

SOCIAL CONSTRUCTIONIST AND CRITICAL APPROACHES TO CRISIS MANAGEMENT

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Abstract: This research applied a social constructionist approach to explore how the crisis has been constructed, included the crisis management of officials from Lapindo, an oil company, and the government. I am interested in how the different actors construed the situation and how those constructions triggered a conflict. The critical approach is applied based on the evidence presented from the interviews and focus group discussions. If certain actors have more power over others, then this would be reflected in both actions and in how people construe the world they are living in or the events that are happening to them. The paper is not to judge the company's responsibility, but to show how the different actors interact and the consequences of those interactions for real people. The finding is a comprehensive description of the crisis management and the public's reactions on it. There are conflicts of interest between Lapindo Inc, the Government and the victims. This research described how power created knowledge in society by creating a social construction of the reality. The victims have been oppressed by more powerful groups therefore they must struggle against both the government and Lapindo Inc to gain their right.

Keywords: Crisis Management, Critical Approach, Government, Knowledge Society, Mudflow, Social Constructionist.

1. Introduction

On May 30, 2006, in the morning, Respondent 7 went to the Porong Market to shop. She was used to going shopping every week. When visiting a shop, she heard a conversation between two consumers with the salesman. "I was not sure what they were talking about. I just heard about something that came out and it stank. I just realized what they talking about two weeks after, when it appeared on TV and became a discussion among my neighbors."[§] That is a story from one of the respondents after I asked her about her experiences during the crisis.

The mudflow event in Sidoarjo, Indonesia is an extraordinary event. The hot mud started to erupt on May 29, 2006. The center of the eruption is located on Siring, about 200 meters from Lapindo's oil drilling well (BJP-1, in Renokenongo Village). More than 640 hectares of land is flooded by the mud. Up to 70 thousands cubic meters of hot sludge is still gushing from the volcano's steaming lips every day. Twelve villages have been affected and at least 60,000 people have been forced to flee their homes. In addition, many social facilities such as school buildings and houses of prayer were lost; more than 20 companies were shut down; more than 20 thousand people lost their jobs; and the agriculture sector lost billions of Rupiah (Rp) due to harvest failures.

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[§] Interview with Respondent 7. She was the resident from Perumtas 1.

To date, the problem has not been completely rectified. Both the government and the company have not stopped the mud eruption or the environmental and social impact of it. Many efforts to solve the physical impacts have been implemented since the beginning of the eruption: mitigating the mud, stopping the eruption and developing the infrastructure.

However, the efforts have not been successful because of technical and non-technical disturbances. The technical disturbances include building the semi-permanent embankments which were vulnerable to breaching and limited equipment due to financial problems. The non-technical problems include the social and environmental issues which stimulated the conflict of interest among the actors involved with it; both horizontal and vertical conflicts. The horizontal were conflicts among the victims. For example, the victims from Perumtas broke the embankment that was built in Kedungbendo village to restrain the mud. According to Perumtas villagers, it made the mud flow into their village, but Kedungbendo villagers tried to defend the embankment to avoid the mudflow. The vertical conflicts happened between the victims and Lapindo or the government because of uncertain compensation. The conflicts related to the environmental issues happened when the victims and NGOs refused these efforts to divert the mud into the river because of the dangerous effect of the mud for human health and the risk of water pollution.

2. A Social Construction of a Crisis Management

After the cabinet meeting of February 27, 2008, Aburizal Bakrie, the Coordinating Minister of People's Welfare, said that Lapindo Inc has been generous in helping thousands people who lost their land, houses and their social life by giving money even though the courts decided they were not guilty. "Although Lapindo is not guilty, it continues paying without demanding the government to give it back", said Bakrie who has the majority of shares in Lapindo Inc as quoted in Kompas Daily (A13, A01, Har, Inu, & Nwo, 2008). The meeting, finally, produced the new Presidential Regulation no 48/2008. The regulation stated that Lapindo only needs to buy the victims houses and land in the impacted area 1 and 2 without being obligated to rehabilitate the infrastructure. This showed the role of Bakrie in the high political economy context during the crisis.

At the beginning, adopting the ideas of Crable and Vibbert (Smudde, 2001) about the development of an issue, the cause of the eruption became a potential issue.^{**} On May 29, 2006, in the morning of the day after the incident, Lapindo Inc conducted a press-conference. It stated that there was gas leaking from the earth and was still being investigated. In the afternoon, however, several hours after the incident, the Voice of Surabaya broadcast the statement from Dias Roychan (Community Development Coordinator Lapindo Inc) that it was a force majeure and it was triggered by the earthquake. It was stated that the earthquake either caused a crack inside the earth or created a new hole outside the BJP-1 drilling hole (Prastyo, 2006a). However, there were different points of view among the officers from Lapindo. Four days after the incident, for example, Budi Susanto, Relations and Security Manager Lapindo Inc, commented that he was not sure whether the gas eruption connected to Lapindo's exploration or not (Supingah, 2006). In terms of this, Sunaryo admitted:

"The mudflow was caused by the earthquake was an erroneous statement from his team. The team should have commented that both events (the mud eruption and the earthquake) were caused by a tectonic movement under the earth, which caused an earthquake in Jogjakarta and the hot mud eruption in Sidoarjo. The hot mud eruption occurred in Sidoarjo because the city

^{**} An issue can develop from: a potential issue, an imminent issue, a current issue, a critical issue, and a dormant issue.

has a volcanic under it. Therefore, the correct statement should have been that there was no relation between the eruption and the earthquake.”^{††}

During a week, this issue grew to an imminent status when it revealed the public knowledge and the dispute which tended to blame the company, including the geologist, NGOs, the victims and the government.^{‡‡}

