



Rethinking Lifetime Pensions For Parliamentarians: A Socio-Legal And Humanitarian Critique

Meninjau Kembali Pensiun Seumur Hidup bagi Anggota Parlemen: Sebuah Kritik Sosiologis, Hukum, dan Kemanusiaan

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Abstract

This study examines the ethical, legal, and humanitarian implications of providing lifetime pensions to members of the House of Representatives (DPR) in Indonesia, utilising a socio-legal perspective. Under Law No. 12 of 1980, parliamentarians receive lifetime financial support after completing short terms of service, creating a stark contrast with the economic precarity of the general public. This study employs a normative-doctrinal legal method enriched by a sociological critique of public budgeting. Using John Rawls's Theory of Distributive Justice and the Public Trust Doctrine as analytical frameworks, this research interrogates the conceptual validity of lifetime parliamentary pensions against the principles of sound state financial management. The findings reveal that the current pension scheme breeds constitutional and ethical regression by institutionalising structural inequality. This paper argues that lifetime pensions for short-term political office holders violate the state's fiduciary duty and exploit public resources at the expense of marginalised communities' socio-economic rights. Finally, this study proposes a policy transition from the current non-contributory lifetime pension to a contribution-based, limited-term severance model (*Contribution-Based Severance Scheme*), ensuring that public office is treated as a temporary civic duty rather than a lifetime economic privilege


Abstrak

Penelitian ini mengkaji implikasi etis, hukum, dan kemanusiaan dari pemberian dana pensiun seumur hidup bagi anggota Dewan Perwakilan Rakyat (DPR) di Indonesia dari perspektif sosiologi-hukum. Berdasarkan Undang-Undang Nomor 12 Tahun 1980, anggota parlemen menerima jaminan keuangan seumur hidup setelah menyelesaikan masa jabatan yang singkat, yang menciptakan kontras yang mencolok dengan kerentanan ekonomi masyarakat umum. Penelitian ini menggunakan metode hukum normatif-doktrinal yang diperkaya dengan kritik sosiologis terhadap penganggaran publik. Dengan menggunakan Teori Keadilan Distributif John Rawls dan Doktrin Kepercayaan Publik sebagai kerangka analitis, penelitian ini mengkaji ulang validitas konseptual pensiun seumur hidup bagi anggota parlemen terhadap prinsip-prinsip pengelolaan keuangan publik yang baik. Temuan penelitian menunjukkan bahwa skema pensiun saat ini menimbulkan kemunduran konstitusional dan etis dengan melembagakan ketidaksetaraan struktural. Artikel ini berargumen bahwa pensiun seumur hidup bagi pemegang jabatan politik jangka pendek melanggar kewajiban fidusia negara dan mengeksploitasi sumber daya publik dengan mengorbankan hak-hak sosial-ekonomi komunitas terpinggirkan. Akhirnya, studi ini mengusulkan



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INTRODUCTION

The practice of providing excessive financial guarantees to political officials is one of the crucial issues in contemporary governance in Southeast Asia, undermining social justice and humanity. This problem arises due to the wide gap between the prosperity of the political elite and the economic vulnerability faced by the working class at the grassroots level. Data from the World Bank³² confirms that economic inequality in developing countries such as Indonesia remains persistent, where the allocation of the state budget has not yet fully prioritised social safety nets for marginalised communities. Whilst the people must struggle to cope with post-pandemic job insecurity, the state budget is instead burdened by the maintenance of facilities and lifetime pensions for former members of parliament.³³ The author argues that this inequitable budget allocation reflects an ethical failure in designing a system of rewards for public officials that is oriented towards public service. Public officials should be viewed as civil servants serving on a temporary basis, not as a privileged caste with perpetual financial rights derived from the people's tax contributions. Therefore, a radical deconstruction of all regulations that perpetuate the economic privileges of the political elite is required to restore universal human values in state budgeting.

In Indonesia, the legitimacy of granting a lifetime pension to members of the House of Representatives (DPR) has sparked a sharp legal tension between formal legality and legal morality. This provision is based on Law No. 12 of 1980 on the Financial/Administrative Rights of Leaders and Members of the Highest/High State Institutions, which grants the right to a lifetime pension even though their term of office lasts only five years or even less. Many constitutional law experts consider that this law, a legacy of the New Order era, is no longer relevant to the spirit of bureaucratic reform and accountable state financial management. Article 3 of Law No. 17 of 2003 on State Finance explicitly mandates that financial management must be conducted in an orderly, compliant, efficient, economical, effective, transparent, and accountable manner, whilst taking into account a sense of justice and propriety. The author considers that the provision of a lifetime pension for short-term political office is substantially at odds with the principles of propriety and social justice in administrative law. This normative inconsistency demonstrates that our positive law still tolerates the legal squandering of the state budget for the comfort of a small group of judicial and legislative elites. In conclusion, this tension calls for a critical review to realign the direction of state financial regulation so that it is consistent with public justice.

³²*The World Bank Annual Report 2024* (World Bank Group, 2024), <https://openknowledge.worldbank.org/bitstreams/91a20260-c3c4-4ed7-a488-d7dd8d419c8a/download>.

