Jurnal Hukum Bisnis
Volume: 14 | Nomor 06 | November 2025
DOI: https://doi.org/10.47709/hukumbisnis.v14i06.7902

E-ISSN: 2301-9190 | P-ISSN: 0852-4912

Islamic Pension Funds in Indonesia: A Utilitarian Perspective on Post-P2SK Regulatory Reform

Author:
Salwa Faeha Hanim

Affiliation:
Universitas Islam Negeri Sunan Kalijaga Yogyakarta

Corresponding email
salwafahanim@gmail.com

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Abstract:
Pension fund management and regulation require flexibility and legal certainty to maximize pension benefits. Investment instruments in Islamic pension funds are still limited to normative aspects, limiting their development to specific investments. The purpose of this study is to analyze how Islamic pension funds are managed, both in terms of regulation and the innovation of investment instruments, over the last two years following the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. The research methodology used is qualitative research and library research, which involves collecting scientific data and information, including legal Theory, specifically Jeremy Bentham's Theory of utilitarianism, which serves to assess the benefits of regulatory reform. Furthermore, this study employs a legal approach, collecting legal documents such as laws, journals, and books to analyze the management and development of Islamic pension funds in Indonesia. This study concludes that Islamic pension funds are already regulated under Financial Services Authority Regulation No. 33/POJK.05/2016 concerning the Implementation of Pension Programs Based on Sharia Principles and Portfolio. Islamic investment instruments that were already available for managing Islamic pension funds, even before POJK No. 33/POJK 05/2016 was issued, include mudharabah deposits, Islamic stocks, Islamic mutual funds, and Islamic bonds. The study shows that, following the enactment of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector and Financial Services Authority Regulation No. 27 of 2023 concerning the Implementation of Pension Fund Businesses, there has been a significant shift from formal compliance supervision to risk-based supervision. The latest regulations provide room for innovation by expanding the choice of instruments and enabling more flexible operational mechanisms. From a utilitarian perspective, the latest regulations in Indonesia demonstrate measurable legal benefits that strengthen the Islamic pension fund sector.

Keywords: *Investment; Law; Pension Funds; Sharia*

Introduction

Sharia pension funds in Indonesia still face significant challenges in various aspects, including popularity, management, and oversight. By the end of 2025, the number of Sharia pension fund participants will remain stagnant, reaching only 302,729.((OJK), 2025) One of the obstacles to managing Sharia Pension Funds has been the limited investment instruments available. To date, practices within Financial Institution Pension Funds have been stuck with conventional instruments that have been "shariaized." The knowledge and competence of Sharia supervisory boards also play a significant role in developing investment product

E-ISSN: 2301-9190 | P-ISSN: 0852-4912

instruments. Consequently, the potential returns available to participants tend to be lower, resulting in fewer pension benefit programs than conventionally managed pension funds.

Furthermore, the growth of Islamic pension funds in Indonesia can be seen not only from the regulatory aspect, but also, according to Latief, is significantly influenced by the volatility of the Islamic capital market. Here, the performance of Islamic sukuk and stocks is a major attraction for prospective participants seeking to join Islamic pension funds. (Latief, M.T., & Hartini, R., 2022) To date, the perspective of Islamic pension fund management, which still follows conventional funds, remains uncontested. With this same mindset still ingrained, people tend to choose conventional pension funds, which have a longer history and are more stable. This also leads to Islamic pension funds being less popular and perceived as lagging behind other Islamic financial industries.

The reasons for the lagging development of Islamic pension funds include, firstly, the delayed response of the public and government. This situation is evident in the fact that Islamic pension funds only became apparent when the Financial Services Authority (OJK) issued POJK No. 33/POJK.05/2016 concerning Islamic pension funds in 2016, despite a fatwa on Islamic pension funds having been in existence since 2013. This contrasts sharply with the Islamic banking industry, which was officially introduced legally in 1992. Secondly, the investment instruments that Islamic pension funds can enter are limited to restricted investment contracts, thus preventing Financial Institution Pension Funds (DPLK) from using them. Thirdly, before POJK No. 27 of 2023, there was no clarity on the investment instruments permitted for Islamic pension funds, but only a prohibition on investing in conventional markets. This left DPLK without legal certainty regarding the management of its businesses. Finally, there was a lack of public awareness of the importance of preparing independent retirement funds by choosing Islamic pension fund instruments. More massive education on the Sharia market is needed to increase public literacy regarding the Sharia financial industry.(Latief, M.T., & Hartini, R., 2022)

