

State Responsibility in Fulfilling The Constitutional Right to Social Security: Evaluation of Actuarial Accountability and Financing

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Abstract: Discourse concerning state responsibility in fulfilling the constitutional right to social security is often constrained by the dilemma between normative mandates and fiscal capacity realities. Article 28H paragraph (3) and Article 34 paragraph (2) of the 1945 Constitution imperatively position the state as the principal axis in administering a universal national social security system. The sustainability of such a system heavily depends on the precision of actuarial accountability as an instrument for long-term risk projection. Failure to accurately project technical risks and the establishment of financing structures that are inconsistent with benefit obligations create serious threats to the resilience of the social security system. A juridical-doctrinal approach reveals a significant gap between the state's obligation as the ultimate guarantor and the current management practices of trust funds, which remain largely reactive in nature. Decisions of the Constitutional Court further affirm the state's position in guaranteeing absolute certainty of social protection for all citizens. Evaluation of financial governance demonstrates that neglecting actuarial valuation in strategic policymaking directly contributes to systemic instability. Dependence on ad hoc state budget interventions indicates the weakness of the current national financing system's independence. Actuarial accountability must therefore be positioned as a mandatory risk-control instrument integrated into regulatory frameworks in order to prevent the risk of default. Synchronization between fiscal policy and rigorous actuarial calculations constitutes an essential prerequisite for fulfilling citizens' constitutional rights. These fundamental rights must not be reduced to mere legal promises without adequate financial support. The transformation of the financing system toward a resilient, transparent, and risk-based model constitutes a crucial step in ensuring social justice. An ideal financing structure must be capable of balancing financial independence with the state's obligation to protect the human dignity of all citizens. The integration of a unified data system and independent actuarial audits will strengthen the state's credibility in sustainably managing public funds across generations.

Keywords: Actuarial Accountability, Constitutional Rights, Social Security.

Introduction

The existence of social security constitutes a concrete manifestation of the state's responsibility to protect human dignity and to guarantee an adequate standard of living for all citizens. Within the Indonesian legal framework, this commitment is not merely a discretionary policy, but rather an imperative mandate enshrined in Article 28H paragraph (3) and Article 34 paragraph (2) of the 1945 Constitution of the Republic of Indonesia (Constitution of Republic of Indonesia 1945, 1945). These provisions affirm that the state is obligated to develop a social security system for all citizens and to empower disadvantaged

and underprivileged members of society in accordance with human dignity. As a juridical consequence, the state assumes the role of the ultimate guarantor responsible for ensuring the continuity and stability of the system in order to fulfill the public's constitutional rights.

Following the transformation introduced through Law Number 40 of 2004 concerning the National Social Security System (Sistem Jaminan Sosial Nasional/SJSN) and Law Number 24 of 2011 concerning the Social Security Administering Bodies (Badan Penyelenggara Jaminan Sosial/BPJS), the paradigm of social protection in Indonesia shifted toward universal coverage. Various decisions of the Constitutional Court have further reinforced state responsibility by affirming that social security constitutes a non-derogable human right within the welfare context. Nevertheless, in practical implementation, a significant gap persists between the constitutional mandate and the financial resilience of the existing system. Recurring budget deficits and the imbalance between contribution values and benefit obligations raise critical questions regarding the effectiveness of the state's management of entrusted public funds.

Financial instability within the SJSN indicates a fundamental weakness in actuarial accountability. Actuarial accountability, which should function as the primary instrument for risk projection, determination of technical reserves, and assurance of long-term fund solvency, is frequently marginalized by political considerations in policymaking. The determination of contribution rates that are not based on actual risk (non-risk-based) and the lack of transparency concerning long-term unfunded liabilities create systemic risks of default. The financing model, which has largely been reactive and dependent upon emergency state budget subsidies, demonstrates the absence of a resilient and sustainable financing design.

The continuing disconnection between actuarial calculations and financing policies places citizens' constitutional right to social security under the threat of long-term uncertainty. This condition undermines justice for current participants while simultaneously generating intergenerational inequity due to uncontrolled future fiscal burdens. A comprehensive evaluation concerning the integration of rigorous actuarial accountability standards and the formulation of a new financing design has therefore become an urgent necessity. Harmonization between constitutional obligations and principles of fiscal sustainability constitutes an indispensable prerequisite for social security governance. Such urgency underlies the need for a critical analysis of state responsibility in guaranteeing the sovereignty of social security in Indonesia (Bambang Juanda, 2024).

