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Assessing The Effectiveness Of The Local Workforce Regional Regulation Through An Analysis Of Its Impacts, Challenges, And Policy Directions In Bontang City

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Abstract

This study aims to analyze the effectiveness of implementing Bontang City Regional Regulation Number 10 of 2018 concerning amendments to Regional Regulation Number 1 of 2009 on labor recruitment and placement. The analysis focuses on the policy's impacts, implementation challenges, and directions for strengthening local labor policy. This study employed a qualitative approach using a policy study design based on document analysis. The data were obtained from regional regulations, publications issued by Statistics Bontang Municipality, the book Assessing the Effectiveness of Local Labor Regulations, government reports, and journal articles. The analysis applied the criteria of policy effectiveness, adequacy, equity, responsiveness, and appropriateness. The findings indicate that the regional regulation has established an affirmative policy foundation through mandatory job vacancy reporting, local government involvement, and a minimum target of 75 percent local workers. However, its substantive effectiveness remains constrained by competency gaps, certification costs, the prevalence of contract-based employment, weak data integration, administratively oriented supervision, and underdeveloped career pathways. Statistics Bontang Municipality data show that the city's open unemployment rate remained at 7.06 percent in August 2024, with a labor force of 93,930 people, while the manufacturing industry contributed 76.33 percent of the city's gross regional domestic product in 2024. These findings highlight a paradox between the dominance of the industrial economy and the limited capacity to absorb local workers. The policy should therefore shift from merely fulfilling employment quotas toward developing an ecosystem of competency enhancement, apprenticeships, certification, recruitment transparency, risk-based supervision, and career mobility. The regional regulation is effective as an initial protection instrument but has not yet become fully effective as an instrument for

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transforming the quality of the local workforce.

Keywords: Policy effectiveness; Regional regulation implementation; Local workforce; Recruitment; Bontang City.

INTRODUCTION

Bontang is an industrial city whose economic structure is strongly influenced by gas processing, fertilizer production, chemical manufacturing, construction, and supporting service activities. Industrial dominance has created social expectations that large-scale investment and production will generate extensive employment opportunities for local communities. These expectations concern not only income but also the recognition that local residents should share in the benefits of regional development (Badan Pusat Statistik Kota Bontang, 2025b; Zulkarnain et al., 2026).

Economic data demonstrate the strong industrial character of Bontang. The manufacturing sector contributed 76.33 percent of the city's Gross Regional Domestic Product (GRDP) in 2024. Although this figure declined from 79.28 percent in 2020, manufacturing remained the most dominant economic sector. In 2024, the manufacturing sector contracted by 4.99 percent, while Bontang's overall economy contracted by 2.51 percent. This structure indicates that changes in the production levels of several large companies significantly determine the city's economic performance (Badan Pusat Statistik Kota Bontang, 2025c; Zulkarnain et al., 2026).

The substantial contribution of industry does not automatically correspond to a high level of employment absorption. Statistics Indonesia recorded that Bontang's labor force reached 93,930 people in August 2024, with a Labor Force Participation Rate of 67.75 percent. The city's Open Unemployment Rate remained at 7.06 percent, higher than East Kalimantan's rate of 5.14 percent during the same period. These data indicate a gap between the city's economic capacity and the ability of the local labor market to absorb its working-age population (Badan Pusat Statistik Kota Bontang, 2024b; Badan Pusat Statistik Provinsi Kalimantan Timur, 2024).

The capital-intensive nature of the industrial sector partly explains this gap. Increased production relies more heavily on technology, automation, and high-cost investment than on the recruitment of large numbers of workers. Companies also require workers with technical skills, experience, professional certifications, discipline, and occupational safety knowledge. Many local job seekers do not yet meet all these requirements. Consequently, companies tend to recruit job-ready workers from outside the region or through contractor networks (OECD, 2023; Zulkarnain

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et al., 2026).

The Bontang City Government responded to this issue by enacting Regional Regulation Number 10 of 2018 concerning the amendment to Regional Regulation Number 1 of 2009 on labor recruitment and placement. The regulation stipulates the obligation to report job vacancies, the involvement of local government agencies, and the requirement that local workers constitute at least 75 percent of the workforce. This provision represents a form of regional affirmative action intended to prevent local communities from being marginalized within a labor market shaped by large-scale industrial activities (Pemerintah Kota Bontang, 2018; Sari, 2024).