The stagnant development of Islamic pension funds is also due to a lack of innovation in business model management. Very conventional management and the lack of digital strategies to drive the current economy will hamper the development of pension fund financial institutions. According to Kharisma, the presence of a strong fintech (financial technology) legal framework can fuel financial institutions to increase their market valuation to the general public, given the massive demand for digital services. (Dona Budi Kharisma, 2021)

In 2023, the Indonesian Islamic financial industry entered a new phase, beginning with the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (UU P2SK), which includes the non-bank financial institution industry and Islamic pension funds. The P2SK Law is expected to be a breakthrough in transforming Islamic finance in Indonesia to become more strategic, inclusive, and innovative. Several articles in the P2SK Law provide more detailed explanations of pension funds.

The enactment of the Pension Funds (P2SK) Law revokes most of Law No. 11 of 1992 concerning Pension Funds, which is considered no longer relevant to current implementation. Article 5 of the P2SK Law explains that the goal of strengthening the financial sector is to implement a more inclusive strategy in the financial services sector to provide easier access for the public. Furthermore, the government is committed to protecting the interests of financial service consumers. (Undang-Undang Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan (UU P2SK)., 2023, p. Pasal 5)

In addition to oversight, the P2SK Law also provides legal certainty regarding the development of sharia pension fund investment instrument management. Another unanswered question is the impact of this new

regulation on public interest and the expansion of investment instruments used by pension fund institutions. Although the P2SK Law has opened the door to digitalization and the maximum use of AI, it still cannot guarantee the success of the sharia pension fund sector. In their article, Latief & Hartini observed that the low market penetration of sharia pension funds is due to the public's lack of financial literacy regarding selected sharia products, both sharia and conventional. Therefore, a more comprehensive education strategy is needed.(Latief, M.T., & Hartini, R., 2022) Another problem is that despite the new regulations, the growth of Sharia pension fund participants in 2025 will only be around 0.53%, according to the Spatial Services Authority.

Based on these gaps, this study aims to analyze the regulatory reform of Islamic pension funds in Indonesia following the enactment of the P2SK Law from a utilitarian perspective. This research is expected to provide theoretical contributions to the development of Islamic law and economic studies through the use of utilitarianism as a tool for evaluating public policy. Practically, this research is expected to serve as a reference for Islamic pension fund regulators and managers in formulating policies that are not only normatively compliant but also oriented towards improving the welfare of pension fund participants.

Literature study

A study of Islamic pension funds in Indonesia shows that the development of this sector still faces various structural challenges, including regulatory aspects, investment instrument diversity, and public financial literacy. Latief and Hartini emphasized that the low growth of Islamic pension funds is not only caused by internal factors within the managing institutions, but also by the volatility of the Islamic capital market and the public's lack of understanding of the fundamental differences between Islamic and conventional pension products. This situation has resulted in low participation interest and limited accumulation of managed funds.(Latief, M.T., & Hartini, R., 2022)

Dari From a regulatory perspective, Soemitra explained that pension fund regulations are essentially aimed at ensuring the protection of participants' rights and preventing misuse of funds by managers. However, before the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector (UU P2SK), regulations on sharia pension funds remained at the technical regulatory level and tended to be restrictive, particularly regarding investment instrument diversification. (Andri Soemitra, 2009) Munawaroh and Hanifa also added that the utilization of sharia instruments such as sukuk by pension funds is still not optimal due to limited regulations, managerial capacity, and low sharia investment literacy. (Munawaroh, A., & Hanifa, 2023a)The use of technology is considered capable of reducing operational costs while improving the quality of service to participants. In line with the previous argument, Berg and Olsson suggest that pressure on pension funds to adopt sustainability and ESG principles is driving a shift in institutional strategies that are not solely profit-oriented but also social and environmental values. (Berg & Olsson, 2023)

Then, in the context of instrument development and innovation, Kharisma's article emphasizes the urgency of the presence of an adaptive fintech legal framework to encourage efficiency, inclusivity, and competitiveness of financial institutions, including sharia pension funds. (Dona Budi Kharisma, 2021) From the perspective of legal theory and welfare economics, utilitarianism, as developed by Bentham and expanded by Harsanyi, provides a normative framework for assessing public policies based on the degree of utility they produce for aggregate social welfare. ((Blackorby et al., 2002)). Mori also explained that the concept of strong monotonicity emphasizes that expanding policy options that increase individual utility without harming others is an ideal condition for collective decision-making. This framework is relevant for assessing regulatory updates for Islamic pension funds following the P2SK Law, particularly regarding the expansion of investment instruments, strengthening governance, and digitizing services. (Mori, 2015)