³³ Muhlis Hafel and Hi Halil, Abdul Ibrahim, "Budget Politics in Indonesia : Processes, Challenges, and Economic Implications," *International Research Journal of Management, IT & Social Sciences* 11, no. 4 (2024): 159–68.

Although numerous studies on the remuneration and benefits policies for public officials have been conducted by national academics, the majority of the existing literature remains confined to a dry, formal-legal approach. Previous research generally only addresses the administrative compliance of pension entitlements without critically examining their sociological implications for class inequality in society.³⁴ Other researchers have attempted to analyse pension fund equity, yet their analysis is limited to a comparison of nominal figures without being underpinned by a deep and humanistic analysis grounded in distributive justice theory.³⁵ No research has yet critically explored how Law No. 12 of 1980 functions as a form of ‘smuggling of interests’ by the political elite, delegated through the instrument of autonomous legislation. The author fills this academic gap (*research gap*) by employing a socio-legal approach to dissect the dynamics of lifetime pensions from the perspective of humanity and the Doctrine of Public Trust. This article not only highlights conflicts of law but also exposes how state finances are legally exploited by the ruling political structure. In conclusion, this research positions itself as a conceptual bridge to propose a model for reformulating a more just and accountable parliamentary pension system.

This study is based on the theoretical proposition that the policy of providing a lifetime pension for members of the House of Representatives constitutes a form of constitutional regression that exploits state finances for the benefit of *vested* interests. The hypothesis put forward is that the provision of long-term financial compensation for short-term political office is diametrically opposed to the principles of distributive justice and human rights in the socio-economic sphere. Preliminary observations indicate that the budget allocation for legislative pensions, amounting to billions of rupiah annually, directly reduces the portion of the budget that should be allocated to poverty alleviation and free healthcare services. Empirical data confirms that the non-contributory pension system for political officials in Indonesia is one of the most lenient and unfair compared to pension systems in developed nations that apply the principle of self-contribution. The author argues that this situation demands a radical reconstruction of the legal rationale underpinning state financial management: from a model of remuneration based on political status towards a model based on actual contribution and social equity. We must redesign how public officials’ compensation can be reconceptualised as a form of ethical public service, rather than as an intergenerational fiscal burden that oppresses the people. In conclusion, the harmonisation of public finance law will only be achieved if the value of distributive justice is organically integrated into pension guarantee regulations through responsive legislative policy.

METHODS

This study employs a normative legal research design situated within the framework of *the socio-legal approach* to analyse the issue of lifetime pensions for members of the DPR. This methodological choice is based on the need to view the law not merely as a sterile collection of written norms (*law in books*), but as an instrument of public policy that has

³⁴ Ria Yuli Angliawati, “Peran Remunerasi Terhadap Kualitas Pelayanan Publik: Theoretical Review,” *Ecodemica* IV, no. 2 (2016): 203–13.

³⁵ Mark Hyde, John Dixon, and Glenn Drover, “Assessing the Capacity of Pension Institutions to Promote Distributive Justice : A ‘ Liberal ’ Conceptual Framework,” *The Open Social Science Journal* 2 (2009): 16–31.

a direct impact on social welfare (*law in action*). The socio-legal approach³⁶ enables researchers to utilise auxiliary social sciences such as public finance sociology and political ethics theory to analyse the moral failure of Law No. 12 of 1980. Armia asserts that normative studies enriched with a critical perspective are highly effective for mapping the deviant functions of law when it is used as a tool to protect the interests of the ruling elite.³⁷ The author employs this framework to critically evaluate how the legal reasoning of lawmakers operates amidst demands for social justice and national fiscal austerity. This is crucial because the resolution of public budget disputes often overlooks the sociological dynamics of poverty at the grassroots level, which is burdened by the tax burden. Consequently, this methodological choice ensures an analysis that is not merely legalistic but also sensitive to sociological humanistic values.

A *case study approach* and a *comparative policy approach* are employed in this research by comparing parliamentary pension schemes in Indonesia with those in several Asian countries. The use of this approach aims to identify the underlying rationale as to why some countries choose to limit or even abolish lifetime pension schemes for short-term political officials in order to safeguard the health of their national budgets. The primary unit of analysis in this study focuses on empirical data regarding the budgeting of pension funds for former members of the Indonesian House of Representatives (DPR RI) for the 2019–2024 term, who are entitled to lifetime pensions despite their legislative performance often being criticised by the public. Through a comparative study with other countries such as South Korea or Singapore, which implement voluntary contribution-based pension systems, the researcher can detect a decline in ethical budgeting standards in Indonesia. The author analyses that this policy disparity reflects systemic injustice, wherein the economic comfort of political officials in Indonesia is excessively protected by law. A comparison of several concrete cases will reveal how legislation is negotiated in the interests of financial security for the elite or state budgetary efficiency. In conclusion, this comparative case study serves as a judicial detection tool to test the consistency and accountability of remuneration policies for public officials in Indonesia.

