LEARNING FROM THE EAST JAVA MUDFLOW: DISASTER POLITICS IN INDONESIA

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On May 29, 2006, in East Java, an exploratory well that was being drilled to search for natural gas nearly two miles below the earth's surface triggered or experienced a blowout of hot water, gas, and mud. The blowout activated or coincided with the emergence of a mud volcano that has been discharging a torrent of hot mud from the ground at an average rate of 150,000 cubic meters per day (enough to fill forty Olympic-size swimming pools). The mudflow now covers more than 2,000 acres (810 hectares) and could continue for centuries.

1 The authors thank the anonymous reviewers who commented on an earlier version of this article.
2 The owners and operators of the Banjar-Panji-1 exploration well argue that the mudflow is the result of an act of nature, set off by the Yogyakarta earthquake rather than by human error or negligence. Most independent petroleum geologists and experts on mud volcanoes vigorously disagree. We discuss the scientific and liability debates later.
3 Blowouts are common in well drilling. It is standard practice when drilling in geologically active areas to use a steel casing with the drill that can be employed to release gas and thereby contain violent explosions. This procedure apparently was not used at the Banjar-Panji-1 well. See Brett Mattes, “PT Lapindo Brantas Makes Things Clear as Mud in Indonesia” (www.energytribune.com/articles.cfm?aid=651, posted on October 18, 2007, viewed February 19, 2008); and interview with Andang Bachtiar, a consulting petroleum geologist, Adelaide, June 1, 2007. Also see Ali Azhar Akbar, Konspirasi Di Balik Lumpur Lapindo, Dari Aktor Hingga Strategi Kotor (Yogyakarta: Galang Press, 2007), pp. 9–12.
4 Bret Mattes, “PT Lapindo Brantas Makes Things Clear as Mud in Indonesia.”

Indonesia 85 (April 2008)
Thousands of families in twelve villages have had to abandon their homes and their sources of income permanently. Several other villages were inundated by mud after the initial disaster (these were not covered by an early agreement between the government and the well owner, Lapindo Brantas, offering victims’ compensation) and villagers’ rice fields and other agricultural land have also been covered by mud. More than one hundred buildings, including factories, schools, mosques, shops, and offices, have had to be abandoned.

![Earthworks fail to control the East Java mudflow, Sidoarjo, January 2008. Photo by Priyambudi Sulistiyanto, with permission](image)

The mudflow frequently covers the Surabaya–Gempol toll road and the main highway, bridge, and rail connections to the city of Malang and to the province’s hinterlands to the south and east. The lengthy transport delays and unpredictable road closings have caused business losses and unemployment in Malang and Sidoarjo, as well as in wide areas of East Java. It especially affects the tourism sector and companies that ship through the port of Surabaya. The mudflow-related business and job losses, scattered as they are across the province, and the uncertainties about the short- and long-term environmental costs have made it difficult to assess the real costs of the mudflow.

The National Planning Board (Bappenas) estimated the total cost of dealing with the mudflow for just its first year at 44.7 trillion rupiah, which is more than four billion US dollars. This estimate factored in the costs of some peripheral environmental

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damage, such as subsidence. On November 22, 2006, subsidence (cave-ins, or sinkholes) caused by the weight of the mudflow triggered an explosion of the province’s natural-gas pipeline. Thirteen people died, and more than twenty miles of levees built to contain the mud were damaged. The mud also covered the Surabaya tollway. As a result of these developments, the toll road, railway, Porong bridge, and pipeline will all need to be moved from their current locations. The Bappenas estimate accounts for these future repairs, but it doesn’t count the human or social costs for those killed, for the 15,000 families whose homes and agricultural lands were lost, or for the thousands of others whose factories or workplaces were, or will be, buried. Nor does it include the costs of long-term subsidence or other environmental damage.

All of the destroyed infrastructure will need to be replaced or relocated, including roads, bridges, railways, electrical transmission and telephone lines, the province’s main gas pipeline, and drinking-water pipelines for Surabaya and Sidoarjo. This will be costly and unpopular with villagers who survived the mud only to be displaced by the reconstruction.

The forecasts for the region’s future are disturbing. While some further subsidence is expected, what experts fear most is rapid and substantial subsidence, in which land and buildings might drop hundreds of feet in a few seconds over a five-mile radius from the mud-geyser site. Another concern is that runoff from monsoon rains may be unable to flow through the mud-blocked Porong river, flooding Surabaya instead. The dumping of millions of cubic meters of salty and possibly toxic mud into the Porong river and out to the sea may result in long-term environmental damage to fish nurseries in the Straits of Madura and to valuable brackish water prawn and fish ponds along the coast.

The social, economic, and environmental harm caused by the mud continues to accumulate, and the costs of repairing and strengthening dams and of other efforts to limit or stop the mud, as well as the costs of humanitarian assistance and compensation for displaced victims, are still mounting. Because many people are afraid to go anywhere near the mud, Tanggulangin’s leading, labor-intensive, leather-goods handicraft industry has reportedly lost 70 percent of its trade. Banks will not provide mortgages, and therefore people living ten or more miles from the disaster site find it difficult to sell their land or to borrow against equity for investment or other

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6 One year after the first eruption, on June 1, 2007, Flinders University held an Open Forum and workshop, “The East Java Mudflow: Learning from an Un-Natural Disaster,” organized by the Flinders Asia Centre and Flinders International Asia Pacific Institute at Flinders University, Adelaide, South Australia. Participants included independent and Indonesian geoscientists and engineers, two Lapindo Brantas (energy company) executives, the deputy director of TIMNAS (Tim Nasional Penanggulangan Semburan Lumpur Sidoarjo, the first national mudflow mitigation team), an observer from Santos (an Australian enterprise with 18 percent ownership in the well), NGO leaders, friends of the Sidoarjo district head, journalists from Jawa Pos, and Indonesian academics who had studied the mudflow or its impact. The papers from this Open Forum can be accessed at www.socsci.flinders.edu.au/asiacentre/forums. Thanks to the Flinders Asia Centre and Flinders International Asia Pacific for sponsoring the conference as well as our brief visits to Sidoarjo in January 2008. Finally, our thanks to Achmad Uzair for his insightful research assistance.

7 Mark Tingay, ARC fellow, personal communication, Adelaide, June 3, 2007.

purposes. The economic pressure on thousands of local landowners unable to sell their land or obtain mortgages may turn out to be another mud-related disaster.

Estimates of the number of persons displaced from their homes and their livelihoods by the Sidoarjo mudflow vary. According to the East Java Information Mudflow Center, since the day of the initial explosion (May 29, 2006), the mudflow disaster has forced more than 37,100 residents (6,800-plus families) from the Porong and Tanggulangin subdistricts to move to "temporary shelter camps." According to East Java daily Jawa Pos journalist Rohman Budijanto, there are now approximately 75,000 IDPs (internally displaced persons) in Sidoarjo district who qualify for relief, the majority of whom have moved into alternative accommodations after living in the refugee camp for three to five months. That leaves roughly 9,000 people at any one time in the "displaced persons center" set up in the Porong New Market (Pasar Porong Baru). These displaced persons remain in the camp because they have no documents to prove house or land ownership, so they are in fact "stateless" as well as homeless.

An inundated factory in East Java, destroyed by the mudflow, pictured January 2008.

Photo by Priyambudi Sulistiyanto, with permission

9 V. Dugis, Sidoarjo resident, personal communication, Sidoarjo, January 5, 2008.
10 http://eastjavamud.net/facts-figures/index.php
11 Rohman Budijanto, "Human Struggle in the Mudflow Crisis," presentation to the Flinders University Open Forum entitled "The East Java Mudflow: Learning from an Un-Natural Disaster." According to Lapindo Vice President Yuniwati Teryana, before the November 22 explosion of Pertamina's natural-gas pipeline, the total number of refugees was 11,458 persons (or 3,080 families). After the gas-pipeline eruption, the number rose to 25,692 displaced persons (or 6,815 families). Yuniwati Teryana, "Corporate Response and Human Needs in the East Java Mudflow Disaster," presentation at the Flinders University Open Forum, "The East Java Mudflow."
One observer summed up the grim situation: "A glorious effort to add to the domestic gas energy supply turned into a disaster."

A petroleum journalist's calculation that Banjar-Panji-1 is one of the world's most expensive exploratory wells would seem a very safe guess: "The Banjar well is one of the most environmentally destructive oil and gas wells ever drilled."