E-ISSN: 2301-9190 | P-ISSN: 0852-4912

Based on a review of previous research, it can be concluded that most studies still focus on descriptive aspects of the development of Islamic pension funds, potential investment instruments, or financial literacy, without systematically evaluating recent regulatory reforms from a welfare perspective. Therefore, there is a research gap in analyzing the extent to which post-Law P2SK (Islamic Pension Fund Regulatory Reform) Islamic pension fund regulatory reforms provide legal and economic benefits to participants. This study seeks to fill this gap by using a utilitarian perspective as a framework for evaluating Islamic pension fund policies in Indonesia.

Research Methodology

The research methodology used is qualitative research and library research, namely by collecting scientific data and information, in the form of legal theory, namely Jeremy Bentham's theory of utilitarianism, which functions to see the benefits of regulatory reform. Utilitarianism theory provides a social aggregation framework that allows for the determination of public policy based on individual welfare preferences, in order to achieve optimal collective outcomes under conditions of risk and uncertainty.(David et al., 2020a) In addition, this research also takes a legal approach by collecting legal documents in the form of laws, journals and books to analyze the management and development of Islamic pension funds in Indonesia.

Research Result

Indonesia has undergone a significant transformation since the enactment of Law No. 4 of 2023 concerning the Development and Strengthening of the Financial Sector. Article 5 of the P2SK Law explains that with the enactment of this regulation, the government is increasingly focusing on the financial industry and the sustainability of the sharia ecosystem. Article 330 of this law revokes the previous regulation, Law No. 11 of 1992, to align with global financial regulatory standards.

There are several significant differences between the situation before and after the new regulations regarding Islamic pension funds in 2023. The following table explains them:

Table 1. Comparison of Pension Fund Regulations Before and After the UUP2SK

Comparison	Before UU P2SK	AfterUU P2SK
Establishment	Financial Institution Pension Funds (DPLK) may only be established by Commercial Banks and Life Insurance Companies.	Following the ratification of the P2SK, the DPLK founders were expanded to include: • Commercial Banks and Sharia Commercial Banks. • Life Insurance Companies and Sharia Life Insurance Companies. • Investment Managers and Sharia Investment Managers. • Other Financial Institutions regulated by the Financial Services Authority (OJK).
Legal Foundation	Previously, there was no explicit mention of "Sharia Principles" in the body of the law (previous Sharia regulations were only at the POJK level).	Sharia principles have been incorporated into the Law Level (Article 136), so that the operation of Sharia pension funds has a much stronger legal umbrella.
Retirement Age	The accelerated retirement age is set at least 10 years before the normal retirement age.	The accelerated retirement age is now set at a minimum of 5 years before the normal retirement age.

E-ISSN: 2301-9190 | P-ISSN: 0852-4912

Digitalization and Technology	Not yet systematically regulated; adoption of financial technology is voluntary and without operational standards.	Encourage the implementation of Financial Sector Technology Innovation (ITSK) for service efficiency and reporting transparency.
Corporate Governance	The main focus is only on formal compliance and short-term financial returns.	Requiring the integration of Environmental, Social, and Governance (ESG) aspects in investment decision-making.
Supervisory	Supervision is focused on the administrative side by the OJK without any particular emphasis on systemic Sharia risks.	Tighter supervision through strengthening the role of the Sharia Supervisory Board (SSB) and the integration of more modern risk management.

The table above demonstrates the transformative transition from Law No. 11 of 1992 to Law No. 4 of 2023 (the P2SK Law), which will mean changes in the Islamic financial industry, particularly Islamic pension funds.

Furthermore, empirical data shows that the development of Islamic pension funds in Indonesia remains relatively limited compared to conventional pension funds. According to data from the Financial Services Authority (OJK), the number of Islamic pension fund participants will be around 300,000 by 2024, a significantly smaller proportion than the total number of national pension fund participants. (OJK, 2025) This empirically demonstrates that Islamic pension funds have not yet become a primary choice for long-term financial planning.