The issue of the cause of the eruption was also considered by the government. After 15 days of the first eruption, the Minister of Energy and Mineral Resources set up the Investigation Team on June 14, 2006. After three months, the team concluded that the mud eruption was caused by the drilling mistake of not using casing (Sha, 2010). This was also the conclusion by the East Java Police in their investigation a month after the incident (Asmoro, 2006a). Similarly, the President, the Vice President, the East Java Governor, the Members of the House of Representatives, the Minister of Environment and NGOs, also demanded Lapindo pay compensation to the victims. When visiting the temporary shelter in June 20, 2006, the Vice President Jusuf Kalla stated that Lapindo must pay compensation and take full responsibility. It should be a model for the company which caused the environment damage. At the moment, Lapindo has agreed to pay compensation for the victims.^{§§}

The victims received the money for two years rental from Lapindo after waiting for three months in the temporary shelter and conducting several demonstrations. However, they lived in uncertain fate because they did not know whether they gained compensation for losing their land and houses or not although they frequently demanded. At that time, it was not a clear decision about the compensations for the land and houses, even though either Lapindo or the government frequently stated that the victims would receive compensation. As stated by the participats in FGD 1: “The company acts passively. If we do not actively ask, there will be no information. We might be living in uncertainties until this moment.”

The Government responded to this situation by publishing the Presidential Decree No 13/2006 dated September 8th, 2006 or four months after the disaster. Through this decree, the President formed the National Team for Sidoarjo Mudflow Mitigation. It was the first integrated team which involved the government officers and General Manager of Lapindo.^{***}

^{††} Interview with Sunaryo Suradi, Communication Officer from Lapindo, November 16, 2009.

^{‡‡} For example, Amien Widodo, the member of the East Java Board of Experts, said that the earthquake was too weak to crack the earth layer. He assumed that there was a procedural error in drilling (Prastyo, 2006b). At that time, several NGOs, such as The care for Indonesia, Friends of Indonesian’s Earth, and Law Support Foundation were involved to this issue by commenting that the company caused the incident (Soetantini, 2006). Quickly, during 2007-2008, the cause of the eruption became a current issue. It became the public’s focus of discussions when opinion leaders dealt with this issue. They usually give statements, which have a great influence on the public, through the mass-media. When the courts decided that it was a natural phenomenon it became a critical issue because the public is divided into two; they agree or disagree with the issue. However, at present time, it is in a dormant stage because the public’s dispute about the issue slowed down but it rises up again usually when commemorating this event in every May 29 and the government and legal formal institutions view that it is a natural disaster.

^{§§} This was the first statement about compensation from Lapindo. The statement was given by Nirwan Bakrie, Aburizal Bakrie’s young brother, when visiting the Porong market with the Vice President (Jusuf Kalla) and the Vice Head of Sidoarjo Regency (Syaifullah). During the crisis, Nirwan Bakrie was involved more frequently than his brother. The temporary shelter was at the Porong New Market. It is a new local market & public transportation station. It was built to remove the traders from a traditional Porong Market. All kiosks in the new market were bought by the traders, but the traders could not move to the new kiosks, because the victims stayed there. On the first day of the eruption, the victims had initiative to evacuate to the Head of Village Office. After the numbers of the refugees was getting high, Bupati (the Head of Regency) asked them to move to the New Porong Market.

^{***} At that time, GM Lapindo, Imam Agustino, was stated as a suspect by the East Java police in terms of the investigation to the cause of the eruption. This status was over when the Police stopped the case in August 2009.

The team has duties to take action on three things: occluding the mud, handling the mud, and handling the social problems. This decree also stated that the National Team and its duties would not reduce the responsibility of Lapindo Inc to cope with, and to rehabilitate, the environmental damage and the social problems which were affected by the mudflow. In addition, all the expenses that were required by the Team to conduct its duties would be the burden of Lapindo Inc.

The cabinet meeting led by President Yudhoyono, in September 27, 2006, made decisions to relocate the victims to other place; to continue stopping the eruption; and to steer the mud into the sea through the Porong River. The Head of Sidoarjo Regency followed up on the decisions by offering two options to the victims: resettlement (relocation) and cash and carry.^{†††} The resettlement option would be conducted with the pattern of “bedol deso” (*bedol* = leave; *deso* = village; all villagers from one village would be moved together with their social cultural life) in a *Kasiba* (area ready to build). All the expenses would be the burden of Lapindo Inc (Prasto, 2006c). However, most of the victims chose cash and carry. The victims demanded Lapindo pay Rp 2.5 millions for the house and the land and Rp 120 thousands for the rice paddy.

The President, in November 29, 2006, finally decided to arrange an interdepartmental team, led by Vice President Jusuf Kalla. His task was to manage all the problems but still ask Lapindo Inc to fund any costs, because up to November 2006, the impact on both the environment and the victims worsened and became more complicated. From my observation, this situation happened because of some factors: *Firstly*, the Government, the politicians (House of Representative Members) and Lapindo Inc focused more on technical aspects and debating whether the status of the disaster was a national disaster or not.^{†††} The research found that the crisis management focused more on maintaining the company’s reputation than on the victims’ fate. The victims was living in the temporary shelters, waiting for months without clear information about the compensation, and the company was more busy to persuade public that the mudflow was not caused by drilling error. The Participant 2 in FGD 1 said: “Lapindo was too busy defending themselves. They provided shelter and food for refugees just to show their corporate social responsibility. However, they did not want to be blamed for this disaster.” Respondent 7 said: “Lapindo was talkative through media but not immediately gave solution to the victims. Compensation payments were late.”

