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Implementation of the Building Permit Issuance Policy in Bontang City

Rizal Mutadi[1], Aji Ratna Kusuma[2], Daryono[3]
[1,2,3] Departement Public Administration
Corresponding Author: rizalmuhtadi@gmail.com

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ABSTRACT

This study examines the implementation of the building permit policy in Bontang City, focusing on the dynamics of administrative procedures, institutional coordination, and stakeholder compliance in urban governance. Using a qualitative research method, data were collected through interviews, document analysis, and field observations to explore the challenges and interactions among local government agencies, developers, contractors, and community representatives. The findings reveal that while the regulatory framework for building permit issuance is clearly defined, its practical implementation faces obstacles such as bureaucratic inefficiency, overlapping authority, and varying stakeholder capacities. Institutional coordination and stakeholder engagement play a crucial role in ensuring compliance and effective policy enforcement. The study concludes that enhancing administrative efficiency, strengthening inter-agency collaboration, and providing support for smaller stakeholders are essential strategies for improving regulatory compliance and promoting sustainable urban development in Bontang City.

Keywords : Building Permit Policy; Policy Implementation; Urban Governance

INTRODUCTION

The urban development process in Indonesia is closely intertwined with regulatory frameworks designed to ensure orderly growth, public safety, and environmental sustainability. Among these frameworks, the issuance of building permits plays a critical role in shaping the physical, social, and economic landscape of cities. Building permits, or Persetujuan Bangunan Gedung (PBG), serve as a formal mechanism through which local governments regulate the construction of residential, commercial, and public buildings. They aim to ensure that construction activities comply with zoning regulations, technical standards, and safety requirements, while also mitigating potential negative impacts on the environment and public welfare. In the context of Bontang City, located in East Kalimantan, rapid urbanization driven by industrial expansion, population growth, and infrastructural development has heightened the importance of effective building permit governance. The city's spatial planning and local regulations have established a framework that mandates all construction projects, regardless of scale, to obtain formal approval before commencing (Pieterse, 2019; Pozoukidou et al., 2022). Despite the clear regulatory framework, challenges persist in the practical implementation of building permit policies, reflecting broader issues of governance, bureaucratic efficiency, and stakeholder compliance.

The significance of policy implementation in the realm of building permits extends beyond legal compliance. Effective implementation ensures that urban development is sustainable, equitable, and responsive to the needs of the community (Muhammad, 2023). In Bontang City, where industrial zones and residential areas coexist, improper construction without permits can lead to unsafe buildings, overcrowded neighborhoods, and inefficient utilization of land resources. Furthermore, unregulated construction can compromise environmental quality, particularly in areas susceptible to flooding or industrial pollution. As such, building permit issuance is not merely an administrative procedure but a critical instrument of urban governance that influences public safety, urban aesthetics, and long-term city planning objectives. Observations in local governance practices indicate that while regulatory guidelines exist, the efficiency of their enforcement, the transparency of bureaucratic procedures, and the consistency in monitoring construction activities remain variable (Chen, 2024). These gaps highlight the need to examine how policies are operationalized and how local institutions interact with citizens, developers, and other stakeholders in facilitating or hindering compliance.

In addition to regulatory oversight, the socio-economic dimensions of building permit issuance must be considered. Construction activities represent significant financial investments for developers, homeowners, and businesses. The process of obtaining permits involves navigating bureaucratic procedures, fulfilling technical requirements, and often coordinating with multiple governmental departments (Ulibarri et al., 2017). Delays, unclear regulations, or excessive administrative burdens can create frustration, encourage informal practices, or even lead to unauthorized construction (Babalola et al., 2024; Iroha et al., 2024). Such dynamics underscore the importance of aligning policy implementation with practical realities on the ground. The effectiveness of building permit enforcement in Bontang City, therefore, depends not only on the clarity of rules but also on the capacity of local authorities to provide guidance, facilitate compliance, and maintain oversight in a transparent and accountable manner.

Literature Review

Policy implementation has been a central theme in public administration and urban governance studies for decades (Galego et al., 2024). Scholars such as Pressman and Wildavsky emphasize that the mere existence of a policy does not guarantee its successful implementation. Instead, effective implementation requires careful attention to institutional capacity, stakeholder behavior, resource allocation, and monitoring mechanisms. In the context of building permit regulation, implementation challenges often arise from overlapping authority among governmental departments, inconsistent application of technical standards, and limited human or financial resources. These factors can result in delays, uneven compliance, or selective enforcement, which in turn affect the overall effectiveness of urban planning initiatives. Furthermore, the relationship between local authorities and the public is critical, as citizen understanding and cooperation significantly influence adherence to regulatory requirements. Studies in urban governance suggest that participatory approaches, transparency in procedures, and clear communication of rules enhance compliance and foster trust between regulators and stakeholders (Singh, 2025).

