

A Juridical And Philosophical Analysis Of Sociopreneurship Principles In Developing The Red And White Village Cooperative To Achieve Social Justice

Meyland Citra Oktri Sienty Effendy¹⁾, Sukamto²⁾

^{1,2)}Faculty of Managemen University Widyagama Malang

***Corresponding Author**

Email: Meylandcitra06@gmail.com, sukamuwg@yahoo.com

Abstract

This study analyzes the establishment of the Red and White Village Cooperative as a manifestation of the implementation of social justice values based on the fifth principle of Pancasila through a sociopreneurship approach. The purpose of this research is to philosophically understand how the concept of social entrepreneurship serves as an ideological foundation for strengthening people-based economic development and to juridically examine the extent to which national regulations support the existence of village cooperatives in achieving equitable welfare distribution. The research employs a qualitative method with a normative juridical approach, focusing on the study of legal principles and norms governing cooperatives in Indonesia, particularly Law Number 25 of 1992 on Cooperatives, Law Number 6 of 2014 on Villages, and Circular Letter of the Minister of Cooperatives and SMEs Number 1 of 2025 concerning the Procedures for the Establishment of Red and White Village/Subdistrict Cooperatives. The theoretical analysis draws on Value Creation and Social Change Theory (Dees, 1998), Triple Bottom Line Theory (Elkington, 1997), and social justice theory. The findings indicate that, philosophically, the Red and White Village Cooperative represents a modern form of the mutual cooperation-based economy oriented toward humanitarian values, social solidarity, and collective welfare. Juridically, government regulations through the Minister of Cooperatives Circular Letter No. 1 of 2025 and Presidential Instruction No. 9 of 2025 reinforce the role of cooperatives as instruments for rural economic equity and the realization of substantive social justice. The Red and White Village Cooperative thus functions as both a legal and social instrument in building a just economic order, positioning the community as active subjects of development and law as a means of social engineering toward inclusive welfare.

Keywords: Red And White Village Cooperative, Sociopreneurship, Social Justice.

INTRODUCTION

Cooperatives constitute one of the economic instruments deeply rooted in the spirit of mutual cooperation and social solidarity of the Indonesian nation. Since independence, cooperatives have been regarded as a concrete manifestation of the people-oriented economic system mandated by Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia, which stipulates that “the national economy shall be organized as a common endeavor based on the principle of kinship.” This principle affirms that cooperatives are not merely economic entities, but social institutions oriented toward collective welfare rather than individual capital accumulation. Within the context of national development, cooperatives are expected to function as mechanisms for economic equity, rural community empowerment, and the realization of social justice values as enshrined in the fifth principle of Pancasila, namely Social Justice for All Indonesian People. However, in practice, cooperatives in Indonesia continue to face fundamental challenges, particularly at the village level. Many village cooperatives are established administratively without being accompanied by collective awareness among members to uphold the values of a mutual cooperation based economy. Institutional weaknesses, limited managerial capacity, and a lack of entrepreneurial innovation have hindered village cooperatives from developing into independent and sustainable economic entities. This condition raises a fundamental question regarding the extent to which the current model of village cooperatives is capable of genuinely realizing social justice and collective welfare. (Adolp Ralph, 2016)

It is within this context that the concept of the Red and White Village Cooperative has emerged, seeking to integrate sociopreneurship principles into its development. The concept of

sociopreneurship, or social entrepreneurship, combines entrepreneurial orientation with a social mission, whereby economic activities are not solely directed toward financial profit but also generate social impact for the community. This approach positions local communities not merely as objects of development, but as economically and socially empowered subjects. Accordingly, the Red and White Village Cooperative represents a manifestation of efforts to recontextualize the cooperative model in responding to the challenges of equitable development in the modern era. The sociopreneurship approach in village cooperatives emphasizes the importance of humanitarian values, creativity, and innovation based on local potential. Within the philosophical framework of Pancasila, this approach aligns with the principle of social justice, which requires a balance between individual and collective interests. Pancasila is understood not only as the normative foundation of the state but also as a worldview that guides economic activities toward distributive justice and communal welfare. Therefore, the integration of sociopreneurship principles into the development of village cooperatives constitutes not merely an economic strategy, but also a practical embodiment of the philosophical values of social justice rooted in the national ideology. (Afgani, Rixvan, and Ike Wanusmawatie.2015)