It can be argued that the aim of the communication strategy was to convince the public that the company was not guilty. As stated by Sunaryo: “First of all, we must have the same point of view about this mudflow. It is important to note that the event is “*Lumpur Sidoarjo*” (Sidoarjo Mud), not “*Lumpur Lapindo*” (Lapindo Mud). It is a natural disaster happening in Sidoarjo. It is not true that the mudflow was caused by Lapindo’s drilling activity.”^{§§§}

Secondly, Pertamina’s gas pipes exploded in November 22, 2006 and 14 people died with the mudflow expanding to submerge other villages: Perumtas 1, Ketapang, Gempolsari, and Renokenongo.^{****} *Thirdly*, the escalation of the victims’ demonstration increased rapidly. *Fourthly*, Lapindo’s action to deal with the crisis seemed to go slowly. As stated by Respondents 5 from Siring Village: “They did all these things after there were reactive mass

^{†††} At the beginning, cash and carry meant that the victims would receive cash money in lump sum. However, it was changed to cash money in installments.

^{†††} The consequence of the national disaster was that the government was expected to give compensation and relocation to the victims by spending the national budget (APBN). In other words, it would not be the responsibility of the company. At that time, the government refused and asked Lapindo to take full responsibility (through the Presidential Decree no 13/2006).

^{§§§} Interview with Sunaryo Suradi.

^{****} The pipeline was located under the embankment.

demands and pressures from the victims. They seemed to be less responsive to the suffering experienced by the victims.” The participant 1 in FGD said: “The company and government only started to work after seeing reactive mass demonstrations.”

Regarding this situation, Sunaryo said: “The crisis was very complicated. For example, Lapindo could not flow the mud to the river, because there were disputes about the effect of the mud among the company, the government, the victims and NGOs. In addition, the victims frequently refused the efforts to build the embankments or blocking the road so it made the mud expand.”^{††††} On the other hand, the victims said that they did that in order to gain their rights, because of uncertain information about compensation.

After being pressured by the victims’ demonstrations, the map of the first impacted area was set up in 4th of December 2006. Through this map, the government stated that Siring, Jatirejo, Kedungbendo and Mindi Villages were the impacted area or the disaster zone. For the victims from these four villages, the government announced that Lapindo agree to several points: giving compensation in the form of a contract of purchase, the payment of compensation will be done based on the corporate social responsibility (CSR), and the compensation will be given in two forms of choices. *First*, in cash, according to the following calculation: (i) The compensation for courtyard is Rp 1.000.000,- per-square meter; (ii) The compensation for building is Rp 1.500.000,- per-square meter; (iii) The compensation for the paddy field is Rp 120.000,- per-square meter. *Second*, relocate to another new location named as New Sidoarjo Region.

The decision triggered dissatisfaction among the victims from Perumtas 1, Ketapang, Gempolsari, and Renokenongo which had been submerged by the mudflow. However, these villages were not included in the impacted area. Therefore, the victims protested to the Government and to Lapindo Inc about their stressful life and uncertain compensation. They sought to gain compensation by conducting demonstrations, blocking public facilities such as the Surabaya-Gempol toll-road and railway, blocking the dykes, staying at Pendopo (Sidoarjo Head of Regency’s Office), and amassing in the capital city (staying at the Independence Proclamation Monument and the Presidential Palace in Central Jakarta) to demand compensation in cash money (the victims used the term: cash and carry).

The victims’ demonstrations triggered a new decision. On March 22, 2007, the government issued the map of the 2nd impacted area. This map was set up to cover the villages that were submerged after pipeline explosion. The villages were Renokenongo, Gempolsari, Ketapang and Perumtas 1. According to this new map, these four villages were stated as disaster zone which directly impacted by the mudflow and would be given compensation.

Meanwhile, the mudflow had still not been completely stopped so it could expand to more areas. However, on March 26, 2007, the Coordinating Minister of People’s Welfare, Aburizal Bakrie, said that the government did not add new villages in the impacted area map. Similarly, the East Java Governor said that Lapindo objected if the map was changed again, because the map related to Lapindo (Stefanus, 2007). Again, it appeared to be a conflict of interest, because Aburizal Bakrie was the minister and also the leader of Bakrie Group which was the owner of Lapindo Inc. Indeed, it was difficult to know when he acted as the minister and when he acted as the Bakrie’s owner. The power of Bakrie also appeared from the statement of the East Java Governor.

Although the cabinet meeting (Sept 27, 2006) decided to relocate the victims, Lapindo and the Government, on March 26, 2007, agreed to give compensation in “cash and carry”, because the victims did not agree with the relocation (resettlement) option. However, Lapindo wanted

^{††††} Interview with Sunaryo Suradi.

to pay in installments instead of cash in a lump sum with the reason that cash in a lump sum payment could be defined as a fixed payment. The fixed payment, according to the company, was in contradiction with the land regulation. Previously, Lapindo tried to combine the relocation and cash and carry options by offering the resettlement plus (the victims would be removed to a new residential area and would receive pocket change of the money). In terms of the resettlement option, Aburizal Bakrie argued that it would be better for the victims to receive the relocation option from Lapindo, because they would receive a large sum of money, than if the case was handled by the government. If the government gave compensation, the victims would have received 10-15 million Rupiah only (Amalia, 2007).^{****}

However the victims did not accept it again. As stated by Respondent 1: “The agreement was cash & carry. But if Lapindo would insist on relocation, the residents wanted to be provided new houses in the relocation area. But the residents said that the relocation area was still uncertain. It was said around Jemundo area, but there was nothing there. One of the Head of Residents around there informed us that there had not any land clearing yet. The residents asked for compensation, not relocation. But unfortunately, some people finally put their choice on the relocation.”^{§§§§}

Considering that the mudflow impact had already influenced all kinds of community aspects, the President issued the Presidential Regulation (Perpres) No 14/2007 dated 8th of April 2007. Through this regulation, the President formed The Board of Sidoarjo Mudflow Mitigation (BPLS) to substitute the National Team. This regulation stated that BPLS has duties to handling the mudflow and handling the social and infrastructure problems effluence by Sidoarjo mudflow.