Theoretical perspectives on policy implementation provide frameworks for understanding the dynamics of building permit governance (Hampton, 2018). Top-down approaches emphasize the role of central authorities in defining objectives, establishing rules, and enforcing compliance, highlighting the importance of formal structures and legal authority. In contrast, bottom-up approaches focus on the experiences of frontline implementers, local officials, and citizens, suggesting that successful policy outcomes depend on the discretion, creativity, and initiative of those directly involved in operationalizing regulations (Gofen et al., 2024; Homsy et al., 2019). In the case of building permit issuance, a hybrid understanding is necessary, recognizing that formal regulations must be complemented by adaptive, context-sensitive practices that address local challenges, such as limited technical capacity, informal construction practices, and complex socio-economic conditions. Empirical studies demonstrate that cities adopting flexible and participatory implementation strategies tend to achieve higher compliance rates while also accommodating the practical needs of developers and residents.

Several studies on urban policy implementation highlight the role of institutional coordination and bureaucratic efficiency (Peeters et al., 2023; Sager et al., 2022). In cities where multiple agencies share responsibility for urban planning, building code enforcement, and public safety, the absence of integrated processes can lead to inefficiencies and confusion among developers seeking permits. Coordination mechanisms, such as inter-departmental committees, standardized procedures, and digital permit management systems, have been shown to enhance efficiency and reduce administrative bottlenecks (Brown et al., 2024). For instance, research in Indonesian cities such as Surabaya and Bandung indicates that implementing one-stop service units for building permits improves processing times, minimizes duplication of effort, and increases transparency. Conversely, a lack of institutional coordination often leads to delays, redundant inspections, and inconsistent enforcement, which undermine the credibility of regulatory frameworks and may encourage informal construction practices. These findings suggest that institutional arrangements and procedural design are critical determinants of the success of building permit policies in urban contexts.

The socio-economic and cultural dimensions of policy implementation also influence outcomes. Developers' compliance is shaped by perceptions of fairness, transparency, and the relative costs and benefits of obtaining permits. In some cases, informal networks, personal connections, or customary practices may facilitate or impede access to official channels, reflecting broader patterns of governance and social capital (Lyon, 2000). In addition, public awareness and

understanding of building permit requirements are essential for fostering voluntary compliance. Educational initiatives, public information campaigns, and stakeholder engagement strategies can improve adherence to regulations, reduce conflicts, and promote a culture of legal and responsible construction practices. These considerations underscore the importance of viewing policy implementation as a multi-dimensional process, involving not only legal instruments but also social interactions, institutional dynamics, and economic incentives (Radtke, 2025).

Environmental sustainability has emerged as an increasingly important dimension in building permit governance (Visscher et al., 2016). Regulatory frameworks for permits often include technical requirements related to structural safety, energy efficiency, and environmental impact mitigation. Compliance with such standards is essential for long-term urban resilience, particularly in cities experiencing rapid industrialization and population growth. In Bontang City, where industrial activities and residential expansion occur simultaneously, building permit enforcement serves as a mechanism to balance economic development with environmental protection. Literature on urban planning highlights that effective integration of environmental considerations into permit issuance reduces risks associated with flooding, pollution, and inadequate infrastructure, while promoting sustainable land use and community well-being (Rasheed O. Ajirotutu et al., 2024; Wang et al., 2024). This perspective reinforces the view that building permit policies are not only administrative tools but also instruments of strategic urban governance.

Several case studies in Indonesia and other developing countries provide empirical insights into the challenges and best practices of building permit implementation. Research in Jakarta reveals that fragmented institutional responsibility and limited technical capacity contribute to high rates of informal construction and non-compliance. Conversely, cities that adopt streamlined procedures, digitalization of permit applications, and participatory engagement with developers report improvements in compliance, transparency, and urban planning outcomes. Internationally, studies in Southeast Asia emphasize the importance of aligning regulatory frameworks with local socio-economic realities, providing adequate training and resources to municipal officials, and fostering collaborative relationships between public authorities and private actors. These lessons are highly relevant for Bontang City, where balancing rapid development pressures with regulatory oversight remains a central governance challenge (Adeyanju et al., 2021; Yongqiang et al., 2024).

The literature underscores that the implementation of building permit policies is a complex and multi-faceted process influenced by institutional capacity, stakeholder behavior, socio-economic conditions, and environmental considerations. Successful implementation requires not only a clear regulatory framework but also effective coordination among agencies, transparency in administrative procedures, public awareness, and adaptability to local contexts. In Bontang City, the practical challenges of policy enforcement reflect both the opportunities and constraints inherent in urban governance, offering a rich case for examining how regulatory objectives are translated into concrete urban development outcomes. By integrating insights from public administration, urban planning, and governance studies, this research aims to explore the mechanisms, obstacles, and strategies associated with building permit policy implementation, providing a comprehensive understanding of its implications for urban management, compliance, and sustainable development.