Spectacle

Not surprisingly, in this post-Suharto period, the mudflow has presented Indonesian television and print media with a spectacle. This spectacle includes dramatic photography of villagers hurriedly fleeing their homes as the wave of mud approaches, as well as scans of the rooftops of factories, schools, mosques, and whole villages engulfed in mud. There have also been numerous published and broadcast stories, including interviews with victims and commentary on the causes and consequences of the tragedy. Much of the media focus in Indonesia has been on the unique and exotic aspects of the disaster and the unusual role played by the gas-well owner-operator in financing and indirectly managing the disaster response.

Public interest in the mudflow beyond East Java has been heightened because the majority owner and operator of the well is PT Lapindo Brantas, part of a business conglomerate controlled by the Bakrie family, the richest in Indonesia, with assets worth US$5.4 billion in 2007. The leading figure in the Bakrie family, Aburizal Bakrie, also happens to be the Coordinating Minister for People's Welfare in the Yudhoyono government. Serious questions have arisen concerning President Susilo Bambang Yudhoyono's (SBY) ties to the Bakrie family and whether or not these ties have compromised the Indonesian government's response to the disaster. We discuss these questions below.

Media portrayals of efforts to deal with the mudflow have mostly been negative. Commentary has focused on unsuccessful efforts to contain or direct the advance of the mud, and on the conflict-ridden program for aiding, compensating, and relocating the displaced villagers. One year after the mudflow began, Tempo summed up the popular image of the disaster. In a story titled "Progress ... What Progress?," Tempo journalists noted that: "Various efforts have been made to stem the mudflow, such as

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12 "Sebuah usaha mulia untuk menambah pasokan energi gas di dalam negeri telah berubah menjadi musibah." This quote from Rovicky, an Indonesian petroleum geologist residing in Kuala Lumpur, appears every day on his East Java Hot Mudflow blogsite. That blog has been an important channel linking Indonesians and others interested in the mudflow. Its archive of scientific and socioeconomic news and commentary provides a good place to begin research on the mudflow. See www.hotmudflow.wordpress.com/about (viewed August 5, 2007). See also the Gebrak Lapindo (Crush Lapindo) website, a blog for the victims of the Lapindo Mud (http://gebraklapindo.wordpress.com).

13 Bret Mattes, "PT Lapindo Brantas Makes Things Clear as Mud in Indonesia."

14 See, for example, Jawa Pos, Kompas, or Tempo.

15 The offer of a substantial reward to anyone who could stop the mudflow using meditation, magic, or psychic powers was widely covered. So, too, were the offerings of animal sacrifices to stop the mudflow. Another focus has been the presumably scientific effort to drop very large concrete balls connected to steel chains into the initial mud geyser. The flow of mud did stop for about thirty-five minutes after this was attempted.

building a massive series of embankments. But the results have been insufficient. It is a
disheartening image: residents packed in evacuation centers, some of them with severe
stress problems or even mental illness. People have lost their livelihoods."17

The overall mudflow event has been a leading story on television, radio, and the
internet, and in the print media, for most of the last twenty-two months (2006-08).
Media are covering all aspects of the terrible situation, including the mudflow itself,
the fate of its victims, and the victims' protest actions; the government's and well-
owners' responses; the scientific and engineering challenges involved in controlling the
mudflow; the political and environmental problems associated with storing or
disposing of the mud; and the humanitarian problem—made more thorny by political
entanglements—of fairly and adequately assisting and compensating the victims.

Even the name of the mudflow has become a significant matter, since there is some
power in the name(s) used. How should Indonesians refer to a mass of hot, sometimes
explosive and toxic mud that begins to spurt out of the ground in three mud springs
one day, and then to gush out of ninety more springs and geysers over the next
eighteen months? What tag should they pin on a mudflow that seems like some
terrible 1950s horror-film monster, able to disappear and suddenly reappear to
terrorize a new village or road or threaten a group of houses previously thought safe?

The Sidoarjo local government undoubtedly prefers that the mudflow not be
called by its official name, lumpur Sidoarjo (Sidoarjo mud or mudflow), since that name
contributes to the image of the entire district (kabupaten) of Sidoarjo as a dangerous
place, an impression that has already frightened away investors, tourists, and trade.18
Unofficially, the eruption was first called the Porong Hot Mudflow, after the name of
the subdistrict in which it occurred. Then it quickly became known as the lumpur
Lapindo (the Lapindo mud or mudflow), identifying the disaster closely with the
company that owned the well at the site of the major geyser. Despite robust efforts by
PT Lapindo Brantas to discourage use of this name, "lumpur Lapindo" is still the label
most widely used by displaced villagers and others in Sidoarjo and East Java. It also
appears to be the most common name used by the media. Almost all of the mudflow
victims we talked to thought that associating the firm Lapindo with the disaster was an
obvious choice. Before Lapindo drilled its exploratory well, there was no mudflow and
no disaster. The mud first appeared within a few hundred meters of Lapindo's well,
and the largest geyser was closest to the exploratory well. Furthermore, the president's
order requiring Lapindo to help pay for controlling the mud and for compensating
victims, as well as Bakrie's announcement that the firm had agreed to pay, was
sufficient evidence for some that Lapindo was responsible for the mudflow.

Unnatural Disaster

Whether the mudflow should be seen as a natural occurrence, or as the result of
human behavior, and even whether it should be called a national disaster, is still being

17 See Tempo 39,7 (May 28-June 4, 2007); and Brett Mattes, "PT Lapindo Brantas Makes Things Clear as Mud."
18 In 2005, Sidoarjo had been a leading kabupaten in attracting applications for foreign direct investment. In
2007, it had no applications. Source: Dr. Vinzensio Dugis, personal communication, January 6, 2008.
contested. On the one hand, the gas-well owners argue that the giant sea of mud is a natural phenomenon rather than a disaster caused by human negligence. On the other, the victims, their NGO supporters and legal team, and most geoscientists and independent petroleum-industry professionals argue that the mudflow is due to human agency.

The Indonesian government has been unwilling to acknowledge that the mudflow amounts to a national tragedy. Doing so would open the way for international humanitarian assistance, which would clearly benefit the victims; however, under Indonesian law it would also set the compensation level for victims and require the state to fund all compensation and resettlement payments. It would thereby free the Bakrie-owned company of financial responsibility for repairs and restitution.

To us, the argument that the disaster was entirely due to natural forces and just happened to occur near a well seems ludicrous. Both mud-volcano experts and independent geologists with long experience in the petroleum industry have found it highly probable that careless management of the exploration well led to a blowout. The blowout broke through a structural formation far below the earth's surface that allowed tremendous quantities of flammables, water, heat, and air to combine, and so ignited a mud volcano that may last for centuries. These experts suggested that the proper, industry-standard well casing had not been employed, and that the steps taken by the well operators in the days following the eruption were not conducive to containing the blowout and minimizing the damage. This scenario is more credible than Lapindo Brantas's argument that the disaster was triggered naturally by the Yogyakarta earthquake, which occurred two days before the mud eruption, and which, according to the company, shattered a deep underground geological formation in Sidoarjo, depressurized a large quantity of hot water and earth, and resulted in the Sidoarjo mud volcano.

Whatever the initial cause of the eruption, this mudflow disaster now poses unique problems for the state, Lapindo, and the victims. Technical problems involved in stopping or controlling the mudflow and limiting the damage are exacerbated by the unprecedentedly high and varying volume of mudflow, the prolonged and uncertain duration of the eruption, the heat of the mud, and the varying composition of the mud. It is toxic, sometimes flammable, occasionally explosive, and can be viscous and difficult to pump, or fluid and rapidly moving. All of these characteristics, as well as the flatness of the terrain and the structural weakness of the subsoil around the eruption sites, present formidable engineering and decision-making dilemmas for those trying to deal with the mud.

The complexity of the disaster—as well as the diversity of the victims—requires careful but rapid decision-making and implementation based on gathering, sharing, and critiquing relevant scientific and engineering knowledge. However, the Indonesian state does not provide a supportive environment for such deliberative and thoughtful decision-making due to its political, business-oriented, elite-dominated, and patrimonial nature.

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This essay briefly explores a few of the responses to the disaster. We look at elite politics involving the SBY government, the owners of Lapindo Brantas and their associates, central and local state elites, professionals, and the wider political system. We also examine some issues regarding local disaster politics as those are seen and experienced by victims and their civil (society) leaders.