The data sources in this study rely entirely on secondary data, which is classified into primary, secondary and tertiary legal materials in order to strengthen the scientific argument. The use of secondary data in the normative method is an absolute requirement as the focus of the study is placed on the analysis of legal texts, the doctrine of justice, and credible state financial reports.³⁸ Primary legal materials include the 1945 Constitution of the Republic of Indonesia, Law No. 12 of 1980 on the Financial Rights of State Officials, Law No. 17 of 2003 on State Finance, and the State Budget Law (APBN). Secondary legal materials were obtained from academic treatises on legislation, textbooks on justice, internationally reputable scientific journals, and audit reports by the State Audit Agency (BPK) regarding the efficiency of pension funds for state-owned enterprises and public officials. The author ensures that all data used has undergone a theoretical validity test through cross-verification between regulatory texts and contemporary doctrines of

³⁶ Reza Banakar, "On Socio-Legal Design," 2019.

³⁷ Muhammad Siddiq Armia, *Penentuan Metode Dan Pendekatan Penelitian Hukum*, ed. Iur Chairul Fahmi (Banda Aceh: Lembaga Kajian KONstitusi Indonesia (LKKI) Universitas Islam Negeri Ar-Raniry Banda Aceh, 2022).

³⁸ Soetandyo Wignjosebroto, *Hukum: Paradigma, Metode Dan Masalah*, ed. Ifdhal Kasim dkk. (Jakarta: ELSAM dan HUMA, 2002).

distributive justice. This rich collection of secondary data prevents the research from falling into the trap of speculative analysis and ensures that the objectivity of the study. Thus, the strength of the normative and sociological data in this manuscript serves as the main foundation for constructing a critical argument against parliamentary pension fund policy reforms.

Data collection was carried out through targeted literature *review* and systematic documentation of all legal materials relevant to the subject of the study. This technique was chosen because it is highly efficient in compiling, classifying, and selecting legal materials based on strict relevance criteria to address the research questions. The inclusion criteria established by the researcher in the document selection process include: (1) Regulations on old-age security and pensions for civil servants in Indonesia, (2) Statistical reports on the absorption of the State Budget for non-civil service pension funds, and (3) Constitutional court rulings or legal reviews regarding the financial rights of state institutions. Mukti Fajar states that structured documentation of legal materials is crucial for maintaining the continuity of the researcher's line of reasoning when drawing normative-empirical conclusions.³⁹ The author conducted a digital search via the Ministry of Finance and the Indonesian House of Representatives' Legal Documentation and Information Network (JDIH) database to obtain authentic draft regulations. By conducting an in-depth literature review, the researcher was able to map the academic positions of various administrative law experts before proposing new ideas regarding the reconstruction of pension funds. In conclusion, this standardised data collection technique ensures that all data analysed in this paper possesses a high level of scientific accuracy and credibility.

The data analysis technique in this study was conducted qualitatively using a descriptive-analytical approach and the *Comparative Legislative Reasoning Analysis* method. This method was chosen because it is highly reliable in examining the structure of legal argumentation, the sociological value basis, and the political motives behind the formulation and defence of legislation.⁴⁰ The analysis process was carried out through three systematic stages: (1) Data reduction, namely sorting out the normative provisions regarding lifetime pensions from Law No. 12 of 1980; (2) Data presentation, namely comparing budget absorption data with the principles of sound public financial management; and (3) Inductive conclusion drawing.⁴¹ The author applies this analytical method to transparently unpack whether the defence of the DPR's lifetime pension scheme is driven by the welfare needs of officials or merely the exploitation of autonomous power. Through descriptive-analytical analysis, this study not only explains 'what' the regulation entails, but critically evaluates 'why' it is maintained and 'how' its humanitarian impact affects social justice. This analysis guides readers to objectively observe the failure of synchronisation between formal legality and substantive justice, free from personal bias. Ultimately, this analytical technique serves as the primary tool for producing accountable conclusions and providing concrete policy recommendations for lawmakers in Indonesia.

³⁹ Mukti Fajar and Yulianto Achmad, *Dualisme Penelitian Hukum Normatif Dan Empiris* (Yogyakarta: Pustaka Pelajar, 2013).

⁴⁰ Reza Banakar, *Normativity in Legal Sociology; Methodological Reflections on Law and Regulation in Late Modernity* (London: Springer, 2015).

⁴¹ Soerjono Soekanto, *Pengantar Penelitian Hukum*, 3rd ed. (Jakarta: UI-Press, 1986).

RESULT AND DISCUSSION

Empirical Findings on Parliamentary Pension Regulations, Fiscal Impact, and Regional Comparisons

The research findings reveal a fundamental legal contradiction between Law No. 12 of 1980 and the modern state financial management legislative package. Law No. 12 of 1980 was enacted in the authoritarian political atmosphere of the New Order, which placed the state elite in a privileged caste, so that its content was highly accommodating of officials' financial privileges. Conversely, Law No. 17 of 2003 on State Finance and Law No. 1 of 2004 on the State Treasury were enacted in the spirit of reform, which demanded efficiency, transparency and budgetary compliance. An audit by the State Audit Agency (BPK) confirmed that the lifetime pension scheme for members of the House of Representatives places a continuous burden on the State Budget without any measurable performance evaluation of the recipients.⁴² The author analyses that, systemically, Law No. 12 of 1980 constitutes a 'legislative anomaly' that is out of step with the principles of *good financial governance*. The existence of this archaic law undermines the coherence of the national legal system and serves as a shield for budgetary inefficiencies protected by positive law. Consequently, this normative inconsistency demonstrates the legal urgency for the *repeal* or total amendment of Law No. 12 of 1980.