In comparison with the Presidential Decree no. 13/2006, I found: *Firstly*, the new regulation reduced the level of Lapindo’s responsibility, with the reasons: (1) Perpres no 14/2007 restricted the concept of social problems. The Presidential Decree stated that Lapindo’s obligation was to cope with, and to rehabilitate, the environmental damage and the social problems affected by the mudflow. In the new regulation, the social problems were restricted only to the problems of losing land and homes in the 1st and 2nd impacted area. (2) In accordance with the handling of social problems, Lapindo Inc was forced only to buy -it was a contract of purchase not giving compensation- the victims’ land and homes in an installment scheme, 20% (a down payment) and 80% and to provide the victims with money for rental. The remaining 80% would be paid one month before their two-year lease expired. However, this regulation did not state explicitly the amount of compensation for the community and when the 20% payments would be conducted. (3) The victims were limited to people who had lost their land and homes in the impacted area 1 and 2 only. (4) The social cost appeared outside the impacted map would be the burden of the national budget. (5) Lapindo was not obligated to finance the infrastructure recovery, because all the expenses for handling the infrastructure would be the burden of the national budget; however Lapindo only had to fund the mitigation of the mudflow, including the flow of the mud from the embankment to the Porong River.

Secondly, there were inconsistent decisions. By asking Lapindo to buy the land and houses, it could be perceived that the government admitted that Lapindo was guilty (It was a man made). On the other hand, the national budget was used to fund social cost outside the impacted map and to recover the infrastructure facilities. It means that the government viewed

^{****} In the resettlement plus, for example, if the price of the victim’s house and land was 200 million Rupiah, while the new house in the new residential was Rp 150 million, the victim would receive the rest of 50 million Rupiah.

^{§§§§} Interview with Respondent 1.

that it was a national disaster, although there was no court decision about the cause of the eruption.***** In addition, the buying procedure was contradictory with the Land Regulation (UUPA) no 5/1960 articles 21 and 25, which states that a foreigner (individual or company) is not allowed to buy land.†††† Thirdly, the compensation would be paid in cash money instead of relocation (resettlement).

After the Regulation no 14/2007 was announced, the issue of the compensation slowed down and became a dormant issue. For a while, the situation calmed down because the victims could stay in their rental house while waiting for the 20% compensation as promised by the regulation.††††

However, the situation changed quickly. The issue of the compensation grew to be the critical issue again when the victims felt the payment of compensation (20%) had been proceeding too slowly. The first payment of 20%, for example, was only executed on March 26th, 2007 or five months after the agreement in December 4, 2006. As a result, the President decided to work in Sidoarjo for three days, in June 25-27, 2007.§§§§§ He instructed that the 20% of the compensation must be paid completely for all the victims during the periods of July 1 up to September 14, 2007. However, after four years of the crisis (2010), several victims from Kedungbendo had not received the 20% as promised and the installment payment has been proceeding slowly.*****

Regarding the compensation payment, I found two factors that made payment of compensation become a circuitous process. *First*, no date was set in the regulation no 14/2007 for when compensation would be paid. *Second*, there was the difficulty of the legal administration requirements. Lapindo Inc required a legal-formal certificate of the victims' land and homes. It was a result of Lapindo's point of view that they preferred to buy the land and homes rather than give compensation, as mentioned in the Presidential Regulation no 14/2007. The Regulation stated that the victims must provide the contract of sale of the land ownership which is indicated the total area and the location declared by the government as requirement of buying procedure. In Indonesia, there are three types of the land ownership documents: certificate of land or houses and Pethok D (for the rice paddy) and Letter C (for land and houses). The former is registered at the National Land Affairs (BPN), while the latest are only registered in the Village Office. Although these are legitimate, the certificate is more reliable. The Village Office is the lowest structure in the Indonesian Government

***** The regulation no 14/2007 was issued in April 2008, while the court decision was in December 27, 2007 (the South Jakarta Appellate Court), in June 13, 2008 (the Jakarta High Court) and May 29, 2009 (the Supreme Court). The decisions were Lapindo was not guilty.

†††† Sunaryo Suradi said "Lapindo is a production sharing contract (PSC). The shares of EMP are private shares (51%) and public shares (49%). It was built in New York so that it is a foreign company".

†††† The victims suffered because the money was not enough to rent the house. At that time, the house owners increased the rent price after getting information that the victims received money to rental. Generally, the rent price was Rp 750 thousand-Rp 1.5 million per year, but during the crisis it increased to Rp 2.5 million-Rp 3 million per year.

§§§§§ The mass-media reported that the president's decision was made after meeting with Emha Ainun Nadjib, the East Java cultural and Islamic public figure. The meeting was conducted after the victims demonstrated to Jakarta. The president was crying when Emha told him about the situation. The president said that Emha's story was different from his staff's reports. The victims asked Emha for help. As stated by Respondent 1, during the crisis, particularly when claiming to get compensation as stated in the Regulation no 14/2007, the victims were mediated by Emha. Emha also asked the victims from different villages to unite in one organization, the United of Lapindo Mud Victims (GKLL). GKLL involves the victims from Siring, Jatirejo, Kedungbendo, Mindi, Gempolsari, and Ketapang. Other groups are Team 16 and Pagarekontrak. Team 16 is the group that represents the residents from Perumtas 1, while pagarekontrak is the group of victims from Renokenongo. At times, Team 16 was walking together with GKLL (Interview with Respondent 1).