Our aim is to mark for further attention some puzzling questions about the mudflow disaster and how it has been handled. We are hopeful that our work will help to launch more in-depth research about the obstacles to just and effective disaster relief in Indonesia and how to overcome them. It might also offer some insights into Indonesian elite politics and the pressures of political economics.

Understanding Mudflow Politics

Some Indonesians seem to see or make sense of the mudflow, its impact, and the widely perceived failure of efforts to stop the mud in mystical terms. As they see it, the mud is a punishment for something that the president, the nation, or the people of Sidoarjo have done or not done to offend or please some higher being. For numerous Indonesians, the mudflow and the responses to it have reinforced their view of President Yudhoyono as unlucky, weak, and indecisive. For others, the ineffective disaster response demonstrates the continuing or growing power of a crony elite, an influential element in government that has survived from the Suharto era. The ascendancy of political business and the weakness of law enforcement provide a fertile environment for regulatory failure and for indifferent responses to disaster. For some, the mudflow and the state’s response to it reveal the lack of concern by politicians and state officials to the needs and wishes of ordinary citizens. None of these views, in our opinion, fully explains the disaster and the “official” responses to the mudflow. However, all of these views (except the mystical) have some power to explain why the responses have been inadequate. For example, the business environment and the political system provide ample opportunities for misconduct and negligence.

Some analysts sympathetically argue that SBY’s reaction is constrained by elite, party, and election politics. The president’s political party, Partai Demokrat, has less than 10 percent of the seats in parliament, so his government is reliant on support from both Golkar (the Suharto-era state party) and PDI-P (Partai Demokrasi Indonesia-Perjuangan, the Indonesian Democratic Party of Struggle), the only parties with more than 20 percent of parliament’s seats, for passage of government legislation. He also has to work with a multiparty cabinet whose collaboration and loyalty are uncertain. Unfortunately for SBY, Vice President and Golkar Chairman Yusuf Kalla refuses to deny rumors that he will challenge the president in the 2009 election. It seems likely that SBY did not want to provide a platform for representatives in the DPR (Dewan Perwakilan Rakyat, People’s Representative Assembly, i.e., the national parliament) to scrutinize his government’s reaction to the Sidoarjo mudflow in front of cameras and journalists. Support from powerful patrons and wealthy potential donors, such as the

well-rig owners, Bakrie and Arifin Panigoro, are likely to be valuable to Yudhoyono, the candidate, in the upcoming 2009 presidential election.

Not everyone agrees that the president's reaction to the mudflow in East Java will make or break his future political career. Many Indonesian political analysts argue privately that the Yudhoyono government's alleged hesitation and apparent lack of interest in implementing swift action to contain the disaster, to deliver humanitarian assistance, to compensate victims, and to punish those responsible will not greatly harm the president's reelection chances. Yet it seems clear that Yudhoyono's decisions about responding to the mudflow and pursuing restitution from Lapindo have to be understood more in the context of elite political interests and competition than in terms of the needs and goals of ordinary Indonesians or the rights of mudflow victims.

The Political Economics of the Mudflow

The causes and consequences of the East Java mudflow cannot be understood except in the light of Java's political economics. In other words, it is necessary to understand the management and control processes for Java's valuable natural resources, such as oil and gas, put in place by Suharto's New Order government. These involved various important political and business patrons and clients locked in patrimonial relations with President Suharto, his family, and other lesser power holders. These legacies of cronyism and rent-seeking, which continue to shape Indonesian politics, help explain Yudhoyono's failure to pressure the Bakrie family in a way that would lead to real concessions from the company that drilled the well. Moreover, Java's rising energy consumption and declining exports have increased the Yudhoyono government's urgency in its search for oil and gas, an urgency that makes the government even less inclined to deal firmly with Lapindo. These factors have all contributed to the lack of transparency or debate about the manner in which the government chooses new exploration areas, awards exploration and production contracts, and governs the petroleum industry.

During the New Order era, some of the beneficiaries of these standard rent-seeking practices—connected to the former President Suharto, his family, and cronies—became the owners of the private oil and mining companies that remain major players in Indonesian oil and gas exploration today. Many Suharto cronies in the oil and mining industry saw their fortunes and reputations crumble when they were exposed for corrupt and collusive practices. Others, however, weathered the shake-up. One of the survivors of the political "earthquakes" caused by the fall of Suharto was Aburizal Bakrie.

Through the 1990s, the Suharto government wanted to increase the production of oil and gas to increase government revenues and patronage. At that time, Java's onshore and off-shore oil and gas basins showed signs of holding significant reserves. The potential risks of drilling for gas two miles below the surface in geothermally

22 We have had informal and formal discussions about the mudflow with political scientists in Surabaya, Malang, Yogyakarta, and Bandung.

active and densely populated Java were not raised as serious issues. These potential reserves were divided into exploration blocks: Muria, Banyumas, and Cepu blocks in Central Java; and Madura and Brantas blocks in East Java. The government, through Pertamina, a state-owned company, invited private oil and gas companies to participate in exploration activities like those in East Java. One of these companies was PT Humpuss Patragas, which was owned by President Suharto’s son, Tommy Suharto.2

During the economic crisis of 1997–1998 and in the following reformasi period, IMF (International Monetary Fund) restrictions on government economic and financial policy were, for the most part, followed. Under international and domestic pressure, Suharto’s successors—Habibie, Wahid, Megawati, and Yudhoyono—reformed the oil and mining industry according to IMF guidelines. For example, there was a strong push for legislation that would pave the way for privatizing the state-owned oil and mining companies such as Pertamina and PT Timah (the national tin company), and also for allowing private, domestic, and international companies to operate in these industries. Those changes were formally endorsed by the Wahid government through the enactment of the new Law on Oil and Natural Gas (Undang-Undang Minyak dan Gas Bumi, No. 21/2001).

This pattern of reform continued under the Megawati government, which oversaw the establishment of a new regulatory body known as BP Migas (Badan Pelaksana Minyak dan Gas, Oil and Gas Implementation Board), which replaced Pertamina as the sole institution empowered to issue new exploration and mining contracts to private companies.25 Since BP Migas was responsible for overseeing the legal and technical processes in the oil and mining industry, oil companies that wanted to renew old contracts or to sign new ones found it necessary to deal with this powerful government board. The current Yudhoyono government, elected in 2004, opened up the oil and mining industry further by inviting both domestic and foreign investors to come to Indonesia. It also initiated a blueprint for managing national energy, starting from 2005 to 2025, an initiative applauded by foreign investors.26

It was in this context that several domestic and foreign oil and mining companies (e.g., Energi Mega Persada, Medco, Exxon, Santos, and Petronas) jointly operated exploration sites in East Java. One of these sites is the Brantas block, which covers Sidoarjo, Mojokerto, and Pasuruan districts, just south of Surabaya. From 1990 to 1996, PT Huffco Brantas, an American company, was involved in exploration activities in this region. In the mid 1990s, Huffco sold its exploration contract to Lapindo Brantas Incorporated,27 a company formed when Kalila Energy Limited and Asia Enterprise merged. In 2004, Energi Mega Persada (EMP), owned by the Bakrie family, and Novus Brantas, owned by British Petroleum, took over the Brantas block from Lapindo

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25 The Megawati government issued the government regulation on BP Migas. See Peraturan Pemerintah 42 (2002). An organizational chart outlining the structure of BP Migas can be found at www.bpmigas.com
27 Ibid., p. 15.
Brantas. A year later, in 2005, Novus Brantas sold 32 percent of its shares to Medco and 18 percent to Santos, an Australia-based mining company. With this new arrangement, Lapindo Brantas became part of EMP, and Lapindo Brantas became the main operator within the Brantas block. This was the arrangement when the Sidoarjo mudflow began on May 29, 2006.

It is significant that the oil and gas companies are owned by powerful business and political figures in Indonesia. The EMP is a part of the business empire owned by the Bakrie family, noted above, an empire that includes enterprises involved in oil, gas, coal, electronics, property development, finance, and telecommunications. The expansion of Bakrie's business empire cannot be separated from the role and influence of Aburizal Bakrie, a minister in the Yudhoyono government.