An analysis of budget data shows that the funding of lifetime pensions for former members of the House of Representatives places a very heavy fiscal burden on the State Budget, which is unsustainable in the long term. Every five years, through the process of parliamentary turnover, there is an accumulation of new pension recipients whose costs must be borne by the state treasury on a cumulative basis. The Ministry of Finance's budget implementation report 2024⁴³ notes that pension funds for state officials, including former members of the House of Representatives, are draining an ever-increasing allocation from the State Budget each year without any commensurate contribution from officials whilst they are in active service. This autonomous pension scheme is entirely funded through a *pay-as-you-go* mechanism using current tax revenue, rather than from a self-managed investment fund (*funded pension*).⁴⁴ The author argues that this budgeting model creates *intergenerational injustice*, whereby future generations of taxpayers are forced to fund the lifestyles of retired politicians from the past. This budgetary inefficiency constrains the state's fiscal manoeuvre to fund essential sectors such as stunting eradication, educational scholarships, and rural infrastructure development. In conclusion, this budgetary data quantitatively demonstrates that the lifetime pension scheme for members of the House of Representatives constitutes fiscal waste that must be immediately discontinued for the sake of the state's financial health.

International comparisons show that developed countries in Asia have moved away from non-contributory lifetime pension schemes for members of parliament in the interests of efficiency and social equity. Countries such as South Korea and Japan have

⁴² Mutia Evi Kristhy, Dadang Siswanto, and Datman Ketaren, "Legal Political Analysis in the State Budget (State Accountability)," *Journal Of Social Science* 3, no. 4 (2022).

⁴³ <https://budgetoffice.gov.ng/index.php/resources/internal-resources/reports/quarterly-budget-implementation/2024-budget-implementation-report>.

⁴⁴ Ritma Tri Astuthy, Alitha Ulfah, and Tenriwaru, "Analysis of the Perspective on Pension Fund Management: From Pay-As-You-Go to Fully Funded Systems," *Contemporary Journal on Business and Accounting (CjBA)* 4, no. 2 (2024): 1-15.

undertaken radical reforms by requiring their parliamentarians to participate in national pension schemes based on self-contribution, just like ordinary citizens.⁴⁵ In Singapore, the pension system for ministers and parliamentarians was completely abolished in 2011 and replaced with a one-off transitional severance pay scheme adjusted to actual tenure.⁴⁶ A comparative study by the Ministry of State Apparatus and Bureaucratic Reform (Kemenpan-RB) confirms that these reforms have successfully saved millions of dollars in civil service expenditure and drastically improved public confidence in parliamentary integrity.⁴⁷ The author analyses that the model implemented in these countries places politicians on an equal footing with taxpaying citizens in terms of old-age security (*equality before the law*). Conversely, Indonesia continues to maintain the ‘pampered’ pension system inherited from the New Order era, which spoils politicians with lifelong financial security without fair contributions. Therefore, this regional comparison provides strong empirical evidence that reforming the parliamentary pension system in Indonesia is entirely feasible and has successful precedents in Asia.

Documented Disparities: Legislative Performance, Authority Exploitation, and Socio-Economic Realities

Field findings reveal a highly ironic disparity between the often minimal legislative performance of the House of Representatives and the lifetime pension benefits they receive. Low attendance rates at plenary sessions, the quality of discussions on draft legislation (RUU), and the low realisation of Prolegnas targets are frequently the subject of criticism from civil society every year. A parliamentary monitoring report by the Indonesian Parliamentary Watch Forum (Formappi) notes that out of the dozens of draft laws targeted in the Prolegnas, the DPR on average manages to pass fewer than 30% of them per term.⁴⁸ The performance of oversight over the conduct of government is also frequently deemed ineffective and rife with pragmatic political compromises for the sake of group interests.⁴⁹ The author argues that the provision of a lifetime pension for DPR members with a track record of poor performance constitutes a form of *performance injustice*. The state grants unlimited financial rewards to political actors who have functionally failed to make a maximum contribution to the improvement of national law. In conclusion, these findings reinforce the public’s moral demand that officials’ retirement benefits must be proportionately aligned with the quality and quantity of their actual performance whilst in office.

The exploitation of legislative autonomy has been identified as the primary factor enabling these unfair pension guarantee rules to persist for decades within the

⁴⁵ Young Jun Choi, “Pension Policy and Politics in East Asia,” *Policy and Politics* 36 (2008): 127–44, <https://api.semanticscholar.org/CorpusID:154869327>.