Method

This study employs a qualitative research design to examine the implementation of building permit policies in Bontang City, focusing on the processes, challenges, and interactions among key stakeholders involved in the system. The qualitative approach is chosen to capture the complexity of policy enforcement, institutional coordination, and the experiences of both officials and developers, emphasizing understanding over quantification (Hendren et al., 2023). Research subjects include local government officials from urban planning and public works departments, permit issuance officers, developers, contractors, and community representatives who have direct experience with construction projects, selected through purposive sampling to ensure relevant and in-depth insights. Data collection is conducted through semi-structured interviews, allowing informants to elaborate on procedural practices, compliance challenges, and adaptive strategies, supplemented by document analysis of policy regulations, permit applications, and project reports, as well as observation of interactions and administrative processes in the field. Data analysis follows a thematic approach, coding transcripts, field notes, and documents to identify patterns and emerging themes related to procedural efficiency, institutional coordination, stakeholder compliance, enforcement challenges, and socio-economic factors influencing adherence to regulations, while interpreting relationships and contextual dynamics to construct a comprehensive understanding of policy implementation. Ethical considerations, including informed consent, confidentiality, and respectful representation of participants' perspectives, are rigorously maintained throughout the research process to ensure credibility, authenticity, and integrity of the findings.

Results And Discussion

The implementation of building permit issuance in Bontang City reveals intricate procedural dynamics that significantly affect both efficiency and stakeholder experiences. The process of obtaining a building permit involves multiple steps, including submission of detailed construction plans, verification of compliance with zoning regulations, and technical assessments by relevant municipal departments. Observations indicate that while the formal procedures are clearly outlined in local regulations, the practical execution often encounters delays due to administrative bottlenecks, limited staffing, and occasional overlaps in responsibilities among departments (Ahmad Zia et al., 2025; SLAEAT, 2024). Applicants frequently report challenges in navigating the required documentation and coordinating with multiple offices, which can extend the approval timeline and impact project planning. Despite these obstacles, the city has made efforts to streamline procedures through standardized forms and guidelines, yet the gap between formal policy and operational practice remains evident, highlighting the need for continuous process optimization.

Institutional coordination plays a crucial role in the enforcement of building permit policies, yet several challenges persist that affect the consistency and effectiveness of regulation. Departments responsible for urban planning, public works, and permit oversight must collaborate to monitor compliance, inspect construction sites, and ensure adherence to technical and safety standards. However, the research found that coordination is sometimes hindered by unclear delineation of responsibilities, limited inter-agency communication, and variations in interpretation of regulatory requirements. Enforcement actions, including inspections and follow-ups, are inconsistently applied, leading to situations where unauthorized construction occurs without timely intervention. These findings suggest that institutional arrangements, while formally structured, require strengthened communication channels, shared accountability

mechanisms, and resource support to enhance the efficacy of policy implementation in practice (Park et al., 2021).

Stakeholder compliance and engagement emerge as central factors influencing the overall success of building permit issuance. Developers, contractors, and homeowners exhibit varying levels of adherence to regulatory requirements, shaped by their understanding of procedures, perceived complexity, and associated costs. Some stakeholders demonstrate proactive compliance, carefully following guidelines and seeking guidance from municipal officials, while others resort to informal practices or partial adherence due to bureaucratic delays or financial constraints. Socio-economic considerations also play a role, as smaller developers or low-income homeowners may face disproportionate challenges in fulfilling technical and administrative requirements. The study highlights that fostering stakeholder awareness, providing clear guidance, and implementing supportive measures are essential for promoting voluntary compliance and reducing instances of unauthorized construction (Lin et al., 2019).

The broader socio-economic and urban implications of building permit policies are evident in both development patterns and community well-being. Effective enforcement of permits ensures that construction projects adhere to safety standards, contribute to organized urban growth, and minimize environmental risks, thereby supporting sustainable development goals at the municipal level. Conversely, inconsistent implementation can lead to overcrowded neighborhoods, unsafe buildings, and inefficient land utilization, which adversely affect both public safety and economic vitality. The research suggests that a holistic approach, integrating procedural efficiency, institutional coordination, and stakeholder engagement, is critical for achieving policy objectives. By addressing administrative bottlenecks, strengthening inter-agency collaboration, and facilitating stakeholder compliance, Bontang City can enhance the effectiveness of building permit issuance, ultimately fostering a more orderly, safe, and economically vibrant urban environment (Ferdinan, 2025).

Procedural Dynamics and Efficiency of Building Permit Issuance

The procedural dynamics of building permit issuance in Bontang City reveal a complex interplay between formal regulations, administrative practices, and stakeholder interactions. The process requires applicants to submit detailed construction plans, technical documents, and proof of compliance with zoning and safety standards, which are then reviewed by multiple municipal departments. While the legal framework clearly outlines these steps, practical implementation often encounters delays due to limited staffing, high application volumes, and overlapping responsibilities among offices. Applicants frequently experience challenges in understanding procedural requirements and coordinating submissions across different departments, which can extend processing times and complicate project planning (Dingsoyr et al., 2018). These dynamics highlight the tension between formal policy design and operational realities, emphasizing the need for continuous monitoring and adjustment of administrative processes.