Under Aburizal Bakrie's leadership, the Bakrie business empire survived Indonesia's 1997–1998 economic crisis and IMF reforms. Aburizal Bakrie managed this feat by not only restructuring and selling off unprofitable companies but also by shifting allegiance to the new political forces that emerged after the fall of Suharto in 1998. One of his moves was to become an active member of the former ruling party, Golkar, which also survived the political turmoil that accompanied and followed the fall of Suharto. It is widely believed that Bakrie's companies benefited from subsidized credits disbursed by Habibie's minister of cooperatives, Adi Sasono.

Medco Brantas, another large oil and mining company, is part of the Medco Group owned by Arifin Panigoro, who ranks among Indonesia's top fifteen wealthiest citizens. Arifin Panigoro, with assets of US$880 million, has powerful political and business friends. Panigoro earned his business fortune during the 1980s oil boom and through his close association with Soedharmono and Ginanjar Kartasasmita—both holders of the patronage-rich office of state secretary. With the government's protection and support, Panigoro was able to expand greatly Medco's business activities. Within a decade, he had earned a reputation as the "king of oil" in Indonesia.

In the months leading to Suharto's fall, Panigoro switched loyalties and began to support students and activists who occupied the Parliament building and demanded Suharto's resignation. He then joined Megawati's political party, PDI-P, and became one of the most powerful politicians in the parliament. At this point, Arifin's brother Hilmi Panigoro took over as leader of the Medco Group, which grew rapidly as a holding company.

28 Akbar, Konspirasi Di Balik Lumpur Lapindo, p. 58.
29 Ibid.
30 Doebele et al., "Indonesia's 40 Richest."
31 Akbar, Konspirasi Di Balik Lumpur Lapindo, p. 65.
32 Ibid., p. 67.
33 The PDI-P was the largest political party in Indonesia in 1999.
Elite Politics: Bakrie

The fact that both prominent business and political figures are involved in oil and gas exploration activities, as is evident in the Brantas block, suggests that the nexus between elites in business and in politics may be as important or even more important today than in the Suharto period. Indonesia’s reform era has clearly brought about less reform than its leaders had hoped. The implications of the connection between office-holding, political power, and wealth are visible at both the national and local levels. Such connections have arguably shielded the Bakrie family from suffering deep financial losses as a result of their perceived or actual liability for the mudflow disaster.

It is true that the Bakrie family has suffered some losses from the Sidoarjo mudflow. President Yudhoyono has frequently declared that Lapindo must pay 3.8 trillion rupiah, which equals approximately US$421 million.\(^{34}\) However, the family’s net wealth has increased by US$4 billion since the mudflow began. Furthermore, the Lapindo group is still receiving income from other gas wells in East Java and, reportedly, is able to write off its mud control, relief, and compensation expenses against the profits from its other Brantas Basin gas wells.\(^{35}\) It seems that the Lapindo Brantas mudflow-related expenditures and obligations do not pose a great problem for the Bakrie conglomerate.\(^{36}\)

Arguably, from the Bakrie perspective, there are two matters that take precedence. First, they wish to limit Lapindo Brantas’s and the Bakrie family’s responsibility and future liability for the mudflow. Second, they want this accomplished in ways that do as little harm as possible to the Lapindo and Bakrie public images. Many analysts have speculated that Aburizal Bakrie would like to play a greater role in national leadership, either within the Golkar party or in national politics; however, his current position as SBY’s Coordinating Minister for People’s Welfare has made him vulnerable to attack. Negative media coverage of the mudflow has put Bakrie’s political ambitions in jeopardy.

The Bakrie family and its friends have pursued the family interests in a number of ways. From the beginning, they have denied legal liability for the mudflow. Instead, they have presented themselves as good Indonesians who are resolved to stay and assist the victims of this “natural disaster.” They have also used their resources and influence to gain the endorsement of the Indonesian geologists’ association for their assertion that the Yogyakarta earthquake caused the disaster. According to the Bakrie point of view, Lapindo just happened to be drilling for gas near the site of the mudflow eruption. The Bakrie family has conducted a substantial public relations effort using

\(^{34}\) "Dodgy Deals Mud Volcano in East Java Bank Track," www.banktrack.org/?visitor=1&show=167&is=106 (viewed January 18, 2008).

\(^{35}\) The company was also able to write off the production costs of a thirteen-week television soap opera titled “Menggali lubang—menutup lubang” (Digging a Hole: Filling a Hole). The program depicted heroic Lapindo workers battling to save the people from the mud. See Bret Mattes, “PT Lapindo Brantas Makes Things Clear as Mud.”

\(^{36}\) The risk for Lapindo is that, because of the nature of the mudflow, demands for reparations will continue to rise. As early as December 2006, Lapindo estimated the mud-related obligations at US$180 million. Nigel Wilson, “President Gets Tough on Java Mudflow,” The Australian, December 30, 2006. Twelve months later the figure requested by SBY was as above (US$421 million).
the mass media, academic conferences and seminars, and paid "experts" to tell its side of the story.37

We can safely assume that the Bakries have lobbied politicians, including the president and vice president, to be sympathetic to Lapindo's interests. In exchange, Aburizal Bakrie has had to promise to compensate fully the villages affected by the mudflow even though his company claims no legal responsibility for their plight. Bakrie followers have had to work hard to counter efforts by members of parliament to investigate the causes of the mudflow and management of Lapindo's relief-work obligations and compensation payments.38 As we shall see later, Lapindo's interactions with the victims have frequently generated negative publicity.

Parliament, Yudhoyono, and Aburizal Bakrie

Members of President Yudhoyono's cabinet have argued about, but never resolved, which entity should be responsible for dealing with the mudflow, how it should be handled, and who should pay for it. Public opinion is still divided, too, with some suggesting that the responsibility should be in the hands of Lapindo Brantas and others arguing that the government should be in charge.

The government decided to bear some of the financial responsibility in April 2007, when President Yudhoyono issued a regulation to finance the rebuilding of infrastructure damaged by the mudflow.39 Still, there is substantial evidence that the inability of the Yudhoyono government to find a comprehensive response to the Sidoarjo mudflow rests not just in the intractability of the mud but also in conflicts involving powerful political and business figures involved in this crisis. The limited attention President Yudhoyono could spare or was willing to devote to dealing with the mudflow was apparent in his July 2007 trip to Sidoarjo, which, in the eyes of disaster victims, produced nothing more than expressions of sympathy.40 This sort of behavior underscores Yudhoyono's links to Aburizal Bakrie, who is thought to be a major contributor to Golkar and assumed to have contributed to President Yudhoyono's 2004 campaign. As noted above, Yudhoyono could use Bakrie's support in the 2009 election, especially if Vice President Yusuf Kalla challenges for the presidency, in part because SBY's party, Partai Demokrat, holds so few seats in parliament compared with its strongest competitors, Golkar and PDI-P. If Yudhoyono urges the criminal prosecution of Bakrie or demands payments that the industrialist considers unreasonable, then Bakrie might declare the company bankrupt and sell it to avoid losing more family assets. He also might use his allies in Jakarta to block government legislation.

38 The failure of politicians and parties critical of Lapindo to initiate an interpellation (a kind of question-and-answer session that allows parliamentarians to investigate government handling of important issues) demonstrates Bakrie supporters' influence, who have undoubtedly opposed this sort of inquiry. On the division in Golkar, see "Suara Partai Golkar Terpecah," Surabaya Pos, July 27, 2007.
40 As a Tempo journalist notes: "This seems ironic, as SBY is the first president elected directly by the Indonesian people." See "Maaf, Presiden Sedang Sibuk," Tempo, July 8, 2007.
The Bakrie family has not entirely escaped being touched by the mud. The mudflow forced the family to reorganize its business activities. Lapindo Brantas was separated from EMP's holding company so that, in the event of Lapindo Brantas's bankruptcy, there would be no further losses incurred by the family or other shareholders in parent companies. An attempt to sell Lapindo Brantas to Lyte, another company owned by the Bakrie family, was not approved by the Capital Market Supervisory Agency (Badan Pengawasan Pasar Modal, Bapepam). In November 2006, EMP sold its shares in Lapindo Brantas to Freehold Group Limited, which is based in the British Virgin Islands. Then, in March 2007, Medco Brantas pulled out of the consortium by selling its 32 percent stake to Prakarsa Group. Medco Brantas's decision to sell followed its accusation that Lapindo's negligence in the drilling process led to the mudflow.