Research Questions:

1. How has the state implemented its responsibility in realizing citizens' constitutional rights to social security following the issuance of various decisions by the Constitutional Court?
2. What is the ideal model of actuarial accountability, transparency, and new financing design in supporting the sustainability of the National Social Security System (SJSN) program?

Methodology

This research employs a normative juridical (doctrinal legal) approach to examine the constitutional responsibility of the state in guaranteeing citizens' rights to social security and to evaluate the role of actuarial accountability in ensuring the sustainability of Indonesia's National Social Security System (SJSN). The normative approach is appropriate because the study primarily analyzes legal norms, constitutional principles, statutory regulations, judicial decisions, and legal doctrines governing the implementation of social security as a constitutional right.

The research adopts statutory, conceptual, and case approaches. The statutory approach examines the legal framework governing social security, including the 1945 Constitution of the Republic of Indonesia, Law Number 40 of 2004 concerning the National Social Security System, Law Number 24 of 2011 concerning the Social Security Administering Bodies, and other relevant implementing regulations. The conceptual approach explores theories of constitutional rights, the welfare state, public accountability, actuarial accountability, fiscal sustainability, and social justice to construct an analytical framework for assessing the state's constitutional obligations. Meanwhile, the case approach analyzes Constitutional Court decisions concerning the constitutional right to social security, particularly decisions interpreting Articles 28H paragraph (3) and 34 paragraph (2) of the Constitution, in order to identify the legal principles governing state responsibility in social security administration.

The legal materials used in this research consist of primary, secondary, and tertiary legal sources. Primary legal materials include constitutional provisions, statutes, Constitutional Court decisions, government regulations, and other official legal instruments related to social security governance. Secondary legal materials comprise scholarly books, peer-reviewed journal articles, actuarial studies, reports issued by public institutions, and academic commentaries discussing constitutional law, public finance, actuarial science, and social security systems. Tertiary legal materials, including legal dictionaries and encyclopedias, are employed to clarify legal concepts and terminology.

Data are collected through library research, involving a systematic review of legislation, judicial decisions, academic literature, actuarial publications, government reports, and other authoritative documents relevant to the research objectives. The collected legal materials are then examined using qualitative legal analysis based on deductive reasoning. The analysis begins with constitutional principles concerning the state's obligation to guarantee social security, followed by an evaluation of existing legal and institutional arrangements governing the financing of SJSN. The study further assesses the extent to which current financing mechanisms reflect principles of actuarial accountability, transparency, fiscal sustainability, and long-term financial resilience.

Finally, the research employs a prescriptive legal analysis to formulate recommendations regarding an ideal financing model that integrates actuarial accountability into the regulatory framework of Indonesia's social security system. The proposed model emphasizes risk-based contribution determination, independent actuarial valuation, transparent management of trust funds, integration of national social security data, and strengthened state supervision to ensure both fiscal sustainability and the effective realization of citizens' constitutional rights to social security.

Result and Discussion

Analysis of the Implementation of State Responsibility and the Construction of a New Accountability Model in the National Social Security System

The implementation of state responsibility in realizing citizens’ constitutional rights to social security has undergone a fundamental doctrinal transformation following the issuance of several Constitutional Court decisions. Jurisprudentially, through Constitutional Court Decisions Number 007/PUU-III/2005 and Number 82/PUU-X/2012, the Constitutional Court reconstructed the position of the state from merely a facilitator or regulator into the ultimate guarantor (*Decision Number 007/PUU-III/2005 concerning the Judicial Review of Law Number 40 of 2004 on the National Social Security System, 2005*). This shift is not merely a change in terminology, but a philosophical repositioning affirming that social security is not a commercial insurance commodity subject to market law, but rather a human right that is non-derogable within the framework of a welfare state. To provide a comprehensive overview of the paradigm shift in the governance of social security in Indonesia, the comparison between the position of the state before and after the Constitutional Court’s juridical intervention is illustrated in the following table:

Table 1: Transformation of the State Responsibility Paradigm

Comparative Dimension	Before Constitutional Court Decisions	After Constitutional Court Decisions
Position of the State	Facilitator and Regulator (Passive)	Ultimate Guarantor (Active)
Nature of the Program	Social security as a policy option	Social security as a mandatory fundamental obligation
Fiscal Responsibility	Limited to contribution payments for civil servants/military/police	Responsible for the liquidity and sustainability of SJSN nationally
Legal Approach	Contractual (Social Insurance)	Constitutional Right (Non-derogable Rights)

The comparison above demonstrates that the transformation of the state’s position into the ultimate guarantor carries logical consequences concerning responsibilities that are not only regulatory in nature, but also encompass the adequacy of permanent national financing. Based on this paradigm shift, the state is required not merely to react to crises, but to possess solid strategic planning in maintaining the resilience of the social security system.