There are at least three points that explain the utility aspect for pension fund participants. The first is guaranteed legality and the fulfillment of the principle of welfarism. This regulation is considered to provide stronger legal certainty, which, according to Blackorby et al., can be measured by the well-being of the individuals participating in it. Therefore, if this regulation benefits many people, in this case, pension fund participants, the policy is considered to provide justice.

Second, in terms of investment and innovation, the UUP2SK prioritizes sustainability issues, making it more adaptable to current developments. Pension fund financial institutions must consider ESG (Environmental, Social, and Governance) aspects before channeling investment instruments, which is why Green Sukuk is currently gaining more attention. As Berg and Olsson point out, this strategy will reduce the potential conflict of choosing between profit and sustainability.(Berg & Olsson, 2023) According to Mori, this is not only an innovation strategy but also an effort to realize strong monotonicity. (Mori, 2015)

Third, the P2SK Law provides a strong incentive for Islamic financial institutions in Indonesia to maintain adequate digital service standards across all financial services. Besides promoting inclusivity, digital services also serve as a means of efficiency. Efficiency achieved through the use of technology helps managers make more rational decisions amidst complex market risks, ultimately maximizing the utility received by participants upon retirement. (David et al., 2020b) Financial sector legal updates must be responsive to the presence of fintech so that financial instruments, including sharia pension funds, can operate efficiently without ignoring the principle of prudence.(Dona Budi Kharisma, 2021)

In addition to the table above, the P2SK Law also places new responsibilities on the Financial Services Authority (OJK), enabling it to become a driving force for more transformative Islamic financial innovation, in accordance with the spirit of Article 5 of the UUP2SK. Article 208 of the UUP2SK mandates that financial institutions utilize technology to the maximum extent possible to increase accessibility and inclusivity for diverse groups, regardless of location. Article 149, however, mandates that Islamic pension

E-ISSN: 2301-9190 | P-ISSN: 0852-4912

funds remain a Sharia-compliant financial instrument, prioritizing Sharia-compliant aspects by investing exclusively in halal instruments.(Undang-Undang Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan (UU P2SK)., 2023)

Discussion

Pension fund regulations in Indonesia before the UUP2SK were contained in Law Number 11 of 1992, Government Regulation Number 76 of 1992 concerning Employer Pension Funds, and Government Regulation Number 77 of 1992 concerning Financial Institution Pension Funds. (Wahab, 2005) Other laws relating to pension funds include Law No. 40 of 2004, which regulates the social security system and seeks to provide social protection, including pension funds.

The financial industry landscape has undergone fundamental changes with the enactment of Law Number 4 of 2023 concerning the Development and Strengthening of the Financial Sector. (UU P2SK). The P2SK Law shifts the supervision paradigm from an administrative one to a more integrative, risk- and performance-based one. The P2SK Law provides a new mandate for the Financial Services Authority (OJK) to strengthen governance and encourage innovation in sharia-compliant investment instruments to better adapt to global market dynamics. Article 136 of the P2SK Law stipulates that pension funds can be managed based on sharia principles, providing full legitimacy for the operation of the sharia-compliant pension industry in Indonesia.

Latief & Hartini identified that the low penetration of the sharia pension fund market is rooted in the lack of financial literacy among the public regarding the fundamental differences between sharia and conventional products, so that more massive market education is needed. (Latief, M.T., & Hartini, R., 2022) The limited variety of investment instruments in the Islamic financial market is a factor that hinders Islamic Pension Funds from optimally diversifying their portfolios to achieve sustainable asset growth targets. (Latief, M.T., & Hartini, R., 2022) Regulations regarding pension funds are basically to ensure that pension fund participants receive their rights according to the initial allocation of pension fund participation and to ensure that pension funds are not misused by irresponsible parties.(Andri Soemitra, 2009)

Despite having great potential, Munawaroh and Hanifa identified that the use of sukuk by sharia pension funds still faces limitations in regulation, literacy, and management, so that it cannot be maximized.(Munawaroh, A., & Hanifa, 2023b) The effectiveness of pension fund management in facing regulatory changes is largely determined by the organization's ability to navigate value pluralism through ethical discourse and adaptive institutional strategies.(Berg & Olsson, 2023)