Lapindo Brantas officials and employees did contribute to the early emergency response, working in alliance with local government agencies, soldiers, and villagers. Together, these employees and volunteers built more than fifteen miles of earthen levees, some more than twenty feet high, and constantly repaired the levees as they were breached or over-topped by the hot mud. That sort of effort continues. To keep these communities active and working, local religious leaders, nongovernment organizations, and village heads must continually mobilize the local population. It is a brave effort, but ultimately futile, for clearly the local Sidoarjo district government and the Surabaya provincial government have few resources available to deal with the mudflow. The central government's failure to contribute significantly to these efforts has raised questions about its commitment to the victims.

At least in Sidoarjo and East Java, the image of the Yudhoyono government has suffered as a result of Jakarta's ineffective response, with the president being seen as indecisive and slow. People note that a national team assigned to deal with the mudflow was not created until September 8, 2006, more than four months after the flow began. Later, yet another national team, made up of engineers and public-works officials, had to ask Lapindo Brantas for all its funding. Deployment of even one bulldozer required the company's permission.

For Yudhoyono, it's a no-win situation. On the one hand, he is widely perceived as either unable or unwilling to compel Lapindo Brantas to deal adequately with the mudflow and to meet local demands for compensation and resettlement. On the other hand, he is criticized for allowing a private company to fund and effectively manage

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41 Akbar, Konspirasi Di Balik Lumpur Lapindo, p. 176.
42 One of the mysteries of the mudflow saga is the culpability of Arifin Panigoro. His company, Medco Brantas, owns 32 percent of the Lapindo well but has refused any responsibility for the mudflow damage. He has joined in accusing Lapindo of malfeasance and displayed a letter dated June 5, 2006—one week after the mudflow eruption—that claims he had previously warned Lapindo to install the proper casing on the BP-1 well. Amazingly, he has avoided paying anyone, and has not been investigated, prosecuted, or even publicly criticized. Surprisingly, Medco Brantas was purchased by Prakarsa and guaranteed by Minarak Labuan—a Bakrie-owned company. See "Bara Perseturunan Masih Menyala," Tempo, July 8, 2007. See also "Lapindo Sale 'Doesn't Need' Bapepam Approval," Jakarta Post, April 10, 2007 (www.thejakartapost.com/yesterdaydetail.asp?fileid=20070410.A04).
43 The BPLS (Badan Penanggulangan Lumpur Sidoarjo, Sidoarjo Mudflow Mitigation Agency), created on April 8, 2007.
44 Interview with TIMNAS deputy leader John Dachtar, Adelaide, June 1, 2007.
what should be the state's job—the task of limiting the mudflow's impact and compensating victims. The ongoing confusion of authority that has hampered efforts to deal with the mud also typifies other aspects of the governmental and private responses to the tragedy. Relief efforts meant to assist the victims of the disaster have been disparate, uncoordinated, and often ineffective.

Who Is Helping the Victims?

Among those trying to help the mudflow victims are community, religious, and business leaders; members of youth organizations and NGOs; and students, professionals, and government officials. National government agencies were established to take the lead in disaster relief and control, but they accomplished little besides writing reports and offering help with administration, and they relied on funds from Lapindo Brantas.

**National Government.** The first group to be formed (on June 14, 2006) was the short-lived Lapindo Mud Investigation Team (Tim Investigasi Lumpur Lapindo), set up by the minister for energy and minerals, whose first chair, outspoken geologist Rudi Rubiandini, is convinced that the mudflow was caused by Lapindo’s negligence (keteledoran). A few months later, the National Sidoarjo Mudflow Mitigation Task Force (Tim Nasional Penanggulangan Semburan Lumpur Sidoarjo, TIMNAS PSLS) was set up by Presidential Decision (Keppres 13/2006), on September 8, 2006. It ceased operations on April 6, 2007, after producing a fifteen-volume report on its work. It has been replaced by a statutory body, the Sidoarjo Mudflow Mitigation Agency (Badan Penanggulangan Lumpur Sidoarjo, BPLS), set up by Presidential Regulation (Perpres 14/April 8, 2007). This is an umbrella organization that, according to Lapindo, will coordinate all relief efforts (well control, mud management, and social support).

The government gave TIMNAS the task of stopping the mudflow and handling the social problems. It was better equipped to attempt solving the first rather than the

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47 The main role of TIMNAS was, first, to work out ways of containing the mud by building levies to prevent the mud from spreading and, two, to search for ways to get the mud to flow into a new channel dug ten miles to the Straits of Madura. Sidoarjo kabupaten set up SATLAK (Satuan Pelaksana, District Implementation Unit) on June 15, 2006, in Porong subdistrict, to coordinate the evacuation of mudflow victims, and to provide facilities and relief to the victims in the Porong New Market relief (evacuation) center. This was followed by the establishment of SATKORLAK (Satuan Koordinasi Pelaksana, Provincial Implementation Unit) at the provincial level on June 27, 2006. Initially two central government departments set up their own teams: the Department of Energy and Minerals on June 14 and the Minister of Public Works on August 14, 2006. Their functions were taken over a month later when TIMNAS was established.
48 The cynical view of this new body is that its chairperson, Brigadier General Sunarno (retired), has neither knowledge of the East Java region nor experience in disaster-relief management. Rather, he was appointed because of his connections (as an advisor) to Aburizal Bakrie, Coordinating Minister for People’s Welfare, whose conglomerate group was the original owner of Lapindo Brantas, Inc.
second challenge, for TIMNAS was a team of civil engineers from the department of public works, and its expertise was technical rather than social. TIMNAS leader Basuki Hadimuljono’s main priorities were to contain the mudflow, steer it away from additional villages, and find ways to dispose of the mud. That gave his critics the impression that TIMNAS was dragging its feet regarding the victim’s economic and social problems. The team’s efforts were funded solely by Lapindo and, in some cases, Lapindo could not or would not make relief funds available quickly. Later, it took more than half a year for TIMNAS’s successor, BPLS (established in April 2007), to receive its first special grant from the national budget for fisheries in September 2007.

Lapindo Brantas. Lapindo Brantas, the main corporate player in the East Java mud disaster, owns forty-nine wells in the Brantas Block, with nine of those located in Sidoarjo district, including Banjar Panji-1, the well that blew out on May 29, 2006. Lapindo’s important role has been in the management of relief efforts for displaced persons. It performs that role jointly with SATLAK (Satuan Pelaksana, District Implementation Unit), the Sidoarjo district mudflow relief committee set up on June 15, 2006. The government has said that Lapindo Brantas is responsible for providing funds for the evacuation of villagers whose homes have been destroyed by mud and for providing them with emergency shelter and further assistance. “Further assistance” means a “house rent assistance package” per family for a two-year term and a living allowance per person per month for nine months, as described below. Lapindo pays victims Rp. 500,000 toward relocation (uang pindah), Rp. five million for two-year rental accommodations (uang kontrak rumah), and Rp. 300,000 as a monthly living allowance (jadup, jatah hidup). Lapindo says it has provided “other assistance” in addition to these funds for resettling refugees, including: an unemployment wage compensation payment of Rp. 700,000 per month (to 2,288 factory workers, or Rp. 6.2 billion total), relocation compensation to ten factories (Rp. 5.2 billion), other compensation to nine additional factories (Rp. 47.6 billion), and grants to 306 small- and medium-size enterprises (Rp. 4.7 billion). Lapindo says that total assistance and aid to affected communities, schools, and enterprises was 237 billion rupiah, or US$26,056,000, by late April 2007; see Teryana, “One Year Handling the East Java Mudflow Disaster,” p. 5.
In addition, Lapindo pays compensation for property lost to the mud: irrigated rice fields, house gardens, and houses. Distribution of these payments has been fraught with difficulties, in part because the parties often disagree about what constitutes a fair assessment of the ruined property. Lapindo claims villagers are inflating the prices of their houses and land submerged by the mud, which has now spread over two thousand acres. The villagers assert that their claims have been fair. Additional conflicts have resulted from Lapindo's interpretation of ownership rights. When victims receive the compensation payment, they have to sign a deed of sale (akte jual beli) transferring the title of the submerged land and buildings to Lapindo. There is speculation and suspicion about why Lapindo wants to hold title to this submerged land (people think it is for future oil and gas exploration), and many farmers are unhappy with having to forfeit land ownership. Kyai Gus Sakum, from Jatirejo, a well-known local NU (Nahdlatul Ulama, Union of Scholars) leader, wants to help landowners keep the titles to their land. He has organized a group that is working for temporary relocations (relokasi sementara) until the mudflow stops. The group's supporters want to keep the title to their property in order to remain registered as local residents (warga local).