From a legal perspective, the Red and White Village Cooperative has a strong foundation in Law Number 25 of 1992 on Cooperatives, which stipulates that cooperatives are business entities composed of individual members or cooperative legal entities and are grounded in the principle of mutual cooperation (*gotong royong*). However, in order to realize social justice as mandated by Pancasila, cooperative regulations must be interpreted progressively. Law should be positioned not merely as a normative instrument of regulation, but also as a means of social engineering (*law as a tool of social engineering*), as articulated by Roscoe Pound (*Bourdieu Pierre, 1986*). This implies that the existence of cooperatives must be directed toward transforming the socio economic structure of rural communities in order to become more equitable and competitive. In the context of sustainable development, village cooperatives based on sociopreneurship have significant potential to promote economic equity through the management of local resources. This concept supports community economic empowerment while preserving the moral and social dimensions that characterize the Indonesian nation. Cooperative business activities are not merely about economic transactions, but also about solidarity, empathy, and social responsibility toward the community. Therefore, strengthening the juridical and philosophical aspects in the development of the *Merah Putih* Village Cooperative is essential to ensure the sustainability of its social mission within a fair and inclusive national legal framework.

Furthermore, from a philosophical perspective, the concept of the *Merah Putih* Village Cooperative can be understood as a form of praxis of the Fifth Principle of Pancasila. In its philosophical dimension, the principle of social justice signifies that all citizens are entitled to equitable welfare, both materially and spiritually. This principle also embodies a moral imperative that the national economy must be oriented toward the interests of the broader populace rather than a limited group of individuals. Accordingly, the development of cooperatives through sociopreneurship principles serves as a means of actualizing social justice within an equitable and sustainable economic order. (Dees, J Gregory, 2001)

Meanwhile, from a sociological perspective, the presence of the *Merah Putih* Village Cooperative is expected to serve as a model of social learning for rural communities in managing local potential based on collaboration and solidarity (Johan Erwin Isharyanto, 2020) Through a sociopreneurship approach, rural communities are encouraged to develop economic innovations that are responsive to community needs while simultaneously creating social added value that strengthens the village's socio-economic structure. On the other hand, the role of law becomes crucial in ensuring that the social justice values being promoted do not remain at the ideological level, but are concretely implemented in cooperative policies and institutional practices.

Accordingly, this study proceeds from the awareness that the revitalization of village cooperatives through the principles of sociopreneurship is not merely a managerial or economic matter, but also a philosophical and juridical one. Philosophically, it is rooted in the values of social justice embodied in Pancasila; juridically, it requires a legal framework capable of accommodating economic practices grounded in social values. These two dimensions constitute the foundation for understanding and developing the *Koperasi Desa Merah Putih* as a modern manifestation of the people's economic struggle that is just, independent, and oriented toward social justice. In this study, the author seeks to examine two main research problems: (1) the philosophy underlying the establishment of the *Koperasi Desa Merah Putih* from the perspective of sociopreneurship; and (2) the juridical analysis of the establishment of village cooperatives in realizing social justice.

Previous studies affirm that strengthening rural economic institutions through cooperatives requires a synergistic integration of state policy intervention, social entrepreneurship innovation, and technological adaptation. *Afgani and Wanusmawatie (2025)* examined the policy framework of the Red and White Cooperative through political economy perspectives and dependency theory, demonstrating that state-centered initiatives serve as strategic catalysts to dismantle rural economic dependency and solidify local institutions. In alignment with this structural approach, *Sholikhah and Marjayanti (2021)* analyzed the practice of social entrepreneurship within the Nira Satria Banyumas Cooperative using a Business Model Canvas grounded in Islamic economic principles, illustrating that cooperatives driven by a social mission and value-creation orientation can successfully transform local resources into sustainable and self-reliant economic entities. Furthermore, *Galib et al. (2025)* complemented these findings by emphasizing institutional modernization via digital cooperative models, which significantly enhances institutional governance, operational efficiency, and market accessibility for grassroots economic actors.

RESEARCH METHODS

This study employs a qualitative research method with a normative juridical approach. This method is selected because the research focuses on analyzing legal norms governing the existence and development of cooperatives in Indonesia, particularly in the context of the *Koperasi Desa Merah Putih*, which integrates the values of sociopreneurship and social justice. The normative juridical approach emphasizes the examination of legal principles, norms, and the system of positive law as embodied in statutory regulations. Accordingly, law is understood as a set of normative rules that serve as a reference for regulating the social and economic life of society (*Fauziah Hamid Wada, 2020*).