However, the existence of a regulation alone is insufficient evidence of its effectiveness. The achievement of the required percentage of local workers may occur alongside their concentration in entry-level positions, supporting occupations, or short-term contractual employment. Middle-level technical and strategic positions may continue to be dominated by experienced workers. Therefore, policy evaluation must distinguish administrative compliance from substantive improvements in job quality, worker protection, professional certification, and career mobility (Dunn, 2018; Zulkarnain et al., 2026).

Previous studies have found that local employment policies in various regions face similar patterns of challenges. Their implementation is influenced by the quality of human resources, the firmness of sanctions, institutional coordination, recruitment transparency, and monitoring capacity. Studies conducted in Bontang, Berau, and Penajam Paser Utara indicate that affirmative regulations have not always resulted in substantial labor absorption and compliance because companies continue to consider workforce competence and operational risks (Aprilia et al., 2019; Khotimah et al., 2019; Sari, 2024).

The novelty of this study lies in its use of the latest economic and labor data to assess the relationship between industrial dominance, unemployment, quota implementation, job quality, and career development. This study addresses three research questions. First, to what extent is the regional regulation effective in achieving its objectives of protecting local workers and expanding local employment opportunities? Second, what factors limit the policy's impact? Third, what policy direction is required to transform the regional regulation from a quota-based instrument into an instrument for developing local workforce capabilities?

LITERATURE REVIEW

Public Policy Effectiveness and Evaluation

Policy effectiveness indicates the extent to which policy objectives are achieved through

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observable changes among target groups. A policy cannot be considered effective merely because regulations have been issued or administrative activities have been completed. Evaluation must compare objectives, outputs, outcomes, the distribution of benefits, and impacts to determine whether an intervention genuinely reduces public problems and corresponds to regional needs (Ioramashvili et al., 2025; OECD, 2023).

Recent policy evaluation literature considers effectiveness, efficiency, adequacy, equity, responsiveness, and appropriateness to be interrelated elements. Effectiveness assesses the achievement of outcomes, adequacy examines the extent to which those outcomes reduce the identified problem, equity evaluates the distribution of benefits, while appropriateness assesses whether policy instruments correspond to the root causes of the problem and the characteristics of the local labour market (Hemmingsson, 2025; OECD, 2023).

The evaluation of local workforce policies should combine quantitative and qualitative indicators. The percentage of local workers is important as an output indicator, but policy impacts are also determined by employment stability, wages, social protection, access to training, certification, and promotion opportunities. Place-based and contribution-based evaluation approaches help link interventions to changes occurring within complex regional economic contexts (Ioramashvili et al., 2025; Weller, 2024).

Policy Implementation

Implementation is the process of translating political decisions into organisational actions, resource allocation, procedures, supervision, and implementer behaviour. Failures frequently arise when authority is fragmented, coordination is weak, and organisational capacity is inadequate in relation to policy objectives. Regulatory clarity must be accompanied by a clear division of roles, sufficient resources, and operational monitoring mechanisms (Afandi et al., 2023; Hemmingsson, 2025).

Recent studies of policy implementation view implementation as an interaction between policy substance and institutional context. Policy substance includes the interests affected, the types of benefits provided, the expected changes, the implementing actors, and the resources available. The institutional context includes power relations, organisational capacity, target-group compliance, and the quality of coordination among actors (Afandi et al., 2023; Sari, 2024).

In local workforce policies, implementation involves local governments, principal companies, contractors, training institutions, certification bodies, and job seekers. The large number of actors increases the need for standardised data, clear divisions of responsibility, and

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accountability mechanisms. Without operational coordination, implementation can easily become limited to reporting compliance without addressing labour-market mismatches (Afandi et al., 2023; Sari, 2024).

Affirmative Policies and Equality of Employment Opportunities

Affirmative policies aim to address inequalities in initial positions through proportionate preferential treatment. Affirmative action does not eliminate competency standards but provides fairer access to information, training, certification, selection processes, and work experience. Human-centred policies also require target groups to possess the actual capabilities needed to benefit from the opportunities provided (Bianchi et al., 2024; Dobbins et al., 2025).