⁴⁶ Mukul G Asher and Azad Singh Bali, “Fairness and Sustainability of Pension Arrangements in Singapore: An Assessment,” 2013, <https://api.semanticscholar.org/CorpusID:155475595>.

⁴⁷ Elly Yuliawati and Kurniawan Prasetyo, “Bureaucracy Reform Implementation of Legislative Institutions in Indonesia,” in *Advances in Social Science, Education and Humanities Research (ASSEHR)*, vol. 219 (Atlantis Press, 2019), 186–202.

⁴⁸ Erminilda Febriani Angkang, Rafael Rape Tupen, and Hernimus Ratu Udju, “Pelaksanaan Tugas Dan Fungsi Legislasi Dewan Perwakilan Rakyat Republik Indonesia Periode 2019-2024,” *JURRISH: Jurnal Riset Rumpun Ilmu Sosial, Politik Dan Humaniora* 4, no. 1 (2025): 423–32.

⁴⁹ Firdaus Arifin, “An Assessment of the Productivity and Effectiveness of Law Making from the Legal Perspective of the Indonesian State,” *International Journal of Law and Public Policy* 6, no. 1 (2024): 29–37, <https://doi.org/10.36079/lamintang.ijlapp-0601.653>.

Indonesian legal system. Members of the House of Representatives possess constitutional authority to enact laws, which, ironically, they often use to design and pass financial entitlement rules that benefit themselves. A similar situation occurs within the autonomous judiciary, where Supreme Court justices and constitutional court judges also secure lifetime pension rights through judicial appointment laws that they themselves have helped shape.⁵⁰ Constitutional Court rulings regarding the review of social security legislation or financial entitlements for public officials frequently demonstrate a 'self-defensive' stance by upholding judicial and legislative privileges.⁵¹ The author analyses that this situation creates a severe *conflict of interest*, wherein the rule-makers act simultaneously as the primary beneficiaries of the rules they create. This conflict of interest undermines the principle of impartial justice in constitutional law and violates the principle that no one may be a judge in their own case (*nemo iudex in causa sua*). Thus, this finding indicates that the preservation of the DPR's lifetime pensions is the result of a systemic failure of legislative power checks and balances in Indonesia.

The sociological and economic implications of the continued existence of a lifetime pension scheme for members of the House of Representatives are felt directly by marginalised communities in the form of the loss of basic social security entitlements. State budget allocations siphoned off to fund the comfort of former political officials reduce the portion of the budget that should be allocated to fund old-age security for the poor. According to the Integrated Social Welfare Data (DTKS), millions of elderly people in Indonesia are currently living in destitution without a state pension due to the limited funds of the National Social Security Scheme (SJSN). This extreme inequality breeds social resentment and undermines social cohesion, where taxpaying citizens feel neglected whilst politicians are pampered.⁵² The author asserts that the refusal to reform the DPR's lifetime pensions constitutes a disregard for the human dignity of ordinary people. The state indirectly perpetuates the structure of poverty by distributing national wealth unfairly towards the apex of the power pyramid. Consequently, the research findings demonstrate that the current parliamentary pension system constitutes a form of structural discrimination that deprives citizens of their socio-economic rights for the sake of the comfort of a small political elite.

Theoretical Interrogation and Multidimensional Deconstruction of the Parliamentary Lifetime Pension Scheme

A deconstruction of *the ratio legis* of Law No. 12 of 1980 reveals that the philosophical basis for the enactment of this law is deeply flawed from the perspective of contemporary distributive justice. The provision of a lifetime pension for members of the House of Representatives is based on the antiquated argument that a retirement guarantee is

⁵⁰ Frank Feulner, "The Indonesian House of Representatives and Its Role during Democratic Regression," *The Theory and Practice of Legislation* 12, no. 2 (2024): 229-51, <https://doi.org/10.1080/20508840.2024.2351763>.

⁵¹ Karem Sayed Aboelazm et al., "The Impac of Judicial Constitutional Court Review of Legislative Ommision on Constitutional Authoritarianism," *Corporate Law & Governance Review* 7, no. 4 (2025): 17-29, <https://doi.org/10.22495/clgrv7i4p2>.

⁵² Tim Pelaksana Percepatan Penanggulangan Kemiskinan Nasional, "Implementing Social Protection for the Elderly in Indonesia" (Australia-Indonesia Partnership for Poverty Alleviation, 2019), <https://doi.org/10.65425/641878>.

necessary to preserve the authority, integrity, and dignity of former state officials so that they do not end up destitute after leaving office. However, through the lens of John Rawls' Theory of Justice,⁵³ this argument of 'official dignity' is a disguised form of the ruling class's self-interest, which sacrifices the principle of social justice for the entire populace. Rawls maintains that social inequality is only legitimate if it benefits the most vulnerable groups, whereas the DPR's lifetime pension purely benefits the already affluent political elite. The author argues that maintaining this New Order-era legislation in the modern democratic era constitutes a form of *ethical regression* that cannot be tolerated. We must have the courage to state unequivocally that the authority of a public official is not built upon a pile of financial privileges from the state budget, but upon the integrity of their service and the simplicity of their lives amongst the people. In conclusion, this deconstruction proves that Law No. 12 of 1980 has lost its philosophical foundation and must be declared morally unconstitutional.