In addition, this study also adopts a qualitative approach, which is oriented toward understanding the meanings and contexts underlying the legal and social phenomena under examination. According to Lexy J. Moleong, a qualitative approach aims to comprehend phenomena in depth through descriptive and interpretative analysis of non-numerical data, with an emphasis on the meanings behind social actions and events. This approach is relevant because research on village cooperatives is not limited to legal texts, but also involves the values, ideologies, and social contexts that shape their practices (*Solikin Nur, 2021*).

Within the normative juridical approach, several analytical methods are employed, namely:

1. **Statute approach**, namely the examination of statutory regulations related to cooperatives, such as Law Number 25 of 1992 on Cooperatives, the 1945 Constitution of the Republic of Indonesia, particularly Article 33 paragraph (1), as well as Law Number 6 of 2023 on the Enactment of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law. Pendekatan konseptual (*conceptual approach*), It is

used to examine fundamental concepts such as sociopreneurship, social justice, and the principle of kinship from the perspectives of law and Pancasila.

2. **Philosophical approach**, namely the examination of the value and moral foundations of Indonesian cooperative law in order to assess the extent to which these legal norms are aligned with the ideals of social justice embodied in Pancasila and the mandate of Article 33 of the 1945 Constitution (*Selvin Delpian Giawa Mohd. Yusuf, 2015*).

RESULTS AND DISCUSSION

The Philosophy of Establishing the *Koperasi Desa Merah Putih* from the Perspective of Sociopreneurship

The philosophy underlying the establishment of the *Koperasi Desa Merah Putih* cannot be separated from the spirit of collectivism and rural economic self-reliance rooted in the values of *gotong royong* and social solidarity within Indonesian society. In this context, cooperatives serve as socio-economic institutions that place human beings at the center of economic activity, rather than merely as instruments of production. This concept is consistent with the idea of sociopreneurship, in which entrepreneurial activities are not solely aimed at generating economic profit, but also at creating transformative social impacts for the surrounding community. David Bornstein explains that social entrepreneurship is a movement that integrates social motivation with innovative entrepreneurial approaches in order to address societal problems and to build a just social order (*Miatri Sholikhah and Dian Marjayanti, 2021*). This serves as an important foundation for understanding village cooperatives as vehicles for social value creation and social change.

1. Cooperatives as a Medium for Social Value Creation

According to Dees (1998), the core essence of sociopreneurship lies in its ability to create sustainable social value through innovation, rather than merely pursuing economic profit. Within the framework of the *Value Creation and Social Change Theory*, value creation is not measured solely by capital growth or financial returns, but also by contributions to improving the quality of life of society. Accordingly, the *Koperasi Desa Merah Putih* can be viewed as an institution that integrates two major objectives: the welfare of its members and social change at the local level (J Gregory Dees, 2001).

The social value generated by this cooperative is reflected in the enhancement of villagers' economic self-reliance, the provision of access to productive resources, and the strengthening of social solidarity among members. The *Koperasi Desa Merah Putih* does not merely operate as a savings and loan institution, but also functions as a collective space for organizing the potential of rural communities in building a just and sustainable economy. As emphasized by Dees, "*social entrepreneurs play the role of change agents in the social sector by adopting a mission to create and sustain social value rather than private value*" Dees's statement underscores that cooperatives are not merely economic entities, but also moral and social instruments that channel humanistic values through economic activities. In this context, the *Koperasi Desa Merah Putih* performs a dual function: creating welfare for its members while simultaneously strengthening networks of social solidarity among village residents. Accordingly, the philosophy underlying the establishment of this cooperative reflects the values of *value creation* as formulated by Dees, namely an orientation toward collective welfare, active participation, and community-based social change.

2. The Dimensions of Social Change and Sustainability in the *Koperasi Desa Merah Putih*

Within the framework of the Social Change theory developed by Dees, social change does not merely refer to radical transformation, but to a continuous process that occurs when

communities are able to manage their resources in an autonomous and equitable manner. As a membership-based organization, cooperatives possess internal mechanisms that enable a more equitable redistribution of economic and social power.