Local employment priority may be justified when communities bear the social and economic consequences of industrial activities. However, its implementation must avoid creating new forms of discrimination. The definition of local workers, verification mechanisms, and exemptions for specialised competencies must be clearly established. Quota targets should be combined with capacity development so that local residents are not merely placed in low-skilled occupations (Sari, 2024; Zulkarnain et al., 2026).

Equality of employment opportunities does not mean guaranteeing employment without a selection process. Fairness requires transparent procedures and the ability to meet employment requirements. The government is responsible for developing access, companies are responsible for communicating standards and opportunities, while job seekers are responsible for improving their preparedness. This division of responsibilities prevents affirmative policies from becoming merely political symbols (OECD, 2023; Zulkarnain et al., 2026).

Skills Gaps and Vocational Education

A skills gap occurs when the knowledge and skills of job seekers do not correspond to the requirements of available positions. High-risk industries require technical skills, safety awareness, discipline, and the ability to solve problems in workplace situations. These competencies should be developed through vocational education, industrial practice, certification, and work-based learning (Rahmawati et al., 2025; Uslu, 2024).

Training programmes designed primarily according to available budgets tend to produce certificates without resulting in job placements. A demand-driven system begins with projections of occupational positions, the number of workers required, competency standards, and recruitment schedules. Company involvement is necessary to ensure that curricula, practical

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training facilities, and certification processes correspond to the technologies and working procedures used in industry (OECD, 2023; Rahmawati et al., 2025).

Apprenticeships are an important instrument for breaking the cycle in which job seekers are required to have experience before they can obtain employment. A well-designed programme provides mentors, protection, adequate remuneration, competency evaluation, and opportunities to transition into employment. Work experience should also be recognised through the recognition of prior learning so that project workers can convert their field experience into widely recognised qualifications (International Labour Organization, 2022; Uslu, 2024).

Decent Work and Career Mobility

The concept of decent work broadens the measurement of labour absorption. Decent work includes adequate income, social protection, occupational safety, employment security, workers' rights, and opportunities for professional development. Policies that merely increase the number of job placements may still produce limited impacts when employment is temporary, unsafe, or fails to develop workers' human capital (Congna, 2025; Dobbins et al., 2025).

Career mobility refers to workers' ability to progress from entry-level positions to jobs requiring higher levels of skill and responsibility. Such mobility requires occupational pathways, advanced training, certification, performance assessment, and transparent promotion procedures. Without these mechanisms, local workers may fulfil employment quotas while remaining concentrated at the lower levels of organisational hierarchies (OECD, 2023; Zulkarnain et al., 2026).

Collaboration, Data, and Supervision

Collaboration among government, industry, and educational institutions is necessary because no single actor controls all relevant information and resources. Cross-sector collaboration studies demonstrate that clear divisions of roles, data exchange, and shared targets strengthen the ability of policies to address complex problems. In the employment sector, companies communicate their workforce requirements, educational institutions prepare the required competencies, and the government provides regulations, funding, data, and supervision (Afandi et al., 2023; Bianchi et al., 2024).

Open labour-market data strengthen accountability and improve labour matching. The data should include job vacancies, requirements, the number of applicants, selection results, occupational positions, contract status, training, and employee retention. Digitalisation can

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reduce reporting costs, but its effectiveness depends on interoperability, worker identification systems, consistent definitions, data quality, and organisational capacity (Kementerian Ketenagakerjaan Republik Indonesia, 2022a; Prasektianto, 2025).

Effective supervision does not merely involve examining documents. Adaptive labour inspection uses a series of stages consisting of education, assistance, warnings, corrective action plans, field inspections, and sanctions. This approach distinguishes non-compliance resulting from a limited supply of qualified workers from deliberate manipulation intended to conceal information or avoid legal obligations (Kementerian Ketenagakerjaan Republik Indonesia, 2022b; Putra & Lestari, 2025).

RESEARCH METHOD

This study employed a qualitative approach using a policy study design based on document analysis. This approach was selected because the study focused on the relationships among regulatory design, industrial context, implementation processes, and policy impacts. No primary surveys or new interviews were conducted; therefore, the findings represent an evaluative analysis based on secondary sources.