***** Interview with Respondent 3.

Structures.^{†††††} In accordance with the Regulation no 14/2007, it should not have been a problem, because these documents are also declared by the government. As stated by Paring Waluyo Utomo:

“Lapindo claimed for their commitment to perform based on the Presidential Regulation, stating that the buy-sell agreement based on the proof of ownership. It should have been accomplished when the payment of 20% compensation. But it was repeatedly stated that Lapindo would only pay cash to those having land certificate. The village residents got mad. The National Land Affairs had stated that there was not any significant problem concerning the proof of ownership. But Lapindo stood on its ground with the reason that without certificate, as stated in the Land Regulations, a private company was not allowed to perform buy-sell.”^{†††††}

It was difficult to fulfill the legal-formal requirement and thus became a big problem for the following reasons: *Firstly*, all the victims' land and homes were submerged by the mudflow so that it was impossible to measure the size of their property. When I conducted observations in Perumtas 1 (before being submerged by the mudflow, during July up to August 2006), the victims often asked a question: why was the verification process of land and homes not conducted before the mudflow? When the village could be directly observed physically so that necessary documents could be arranged quickly? Actually, before mud flowed everywhere, when the embankment was built to separate the mudflow from the villagers surrounding it, the victims from Perumtas 1 had forced Lapindo Inc to buy their homes cash in a lump sum. They gathered together in the Communication Forum of Perumtas 1 Villagers for the Mudflow Struggle (This forum had changed into Team 16). Lapindo refused with the reason that their village had not been affected directly. Direct impact meant that the land and homes was submerged by the mudflow. From the company's point of view, the company would give compensation for the village that had been sank or submerged by the mud. At that time, based on that definition, Perumtas 1 was still not submerged (there were the embankment bordering or separating mud and villages).

However, when I interviewed Sunaryo about Lapindo's rejection to fulfill the demand, he answered that it would be contradictive with UUPA (Lapindo, as a foreign company, was not allowed to buy land and houses). However, when I asked why Lapindo finally accepted to buy the land and houses, although it felt not guilty, he answered that Lapindo was loyal to the government.^{§§§§§§}

Secondly, some of the land and homes in most villages and the countryside did not have a legal-formal certificate. Culturally, children inherited property from their parents naturally without any legal forms when their parents passed-away. The process is based on trust among family members. It was difficult to prepare the administration requirements, such as the Certificate of Land Ownership (SHM) and Building Permit (IMB). This was because of the

^{†††††} The structures from the lowest to the highest level are: the Village Office-the Head of District-the Head of Regency-The Governor of Province-the President.

^{†††††} Interview with Paring Waluyo Utomo (February 16, 2010). He is a volunteer from NGO *Gerakan Menutup Lumpur Lapindo* (The Movement of Lapindo Mud Closing). He spent his time living in temporary shelter and helping the victims from Renokenongo Village to claim their rights. He continues helping the victims by writing of his experiences in several media, such as newspapers, journals and online media.

^{§§§§§§} Interview with Sunaryo Suradi, Nov 16, 2006. Lapindo Inc was a production sharing contract with a foreign company. The definition of directly impacted area (disaster zone) became controversial during the crisis. The victims, NGOs, and academics said that, actually, the people who are living in the area outside the disaster zone were living in hardship socially, psychologically, and economically, although the area had not been submerged.

lack of understanding of the people and the country institutions regarding the crucial legal administration of the land and house ownership to anticipate such problems.

Generally, the evidence the victims had were documents called Pethok D and Letter C. Both letters are legitimate but difficult to be reliable proof as they are solely recorded in Village Offices and still not registered in the National Land Affairs which has the authority of land matters in Indonesia. Due to the historical records of the land and house ownership were not correctly recorded, it caused potential conflict among victims (members of family) in determining who the correct person was to gain compensation. In the field, there was much transference of land ownership to heirs without a legal document. Some of them did not even have a legal document for their land ownership or some blocks of land had already been divided into several lots but the ownership still belonged to the original owner. Similarly, this also happened to Building Permit requirements, albeit they were less complicated. Most land and buildings did not have a building permit even though the land and building tax was always paid by the owners once a year. In addition, some of those had been renovated or extended without procuring a new building permit. To solve the problem, the victims were sworn, in the name of god, as evidence of the size of the land and the building. Lapindo also offered to provide new house area (resettlement plus/cash and resettlement) for the victims who did not have legal certificates of the land and buildings.

However, the requirement of legal formal documents was perceived as irrational by the community, because land and building purchase without certificate is common in Indonesia (editorial page Koran Tempo, May 30, 2008). For example, the Head of Renokenongo Village said that when buying land for BJP 1 drilling well from Renokenongo villagers, Lapindo did not care about the documents of the land. At the moment, all the land which was bought by Lapindo in Renokenongo was Letter C.

Thirdly, the verification criteria among the legal documents of the victims' land and buildings (homes), Institute Technology of Surabaya data, satellite images and the residents' testimonies do not match. During the crisis, the victims' land and buildings were verified several times. Before the mud submerged the village, the victims received forms of verification from several sources such as from the village office, from the national team and the Institute technology of Surabaya. However, when the village had been submerged the compensation was not paid immediately with the reason that Lapindo needed to verify the land and buildings. Therefore, the verification processes were conducted again, for the 20% of payment and for the 80% of payment. Consequently, the victims spent a lot of money to prepare the documents for photocopies and for document legalization. The victims must pay the administrative cost as part of the bureaucracy procedures.

Fourthly, it seemed that Lapindo was reluctant to be the only party blamed and to be fully responsible for the disaster. Lapindo used the court decision that the mud was not man-made so the mudflow was claimed to be a natural disaster. Consequently, all sorts of compensation were perceived as corporate social responsibility by buying the victims' land and buildings. However, the victims still construct the crisis as the Lapindo Mud. As stated by Respondent 3: "I used to call it Lapindo mudflow as believe that this mudflow was caused by Lapindo drilling. Even though Lapindo is determined to being not guilty, I will always call it Lapindo mudflow."^{*****}

***** The research also revealed that there were different constructions about the event among other people involved in it. Both the government and Lapindo constructed the crisis as "the Sidoarjo Mud". In addition, the mass media was divided into three groups regarding their views: the mass media that used the label "Lapindo Mud", the mass media that called "Sidoarjo Mud", and the mass media that used both names.