As an implementing regulation of the UUP2SK, POJK Number 35 of 2024 concerning Licensing and Management of Pension Funds was issued to complement it. Several factors underscore the importance of this POJK as a complement. First, it serves to emphasize the identity of Islamic pension funds and their sharia-compliant governance. Sharia pension funds must have a distinctive governance structure, including optimizing the role of the Sharia Supervisory Board. Utilitarianly, this ensures that the "happiness" sought by participants is not only profit, but also peace of mind because funds are managed in accordance with sharia. This refers to the principle of welfarism, which emphasizes the value of participant welfare as a form of legal justice. (Blackorby et al., 2002)

Second, the POJK emphasizes flexibility in managing investment instruments, including green sukuk, which have long been a breakthrough idea in the Islamic economy. This aligns with Mori's Strong Monotonicity theory, which states that expanding investment opportunities aims to increase utility (returns) for each participant without compromising Sharia compliance principles. (Mori, 2015) On the other hand,

JURNAL HUKUM BISNIS
E-ISSN: 2301-9190 | P-ISSN: 0852-4912

the state is trying to increase returns for millions of pension participants.(David Pinkus et al., 2026) This is a manifestation of broader economic benefits compared to the old, restrictive regulations.

The third aspect is accessibility, facilitated by the use of technology, which Kharisma believes underscores the urgency of fintech in pension funds. Digital services can reduce operational costs, which automatically increases efficiency and the ultimate benefit for participants—a highly desirable outcome within the Utilitarian framework.(Dona Budi Kharisma, 2021)

Fourth, regarding risk mitigation and accountability, POJK 35/2024 requires the implementation of stricter risk management, including reputational risks related to Sharia compliance. According to McCarthy et al., this regulation serves as a risk mitigation tool amid economic uncertainty, ensuring that participants' aggregate social welfare remains intact despite financial market volatility. With the UUP2SK and its derivative regulations, it is hoped that good governance and management of Sharia pension funds will be created.

In utilitarian theory, the principle of anonymity ensures that the ordering of social welfare is impartial to any particular individual, so that each contribution to total utility is considered equally in determining the most just policy.(Mori, 2015) The future growth strategy for Islamic pension funds must take into account the dynamics of global market factors and the strengthening of the national Islamic economic ecosystem so that they can compete with other commercial financial products. (Latief, M.T., & Hartini, R., 2022)

The main characteristic of Harsanyi's utilitarian approach is its ability to objectively compare welfare between individuals in order to determine the most efficient distribution of benefits for society at large. (David et al., 2020a) Berg & Olsson argue that demands for sustainable investment are driving institutional changes that are forcing pension funds to adopt new strategies to manage the tensions between political mandates, public expectations, and rational economic calculations.(Berg & Olsson, 2023)

From the rules and regulations of pension funds, innovation and development of sharia pension funds are possible, provided that they meet the requirements stipulated by the regulations of the financial services authority and comply with the principles of halal. Thus, it is in line with David's argument that pension fund investment is related to increasing corporate innovation, especially through the provision of stable long-term capital for strategic sectors. (David Pinkus et al., 2026)

Innovation in Sharia investment instruments is no longer limited to debt or equity securities, but has begun to incorporate the use of financial technology (fintech) and socio-economic investment instruments. With the legal framework of the P2SK Law, oversight of investment manager performance can be carried out more transparently through standardized profit-sharing reporting. Therefore, this research is crucial in analyzing how the urgency of instrument innovation and strengthened oversight post-P2SK Law can improve the performance of Sharia Pension Funds in Indonesia to realize the welfare of the community.

Although the P2SK Law and its derivatives have attempted to expand the investment instruments available for pension funds, several implementation risks remain that could hinder maximum utilization for participants, firstly, Concentration Risk and Limited Sharia Instruments: According to OJK data (OJK Statistics, February 2025), sharia pension fund assets grew by 8%, yet the choice of sharia investment instruments in the domestic market remains very limited. While regulations provide investment opportunities in green investments, the lack of secure reserve assets leads to mass failure from a utilitarian perspective. Secondly, potential Operational Risk and Human Resource Competence:

The transition or conversion of pension funds to sharia (as encouraged by P2SK) requires managers to be competent in understanding complex contracts. The lack of certified Sharia Supervisory Boards (DPS) in the pension fund sector creates the risk of sharia non-compliance, which can undermine participant confidence and lead to massive withdrawals (a rush). Thirdly, Volatility Risk in Defined Contribution Pension Programs (PPIP). The P2SK Law emphasizes the role of PPIP, where investment risk is fully borne by participants. In unstable economic conditions, fluctuations in investment returns in sharia instruments can drastically reduce the value of future pension benefits. This presents an ethical challenge: do policies that provide investment flexibility truly provide utility, or do they simply shift the burden of risk onto the shoulders of the common man?