The primary sources consisted of Bontang City Regional Regulation Number 10 of 2018, publications issued by Statistics Indonesia of Bontang City, employment publications from East Kalimantan, and the book *Assessing the Effectiveness of the Regional Regulation on Local Workers*. Supporting sources included journal articles addressing policy implementation, local affirmative action, vocational education, decent work, collaboration, open data, and supervision.

Data were collected through document searches, information recording, and data classification. The collected data covered the economic structure, size of the labor force, labor force participation rate, open unemployment rate, objectives of the regional regulation, local workforce targets, vacancy reporting, recruitment, competencies, employment status, supervision, and recommendations. Data validity was maintained through triangulation among legal sources, official statistics, books, and previous studies.

The analysis was conducted in four stages. First, data reduction was performed to select relevant information. Second, thematic coding was carried out by grouping the data into access, placement, competencies, job quality, governance, and impact. Third, the policy was evaluated based on effectiveness, adequacy, equity, responsiveness, and appropriateness. Fourth, policy inferences were developed by connecting the identified problems, causes, instruments, actors, and outcome indicators.

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The study was limited by its reliance on secondary data and the absence of complete publicly accessible company-level microdata. The findings were not intended to serve as a corporate compliance audit or a measurement of causal impacts. Future studies should incorporate individual-level data, interviews, worker surveys, and longitudinal analysis.

RESEARCH RESULTS AND DISCUSSION

Economic Structure and Labor Market Conditions in Bontang City

Statistics Indonesia of Bontang City recorded that the manufacturing industry accounted for 76.33 percent of Bontang City's Gross Regional Domestic Product (GRDP) in 2024. This contribution declined from 79.28 percent in 2020 but continued to demonstrate the city's very high economic dependence on the industrial sector. The activities of PT Badak NGL, PT Pupuk Kaltim, and other chemical companies determine the city's added value and economic growth. Such economic concentration makes labor market performance highly dependent on the production and investment decisions of several large companies (Badan Pusat Statistik Kota Bontang, 2025c; Zulkarnain et al., 2026).

In 2024, the manufacturing industry contracted by 4.99 percent, while the economy of Bontang City contracted by 2.51 percent. Statistics Indonesia attributed the industrial decline to reduced LNG production resulting from a decrease in gas supply. These data demonstrate the risks associated with dependence on specific industries. At the same time, non-oil and gas GRDP grew by 9.40 percent, indicating that the non-oil and gas sector has the potential to expand more diverse employment opportunities (Badan Pusat Statistik Kota Bontang, 2025c; OECD, 2023).

Labor market conditions have not fully corresponded with the scale of the city's economy. In August 2024, the labor force reached 93,930 people, while the Labor Force Participation Rate (LFPR) stood at 67.75 percent. The Open Unemployment Rate (OUR) was recorded at 7.06 percent, representing a decline of 0.68 percentage points from August 2023. However, this figure still indicates that approximately seven out of every one hundred people in the labor force had not obtained employment. Bontang's OUR was also higher than that of East Kalimantan Province, which stood at 5.14 percent during the same period (Badan Pusat Statistik Kota Bontang, 2024b; Badan Pusat Statistik Provinsi Kalimantan Timur, 2024).

In August 2025, the Open Unemployment Rate in Bontang City declined to 6.36 percent, while the size of the labor force increased to 99,089 people. The employed population reached 92,786 people. This improvement indicates that the labor market is developing. However, it does not prove that the reduction in unemployment primarily resulted from the implementation of the

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regional regulation or that the jobs created were high-quality industrial jobs for local residents. Data on workers' origins, sectors, occupational positions, contracts, and incomes are required to examine the contribution of the policy more accurately (Badan Pusat Statistik Kota Bontang, 2025a; Mayne, 2012).