Up to May 2008, the process of compensation payment has not been done properly. Based on the 15th article of Perpres 14/2007, Lapindo was expected to pay the remaining 80% of the compensation in that month, because the two years rental for the victims from the 1st impacted area would end in June-July 2008. It was ignored again. The government stated that the new deadline was Dec 1, 2008, when the two years rental of the victims from the 2nd impacted area ended, while the Minister of Social Affairs said that all compensation would be paid in 2009. Instead of giving fresh money, Lapindo stimulated public outrage when a thousand victims, who chose the relocation offer (the resettlement plus/cash and resettlement for the remaining of the 80% compensation), signed an agreement to gain a new house on 5th of April.

In the early part of 2008, Lapindo also re-offered the resettlement option. The victims who agreed with the resettlement option were paid firstly than the victims who wanted to gain cash and carry. As a result, it caused the victims to demonstrate because at the time, some of the victims had not received 20% cash money yet as stated in the Regulation no 14/2007 and some of the victims were still waiting for the 80%. Responding to the demonstration, Andi Darussalam, the Vice President of MLJ said sorry and promised not to discriminate the victims. I found that Lapindo offered a new residence, called Kahuripan Nirwana Village (KNV) in the north of Sidoarjo. The new residence was build by MLJ in association with Wahana Artha Raya Inc (owned by Bakrie Group).⁺⁺⁺⁺⁺ The victims who agreed with the relocation would gain a new house and fresh money as the rest of 80% compensation.⁺⁺⁺⁺⁺ The issues of relocation and cash & carry revived into a critical stage because this situation leads to disagreement among the group of the victims. As stated by Respondent 1:

“The resident’s commitment was finally divided into groups of interest. Lapindo tantalized the residents by providing a repayment of the availability to be relocated. Each person should invite one person to join the relocation program in order to get an enticement 1 – 1.5 millions Rupiah. Let’s say Mr Khamim. He insisted on inviting me, Mr Kastari and Mr Udin to his house. I carefully listened to what he was talking about. It turned out that he was intently asking us to join the relocation program. Later on, I did not give a single response. I avoided meeting him again every time he was trying to give me a call. As the Head of Neighborhood, I could not compel all residents to follow me.”⁺⁺⁺⁺⁺

At the same time (February 2008), the mud flowed to other villages which were outside the impacted map (Besuki, Pejarakan, and Kedungcangkring). It triggered the villagers to demonstrate because their villages were submerged but were not involved in the map. The government showed concern about this situation by issuing the new regulation, the Presidential Regulation no 48/2008 dated 17th of July, 2008. This regulation substituted the former Presidential Regulation no 14/2007. According to the new regulation, Besuki, Pejarakan and Kedungcangkring were stated as the 3rd impacted area. By buying the three villages, it was hoped that the mud could be flowed to the river. Previously, the victims disturbed any efforts to channel the mud into the river because they wanted to gain compensation.

The differences between two regulations: the Presidential Regulation no 14/2007 stated that Lapindo should buy the land and buildings in the impacted area 1 and 2; however, the Presidential Regulation no 48/2008 stated that the government –using a national budget- buy the land and buildings outside those impacted area. The buying procedure would be in two stages, 20% and 80%, which the 80% should be paid after Lapindo pay the villages in the

⁺⁺⁺⁺⁺ MLJ (Minarak lapindo Jaya) is one of the companies within Lapindo.

⁺⁺⁺⁺⁺ For example, the victim should receive Rp 200 million of 80%. The price of the new house was Rp 150 million, so the victim receives Rp 50 million cash.

⁺⁺⁺⁺⁺ Interview with Respondent 1.

impacted area 1 and 2. The latest regulation was issued after the court decided Lapindo was not guilty.

Before the payments of 80% for the villages in the impacted area 1 and 2 due to December 1, 2008, the victims demonstrated again. At that time, there was no sign that Lapindo would pay. Instead of paying 80% in cash, Lapindo tended to promote resettlement. As a result, the President called Nirwan Bakrie and gave an ultimatum to pay immediately. Again, the victims were disappointed. Using the reason of the recent economical global crisis, Nirwan Bakrie said that Lapindo Inc could pay compensation through installment schemes rather than as cash in a lump sum.*****

With regard to that issue, Respondent 7 stated: “That is consequence of Lapindo. Lapindo had already promised so that it should pay the compensation. They are rich persons. I think it is only the reason to not fulfill their obligation. The government must force them.”+++++++ Respondent 3 has a similar opinion: “I think the company has a large amount of asset. The amount for compensation is too small than the amount of asset that the company has. Therefore, the difficulty of global economic crisis is not logic.”+++++++

After the meeting between Lapindo Inc, the Public Work Minister, and the Team 16, the victims were promised to receive payment of 30 million Rupiah per month with an addition 2.5 million Rupiah for a year of house rental. The money for rent was given with the assumption that the victims could not buy houses because they did not receive cash money in lump sum. According to Koes Soelaksono, the Head of Team 16, they actually wanted cash payment of 80% based on the Presidential Regulation 14/2007. Due to Lapindo’s financial crisis, Team 16 asked for Rp 75 million in order that the victims were able to buy a house. Finally, the agreement was Rp 30 million with Rp 2.5 million for house rental. It meant that the Presidential Regulation no 14/2007 was not complied with. The Minister of Public Work and the Secretary of the State stated that the decision was a best solution and asked to other victims (outside the Team 16) to agree with (Azmi, 2008). Furthermore, the decision was also applied to all the victims. However, up to February 2009, the expected money had not been paid. The victims were massing in Jakarta again. As a result, a new agreement was drafted which stated that the victims would only receive Rp 15 million per month until the 80% of compensation were paid. Even though the result was disappointing, the victims could not refuse it. Some of the victims agreed because they need fresh money to continue their life. As stated by respondent 1 who also attended to the meeting:

“If the 16 team refused to receive Rp 15 millions, I already had my own decision. It’s urgent. This condition had been set up by the centre government. All of the related ministers had come. If the 16 team refused (still insisted on Rp 30 Millions), I would not follow it.