Accordingly, the *Koperasi Desa Merah Putih* becomes an arena through which communities engage in empowerment and build new social capital. Pierre Bourdieu states that social capital consists of networks of relationships that possess economic and symbolic potential in strengthening the position of individuals or groups within the social structure. From this perspective, cooperatives generate new social capital through collective activities, in which trust, participation, and solidarity become the primary driving forces (Mukhtar Galib, 2025). Dees emphasizes that true social entrepreneurs are those who are able to transform people's mindsets from dependence to self-reliance through social innovation. Accordingly, cooperatives that are established on the basis of a shared awareness of the social and economic needs of rural communities constitute a concrete manifestation of social innovation. The changes produced are not merely economic in nature, but also cultural, as they transform relationships among individuals in rural society into ones that are more egalitarian and productive.

Furthermore, John Elkington (1997) introduced the concept of the *Triple Bottom Line* (TBL), which asserts that organizational success cannot be measured solely in terms of profit, but must also take into account the social (people) and environmental (planet) dimensions. In the context of the *Koperasi Desa Merah Putih*, these three pillars constitute a relevant philosophical framework for assessing the extent to which the cooperative is able to realize sustainable welfare for rural communities.

From John Elkington's perspective, cooperatives function as instruments of community empowerment, in which each member participates in decision-making and receives proportional benefits from collective economic activities. Such participation is consistent with the principle of social justice that constitutes the core foundation of cooperatives. From Elkington's viewpoint, cooperatives also play a role in safeguarding the sustainability of natural resources in rural areas. The principles governing cooperative business management are directed not toward environmental degradation, but toward the prudent and sustainable utilization of local resources. This is crucial, as rural welfare is inherently dependent on the preservation of its ecosystem. With regard to profit, cooperatives must maintain sound economic performance in order to ensure their organizational sustainability. However, this profit orientation is not exploitative in nature; rather, it reflects *inclusive profit*, in which gains are redistributed to members and the wider community in the form of social services, education, and productive investment.

In Elkington's view, the balance among the three pillars of the *Triple Bottom Line* constitutes the moral measure of the success of socio-economic institutions. Accordingly, cooperatives that pursue profit alone without due regard for social welfare and environmental sustainability will lose their moral legitimacy. The integration of Dees's and Elkington's theories generates a new paradigm for understanding cooperatives as sociopreneurial entities. The *Koperasi Desa Merah Putih* thus not only performs economic functions, but also serves as a catalyst for social transformation and environmental preservation.

Dees's *Value Creation* theory emphasizes the internal dimension, namely how social value is generated and transformed into the collective actions of members. In contrast, Elkington's *Triple Bottom Line* theory extends this dimension to the external sphere, namely how economic, social, and environmental values are integrated into institutional policies and strategies. Accordingly, village cooperatives represent a concrete manifestation of these two theories, creating tangible social value (*social value creation*) while maintaining a balance between economic interests and environmental sustainability.

The philosophy of cooperatives as institutions "of, by, and for the members" thus finds renewed meaning within the framework of sociopreneurship, which emphasizes a balance between social innovation and ecological responsibility. In practice, the *Koperasi Desa Merah*

Putih can implement these two theories through three strategic stages: first, by building collective awareness among members regarding the social values to be pursued; second, by developing a cooperative business model that integrates principles of sustainability; and third, by conducting evaluations based on social and environmental impacts, rather than solely on financial performance.

Juridical Analysis of the Establishment of Village Cooperatives in Realizing Social Justice

The establishment of village cooperatives constitutes a concrete manifestation of the constitutional mandate of Article 33 of the 1945 Constitution of the Republic of Indonesia, which stipulates that the national economy shall be organized as a collective endeavor based on the principle of kinship. This principle affirms that the direction of national economic development does not rest solely on market mechanisms, but is grounded in the spirit of *gotong royong*, social solidarity, and distributive justice. In this context, the *Koperasi Desa Merah Putih* represents a tangible form of the government's effort to reaffirm the role of cooperatives as pillars of social justice by strengthening the institutional foundations of the rural economy.