Ironically, with residency status come strong claims for future employment with Lapindo Brantas, opportunities that may arise when additional oil wells come into production. Given the area's potential (if undiscovered) oil and gas reserves, most community members believe that the likelihood of private companies making lots of money from oil and gas is a question of "when," not "if."

A year after the disaster, Tempo magazine found that Lapindo had only paid compensation for property to 129 families, while there were still 10,000 others that had claims covering 425 hectares (1,050 acres) of wet rice fields and 31,270 square meters (eight acres) of house gardens. Using the 20:80 "cash and carry" formula decided by the government, Lapindo has paid out cash advances (20 percent of the value of each claim) totaling Rp. 16.6 trillion on claims for land and buildings valued at Rp. 83 trillion, leaving the remaining 80 percent to be paid within two years. These delays in paying compensation were widely believed to be due to deliberate procrastination by Lapindo in spending Rp. 2.83 trillion on mudflow mitigation. This consisted of Rp. 315 billion on "social issues" (penanganan social); Rp. 315 billion on efforts to close off the mudflow (upaya penutupan sumber semburan); Rp. 873 billion for mud management (penanganan permukaan); and Rp. 854 billion for "compensation" (buying up) of land and buildings (rolisis jual-beli tanah dan bangunan). See "DPR lanjutkan interpelasi," Kompas, February 20, 2008, at www.prakarsa-rakyat.or.id/artikel/news/artikel_cetak.php?id=25167 (accessed March 27, 2008).

55 Rp. 120,000 per square meter for irrigated rice fields (sawah) and Rp. 1 million per square meter for buildings.

Lapindo, a delaying tactic that allowed the company to meet other financial obligations in the interim.

According to the daily *Radar Surabaya* (June 29, 2007), property owners have been compensated for 522 plots of land out of a total of 14,000 plots designated in the Perpres 14/2007 map, which defined the land that could be considered for damage claims. Of the plots remaining, 7,600 have official land certificates and can be paid for immediately, while 6,400 are still held under village land registration records, which means their ownership has to be verified by a team of officials, which takes considerable time.

**Local Governments.** Situated between the corporate player Lapindo and the central government’s BPLS are the East Java provincial, Sidoarjo district, and Porong subdistrict government administrations. As noted above, Sidoarjo district formed SATLAK in June 2006, followed by its creation of the provincial-level SATKORLAK (Satuan Koordinasi Pelaksana) on June 27. The Sidoarjo district assembly (Dewan Perwakilan Rakyat Daerah, DPRD) also established a special committee (Pansus, panitia khusus) designed to coordinate local government relief. SATLAK was formed fully three months before any official action was initiated by the national government; TIMNAS, it will be recalled, was not established by Presidential Decision until September 2006. The delay in the national response reflects the ongoing confusion about appropriate private (Lapindo) versus state (Sidoarjo, East Java, Jakarta) roles in the disaster. The fact that the national government first set up the temporary TIMNAS and only later created a statutory body (BPLS) shows that the government’s perspective concerning the magnitude and duration of the disaster has changed over time.

Victims of the mudflow have often been dissatisfied with the local agencies’ responses, as with Lapindo’s and the central government’s. Ironically, the term *partisipasi*, for “participation,” has taken on a grim new meaning in the region as a result of local administrators’ modes of operating. This term, which is key to Indonesian democratic discourse about “building a stronger civil society” or “deepening democracy,” in Sidoarjo now generally refers to bribes and extortion. *Partisipasi* in this context means simply to pay, and it is something villagers must do to get results, not something they do willingly. For example, officials request *partisipasi* money from villagers who need land certificates, identification forms, and letters of support to meet Lapindo’s requirements for submitting claims for compensation and other payouts. In a visit to the headman of Kedungbendo’s emergency office on June 29, 2007, Uzair found villagers who wanted copies of land records being charged *partisipasi* money (as was Uzair himself). However, at Tanggulangin subdistrict office, an official said such a payment was not necessary. So the policies are inconsistent, as one might expect when bribery and corruption are involved. In front of one payment counter, Uzair saw a written sign that said “*Partisipasi must be sincere*” (*Boleh Partisipasi Asalkan Ikhlas*), demonstrating another take on the new concept of “*partisipasi*” for mudflow victims in Sidoarjo district.

59 In Java there are two kinds of land records: village registration certificates, known as Leter C or Petak (block) D, are recognized only within the village. Because of the cost and bureaucracy, many landholders do not bother to get a land-title certificate (*Sertifikat Tanah*) issued by the local district land office (BPN, Badan Pertanahan Nasional).
NGOs. Nongovernmental actors involved in dealing with the mudflow include the modernist Muhammadiyah (in the township of Sidoarjo) and the traditionalist NU, which draws its strongest support from East Java, from secular NGOs, and from tertiary institutions such as the Surabaya Institute of Technology and Surabaya's Airlangga University. NU has played a limited role in providing food and clothing donations to mud victims through two posko (communication centers). NU has also been involved in meetings with political parties to try to get mudflow-related issues debated in the national Parliament (interpelasi lumpur). The newly elected leader of NU in Sidoarjo wanted to extend NU activities to provide legal advocacy for mud victims, but this idea was hampered by widespread public suspicion (based on rumors) that several local kyai (religious teachers) and other NU leaders had received money from Lapindo, and so the proposal was withdrawn. The other main Islamic religious organization, Muhammadiyah, has also played a limited role in providing relief and participating in meetings with national leaders (including President Susilo Bambang Yudhoyono and Nirwan Bakrie, the former owner of Lapindo Brantas) regarding aid for the victims of the disaster.

Some Others. Academic and professional groups have been involved in organizing meetings and in advocacy work for victims. For instance, staff members from Surabaya academic institutions have advocated for mudflow victims (e.g., staff members at the Technology Institute of Surabaya, ITS, have documented the assets of mudflow victims to help verify their compensation claims). A group of Surabaya intellectuals, called the Surabaya Akademi (including Hotman Siahan, a sociologist from Airlangga University, and Kresnyayana Yahya, a statistician from ITS), have held public meetings to discuss the impact of the mudflow. Members of this group are on the Panel of Experts (Dewan Pakar) that has been advising the governor of East Java on the mudflow. The Sidoarjo district government tried to impose deadlines for removal of mudflow victims from the Porong market, but the victims were supported by a group of Airlangga University Faculty of Law academics. That group issued a statement saying that the refugees living in the Porong New Market relief (evacuation) center should not be forced to move out against their wishes. Also, a group of forty Jakarta-based lawyers coordinated by WALHI (Wahana Lingkungan Hidup Indonesia, the Indonesian Environmental Forum) formed the Sidoarjo Mud Humanitarian Advocacy Team (Tim Advokasi Kemanusiaan Lumpur Sidoarjo). On October 18, 2006, the Sidoarjo advocacy team, acting on behalf of WALHI, lodged a summons charging PT Lapindo Brantas, the Government of the Republic of Indonesia, and others with violating the victims' human rights. Then, in January 2007, WALHI filed a lawsuit in

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60 Newly elected NU leader, Gus Manaf, said that he withdrew the NU advocacy plan "to save NU from such public suspicion" (Uzair interview). NU's legal advocacy is now limited to cases involving land and public facilities belonging to NU (mosques and religious schools).

61 Uzair interview.

62 This has caused controversy among students, who said such data collection was of no use to victims who are suffering and haven't been paid any compensation, and accused ITS of selling the data on victims' assets to Lapindo ("Mahasiswa Tuduh ITS Makelar Lapindo," Tempo, March 6, 2007).

63 Six people/organizations were named in the somasi. See www.walhi.or.id/kampanye/cemar/lingkungan/industri/061018_somasilapindo_cu/ (viewed June 20, 2007). See also www.walhi.or.id/kampanye/cemar/industri/070212_gugat_lapindo_brt/. The Governor of East Java responded by saying that under Perpres 27/1980, the national, not the provincial, government had responsibility to issue exploration permits.
the South Jakarta district court suing the government on behalf of the victims. In December 2007, the South Jakarta district court rejected WALHI’s lawsuit against Lapindo and the government. At the same time, the North Jakarta district court rejected a similar lawsuit brought by the Indonesian Legal Aid Institute (Yayasan Lembaga Bantuan Hukum Indonesia, YLBHI). In February 2008, WALHI logged an appeal to the High Court.