The defence of a lifetime pension scheme for members of the House of Representatives constitutes a clear "human rights violation" against the fulfilment of the socio-economic rights of marginalised communities in Indonesia. Every rupiah of the State Budget allocated to fund the monthly pensions of former politicians automatically reduces the budget available for social security programmes for the poor, who are vulnerable to hunger. Based on poverty statistics, millions of children in rural areas still suffer from chronic stunting and drop out of school because government social protection programmes lack long-term funding. At the same time, the state treasury must routinely disburse pension funds to former members of the House of Representatives who are already economically well-established, with assets worth billions of rupiah. The author argues that this imbalance in budget allocation constitutes a form of structural injustice that is systematically legitimised by the state's positive law. The state is morally culpable for allowing its people to suffer from structural poverty in order to maintain lifelong financial compensation for politicians whose term of service is very brief. Therefore, a deconstruction of this state budget allocation reveals that the DPR's lifetime pension is a budgetary policy that is 'numb' to the human suffering of the common people.

The application of the Public Trust Doctrine in public financial management necessitates a radical overhaul of the restrictions on the use of the State Budget for the remuneration of public officials. This doctrine categorically rejects any budgetary policy that treats the state treasury as a source of perpetual wealth for public officials after their terms of office have ended.⁵⁴ In accordance with the principle of *fiduciary duty*,⁵⁵ the government and parliament act as trustees who are obliged to allocate every rupiah of the State Budget for the maximum public benefit, not for the welfare of their own class. When the House of Representatives refuses to abolish their lifetime pension funds, they are in fact committing an act contrary to constitutional law in the form of an abuse of power (*detournement de pouvoir*). The author analyses that, sociologically speaking, this action undermines the social contract and erodes the moral legitimacy of the representative

⁵³ John Rawls, *A Theory of Justice, Development Policy Review* (London: Harvard University Press, 1971).

⁵⁴ Anne Richardson Oakes, "Judicial Resources and the Public Trust Doctrine: A Powerful Tool of Environmental Protection?," *Transnational Environmental Law* 7 (2018): 469–89, <https://api.semanticscholar.org/CorpusID:158673029>.

⁵⁵ John S. Bell et al., *The Oxford Handbook of Comparative Law*, ed. Mathias Reimann and Reimann Zimmermann, 2nd ed. (Oxford: Oxford University Press, 2019).

institution in the eyes of the public. Public trust will only be restored if parliament dares to exercise self-restraint (*judicial/legislative self-restraint*) by abolishing all forms of budgetary privilege that undermine social justice. Thus, the Doctrine of Public Trust acts as a scalpel to correct the arbitrariness of self-serving financial legislation.

An evaluation of legal pluralism in remuneration in Indonesia reveals a highly discriminatory double standard between the old-age security provided to state officials and that provided to private sector workers or farm labourers. This legal pluralism⁵⁶ places citizens in different legal castes regarding social security, with politicians at the top of the hierarchy enjoying absolute financial protection.⁵⁷ Under the Labour Law and the National Social Security System (SJSN), private-sector workers must serve for decades and pay monthly contributions deducted from their wages to receive a pension of minimal value. In contrast, members of the House of Representatives (DPR) who serve a five-year term immediately receive a lifetime pension funded 100% by the State Budget (APBN), without any corresponding obligation to make personal contributions whilst in office. The author considers this extreme disparity to be a form of disregard for the principle of *equality before the law*, as guaranteed by the 1945 Constitution. The state has deliberately created legal discrimination that legitimises the exploitation of private sector workers' labour to fund the perpetual comfort of politicians. Therefore, the national pension system must be harmonised by aligning the standards of rights and contribution obligations between public officials and ordinary citizens.

An examination of Law No. 12 of 1980 using Gustav Radbruch's theory of the three legal values reveals an overemphasis on the value of formal certainty at the expense of the values of justice and social utility. The Government and the House of Representatives have consistently defended the position, shielded by the principle of legal certainty, that the provision of a lifetime pension is a legally valid right under positive law and is inviolable. Radbruch explains that in an ideal situation, the three fundamental legal values—justice, utility, and certainty—must coexist;⁵⁸ however, in the event of a sharp conflict, certainty must yield to substantive justice. In this case, in the name of compliance with an archaic law from the New Order era, the state has sacrificed the value of the state budget's utility for the public good and undermined the sense of social justice among the taxpaying public. The author argues that laws that perpetuate extreme injustice, such as Law No. 12 of 1980, have lost their soul as fair and proper law (*statutory lawlessness*). The law must no longer be positioned as a rigid administrative text to legitimise the exploitation of the state treasury by politicians. In conclusion, Radbruch's value test demonstrates that, in substance, the rule granting the House of Representatives a lifetime pension is morally unconstitutional as it disregards the values of justice and the public good.