In its capacity as the ultimate guarantor, the state bears the imperative obligation to ensure budget availability, accessibility of services, and the sustainability of the National Social Security System (SJSN). This includes protection for vulnerable groups through the Contribution Assistance Recipient (Penerima Bantuan Iuran/PBI) scheme financed through fiscal instruments. However, empirical examination reveals a disconnection between the constitutional mandate and practical implementation. In addition to diversifying sources of

revenue, the sustainability of SJSN requires the implementation of an automatic adjustment mechanism. This mechanism enables contribution parameters and benefit coverage to adapt dynamically to medical inflation and periodic actuarial evaluations conducted on a technocratic basis (Association, 2025). The advantage of this mechanism lies in its ability to free social security policy from political deadlocks at the legislative level, which often respond too slowly to financial pressures. By combining strong constitutional commitment, precise actuarial calculations, and innovative fiscal design, the state can realize a social security system that is not only legally protective, but also financially independent and resilient for all Indonesian citizens.

Managerial practices in the field demonstrate that the state remains trapped in reactive policy patterns. Fiscal intervention is often ad hoc through capital injections, reserve fund schemes, or emergency subsidies aimed at mitigating short-term operational deficits (Simamora et al., 2023). Such measures fail to build systematically planned resilience. Dependence on unmeasured fiscal policy becomes a logical consequence of this pattern. The recurring financial instability within the social security system stems from the neglect of actuarial accountability in the formulation of public policy. Actuarial accountability constitutes the core of social security governance through the ability to project future risks based on analyses of demographic data, morbidity rates, and projected medical costs. The integration of independent actuarial valuations into strategic decision-making concerning contribution rates and benefit package adjustments constitutes an ideal model that urgently needs to be implemented.

The crucial function of actuarial accountability lies in the disclosure of unfunded liabilities, namely long-term obligations without certainty of financing sources. The absence of rigid actuarial transparency risks trapping the state in the problem of intergenerational inequity (Salmon et al., 2025). Future generations may ultimately bear the burden of social security debt due to imbalances in current actuarial calculations. The digitalization of integrated participant and claims data is therefore an absolute prerequisite in social security governance. The implementation of digital governance guarantees real-time public oversight of the financial health of trust funds. Such integration simultaneously closes inefficiency gaps that have long contributed significantly to budget deficits.

In line with strengthening accountability, a reconstruction of a more resilient financing design is necessary to mitigate future fiscal risks. Future financing models must shift from sole dependence on contribution-based funding toward a diversified hybrid financing model. One substantive strategy worth considering is strengthening the implementation of earmarked taxes. Under this scheme, state revenues derived from sectors directly contributing to health risks, such as tobacco excise taxes, alcohol taxes, or environmental taxes, are permanently and automatically allocated (automatic earmarking) into the social security fund.

Construction of an Ideal Model of Actuarial Accountability, Transparency, and Financing Design for the Sustainability of SJSN

The sustainability of the National Social Security System (SJSN) requires a fundamental reorientation from reactive management patterns toward resilient technocratic

governance. Actuarial accountability serves as the primary instrument in mitigating long-term financial uncertainty risks. The ideal model positions independent actuarial valuation as the principal basis for policy-making concerning contribution rates and benefit packages. The integration of actuarial calculations into national regulations ensures that strategic decisions are made based on accurate morbidity, demographic, and medical inflation data. This accountability functions to identify unfunded liabilities at an early stage in order to prevent the transfer of fiscal burdens to future generations. The state is obliged to institutionalize periodic actuarial audits to maintain the solvency of trust funds amid global economic fluctuations. Disciplined actuarial assessments provide early warnings against potential insolvency before liquidity crises emerge.

