with a price range of Rp. 2-4 million and pay in installment.
- He receives some of the payment to his Gopay, and after that he transfer to his bank account.
- He replenish his Gopay through app in his bank account. He saved money by setting aside Rp. 20,000 a day organized by his office. So at the end of the month he will get Rp. 600 thousands.
- He is also interested in getting an insurance for himself and his family. The company endorsed Allianz or Prudential.
- All this digital economy makes life more practical, according to him, and more transparent as well, so no more bargaining.

On Business Model and Other Potentials

- The driver gets 80% of the total fee and Gojek gets 20%.
- In this Covid pandemic, there is government policy to allow driver to postpone their motorcycle payment until a year later.



Siska Wulandari - Grab

37 years, lives in Pondok Cabe, S. Tangerang.



On Livelihoods

- Joined Grab 3 years ago in 2017, this is her only source of income. She is a single mother with 6 years old son. She likes the flexible hours of being a Grab driver, so she can take care of her son and take him to school before going to work.
- Normally she works around 12 hours, starting at 7:00 AM, take a break at around 11:00 to pick up her son from school then she goes to work again until late afternoon.
- On normal days she would get 4-5 long ride or 10-15 short rides with passengers. Daily earning is around Rp. 150-200 thousand nett. During Covid, her earning drops 2/3, so she earns about Rp. 50-75 thousand now.
- Prefers Grab ride and Grab express but not Grab food because of fake orders and long queue in the restaurant. But now she will take any orders.
- She roams around 25 km radius, but she does not mind going further to deliver packages.

On Financial Inclusion

- She has both bank account with CIMB Niaga and Ovo. Ovo is because customers pay with Ovo and points. She can transfer Ovo balance to her bank account but for Ovo points she can use it only to buy food or groceries, she said, cannot be converted into money.
- To start working for Grab, you need a motorcycle, valid ID and driver's license, and a Rp. 100 thousand balance in your Ovo wallet.
- Just like everyone else, she gets 2 helmets, 2 jackets that she paid in installment of Rp. 10,000 per day.
- She has a WhatsApp/chat group for Grab women drivers; there are 170 members in her group alone. She said there could be 500 women drivers in Jakarta alone. The group gave her information about company policy, incidents, etc.
- Mostly dealing with cash, because she still receive cash payment from customers. Never goes to the bank or use agents, she can operate anything from her phone and goes to ATM only to withdraw cash. She does not save money like she used to when she work for KFC, because she does not have enough to save.
- She hopes Grab gives special treatment to women drivers since most of them are single mother, so far there is no such a policy. At least give them more orders.

On Business Model and Other Potentials

- Potentials; drivers need to buy basic staples every day. This could drive the drivers to go to agent.
- She has no complain about the 80:20 scheme.



Nana Sukarna - Gojek

45 years, lives in Ciputat, Tangerang.



On Livelihoods

- This online motorcycle taxi is his job and only source of income after a series of jobs with the last 10 years as a security guard.
- He earns Rp. 350-400 thousand a day for 12-14 hour work that he started early in the morning around 5:00 AM. He mostly takes people and send packages, don't get much food orders.
- He lives in Ciputat, just 10 km away from Jakarta and his operation radius is about 25 km set by Gojek apps.
- During this Covid pandemic, his earning drops to about 50%, but people start using Gomart now, so he goes to convenient stores to buy groceries and bring them back to customer's home. He has to prepay the order first.
- He started working in Gojek in 2015, he is worried he has to take a motorcycle lease to replace his old motorcycle.

On Financial Inclusion

- He has two bank accounts with CIMB Niaga and BCA. He uses BCA mostly for transactions and CIMB because of Gojek, he can transfer his Gopay balance to CIMB easily.
- He uses his bank account a lot, to transfer money to his children or if he needs money, he can borrow from a friend and she/he can just transfer it to him without meeting him.
- The investment he needs to apply for Gojek driver is his motorcycle, driver's license, valid ID, and letter of good conduct from a local police station.
- He does not use agent much, because he doesn't know what they can do. He goes to ATM to withdraw money, but he still goes to Alfamart sometimes to top up his balance.
- Having smartphone and bank accounts make his life easier.
- He does not use Gopay, he thinks that's for customers only.
- To save money, he gives all the money when he gets home and only leave out 50,000 for pocket money and change for his customers.
- The money that he earned is for paying installments for his house, which he gave to his children after he got divorce from his wife. Now he rents a room in a house.
- He hopes to continue working under the current situation, with precautions. (Gojek now advises drivers to just leave the package they deliver in the door step of the customers.)