Table 1. Economic and Employment Indicators of Bontang City

Indicator	Value	Year	Source
Contribution of the manufacturing industry to GRDP	76,33 percent	2024	(Badan Pusat Statistik Kota Bontang, 2025c)
Manufacturing industry growth	-4,99 percent	2024	(Badan Pusat Statistik Kota Bontang, 2025c)
Economic growth of Bontang City	-2,51 percent	2024	(Badan Pusat Statistik Kota Bontang, 2025c)
Labor force	93.930 people	August 2024	(Badan Pusat Statistik Kota Bontang, 2024b)
Labor Force Participation Rate	67,75 percent	August 2024	(Badan Pusat Statistik Kota Bontang, 2024b)
Open Unemployment Rate	7,06 percent	August 2024	(Badan Pusat Statistik Kota Bontang, 2024b)
Labor force	99.089 people	August 2025	(Badan Pusat Statistik Kota Bontang, 2025a)
Employed population	92.786 people	August 2025	(Badan Pusat Statistik Kota Bontang, 2025a)
Open Unemployment Rate	6,36 percent	August 2025	(Badan Pusat Statistik Kota Bontang, 2025a)

Policy Design and the 75 Percent Target

The Bontang City Regional Regulation employs three primary instruments: vacancy reporting, the involvement of local government agencies, and the obligation to employ a minimum of 75 percent local workers. This design provides clear compliance indicators and strengthens the government's position in holding companies accountable. The target also provides a normative basis for communities to monitor access to employment opportunities in

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their region (Pemerintah Kota Bontang, 2018; Sari, 2024).

A weakness of the aggregate target is its inability to explain the distribution of local workers across occupational positions. Companies may meet the quota through administrative work, support services, construction, or entry-level positions, while intermediate technical and strategic positions remain occupied by workers from outside the region. The book serving as the source of this research emphasizes that the 75 percent figure does not provide information regarding wages, contract duration, training, or promotion opportunities (Dunn, 2018; Zulkarnain et al., 2026).

The quota also does not distinguish between different job characteristics. General, technical, safety-related, and managerial positions have different levels of competency scarcity. A single target risks generating repeated requests for exemptions or merely symbolic compliance. A gradual target model based on occupational groups would be better able to connect corporate obligations with the availability of local competencies (Aprilia et al., 2019; Khotimah et al., 2019).

Impacts on Access and Recognition of Citizens' Rights

The most evident impact is the legal recognition of local residents' right to receive priority in employment opportunities. The regional regulation transforms social expectations into administrative obligations and provides a channel through which communities can demand information. Such recognition is important because an economic structure highly concentrated in industry may create an enclave economy when relationships between companies and the local workforce are weak (Pemerintah Kota Bontang, 2018; Zulkarnain et al., 2026).

The obligation to report vacancies enables the local manpower office to function as an information hub. This mechanism can reduce jobseekers' dependence on personal networks. The effectiveness of access is determined by the timeliness of reporting, the completeness of requirements, publication media, and the consistency between reported vacancies and the actual selection process. Reporting vacancies only after internal candidates have been selected merely produces formal compliance (Meijer et al., 2012; Sari, 2024).

The regional regulation also increases community expectations. Such expectations can strengthen participation but may lead to disappointment when vacancies are limited or candidates do not meet the requirements. The government needs to explain that local priority constitutes the right to obtain opportunities and preparatory support rather than a guarantee of acceptance without adequate competence. Inconsistent policy communication may intensify tensions between local residents and companies (Grindle, 2017; Zulkarnain et al., 2026).

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Gaps in Competence, Certification, and Experience

The competency gap constitutes the most significant obstacle to policy implementation. The gas, fertilizer, chemical, construction, and maintenance industries require technical skills and high safety standards. Companies have operational reasons for selecting workers who are immediately ready for employment because errors may cause accidents, damage, and production shutdowns. The source book emphasizes that experience and certification are primary considerations in recruitment (Billett, 2011; Zulkarnain et al., 2026).

New jobseekers face a cycle of experience requirements. Companies require previous experience before recruiting workers, but experience can only be obtained after an individual has been given an employment opportunity. Apprenticeship programs are therefore relevant instruments, but they must include mentors, competency targets, worker protection, and transition opportunities. Apprenticeships without competency recognition merely transfer workers into temporary employment (International Labour Organization, 2022; Wheelahan & Moodie, 2011).

Certification also creates economic barriers. The costs of training, examinations, transportation, and equipment may restrict access for jobseekers from low-income families. Bontang City's Human Development Index reached 82.49 in 2024, indicating a relatively high level of human development. However, this aggregate indicator does not eliminate inequalities in access to specific technical certifications. Subsidies should be directed toward competencies with demonstrated demand and accompanied by selection or apprenticeship pathways (Badan Pusat Statistik Kota Bontang, 2024a; Sen, 1999).