Ikatan Ahli Geologi Indonesia (IAGI, Alliance of Indonesian Geologists) organized an international geological workshop on the Sidoarjo mud volcano in February 2007. The event disappointed observers, however, because it failed to produce concrete recommendations on measures to be taken in response to the mudflow problem. Moreover, in an open letter to the IAGI chairperson, a senior Indonesian geologist, R. P. Koesoemadinata, claimed that only those geologists who agreed with the natural-disaster explanation of the mudflow (i.e., that it was related in some way to the Yogyakarta earthquake) were invited to speak, and no alternative explanations (e.g., Lapindo negligence) were discussed at the workshop.64

Apart from religious groups, NGOs, professional groups, and would-be celebrities,65 other groups that have responded to the disaster and its victims include K2L (Tim Konsultasi Korban Lumpur Sidoarjo, Sidoarjo Mud Victims Consultation Team), Forum Peduli Musibah Lumpur Panas Porong (Porong Hot Mud Forum of Concerned People), and Tim Relawan Porong (Porong Volunteers Team).

The efforts of all of these organizations—governmental and nongovernmental—are largely uncoordinated, and their missions (e.g., to act as mediators in bringing complaints to Lapindo, to distribute food and clothing to evacuees) as reported in the media are so wide-ranging that they tend to be unfocused.66 These groups’ impact on disaster relief is sometimes analyzed in the media, although more often it is evaluated on web sites. For example, the environmental network WALHI conducts campaigns on behalf of mudflow victims and maintains an active website with information about the human-rights and legal aspects of the disaster responses.

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66 Emha Ainun Nadjib, a nationally known Islamic writer and activist, has conducted prayer meetings, accompanied victims to visit the president, and written about the mudflow. See footnote 58. See “Lumpur di Sidoarjo: Mengalir Sampai Jauh,” Kompas, July 26, 2007, at http://hotmudflow.wordpress.com/2007/07/27/

One significant consequence of these uncoordinated and, in many cases, compromised relief efforts is that the health and social problems suffered by victims of the mudflow are not being addressed effectively.

**Health and Social Issues**

The mudflow eruption has had a major impact on public health. In the first three months after the eruption started, hospitals in Porong and Sidoarjo treated 28,247 individuals for respiratory problems (*sesak napas*), nausea (*mual*), and headaches (*pusing-pusing*). Of those, 526 had to be admitted to the hospital.\(^6^\)

Moreover, mudflow victims and local officials have suffered considerable psychological stress as no solutions have been found to stop the mud or mitigate its damage. Volunteers working as trauma (healing) counselors say there is no agency working in a systematic, ongoing way to deal with victims’ psychological trauma. Different consulting services carry out trauma counseling in an ad hoc way, which in the end has created dependency relationships, according to some witnesses. The fact that no government agency has been established to set up a counseling program can be attributed to the politicians’ inclination to focus on other priorities—replacing infrastructure and dispensing compensation.\(^6^\)

The Porong New Market relief center exemplifies the problems just mentioned. Over 10,000 people residing there are ill with respiratory complaints. Plus, many victims facing the problem of starting their lives from scratch are suffering psychological stress and have sought treatment at a Surabaya mental hospital.\(^7^\) The average length of time spent in the camp is three to five months, and conditions there are overcrowded, affording no personal privacy.\(^7^\) Women and children in the camp are reportedly more stressed than men “because they have lost their family space” (their homes).\(^7^\) Some fill their time collecting data for NGOs. People observe that children’s behavior has changed, in that they are more unruly (*bandel*) and mature more quickly.

Finding housing and alternative livelihoods for the victims are the main social issues facing officials. Sidoarjo has seen its regional income cut by one third, and it relies heavily on Lapindo for relief aid. The National Audit Board (Badan Pemeriksaan

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\(^6^\) Uzair interview with a respondent, June 28, 2007, in Sidoarjo. There have been reports of attempted suicides (people throwing themselves into the mud, and other manifestations of disturbed behavior); see “Korban Lumpur Lapindo Renten Alami Ganguan Jiwa,” *Tempo*, July 9, 2007.

\(^7^\) Another source of stress is the difficulty of properly performing rituals. For example, a week before the Muslim fasting month ends, people normally start to prepare for Idul Fitri, the “big feast,” also called Lebaran. The annual Lebaran observance entails above-normal household expenditures for food and clothing, and especially for transportation for those who must travel home. Raising the money for Lebaran is a particular burden for families in mud-affected areas. The problem is compounded for those villagers living in mud-covered areas outside the territory designated on the affected-area map (*peta area terdampak*; March 22, 2007) and who therefore are not eligible to receive compensation. (Uziar interview with Sofie, an activist from Trauma Healing Independent, June 28, 2007.)

\(^7^\) “Intimacy” rooms were provided but were not used because married couples were too embarrassed to be seen entering them.

\(^7^\) Stated by an NGO activist, Uzair interview.
Keuangan, BPK) has confirmed the figure quoted by the bupati, Win Hendrarso that Lapindo owes Sidoarjo kabupaten Rp. 23 billion (milyar) as part of the revenue-sharing agreement from two other Lapindo Brantas natural-gas wells currently operating in the Sidoarjo district. Lapindo says the money it is said to owe has been used for the wells’ “cost recovery.”

The focus of the national government from the beginning has been on replacing infrastructure. This was mainly because TIMNAS consisted of civil engineers, and the problem was thus seen in engineering terms. The Sidoarjo local government tried to organize mental-health care, but “there was no systematic handling of the problem” (tidak ada penganganan yang pasti),” according to a local social worker.74 If the government had originally declared the Sidoarjo mud volcano a national disaster, additional aid would have been forthcoming from international donors.

![Disaster tourism at the site of the mudflow, January 2008.](image)

Photo by Priyambudi Sulistiyanto, with permission

Civil Disobedience and Victims’ Demands

Victims powerless to stop the mud from submerging their homes, their villages, and their livelihoods early on tried to make their plight known to the world. They used


74 According to an NGO social worker in Sidoarjo, June 2007, Uzair interview.
demonstrations and protests, blockades of the main highway south of Surabaya, and strikes and boycotts (i.e., refusing to construct levies to hold the mud), and they called on community groups to represent victims’ demands to Lapindo, TIMNAS, BPLS, and local and national politicians.

The first large demonstration in mid-August 2006, ten weeks after the mudflow started, occurred when 160 factory workers, mainly women, broke down the fence of the kabupaten pavilion and announced angrily to the Bupati that their complaints about their employer (CV Surya Inti Pratama) were not being taken seriously at the district’s department of manpower. These workers claimed that they had been cheated out of compensation to the tune of Rp. 700,000 per month per person because the company did not pass on the full amount of the relief money it received from Lapindo. Bupati Win Hendrarso ordered the head of the district manpower office to take action against CV Surya Inti Pratama for cutting workers’ relief payments.75

A month later, in another act of civil disobedience, villagers forced Lapindo trucks to dump their loads of sand and rocks onto the tollway.76 Then, in April 2007, a group of protestors from a middle-class housing estate (where the majority of residents are retired civil servants and military personnel, unlike residents in the other flooded villages) spent ten days camped under the Proclamation of Independence monument in Jakarta. There they waited to meet with President Yudhoyono to discuss compensation issues, but for the first week the president was too busy to meet with them. Jakarta’s governor, Sutiyoso, sent tents and food (nasi kotak) to the protestors. He also asked Vice President Yusuf Kalla to meet with the protestors to discuss their demands. Unexpectedly, after meeting with the vice president, the protestors also received an invitation to meet Yudhoyono at the presidential palace.77

Two months later, two hundred victims from Tanggulangin and four other villages were again in Jakarta to meet with the vice president and the heads of BPLS and the DPR. They said they had returned because, despite the agreement about compensation reached on April 24, no action on the issue had been taken. They also wanted to meet party leaders to voice their support for the planned parliamentary question-and-answer session (interpellation) with the president on the Sidoarjo mudflow.