Efficiency in the issuance of building permits is influenced not only by procedural clarity but also by the capacity of municipal institutions to manage workloads and streamline workflows. Efforts to improve efficiency, such as the introduction of standardized application forms, step-by-step guidelines, and centralized submission points, have facilitated smoother interactions between applicants and government officials (Mukherjee et al., 2021). Nevertheless, inefficiencies persist in areas such as document verification, site inspections, and coordination among technical units, which can lead to inconsistent processing times and occasional backlogs. The study indicates that while procedural frameworks exist to guide the issuance process, institutional

limitations and operational bottlenecks often hinder timely and predictable outcomes, affecting both developer satisfaction and overall policy effectiveness.

Stakeholder experiences provide valuable insights into procedural efficiency and the practical challenges of navigating building permit systems. Developers, contractors, and homeowners report that clear communication from officials, availability of guidance documents, and accessibility of municipal services significantly influence their ability to comply with regulations. Conversely, applicants encountering unclear instructions, redundant document requirements, or multiple points of contact often experience frustration and may resort to informal practices or partial compliance. The findings suggest that enhancing procedural efficiency requires not only structural improvements within municipal offices but also proactive engagement with stakeholders, clear communication strategies, and adaptive support mechanisms that help applicants understand and fulfill permit requirements effectively. By addressing both institutional and user-centered aspects of the process, Bontang City can improve the operational dynamics of building permit issuance and ensure more reliable and consistent service delivery.

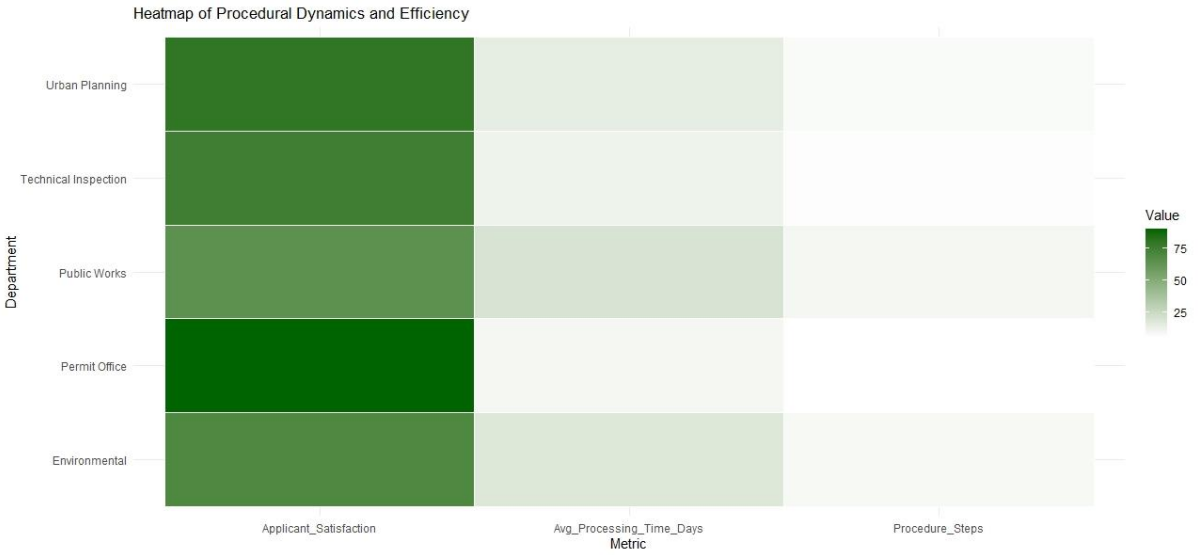

Figure 1 Procedural Dynamics and Efficiency
Source Data Processes by the Author

Figure 1 presents a map depicting the procedural dynamics and efficiency across several government departments within an administrative system. The map uses a green gradient to represent performance levels based on three key metrics: Applicant Satisfaction, Average Processing Time in Days, and Procedural Steps. The vertical axis lists the departments involved: Urban Planning, Technical Inspection, Public Works, the Licensing Office, and the Environment. Darker shades of green indicate higher performance scores, while lighter shades indicate lower levels. This visualization provides a clear picture of the performance of various departments in terms of efficiency, procedural complexity, and citizen satisfaction.