Juridically, the existence of village cooperatives is governed by various regulations that constitute a holistic legal framework. Law Number 25 of 1992 on Cooperatives serves as the principal foundation, affirming that cooperatives are business entities composed of individuals or cooperative legal entities, and are grounded in the principles of kinship and *gotong royong* (khsan Lubis, 2025). Subsequently, **Law Number 6 of 2014 concerning Villages** recognizes the autonomy of villages in managing governance and development affairs, including the authority to establish economic institutions such as Village-Owned Enterprises (*Badan Usaha Milik Desa* or BUMDes) and village cooperatives. This legal recognition underscores the role of villages as independent subjects of development and economic agency within the national legal order. In recent developments, the Ministerial Circular of the Minister of Cooperatives and Small and Medium Enterprises Number 1 of 2025 concerning Procedures for the Establishment of *Koperasi Desa Merah Putih* provides technical guidance for the orderly formation of these cooperatives, operationalizing the national strategy for cooperative development. Likewise, Presidential Instruction Number 9 of 2025 on Accelerating the Establishment of *Koperasi Desa/Kelurahan Merah Putih* constitutes a strategic policy instrument of the central government to expedite the establishment and institutionalization of these cooperatives nationwide as economic instruments of equitable development.

From a legal perspective, these policies reflect a recontextualization of the function of cooperatives within national development. The government positions village cooperatives as centers of production, distribution, and community empowerment at the local level. Legal instruments such as the Ministerial Circular of the Minister of Cooperatives and SMEs Number 1 of 2025 and Presidential Instruction Number 9 of 2025 strengthen coordination between ministries and local governments in accelerating the establishment of the *Koperasi Merah Putih* as a competitive model of village cooperatives. The norms embodied in these instruments also affirm the responsibility of the state to realize social justice as enshrined in the Fifth Principle of Pancasila, namely "Social Justice for All the People of Indonesia."

The normative juridical approach in this analysis positions law not merely as a regulatory instrument (*law as rule*), but also as a means of achieving social objectives (*law as social engineering*). In this regard, cooperative law functions as a normative framework that structures economic activities so as to align them with the values of social justice. The principle of social justice cannot be separated from the philosophy of Pancasila, since every legal product in Indonesia must be rooted in the fundamental values of the state ideology.

Within the framework of the theory of social justice articulated by Mohammad Hatta (1957), cooperatives are not merely economic institutions, but rather arenas of economic democracy that foster public participation in both production and consumption. For Hatta, cooperatives represent "a form of collective enterprise established on the basis of mutual

assistance to improve the economic conditions of members and the community.” Accordingly, cooperative law must reflect the spirit of togetherness, equality, and distributive justice. The issuance of the Ministerial Circular of the Minister of Cooperatives and SMEs Number 1 of 2025, which emphasizes the establishment of cooperatives in every village, constitutes a concrete realization of Hatta’s vision namely, building a people’s economy from the grassroots through inclusive institutional mechanisms.

Hatta also rejected the liberal economic concept that is oriented toward capital accumulation. For him, social justice can only be achieved if the national economy is controlled by the people through collective institutions such as cooperatives. Therefore, in the context of the *Koperasi Desa Merah Putih*, the legal norms stipulated in the Ministerial Circular of the Minister of Cooperatives and SMEs Number 1 of 2025 and Presidential Instruction Number 9 of 2025 should not be understood merely as administrative policies, but as concrete realizations of the moral mandate of Pancasila’s economic philosophy. In this regard, law functions as an instrument of social engineering to expand economic participation among rural communities and to correct the structural inequalities produced by a capitalistic economy. Furthermore, from the perspective of Franz Magnis-Suseno, social justice is the embodiment of structural solidarity that demands social responsibility from every individual for the collective welfare.

Mohammad Hatta conceptually rejected the liberal economic model grounded in the logic of capital accumulation. In his view, social justice can only be realized when the national economy is placed under the collective control of the people, particularly through cooperative institutions. Within this intellectual framework, the establishment of the *Merah Putih Village Cooperative* and its regulation under Minister of Cooperatives Circular Letter No. 1 of 2025 and Presidential Instruction No. 9 of 2025 should not be understood merely as administrative policy instruments, but rather as concrete manifestations of the moral ethos of Pancasila’s economic philosophy. From this perspective, law functions as an instrument of social engineering aimed at expanding economic participation among rural communities while simultaneously correcting the structural inequalities generated by the dominance of a capitalistic economic system..

Furthermore, from the perspective of Franz Magnis-Suseno, social justice constitutes a manifestation of structural solidarity that requires social responsibility from every individual toward the collective well being (*Ipel Gunadi, 2017*). In his work, Magnis-Suseno emphasizes that social justice is not merely a matter of economic distribution, but also encompasses recognition and equal participation in social life. Accordingly, the establishment of the *Merah Putih Village Cooperative* cannot be detached from its ethical dimension, namely how such an economic institution ensures collective welfare without compromising individual rights and human dignity.