Other victims blockaded the construction of levies (thus threatening East Java’s southern road and rail links) and the tollway until compensation payments were received because “the government seemed to be protecting infrastructure rather than protecting the people’s interests.”78

Different villages (and groups within villages) formed teams (tim) to make their demands known. In summary, the aims of the teams were to negotiate with the government and Lapindo (Tim 9); to lobby the government (Tim 5); to press for compensation that would not obligate residents to sell their land to Lapindo (the

75 It should be noted here that Sidoarjo is well known as a place where workers struggle to defend their rights, at least since an activist female factory worker, Marsinah, was raped and killed in the early 1990s, a tragedy that ignited workers’ protests. The factory where she worked is now inundated with mud.
Paguyuban group, led by local NU leader Gus Manab); to enforce the “cash and carry” (20:80) option (Tim 16); and to not enforce the “cash and carry” option (Pagar Rekontrak.) Pagar Rekontrak comprised roughly 766 families who refused to accept the 20:80 cash payment and move from the Pasar Porong evacuees camp. These families wanted to preserve their social networks and environment by moving as one community, bedol desa, but they demanded to know the relocation destination before agreeing to move.) These groups overlap somewhat in their membership, their demands, and their perceptions of the complex compensation issues. The main divisions are among those who want to sell their homes and land for cash compensation (the cash-and-carry option); those who want compensation for the loss of their homes and livelihoods, but who nevertheless want to retain ownership of the land; and those who want to move as part of a united community.

But such efforts require great energy, and many of the victims displaced by the mudflow have been worn down by the long period of anxiety and uncertainty. Lapindo has begun to offer residents the opportunity to resettle on land it owns in exchange for the 80 percent second payment promised in the 2007 agreement. Reportedly, the last group of holdouts who were initially unwilling to accept Lapindo’s buyout offer have now accepted. When two of the authors visited the IDP camp in Porong market, Sidoarjo, in January 2008, victims told them that most of the IDPs had accepted Lapindo’s offer. There remain disagreements between the more-affluent and less-affluent IDPs regarding acceptable compensation, but it appears that time and exhaustion will eventually settle these as well.

Environmental Impacts, Expanding Disaster, but Lapindo and Yudhoyono are Shielded

When the mudflow started, the media were full of warnings about the environmental impact, in particular on aquaculture (brackish fish ponds, called tambak). The prospect of toxic mud flowing into the rivers that provide the freshwater component for this important regional industry was a constant source of fear in the first months, at least for the East Java media. The central government made it clear quite early, however, that dealing with such environmental damage was not its top priority. In August 2006, two months after the mud flow began, Vice President Jusuf Kalla said that the government’s priorities were saving the people, saving the tollway, saving the railway, and, lastly, saving the environment.

Bupati Win Hendrarso listed as his priorities (in April 2007) shutting down the mudflow, containing the mudflow’s impact on infrastructure, and overcoming the mudflow’s pressures on individuals and society. “Of these three aspects, 60 percent of my energy is going on tackling the social problems” (60% energi tersodot untuk penanganan masalah sosial).

79 Pagar Rekontrak rejects the Lapindo compensation payment to contract (i.e., lease) a house for two years (Rp. 5 million).
80 Otherwise it’s like getting a cat in a sack (kucing dalam karung), agreeing to something they haven’t seen.
82 Uzair interview.
Given those lists of priorities, it is not clear which institution actually bears responsibility for dealing with the processing of the dangerous mud, which contains mercury and minerals, as well as phenol. No research has been done to date on what impact such toxic ingredients might have on East Java’s important aquaculture (tambak) industry. According to one study, if the mud is eventually discharged into the sea...

...the mud will rapidly cover the sea bottom and eradicate the existing benthic organisms and disturb the whole food network...Suspended solids (composed of more than 90 percent clay) are dangerous for benthic organisms and fishes [due to] the creation of anaerobic conditions on the sea floor and clogging of fish gills.

This analysis of the mud’s effect on the sea concludes: “Sudden release of the mud into an aquatic environment will result in ‘killing’ the aquatic ecosystem and have serious implications for those people dependent on these ecosystems.”

There is some chance that it will not be feasible to channel the mud into the ocean. Both TIMNAS and BPLS attempted to get the mud to flow along a flat riverbed to the sea by trying to mix the mud with water and pump it, but neither organization was successful. In September 2006, when Andang Bachtiar became the first Indonesian geologist to announce that the mudflow could last forever, people began to think of the mud differently. Some of the actors began to consider containing (rather than stopping or moving) the mud, and dealing with inevitable ground subsidence. While the technological solutions already implemented to remove the mud will certainly have long-term environmental implications for the fish ponds, where the prawns used to produce crackers (krupuk) flourish, and for marine fisheries, these environmental issues are no longer being widely discussed.

Efforts to channel and bulldoze the mud continue. Since the BPLS now has bigger pumps and more earth-moving equipment (giant cranes and trucks) than before, the capacity for moving the mud has improved. Mud-control activity has therefore greatly increased, as has its cost. Nevertheless, the mud from the well is still flowing, levee walls are still cracking, houses are still being abandoned, and additional villages have been added to the government’s recognized “disaster impact area.” Despite the increasing scope of the disaster, however, Lapindo contends that its liability is limited to the twelve villages identified in December 2006 on the government’s original mudflow-affected-area map. In March 2007, a revised map was created, identifying...
areas that officials predicted would be overtaken by the mud. At that time, three "affected" villages were added to the original twelve. Additional victims are still being identified and having their claims evaluated.

By March 2008, however, it appears that, even as the pool of mud expands and the number of its victims grows, Lapindo has successfully limited its losses. It has bargained with SBY and other politicians and cabinet members. It has promoted its self-serving view of what triggered the disaster with geoscientists who will give a stamp of approval to that view. Finally, it has gained a stamp of approval both from the courts (thus far, at least; one appeal has been filed and another is scheduled) and from the parliament's acceptance of its own team report. Lapindo lobbied Parliament to accept the report from its Sidoarjo Mudflow Mitigation Monitoring Team—Tim Pengawas Penanggulangan Lumpur Sidoarjo, which was established by the parliament—stating that the disaster was the result of natural causes. Parliament bowed to Lapindo.

Finally, for President Susilo Bambang Yudhoyono, the fallout may be minimal. Even though the government is perceived as having been slow and incompetent in its response, that perception may not cost the president and his coalition parties very many votes in the long run since the damage is limited to East Java. Even Bakrie's continued presence as a cabinet minister seems to be overlooked by most people. However, it may well be that present and future generations of Indonesians living in Sidoarjo and East Java will remember this disastrous political response—compounded of elite-driven crony politics—to have been as maddening, uncontrollable, and implacable as the mud itself.

Postscript

On February 27, 2008, Reuters reported that not only had the East Java mud "volcano" not abated ("the mud continues to spurt at a rate of 148,000 cubic meters a day"), but the Indonesian government had earmarked "an additional 700 billion rupiah (US$77 million) to compensate thousands more people whose homes are threatened by the mud." According to the Reuters report, in 2008 three additional villages—Kedungcangkring, Pejarakan, and Besuki—and around 10,000 more people will need to be relocated. Plans to move village residents from harm's way have been designed to accommodate the government's attempts to direct the mud to the Porong river—a strategy that, as pointed out by this article's authors, may have negative, long-lasting repercussions on the region's aquaculture and environment.

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89 This parliamentary team was set up on September 4, 2007, to monitor the BPLS, which replaced TIMNAS. On February 19, 2008, this team reported to parliament, which accepted the finding that the Sidoarjo mudflow was caused by a natural disaster. See "Bermain Lumpur Lapindo," Tempo, February 25, 2008, p. 23.

Not scheduled to be relocated is Mindi, another village affected by the mudflow, where “gas seeping from the ground ... is triggering safety concerns and [residents’] calls for an evacuation.”

Ahmad Zulkarnaen, a spokesman for Sidoarjo Mudflow Mitigation Agency (BPLS), the government body managing the mudflow since April 2007, said he was aware of the flammable gas, but that “… Mindi was not a village eligible under a government decree for compensation to pay for an evacuation.”

Mindi is one of fifteen new villages that the Sidoarjo District Assembly (Dewan Perwakilan Rakyat Daerah, DPRD) wants the central government to include in a revised affected-area map.

Finally, as of late February 2008, Indonesian government officials were still promising to “fund the rerouting of a gas pipeline, railways, electricity networks and roads, affected by the mud,” but apparently such work had not yet begun.

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91 Ibid.
92 See “DPRD ngotot usulkan 12 desa,” at hotmudflow.wordpress.com/2008/03/10/dprd-ngotot-usulkan-12-desa/ (accessed on March 27, 2008).
93 Ali, “Indonesia Pledges New Cash as Mud Engulfs More Land.”