The figure clearly demonstrates that the Applicant Satisfaction metric dominates, with darker shades appearing in nearly all departments. This indicates that overall satisfaction among applicants is relatively high, especially in the Licensing Office, which displays the darkest shade of green. This indicates that the Licensing Office performs best in providing services that meet public expectations in terms of accessibility, responsiveness, and procedural transparency. This high level of satisfaction may reflect the success of bureaucratic reform initiatives or the

implementation of digital-based service systems that increase convenience and reduce administrative friction (Carlos Fredrick Ginting et al., 2025).

The City Planning and Technical Inspection Office also demonstrated relatively high levels of satisfaction, although slightly lower than the Licensing Office. This finding suggests that both agencies have established robust service delivery systems, but still need improvement, particularly in reducing processing times and simplifying procedural requirements. In the context of public administration, these results indicate consistent efforts to uphold service standards, although further administrative innovation is needed to make city planning and inspection procedures more efficient and responsive to citizen needs.

When examining the Average Processing Time in Days metric, most agencies display lighter shades, indicating longer processing times. This suggests that despite relatively high levels of satisfaction, administrative processes remain time-consuming. In many public service systems, citizen satisfaction depends not only on speed but also on the quality of communication, clarity of requirements, and certainty of outcomes (Sutam et al., 2024). However, long processing times can hinder policy effectiveness and public trust if not balanced with transparency and easily accessible information. Therefore, improving time efficiency remains a crucial element of service quality.

The Procedure Steps metric also shows very low levels of delays across most departments, indicating that the number of procedural steps remains relatively high. Lengthy administrative processes are a common source of bureaucratic inefficiency, often leading to paperwork backlogs, service delays, and a higher risk of administrative errors. This underscores the importance of government efforts to implement business process reengineering to simplify workflows to make them more concise, effective, and user-friendly. Simplifying procedures is also a key factor in increasing the competitiveness and attractiveness of public services in the era of administrative digitalization (Vukašinović Radojičić et al., 2023).

Among these departments, the Licensing Office stands out as the most efficient unit overall, particularly in terms of applicant satisfaction. This may indicate that administrative reforms in licensing services are more advanced than in other departments, possibly due to the implementation of an integrated service system or digital licensing platform that minimizes face-to-face interactions and shortens processing times. Meanwhile, the Public Works and Environment Departments performed moderately, indicating that both still face challenges in time efficiency and procedural simplification. These departments often handle technically complex tasks and require interdepartmental coordination, which can slow service delivery.

This heatmap provides a comprehensive overview of procedural efficiency across government departments. Darker shades of green reflecting applicant satisfaction levels indicate that the quality of public service delivery has significantly improved. However, lighter shades of green reflecting processing times and procedural steps indicate that administrative efficiency still needs to be improved through managerial innovation and digital transformation. Thus, this visualization underscores the importance of balancing service quality and processing speed in building a responsive, transparent, and citizen-focused public administration system.

Institutional Coordination and Challenges in Enforcement

Institutional coordination plays a central role in the enforcement of building permit policies in Bontang City, as multiple departments are involved in reviewing applications, conducting inspections, and ensuring compliance with technical and safety standards. Effective coordination requires clear delineation of responsibilities, consistent communication channels, and shared protocols to avoid overlaps or gaps in enforcement. The research indicates that while

formal frameworks exist to define these roles, practical implementation often reveals weaknesses in inter-agency collaboration, with departments occasionally operating in silos or applying standards inconsistently. Such fragmentation can lead to delays in inspections, uneven monitoring of construction sites, and confusion among applicants, ultimately affecting the overall effectiveness of policy enforcement (Husain, 2024).

Challenges in enforcement are compounded by limited resources, both in terms of personnel and technical capacity, which hinder the ability of institutions to conduct thorough inspections and follow-ups on construction activities. Municipal staff often face high workloads, making it difficult to maintain regular oversight and promptly address violations. In addition, varying interpretations of regulations among officials can result in inconsistent enforcement actions, creating uncertainty for developers and sometimes fostering informal or non-compliant construction practices. The study highlights that enforcement effectiveness is not solely dependent on legal provisions but also on the operational capacity and coordination mechanisms that enable institutions to implement these provisions in a consistent and transparent manner.

Stakeholder engagement emerges as a crucial factor influencing institutional coordination and enforcement outcomes. Effective enforcement is facilitated when developers, contractors, and community representatives understand the rules and cooperate with municipal authorities, reducing the need for punitive measures (Moreto et al., 2017). Conversely, lack of awareness, communication gaps, or perceived procedural complexity can undermine compliance and increase enforcement challenges. The findings suggest that improving institutional coordination requires not only structural and procedural reforms but also proactive communication strategies, training programs for officials, and mechanisms for stakeholder participation. By strengthening both inter-agency collaboration and community engagement, Bontang City can enhance the consistency and reliability of building permit enforcement, ensuring that construction activities align with safety standards, urban planning objectives, and sustainable development goals.