Another respondent, Respondent 5, has a similar situation:

“When Siring was submerged by the mud, my family also lost its cigarette factory. It was a small-industry owned by my family. At the moment, my family did not have enough money to rebuild its business. Nowadays, I and my family are trying to re-establish the factory funded

***** The reason Lapindo had a financial crisis was questioned by the public. Mujtaba Hamdi and Tanti Budi Suryani wrote on Tempo Interaktif (19 March 2009) that Lapindo received an insurance claim of US\$ 25 million. Until the year 2007, Santos (company partnership) gave US\$ 72 million for solving the mudflow crisis. In addition, Forbes Magazine stated that Aburizal Bakrie (Nirwan’s brother) was the richest man in Indonesia during 2007 with \$US 5.4 million (Munawwaroh, 2007). In addition, the wedding party of Lapindo Inc Director’ daughter (April 2007) and Aburizal Bakrie’ nephew (August 2008) were protested against by NGOs because they spent millions of rupiah. NGOs perceived Bakrie did not have the social sensibility (Hasan, 2008).

+++++++ Interview with Respondent 7.

+++++++ Interview with Respondent 3.

by the money from Lapindo's compensation. We must still be patient because the compensation is paid in installment process. We will get all the compensation over 10 years."

Since the mudflow has not been stopped, the Government issued another regulation, the Presidential Regulation no 40/2009, dated 23rd of September 2009. I also found that the level of Lapindo's responsibility was reduced again. Through this new regulation, the government stated that Lapindo was obligated only to buy the land and buildings in the impacted area 1 and 2. The expenses for protecting the community and infrastructure, stopping the eruption, and channeling the mud to the river were burdened to the national budget. In addition, the government also took responsibility for the social problems that appeared outside the impacted area. The compensation would be paid in three stages, 20%, 30%, and 50%.

In general, the compensation payments have not been conducted properly up to four years of the crisis. From 13,127 documents of land and houses, Lapindo paid for 6,876 documents. The total Lapindo spent was Rp.6.7 trillion during the crisis. The President visited the submerged area in Porong and again, instructed Lapindo to hasten compensation payment, after being reported by the Head of BPLS and the East Java Governor about the slowness of payments (Hertanto, 2010). I found that the public discussion about the cause of the eruption and compensation are slowly decreasing. In this situation, the issue becomes a dormant status with the reasons that the demonstrations for claiming the compensation and media coverage decreased sharply; the government regulations were reducing Lapindo's responsibility; and Lapindo was stated as being not guilty legally. In this situation, the issues appear to be over, although some NGOs, academics and mass media revive that the problems have not been resolved yet. §§§§§§§§ Errol Jonathan, a senior journalist, has a comment regarding this situation:

"This event became a big in the early time. Step by step the media pays less attention to this. However, for my radio broadcast, the problems are not completely over and still to be our agenda setting."*****

3. A Critical Approach of A Crisis management

From field observations, the victims' rights have not been fulfilled completely. They must struggle against both the government and Lapindo Inc to gain their right. The situation happened, adopting Marxism, because economical-profit oriented directed any efforts to manage the crisis.

Getting and keeping economic power, according to Marxism (Tyson, 1999), is the motive behind all crisis management conducted by the Government and the Company. The compensations were only measured by economic motive (i.e. contract of purchase) without considering the social, cultural, and psychological aspects of the victims. As stated by Respondent 4: "The mudflow had crushed and ruined our properties. We lost almost everything. But the most suffering was losing our beloved village. We used to live side by side with our relatives and neighbors in harmony. Now, we have to live separately far away from them". Moreover, the victims had a limited chance to access any means of production, including access to mass media and formal communication channel. In terms of this, Respondent 5 stated: "Lapindo seemed very careful in providing information to the public. It

§§§§§§§§ After four years, the public discussion usually emerges when commemorating this event, during 27 May-31 May 2010. For example: Jawa Pos Daily (May 27, 2010) revived the cause of the eruption as human made by writing Rudy Rubiandini's statement, the statement from geologist or NGOs' pessimism about the efforts to solve the problems and the social and the environment impact of the event which have not been solved completely; Liputan6 SCTV (May 29, 2010) revived that some of the victims has not been received both 20% and 80% compensations.

***** Interview with Errol Jonathan.

apparently indicated that there was information about the crisis to hide, especially about the cause of the mudflow. They expressed various reasons to cover up the cause of this incident.” He also said: “The mass media was quite open in reporting information to society, but not all mass media dare to provide openly news coverage. It was because of the fact that several TV stations belonged to Bakrie Group, the owner of Lapindo.”

From the interviews, the researcher found that there were rumors among the victims about a special relationship between the company and the government during their efforts to deal with the mudflow crisis.⁺⁺⁺⁺⁺ Respondent 6 argued: “I felt that there was a mutual collusion between government and the company. Information was less transparent as many things were covered up.” Respondent 5 said: “So as the government; the government was very slowly in the implementation of programs which should ideally be actualized promptly. The government seemed to be ‘afraid of’ Lapindo. The government should be able to put pressure on the company to quickly overcome this crisis. Only the government has that big authority.”