Governance transparency constitutes an absolute prerequisite for building public trust (social trust) in the social security system. The implementation of digital governance through integrated single-participant data enables real-time monitoring of cash flows. Public access to openly available reports concerning the financial health of trust funds minimizes the risk of information asymmetry between administrators and participants. The digitalization of claims systems narrows opportunities for inefficiency and budget misuse, which frequently trigger systemic deficits. Radical transparency ensures that every unit of trust fund resources is managed accountably for the greatest possible benefit of participants. Technology-based oversight strengthens the credibility of the state in carrying out its role as manager of public funds. Inclusive information disclosure mechanisms encourage active public participation in safeguarding the sustainability of social protection programs.

The redesign of the ideal financing model must shift from sole dependence on contributions toward a diversified mixed-financing scheme. The implementation of earmarked taxes becomes a crucial strategy in strengthening the fiscal foundation of social security. Permanent allocations derived from excise taxes on health-risk products or environmental taxes create stable secondary funding sources. An automatic adjustment mechanism concerning contribution levels must also be adopted to respond to economic dynamics without bureaucratic or political obstacles. This new financing structure enables the system to operate independently without relying on ad hoc emergency subsidies from the state budget (APBN). Diversification of funding sources creates a strong fiscal buffer capable of facing demographic burden shifts and epidemiological transitions in the future.

The synergy between actuarial accountability, digital transparency, and financing diversification forms a robust ecosystem of social protection. The state's obligation as the ultimate guarantor is manifested through the creation of regulations that ensure the sustainability of intergenerational funds. Citizens' constitutional rights receive maximum protection through a system that is financially sound and managerially credible. Ultimately, the sustainability of SJSN depends upon the courage to transform traditional management practices into technocratic models grounded in data precision and social justice. Strengthening the regulatory framework must ensure that actuarial technocracy is granted authority equal to political policymaking.

The establishment of an independent National Actuarial Authority may provide a solution in maintaining the objectivity of social security fund valuations. This institution

would be tasked with ensuring that all social insurance parameters remain within a fiscally sustainable corridor. Data synchronization among state institutions would accelerate participant validation processes and the accuracy of benefit distribution for vulnerable groups. Legal certainty concerning sustainable financing would eliminate public doubts regarding the effectiveness of state protection. This comprehensive transformation places Indonesia on the correct path toward achieving universal health coverage and comprehensive social protection. Investment in strengthening the current system constitutes a guarantee for future economic stability and public welfare.

To mitigate the risks of dependence upon a single funding source, fiscal scheme restructuring through revenue diversification constitutes a strategic step that can no longer be postponed. A mixed financing model integrating public contributions with specific tax instruments is designed to create more stable trust fund resilience, as illustrated in the following table:

Table 2: Redesign of the Hybrid Financing Model

Funding Source	Implementation Mechanism	Sustainability Objective
Participant Contributions	Automatic adjustment based on medical inflation	Maintaining trust fund adequacy ratios
Earmarked Tax	Permanent allocation from tobacco/alcohol excise taxes	Compensation for health-risk behavior
Environmental Tax	Distribution of carbon tax revenues to SJSN	Mitigating health impacts caused by pollution
Technical Reserve Funds	Investment in low-risk instruments	Protection of intergenerational rights

The integration of actuarial precision, digital transparency, and financing diversification constitutes the principal pillar in preserving the constitutional dignity of social security in Indonesia. The success of this transformation will ensure that the state is not merely present as a provider of legal promises, but also as a resilient and sustainable guarantor of welfare for all citizens. Ultimately, the systemic strengthening undertaken today forms the foundation for the realization of genuine and sovereign social justice across generations.

Conclusion

State responsibility in the administration of social security constitutes an absolute constitutional mandate that cannot be postponed. The affirmation of the state as the ultimate guarantor requires synchronization between the normative legal framework and the realities of national fiscal capacity. Reactive social security management practices that depend on ad hoc subsidies have proven to threaten the long-term sustainability of the system. The failure to integrate actuarial accountability into policymaking creates serious risks of intergenerational inequity. Transformation toward technocratic governance

through an independent actuarial accountability model constitutes an absolute prerequisite for financial stability. Transparency through digital governance has proven capable of reducing inefficiency and strengthening public trust in the management of trust funds. The redesign of a hybrid financing model through earmarked tax instruments provides the fiscal buffer necessary to confront demographic dynamics and medical inflation. Ultimately, the sustainability of the National Social Security System (SJSN) depends upon the strength of regulations capable of harmonizing the principles of human rights protection with strict actuarial discipline.

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