The deconstruction of parliament's financial prerogative rights demands strict limitations on the DPR's autonomous authority to determine the welfare budget for its own institution. Until now, the DPR has used the shield of "autonomous budgetary rights"

⁵⁶ John Griffith, "What Is Legal Pluralism?," *The Journal of Legal Pluralism and Unofficial Law* 18, no. 24 (1986): 1–55.

⁵⁷ Y Asano, "From the Theory of Private Law to Legal Pluralism: On the Reconstruction of Private Law in the Age of Globalization," *Japanese YB Int'l L.*, 2014, https://heinonline.org/hol-cgi-bin/get_pdf.cgi?handle=hein.journals/jpyintl57§ion=12.

⁵⁸ Gustav Radbruch, *Filosofia Do Direito*, Armenio Am (Coimbrea, 1997).

to reject any form of external intervention seeking to rationalise their financial rights, including calls for the abolition of lifetime pensions. The Constitutional Court has a moral responsibility to interpret that the DPR's budgetary rights are absolutely limited by the principles of justice and social propriety enshrined in Article 23 of the 1945 Constitution. In its rulings on the constitutional review of budget-related laws, the Constitutional Court should adopt the principle of *non-regression* to annul any allocation of the State Budget deemed wasteful and detrimental to public justice. The author argues that turning a blind eye to the DPR's exploitative budgetary discretion constitutes a form of judicial negligence that exacerbates the crisis of public trust in state institutions. The Constitutional Court is obliged to act as a *fiduciary guardian*, limiting the legislative greed that seeks to privatise the State Budget for the personal comfort of politicians. Therefore, the restriction of budgetary prerogative rights through strict judicial control is an absolute prerequisite for the upholding of budgetary justice in Indonesia.

The integration of the Maqashid al-Shari'ah principle of *Hifdz al-Mal* (preserving public wealth) provides a very robust theological and legal argument for rejecting all forms of budgetary privileges for the political elite. In Islamic law, the state budget is not war booty (*ghanimah*) to be distributed amongst the rulers, but rather a trust of the ummah that must be distributed proportionally for the primary public interest (*daruriyyat*) of the people.⁵⁹ In accordance with the fiqh principle that 'the ruler's actions towards his subjects must be oriented towards the public good' (*tasharruful imam 'alar ra'iyah manuthun bil mashlahah*), budgetary policies that prioritise the prosperity of officials over the poverty of the people constitute a 'dzulm' (systemic injustice) that is invalid under Shari'ah.⁶⁰ Ibn Taymiyyah emphasised that a ruler who allocates public funds for the personal prosperity of his group without any urgent need constitutes the greatest form of betrayal against religion and the state.⁶¹ The author argues that a lifetime pension for members of the House of Representatives funded by the State Budget without fair, Sharia-compliant personal contributions is classified as an act of wastefulness (*tabzir*) which is prohibited. Islamic law obliges the government to close all loopholes that have the potential to undermine economic justice in society through the reorientation of the allocation of public funds. In conclusion, the integration of *Hifdz al-Mal* demands legislative reform so that the state budget is truly free from all forms of legal plundering by the ruling elite.

Reconstructing the Compensation Model: Toward a Contribution-Based Severance Scheme and Legislative Amendments

As a solution to this ethical and fiscal impasse, this study proposes a restructuring of the compensation model for political office-holders in the form of a **Contribution-Based Severance Scheme**. This model firmly rejects the provision of a lifetime monthly pension

⁵⁹ Chamim Tohari, Hudzaifah Fawwaz, and Isma Swadjaja, "The Ijtihad Construction Of Islamic Law Baed On The Maqashid Al-Syari'ah Approach In The Indonesian Context," *Prophetic Law Review* 4, no. 2 (2022), <https://doi.org/10.20885/PLR.vol4.iss2.art4>.

⁶⁰ Ali Muhammad Winyas, *Al-Qowa'id Al-Fiqhiyyah: Ta'rifuha-Mashodiruha -Ahammu Al-Qowa'id*, n.d., <https://www.noor-book.com/كتاب-القواعد-الفقهية-تعريفها-مصادر-ها-أهم-القواعد-pdf>.

⁶¹ Ismail Jalili et al., "Ibn Taymiyya's Vision on Public Interest and Prosperity Within Islamic Law," *Ulul Albab: Jurnal Studi Islam* 25, no. 2 (2024): 276–97.

for former non-contributory members of the House of Representatives and replaces it with a one-off transitional severance payment (*lump sum*) adjusted to the actual term of office. The amount of this transitional severance pay is calculated transparently based on a percentage of voluntary contributions deducted directly from the basic salary of DPR members whilst they are in active service, without placing a cumulative burden on the state budget. Practices in advanced democratic nations demonstrate that this scheme is highly effective in safeguarding the health of the state budget whilst simultaneously enhancing the moral credibility of politicians in the eyes of the taxpaying public. The author argues that this model places politicians in the ethically correct position: they are responsible, contribution-paying citizens, not long-term financial parasites of the state. This model draws a clear distinction between social security entitlements for career civil servants who have served for decades and transitional benefits for temporary political appointees. In conclusion, the transition to a *Contribution-Based Severance Scheme* is a concrete solution for aligning officials' compensation with the principles of fairness, efficiency, and public accountability.