I also revealed that Lapindo had the power to communicate its ideology that the mudflow was a natural rather than a man made disaster.⁺⁺⁺⁺⁺ They also constructed that the company was also a victim and they were generous by giving social aid to the community. In terms of the ideology campaign, Participant 1 in FGD stated “The information provided is only a formality. For example, victims of the mudflow who have received benefit are actually only one or two persons. There are actually still more suffering people who are left behind. There are even more delayed compensation that can not be completed due to a status problem of the affected area map. The current reality has emerged an ironic term of *I laughing 1000 crying.*” It seems that the victims are oppressed even more effectively, by these ideologies.

4. Discussion and Conclusion

From the description above, the mudflow caused physical damage, created a serious danger to culture and values of a particular social system. It also created high levels of uncertainty, particularly to the victims. As a result, it became an acute crisis quickly when the situation could not be managed properly by the company, so that the situation became visible outside the company and stimulated public discussion.

In public discussion, people constructed this reality. It should be noted that people’s construction can be defined in the way that people have their own standard of truth when they perceive the reality. Therefore, it is natural that all elements of society have their own construction of the truth about this event. The company created its construction through a crisis management strategy included its communication strategies; the government’s

⁺⁺⁺⁺⁺ Lapindo is one of the companies within Bakrie Group. The owner of Bakrie is Aburizal Bakrie. He was the Coordinating Minister for Economy of Indonesia (2004-2005) and the Coordinating Minister of People’s Welfare (2005-2009). In 2009-present, He is the chairman of Golkar Party, a winner in the 2004 National Election and the second in both the 1999 and 2009 National Elections, and the chief of the union of the coalition parties for supporting the government (2010-present).

⁺⁺⁺⁺⁺ In order to maintain its reputation, this research found that Lapindo spent a large sum of money for advertising (media buying) in order to disseminate the key-message of a natural disaster. Two of the biggest printed media in Indonesia, Tempo Magazine and Kompas Daily, published the advertorial from Lapindo. A full page advertorial was appeared for six months in a row on local newspapers. Lapindo advertised that two events (the earthquake and the mud eruption) were facts that happened in a row as causal relations. The hot mud erupted in 200 meters from Lapindo’s drilling well. Most of the experts concluded that the eruption is a natural phenomenon which is called the mud volcano. Regarding the social problems, Lapindo has given aid to the victims, including the house rental, the living allowance, healthy water, and transportation for the students. These key-messages also disseminated through mass media owned by Bakrie Group. This group has two national televisions, TVOne and ANTV. In July 2008, Surabaya Post was taken over. This group also has Vivanews, an online news agency.

regulations, the news from mass media, and the victims' demanding were also a product of constructions. However, the different constructions can create conflicts and become a serious problem. As a result of being a subjective matter and depends on the individual's interest, any efforts to compel the truth to others can trigger controversy. Finally, who ever has a power, ability, and a communication channel (media) will likely to be able to disseminate the truth and persuade others in order to follow its truth about reality.

From Berger-Luckman's (1967) idea, the construction will be an objective reality depends on two factors: (i) how the construction is shaped; (ii) the power to communicate that the construction itself is about something that people believe is a social reality. By taking over several media and spending a large sum of money for advertisements on local and national media, Lapindo had the power to communicate the construction that it was a natural disaster (i.e. it constructed this event "Sidoarjo Mud"). This power was also strong because of the political position of Bakrie as the minister, the chairman of one of the biggest parties, and the chief of coalition parties. Adopting Althusser's idea about ideology, mass media is a tool to disseminate the company's points of views more subtly. News is the result of media construction about reality that sometimes differs from reality. News is commonly thought of as a second hand reality. One of Critical Theorists, Foucault, said that "Power and knowledge cannot be divided" (Littlejohn-Foss, 2002:221). Based on Foucault's ideas, it can be concluded that power is an inherent part of all company's message. The advertisements, newsletters, regulations, as expressed in language, transferred power. As a result, power persuaded public perception about the reality. It created particular knowledge, such as the company was a hero and a generous and the victims were troublemakers. Furthermore "Power is a creative force that pervades all human activity" (Littlejohn-Foss, 2002:221).

Similarly, in a high political context, the construction of "Sidoarjo Mud" became the objective reality. The label appeared not only in the company's messages but also in any formal regulations from the government at the beginning of the crisis. It can be read that this construction represents the power and interest of the political and economic elites. It is interesting that the government officers, when speaking to the public, tended to demand the company pay compensation, but they constructed "Sidoarjo Mud" in formal regulations. It can be said that the process of construction walked softly and seemed normal. However, the company failed to shape the victims' construction of reality. The victims constructed "Lapindo Mud". They claimed that this crisis happened because of the company's mistake, although they obtained compensation from the company.

In addition, conflicts and disagreements always happen in a crisis situation. To deal with any conflicts, the state should give opportunity for all voices to be heard. As a result, the domination of ideology from the group which has the power can be avoided (Littlejohn-Foss, 2008). However, from field observations, the victims have been oppressed by more powerful groups therefore the victims must struggle to gain their right. The situation happened, adopting Marxism, because economical-profit oriented directed any efforts to manage the crisis. Moreover, the victims did not have a great chance to access any means of production, included mass media and formal communication channel. The situation of oppression and unfairness happened at the beginning of the crisis.

Adopting Toth-Heath's (1992), it can be concluded that crisis management conducted only a one way flow of information, argument, and influence whereby the company only disseminated its views and dominated the victims. Crisis management was applied on behalf of the company's interest and even sometimes applied to distorted and avoided truth.

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5. Appendix



Picture 1. The victims from Perumtas 1 conducted demonstrations in February 23, 2007. Staying at Sidoarjo Head of Regency's Office for two weeks and demanding cash and carry compensation (Photographer: Rachmat).



Picture 2. Perumtas 1 was on September 2006
(Photographer: Maulana)

Picture 3. Perumtas 1 was on February 9, 2007