Contractors, Employment Status, and Job Quality

The industrial recruitment structure involves not only principal companies but also contractors and subcontractors. Local workers frequently enter the industry through construction, maintenance, security, transportation, and other support service projects. Supervision that only examines principal companies does not capture the entire recruitment chain. The reporting system should use unique worker identities and prevent double counting when workers move between projects (Sari, 2024; Zulkarnain et al., 2026).

Project-based employment provides income and experience, but its duration is limited. Workers may repeatedly enter and leave projects without employment certainty and without accumulating recognized certificates. This condition demonstrates the distinction between access

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to employment and decent work. The effectiveness of the regional regulation is reduced when placements do not provide protection, recognition of experience, or subsequent employment opportunities (Congna, 2025; Dobbins et al., 2025).

The government needs to develop a recognition of prior learning mechanism. Records of experience, internal training, and performance evaluations can be converted into evidence of competence through certification institutions. This mechanism would enable contract workers to develop portfolios recognized across companies and reduce their dependence on a single contractor (Billett, 2011; OECD, 2023).

Supervision, Data, and Corporate Compliance

Current supervision tends to focus on reports concerning the number of workers. Such data are easy to examine but do not explain the stages of the selection process, the reasons local candidates fail, contract status, or occupational positions. Substantive supervision requires data on vacancies, applicants, selection results, occupational positions, length of employment, certification, and promotion (Sari, 2024; Zulkarnain et al., 2026).

The digitalization of reporting can improve timeliness and consistency. The system should integrate data on jobseekers, vacancies, training, certification, and placements. Information can be disclosed in aggregate form to protect individual privacy. Open data can increase trust and support evidence-based evaluation when reporting definitions and standards are applied consistently (Kementerian Ketenagakerjaan Republik Indonesia, 2022a; Prasektianto, 2025).

Sanctions remain necessary, but their implementation should be proportionate. Companies that have not met the quota because of scarce competencies require improvement plans, while companies that conceal vacancies or manipulate data require firm action. A compliance pyramid begins with education, assistance, warnings, and corrective action plans before proceeding to administrative sanctions (Kementerian Ketenagakerjaan Republik Indonesia, 2022b; Putra & Lestari, 2025).

Career Mobility and Substantive Effectiveness

Career mobility has not become a central component of evaluation. Local workers may be accepted into entry-level positions without knowing the competencies required to advance to technical, supervisory, or managerial positions. Companies need to establish occupational maps, competency requirements, required periods of experience, and necessary training. Career-path transparency transforms local workers from objects used to fulfil quotas into human resource

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investments (OECD, 2023; Zulkarnain et al., 2026).

External experts remain necessary for competencies that are not yet locally available. Their presence should be linked to knowledge transfer. Competency transfer plans should specify mentors, prospective local workers, certification targets, and achievement periods. This approach avoids conflict between local and nonlocal workers while gradually developing local capacity (Etzkowitz & Leydesdorff, 2000; Perkmann et al., 2013).

Based on the evaluation criteria, the regional regulation has been effective in establishing a legal basis and providing initial access, but it has not been sufficient to resolve the skills mismatch. Equity has not been achieved because certification costs and access to information networks vary. The policy is responsive to community aspirations but has not been fully responsive to the industry's need for work-ready personnel. The quota instrument is appropriate as an initial form of protection but is insufficient as the sole instrument for workforce development (Dunn, 2018; Sari, 2024).

Table 2. Evaluation Matrix for the Implementation of the Local Workforce Regional Regulation

Dimension	Indicator	Data-Based Finding	Assessment	Direction for Improvement
Access	Vacancy reporting and transparency	The regional regulation requires reporting, but detailed public data are not yet available	Adequate	Integrated portal and standardized reporting deadlines
Placement	Proportion and occupational groups	The 75 percent target is available, but it does not measure occupational composition	Adequate	Targets for each occupational group
Competence	Training, apprenticeships, and certification	Skills mismatch and certification costs constitute barriers	Weak	Demand-driven training and targeted subsidies
Job quality	Contracts, protection, and recognition of experience	Project-based employment does not always support career development	Limited	Recognition of prior learning
Governance	Data,	Supervision is	Moderate	Risk-based

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	supervision, and sanctions	predominantly administrative, while the contractor chain is complex		supervision
Impact	Unemployment and mobility	The Open Unemployment Rate was 7.06 percent in 2024, while career mobility has not been measured	Limited	Longitudinal evaluation and career indicators

Policy Directions

The first policy direction is to develop a Bontang Labor Market Information System that integrates data on jobseekers, vacancies, competencies, certifications, training, placements, contracts, and promotions. Principal companies, contractors, and subcontractors should be required to report their workforce requirements before beginning recruitment. The system should use unique identities to prevent double counting and produce an aggregate dashboard for monitoring purposes.