The drafting of amendments to Law No. 12 of 1980 is an urgent legislative step towards dismantling the bastion of unfair compensation for public officials within the Indonesian legal system. This amendment must specifically repeal Articles 12 to 17 of Law No. 12 of 1980, which regulate the granting of lifelong monthly pension rights to the heads and members of state institutions. Instead, the new regulations must formulate provisions regarding a "*Lump-Sum End-of-Service Award*" based on autonomous, self-managed savings accumulated during their tenure. The Government and the House of Representatives must be constitutionally compelled to approve this repeal in order to harmonise a fair national pension system under the supervision of the Social Security Administration Agency (BPJS). The author considers that without a clear written amendment, all discussions regarding the efficiency of the State Budget and bureaucratic reform in Indonesia will merely amount to empty political rhetoric devoid of substance. Fair regulations will ensure that political office is no longer sought as a means of securing one's personal economic future, but purely as a means of contributing to social service. In conclusion, the amendment to Law No. 12 of 1980 is the key to ushering in a new era of ethical, transparent, and socially just public financial management.

CONCLUSION

Conclusion This study concludes that the provision of a lifetime pension for members of the House of Representatives under Law No. 12 of 1980 constitutes a legal anomaly that undermines the principle of distributive justice, the Doctrine of Public Trust, and *good financial governance*. Blind adherence to this legacy law of the New Order creates structural injustice and extreme socio-economic inequality between the political elite and the ordinary people, who are the primary taxpayers. Judicial analysis demonstrates a fundamental contradiction between the non-contributory lifetime pension rights for short-term political officials and the provisions for sound and proper state financial management in Law No. 17 of 2003. The failure to undertake legislative reform on this remuneration issue indicates the dominance of *vested* parliamentary *interests* that exploit the autonomous right to make laws for the financial comfort of their own group. The

author asserts that allowing this unfair pension system to continue burdening the State Budget across generations constitutes an ethical regression and a fatal constitutional dereliction of duty. Therefore, a paradigm shift is required from a non-contributory lifetime pension model to a contribution-based transitional severance scheme (*Contribution-Based Severance Scheme*). In conclusion, reforming the parliamentary pension system is no longer merely a managerial choice, but a moral and constitutional obligation to realise equitable social justice in Indonesia.

The originality and main strength of this research lie in its boldness in undertaking a socio-legal deconstruction of the financial privileges of the political elite through the integration of John Rawls' Theory of Justice, the Public Trust Doctrine, and the Maqashid al-Shari'ah principle of *Hifdz al-Mal*. This study successfully moves beyond the boundaries of conventional normative research by presenting a comparative-critical analysis that exposes conflicts of interest in the formulation of rules governing the financial entitlements of state institutions in Indonesia. However, this study has limitations regarding access to detailed quantitative data on the actual expenditure of the State Budget (APBN) to fund the monthly pensions of former members of the House of Representatives (DPR) on an individual basis, due to the administratively confidential nature of such information. Limitations in the observation period also restrict a comparative analysis of the long-term fiscal impact of the accumulation of politicians' pensions from the New Order era to the Reform era. The author acknowledges that the political dynamics within parliament opposing the revision of this law require a more in-depth study of political sociology to capture the power relations between political parties. These limitations open up vast opportunities for future researchers to conduct field research on civil society movements advocating for the rejection of politicians' autonomous pensions. However, this article has successfully provided a very robust conceptual blueprint to initiate a fair and accountable legislative process for amending Law No. 12 of 1980.

To address these fiscal and moral inequalities, this study formulates strategic recommendations for the House of Representatives and the President to immediately undertake a comprehensive amendment to Law No. 12 of 1980 on the Financial Entitlements of State Officials. These amendments must specifically remove the clause on a lifetime monthly pension for short-term autonomous political positions and replace it with a one-off *lump-sum* transitional severance pay model. The Ministry of Finance is recommended to immediately draft transitional regulations leading to a *Contribution-Based Severance Scheme* under the management of the Social Security Administration Agency (BPJS) for Employment to ensure equal legal treatment. Furthermore, the Constitutional Court is expected to take a proactive stance in accepting and adjudicating requests for a substantive review of Law No. 12 of 1980, by prioritising the principles of propriety and social justice as the primary parameters for constitutional review. The author emphasises that it is only through structural cuts to all forms of financial privilege enjoyed by the political elite that bureaucratic reform and the management of state finances can truly proceed in an ethical and accountable manner. Public legal awareness campaigns regarding the dangers of budgetary exploitation by the ruling elite must be massively scaled up to build collective awareness among civil society in safeguarding the democratic process. In conclusion, the enforcement of this principle of budgetary justice

is an absolute prerequisite for safeguarding the dignity of national law from the grip of the financial greed of state officials.

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DECLARATION OF CONFLICTING INTERESTS –14pt, Cambria Bold (1.15 space)

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