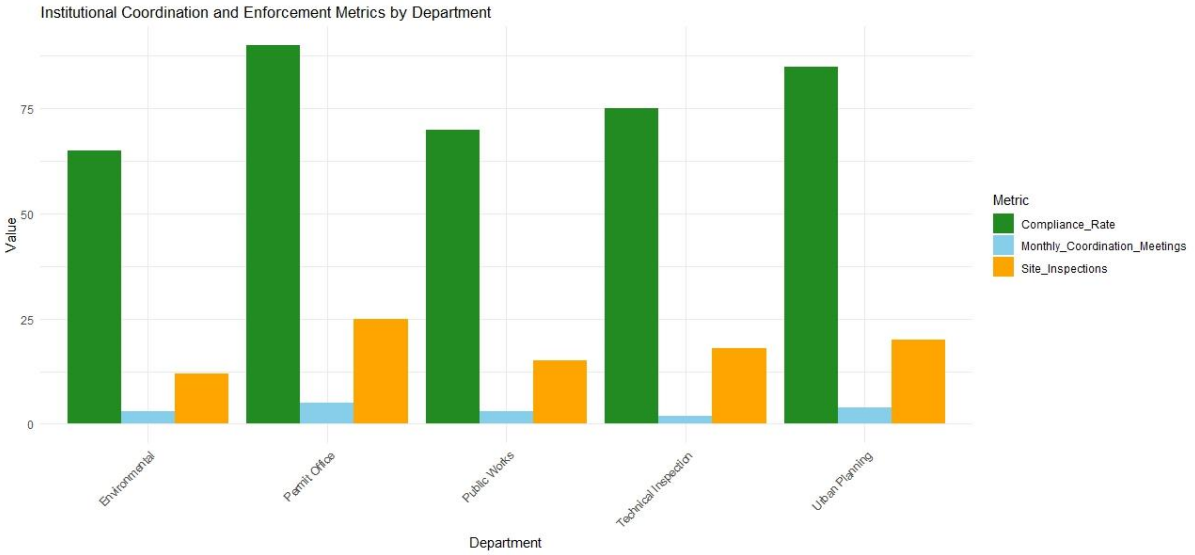

Figure 2 Intitutional Coordination and Enforcement Metrics by Departement
Source Data Processes by the Author

Figure 2 shows institutional coordination and enforcement metrics across five different departments: Environment, the Licensing Office, Public Works, Technical Inspection, and City Planning. Each department is evaluated based on three key indicators: Compliance Level, Monthly Coordination Meetings, and Field Inspections. These indicators reflect how effectively each department carries out its coordination function and ensures regulatory compliance. The chart clearly shows that the Compliance Level scores highest across all departments compared to the other two metrics. The Licensing Office and the City Planning Department recorded the highest compliance rates, both approaching 90 percent (Omollo, 2020). This indicates that these two departments have robust internal monitoring systems and effective mechanisms for enforcing regulations. Meanwhile, the Environment Department demonstrated the lowest compliance rate among the five departments, although still exceeding 60 percent.

The Monthly Coordination Meetings indicator shows a relatively low number across all departments, ranging between 2 and 6 meetings per month. The Licensing Office and City Planning appear to be more active in holding coordination meetings than Technical Inspection, which recorded the fewest. This relatively low frequency may reflect limited human resources or a lower priority placed on interdepartmental coordination in certain sectors.

On the other hand, the Field Inspection indicator shows greater variation across departments. The Licensing Office had the highest number of inspections, around 25, followed by City Planning and Technical Inspection. The high frequency of inspections within the Licensing Office underscores its crucial role in monitoring issued permits and ensuring that project implementation aligns with applicable regulations. Other departments, such as Environment and Public Works, conducted fewer inspections possibly due to their broader scope of responsibilities or limited availability of field staff (Xiang et al., 2020).

The integration of these three metrics provides a comprehensive picture of each department's effectiveness in coordination and enforcement. For example, a department with a high level of compliance but few coordination meetings may have an efficient internal system but lacks interagency collaboration. Conversely, a department that holds frequent meetings but conducts fewer field inspections may face challenges in translating coordination efforts into concrete field actions.

These patterns suggest that compliance levels tend to correlate with the intensity of coordination and inspection activities, although not consistently across departments. This shows that successful regulatory enforcement depends not only on the number of coordination meetings or inspections, but also on the quality of interactions, internal policies, and organizational culture. Departments that can balance strategic coordination with practical fieldwork tend to demonstrate stronger compliance outcomes.

The graph underscores the importance of synergy between institutional coordination and enforcement activities on the ground. To improve governance effectiveness, local governments and relevant agencies should strengthen interdepartmental communication mechanisms, enhance collaborative evaluations, and build the capacity of inspection personnel. These steps will not only improve compliance rates but also promote greater efficiency and accountability in the overall implementation of public policies.