The second direction is to transform training from a supply-driven to a demand-driven approach. Each program should specify its targeted occupational position, competency standards, number of workers required, recruitment schedule, industrial partners, and placement pathway. Success should be measured through certification, selection results, placement, retention, and competency improvement.

The third direction is to establish paid apprenticeship programs and first-job pathways for recent graduates. The programs should provide mentors, occupational safety protection, competency evaluations, and transition opportunities. The government may provide limited incentives to companies that complete the programs by facilitating certification or employment placement.

The fourth direction is to expand certification subsidies selectively. Funding should be directed toward competencies with high demand and prospective participants who possess the required basic abilities but face economic barriers. The scheme may be financed through the Regional Revenue and Expenditure Budget, corporate social responsibility programs, and industrial cost-sharing arrangements.

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The fifth direction is to develop career pathways and knowledge-transfer mechanisms. Companies need to publish competency maps and promotion requirements. The employment of nonlocal experts in certain positions should be accompanied by plans for mentoring local workers, certification targets, and a specified period for competency transfer.

The sixth direction is to implement risk-based supervision. Companies with large workforces, multi-layered contractor structures, histories of noncompliance, or high occupational safety risks should receive priority for inspection. Sanctions should be imposed gradually, but data manipulation and closed recruitment practices must be addressed firmly.

The seventh direction is to expand evaluation indicators. Annual reports should present the proportion of local workers by occupational group, contract status, training participation, certification, retention, promotion, complaints, and aggregate reasons for the failure of local candidates. Such evaluations would enable the measurement of substantive effectiveness rather than merely administrative compliance.

CONCLUSION

The implementation of Bontang City Regional Regulation Number 10 of 2018 has established an important affirmative foundation through mandatory vacancy reporting, local government involvement, and a target of at least 75 percent local workforce employment. The policy has contributed to the recognition of residents' rights, broader access to employment information, and stronger pressure on companies to comply with local labor requirements. Official data indicate that the manufacturing industry contributed 76.33 percent of the city's Gross Regional Domestic Product in 2024, while Bontang City's open unemployment rate remained at 7.06 percent. This disparity confirms that the dominance of the industrial sector in the local economy does not automatically generate a proportionate level of employment absorption.

The substantive effectiveness of the regional regulation remains constrained by competency mismatches, certification costs, contract-based employment, complex contractor chains, weak data integration, limited administrative supervision, and inadequate career mobility. The regulation can therefore be considered effective as an initial labor protection instrument, but it has not yet been fully effective as an instrument for transforming the quality of the local workforce. Strengthening the policy requires shifting the focus from a single employment quota toward an integrated labor market ecosystem that connects workforce demand projections, training, apprenticeships, certification, recruitment, supervision, decent work, and career development.

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RECOMMENDATIONS

The Bontang City Government is advised to establish an integrated labor market portal covering principal companies, contractors, and subcontractors. Policy evaluation indicators should also be expanded beyond the number of local workers employed to include occupational categories, employment status, certification, retention, and promotion. Training programs should be developed based on projected industrial workforce needs and linked to apprenticeship opportunities or clearly defined recruitment pathways. Certification subsidies should be provided selectively to job seekers who possess the required basic competencies but face financial constraints.

Companies should develop career maps, mentoring programs, and knowledge-transfer plans from professional or specialist workers to the local workforce. Supervision should adopt a risk-based approach and a compliance pyramid supported by firm sanctions against data manipulation. The local government should also publish annual reports based on aggregated data so that the public can openly assess the progress and effectiveness of the policy. Further research is recommended using company-level microdata, interviews with workers and job seekers, satisfaction surveys, and longitudinal research designs to provide stronger evidence regarding the regulation's effects on job quality and social mobility.

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