On Business Model and Other Issues.

- Gojek need so shift priorities from servicing rides to other services that people need most today such as buying groceries, pick up and send documents/packages, etc.



Deni Ramdani - Grab

49 years, lives in Ciputat, Tangerang.



On Livelihoods

- Joined Grab two years ago, 2018 and this is his only source of income. He works from 6:00 AM until noon, goes home for lunch and works again until evening.
- He has grown up sons from previous marriage and also two grown up children from his current wife. His wife helps earn income as freelance surveyor.
- During the normal days he earns easily Rp. 200 thousand before gasoline, but now not it is difficult to get orders, he gets half or less.
- He focuses on Grab rides and he used to roam around the busy area, but now he has to think twice because he may just waste the gasoline.
- His radius of work can be more than 25 km.
- With the local government does not allow him to take passengers, he is still confused about what to do. He said he will see what his friends are doing and copy them.

On Financial Inclusion

- Before joining Grab, Deni worked overseas in Dubai for years and he used to send money home to his family. He had a bank account with Emirat Bank, but he used UAE Exchange, a remittance agent, to send money home. Cost of transfer is 20 Dirham but if he transfer above 1,000 Dirham he has to pay more. (1 UAE Dirham = Rp. 4,500 = 0.30 USD)
- He has bank account now and Ovo to conduct transactions for his business as Grab drivers. He uses bank account to send money, withdraw cash from ATM and top up his Ovo wallet.
- He uses Ovo to receive payments from customers, buy airtime or help customers to up their Ovo wallet. Never used Ovo to buy food or others.
- He knows of agent but do not use them yet because he can do banking transaction from his handphone.
- The investment he made to become Grab drivers are motorcycle, some documents, and smartphone. He has to have or open bank account and Ovo wallet. He got two jacket and 2 helmet which he had to pay later in installments.
- For everyday use, he still uses cash most of the time, because he does not shop from modern retailers. Most waraung or retailers he goes to still only accept cash.

On Business Model and Other Issues.

- Grab has been good at giving out information related to Covid or government regulation in regards to drivers taking passengers. But policy for each province or cities could be different. So the drivers are still confused sometimes.



Conclusions #1

Online motorcycle taxi, or Ojek, like Grab and Gojek are main source of income for many Indonesians who can't find work in the formal sectors or do not have enough skills or capital to start their own business.

Most drivers love to work for Grab or Gojek because of time flexibility, a sense of freedom to manage their work around their family - like the single mother who has to take care of her son before going to work - and fair share of earning, 80% for drivers and 20% for the company. Also they feel like a partner rather than an employee.

Each driver has its own preferences in term of services they perform; some prefers to take customers because they can get to know people and get more tips, some prefers ordering food because they can get higher points (important for end of the month bonus) and some prefers just send packages, or combination of those three.

Their daily earnings vary from driver to driver; but all between the range of Rp. 150-300 thousand nett per day. With the pandemic and policies that do not allow them to take passengers for ride, their income drop between 50-75%. They have to change strategy to only send packages, order food, or help customers shop groceries.

Most of them have had relationship with banks before but Grab and Gojek make them use their bank account more frequently. Some also start using e-money, or e-wallet.



Conclusions #2

Most of them use their bank account to save money, withdraw cash, transfer to other bank accounts or e-wallet. They use e-wallet or e-money because they have to deal with customers who pay them using e-money. This makes them believe that e-money are only for customers but not for them.

They use cash in their daily life because the business they deal with are still using cash, such as the food stall they have lunch at, the small groceries stores in their neighborhood, etc.

They know of agents that can help them with financial transactions but they do not use them because they can conduct transactions from their smartphones.

There is a little investment to be Grab or Gojek drivers, you just have to have a motorcycle, a smartphone and a valid driver's license. For those who does not have motorcycle can lease one, the second hand one, with as little as Rp. 500 thousand (US \$ 30.0) down payment.

The Covid-19 pandemic has certainly hurt their earning, but they are still optimistic that the company they work for can still survive and help them. Their main complaints are mostly around point reward systems, they think it is more complicated and harder to get reward points hence their end of the month bonus is also smaller.