Stakeholder Compliance and Socio-Economic Implications

Stakeholder compliance plays a pivotal role in the successful implementation of building permit policies in Bontang City, as the effectiveness of regulatory enforcement largely depends on the willingness and capacity of developers, contractors, and homeowners to adhere to established procedures. Compliance is influenced by stakeholders' understanding of the permit

requirements, the clarity of administrative processes, and the perceived fairness and efficiency of municipal services. The research indicates that when guidelines are well-communicated and support is provided, stakeholders are more likely to comply voluntarily, whereas complex procedures, ambiguous instructions, or bureaucratic delays can lead to partial compliance, informal practices, or even unauthorized construction. These dynamics underscore the importance of proactive engagement and transparent communication in fostering a culture of adherence to regulatory standards (Oladiran Kayode Olajiga et al., 2024).

Socio-economic factors significantly shape stakeholder behavior in the building permit process. Developers and homeowners face varying levels of financial and technical capacity, which affect their ability to meet procedural and technical requirements. Smaller-scale developers or low-income households may encounter disproportionate challenges in preparing the necessary documentation or fulfilling technical standards, resulting in delayed submissions or non-compliance. Conversely, stakeholders with greater resources are often better positioned to navigate complex procedures efficiently. These disparities highlight the need for policy implementation to be sensitive to local socio-economic conditions, providing mechanisms for guidance, capacity-building, and equitable access to permit services to ensure that compliance is achievable across all stakeholder groups.

The broader socio-economic implications of stakeholder compliance extend beyond individual projects to the urban environment and community well-being. High compliance rates contribute to safer buildings, orderly urban development, and improved public trust in governance, whereas non-compliance can result in unsafe structures, inefficient land use, and potential conflicts between residents and authorities. Additionally, effective adherence to building permit regulations supports sustainable economic development by ensuring that construction investments align with municipal planning objectives and regulatory frameworks. The findings suggest that fostering compliance requires an integrated approach that combines administrative efficiency, stakeholder support, socio-economic sensitivity, and consistent enforcement, ultimately promoting equitable, safe, and sustainable urban growth in Bontang City.

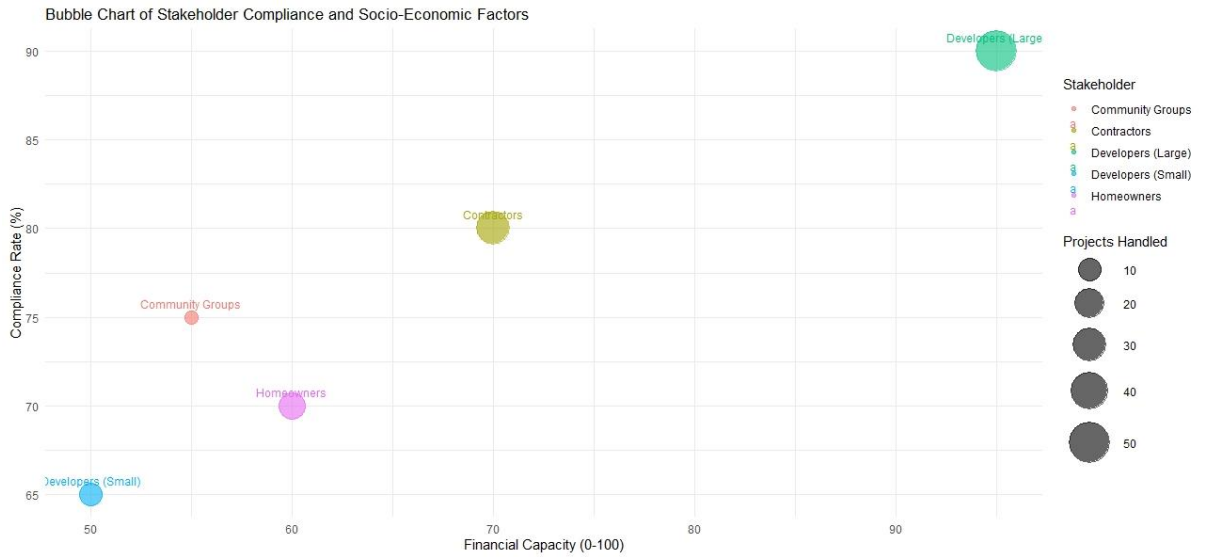

Figure 3 Stakeholder Compliance and Socio-economic Factors
Source Data Processes by the Author

Figure 3 shows the relationship between Compliance Level, Financial Capacity, and the number of projects handled by various stakeholder groups. The stakeholders compared include Community Groups, Contractors, (Large) Developers, (Small) Developers, and Homeowners. The size of each bubble indicates the number of projects handled, while the horizontal axis indicates financial capacity and the vertical axis indicates compliance level. Large Developers have the highest scores in terms of financial capacity and compliance level. With a financial capacity approaching 95% and a compliance level of around 90%, this group also manages the largest number of projects, as reflected by the largest bubble sizes. This finding suggests that economies of scale and abundant resources enable large developers to maintain higher regulatory compliance and achieve greater efficiency in project implementation.