And the last is Low Literacy and the Problem of "Information Asymmetry." Stagnant participant growth data (only 0.53% per year) indicates an information gap. The greatest risk is that the public does not understand the long-term benefits of post-P2SK sharia schemes. Without widespread education, this regulation will remain merely a legal document without any real social impact.

In Bentham's view, a law can be categorized as just and good when it provides happiness for the greatest number of people. In the context of Sharia Pension Fund regulations, "happiness" can be measured by how much the pension fund can be maximized for society. From the perspective of the principle of welfarism, it can be seen that Sharia pension fund regulations are considered just when their usefulness to society can be measured. If two regulations provide the same level of welfare for participants, then they are considered socially equivalent, without needing to consider factors beyond the interests of that welfare. (Blackorby et al., 2002, p. 553) The principle of classical utilitarianism recommends alternative choices that maximize the total amount of individual utility in society. (Blackorby et al., 2002, p. 545) Adaptive and comprehensive regulations have been empirically proven to be able to increase operational efficiency and public trust, which ultimately contributes positively to the asset growth performance of Islamic Pension Funds in Indonesia.

Otchere et al. revealed that pension funds are facing increasing pressure from various stakeholders to refocus their investment strategies on sustainability principles, although the long-term financial impact remains the subject of academic debate.(Otchere et al., 2025) The involvement of pension funds in social investment networks demonstrates that the goals of modern investment have shifted beyond mere profitability to include a moral responsibility to minimize the negative social impacts of business activities. (Mercedes Alda, 2025)

Christensen et al. emphasize that pension fund involvement in climate change risk is not limited to membership of external organizations, but must be manifested in concrete policy commitments and transparent financial reporting.(Christensen et al., 2025) To ensure that sustainable investments do not compromise the sustainability of the fund, pension fund managers must be able to selectively integrate ESG or Sharia criteria without neglecting adequate return targets for participants.(Otchere et al., 2025) Thus, the P2SK Law and its derivative regulations not only improve but also replace the overall governance of Islamic pension fund regulations in a comprehensive, innovative, and inclusive manner. (Undang-Undang Nomor 4 Tahun 2023 Tentang Pengembangan Dan Penguatan Sektor Keuangan (UU P2SK)., 2023)

This new regulation eliminates the investment rigidities that have previously constrained Islamic pension funds. By providing investment flexibility (such as in innovative instruments that align with Pinkus's arguments), (David Pinkus et al., 2026) Legal reform through the P2SK Law is a utilitarian, ethical act because it consciously shifts the burden of "old legal inefficiency" to "new economic

benefits." This regulation aims not only for formal compliance, but also to achieve the law's fundamental goal: the material and spiritual well-being of Sharia pension participants.

Conclusion

This study concludes that despite the new regulations for Islamic pension funds (UU P2SK), which provide flexibility for managing Islamic pension funds, their implementation has not been able to achieve maximum utility (the greatest happiness) for the wider community. Empirical data as of February 2025 shows a growth paradox: industry assets grew significantly by 8% (reaching IDR 9.21 trillion), yet participant participation only increased by 0.53%. This demonstrates that the primary problem lies not in the lack of regulation, but rather in the low penetration and public trust in switching to Islamic schemes.

From a utilitarian perspective, this policy only provides economic benefits at the managerial level and capital accumulation (asset growth), but has not yet provided equitable happiness for potential participants at the grassroots level. Operational risks related to manager competence and market risks in new investment instruments remain significant challenges that could reduce the value of benefits for participants in the future. This research contributes to the Islamic economics literature by demonstrating that the effectiveness of a regulation should not be measured solely in normative-descriptive terms through legal text, but rather must be critically evaluated using a utilitarian framework to gauge the distribution of real benefits to the public.

For regulators (the Financial Services Authority) and pension fund administrators, this research suggests the need for stronger risk mitigation strategies for new investment instruments to maintain the value of defined benefit and defined contribution plans. Furthermore, a more aggressive incentive model is needed to attract new participants, so that high asset growth can be accompanied by a significant expansion of participant coverage.

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