Contractors occupy a middle position with a compliance level of around 80% and a financial capacity approaching 70%. Their relatively large bubble sizes indicate that they handle a large number of projects. This reflects their role as technical implementers, often acting as intermediaries between developers and government authorities (Löbel et al., 2016). Their relatively high compliance levels may be influenced by the need to maintain a professional reputation and adhere to the stringent technical standards required for each project.

Community Groups demonstrate a relatively good level of compliance, at around 75 percent, but have relatively low financial capacity, at around 55 percent. Despite limited resources, these groups appear committed to regulatory compliance, likely due to their direct involvement in social and environmental governance at the community level. However, their smaller bubble size indicates they handle fewer projects, indicating their limited operational scale. Homeowner compliance is slightly lower than Community Groups, at around 70 percent, and their financial capacity is closer to 60 percent. Their medium-sized bubble indicates they manage a number of moderate projects, likely involving small-scale home construction or renovation activities. Individual awareness and socioeconomic background can play a significant role in determining compliance levels within this group, which tend to vary widely.

Meanwhile, Small Developers demonstrate the lowest scores for financial capacity and compliance levels, at around 50 and 65 percent, respectively. This reflects the challenges smaller developers face in meeting the same regulatory and administrative standards as larger developers. Limited access to capital and technical expertise are likely key factors contributing to their lower compliance performance. There is a positive correlation between financial capacity and compliance levels. Stakeholders with higher financial capacity tend to demonstrate better compliance and handle more projects. This reinforces the notion that financial capacity plays a significant role in determining how well an entity can meet legal, technical, and administrative requirements in project implementation.

This graph provides a clear picture of the disparity in compliance across stakeholders with varying financial capacities. To improve overall compliance, public policy efforts can focus on strengthening support for groups with limited resources, such as small developers and community groups. Initiatives such as technical training, simplified procedures, and compliance incentives can help create a fairer balance between financial capacity and regulatory obligations across the development sector.

Based on research findings, the implementation of the Building Construction Permit policy in Bontang City exhibits complex administrative dynamics, impacting efficiency and stakeholder experience. The permitting process involves several stages, including technical assessment, zoning compliance verification, and inter-agency coordination, which is often time-consuming. Although formal procedures have been clearly outlined in local regulations, implementation still faces obstacles such as limited human resources and overlapping authority

between agencies. Efforts to simplify procedures have been made through the use of standard forms and technical guidelines; however, gaps between written policies and operational practices remain apparent, indicating the need for continuous improvement in governance mechanisms.

Institutional coordination plays a crucial role in the effective implementation of the building construction permit policy in Bontang. Various agencies, such as the City Planning Agency, Public Works Agency, Environmental Agency, and Licensing Agency, must collaborate to ensure compliance with safety and technical standards (Grigg, 2025). However, these findings indicate that coordination challenges persist due to unclear division of responsibilities, limited inter-agency communication, and differing interpretations of regulations. These weaknesses contribute to inspection delays and inconsistencies in law enforcement. Therefore, strengthening coordination mechanisms, establishing a shared accountability framework, and utilizing an integrated information system are crucial steps to improve the consistency and effectiveness of policy implementation.

The level of compliance of key stakeholders, including developers, contractors, and homeowners, emerged as a determining factor in policy success. This study shows that procedural understanding, perceived transparency, and financial capacity significantly influence compliance behavior. Large developers and contractors with greater financial resources tend to demonstrate higher levels of regulatory compliance, while small developers and low-income homeowners face more significant administrative and technical challenges. In this context, government support through technical assistance, regulatory dissemination, and procedural simplification is crucial to encourage broader compliance and reduce cases of unpermitted construction (Omollo, 2019).

The implementation of the building permit policy in Bontang City reflects diverse urban governance challenges. Its effectiveness depends on maintaining a balance between procedural efficiency, interagency coordination, and active stakeholder engagement. Consistent law enforcement will not only improve building security and orderly spatial planning, but also strengthen public trust in local government as a transparent and accountable service provider. Therefore, the development of an integrated and responsive licensing system is expected to lay the foundation for equitable and sustainable urban growth in Bontang City.

CONCLUSION

The implementation of the building permit policy in Bontang City highlights that effective urban governance requires the integration of administrative efficiency, institutional coordination, and stakeholder participation. While the existing regulatory framework provides clear procedural guidelines, practical challenges such as bureaucratic delays, limited inter-agency communication, and disparities in stakeholder capacity continue to hinder optimal policy outcomes. Strengthening coordination among departments, enhancing transparency, and providing technical and financial support to smaller stakeholders are essential to improving compliance and service delivery. Ultimately, a more streamlined, inclusive, and transparent building permit system will not only enhance regulatory enforcement but also promote sustainable, safe, and equitable urban development in Bontang City.

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