When related to positive legal norms, Article 2 of Law No. 25 of 1992 stipulates that cooperatives are founded upon the principle of kinship, while Article 3 affirms their objective of enhancing the welfare of both members and society at large. Normatively, these principles correspond to what Magnis-Suseno conceptualizes as structural justice, in which economic and social structures must enable every individual to develop in a fair and dignified manner. Accordingly, Minister of Cooperatives Circular Letter No. 1 of 2025 may be interpreted as a concrete effort to translate Magnis-Suseno’s ethics of social justice into the legal system.

Furthermore, Soediman Kartohadiprodjo argues that Pancasila is not merely the philosophical foundation of the state, but also the primary source of values and ethical principles of Indonesia’s national legal order. Pancasila must serve as the moral spirit of every legal product enacted in Indonesia. In the context of establishing village cooperatives, the Fifth Principle of Pancasila becomes the central normative orientation in structuring cooperative law. The implementation of the principle of “Social Justice for All the People of Indonesia” must be reflected in a regulatory design that promotes the equitable distribution of economic opportunities, social participation, and recognition of the local potential of villages.

When analyzed through Kartohadiprodjo's theoretical framework, Minister of Cooperatives Circular Letter No. 1 of 2025 represents an actualization of the legal ethics of Pancasila. This regulation requires a model of cooperative governance that is not merely formally lawful but also substantively just. For instance, its provisions stipulate that the establishment of the *Merah Putih Cooperative* must involve all elements of the village community and be guided by the principles of transparency, economic democracy, and financial self-reliance. This approach is consistent with Indonesia's national legal ideal, which seeks to balance individual freedom with social responsibility.

Presidential Instruction No. 9 of 2025 further reinforces the policy framework by directing the relevant ministries to provide legal assistance and access to financing for village cooperatives. This approach demonstrates that law operates as an integrative instrument that unites the normative dimension (written rules) with the moral dimension (the values of social justice). Accordingly, the establishment of the *Merah Putih Village Cooperative* serves not only an economic function but also interrelated legal and social functions.

From a systematic perspective, the establishment of village cooperatives may also be viewed as an implementation of Aristotelian distributive justice within the framework of Pancasila. The positive law embodied in Minister of Cooperatives Circular Letter No. 1 of 2025 and Presidential Instruction No. 9 of 2025 seeks to create a balance between rights and obligations, as well as between individual interests and collective interests. This is reflected in provisions requiring village cooperatives to deliver direct benefits to both their members and the broader community through productive economic activities. From a normative juridical perspective, Minister of Cooperatives Circular Letter No. 1 of 2025 possesses binding administrative force over all regional and village governments, while simultaneously serving as an operational guideline for cooperative supervisory authorities at the provincial and regency/municipal levels. These provisions reflect a concrete manifestation of the legal principle of protection (*asas pengayoman*), whereby the state bears responsibility for providing protection, facilitation, and empowerment to small-scale economic actors and rural communities.

From the perspective of legal synchronization, the establishment of the *Merah Putih Village Cooperative* must also be understood within its hierarchical relationship with Law No. 25 of 1992, Law No. 6 of 2014, and Government Regulation No. 7 of 2021. The Minister of Cooperatives Circular Letter and the Presidential Instruction function as derivative policy instruments that strengthen the effectiveness of legal norms in practice. This hierarchical consistency affirms that the formation of village cooperatives possesses valid legal legitimacy and is oriented toward the principle of social justice. This policy direction also reflects an effort to harmonize national economic law with village law. Villages are no longer positioned merely as objects of development, but as legal subjects with the sovereign capacity to manage their local potential through cooperatives. This legal approach is aligned with the spirit of the Village Law, which places village communities as the principal actors in the pursuit of equitable economic development

CONCLUSION

1. The philosophy underlying the establishment of the *Merah Putih Village Cooperative* is rooted in the paradigm of people-centered economics, which is revitalized through a sociopreneurship approach in which economic activities are oriented not merely toward capital accumulation but also toward the creation of sustainable social value. The cooperative's foundational principles position human beings as the primary subjects of economic development rather than merely as objects of production, emphasizing

collaboration, solidarity, and social responsibility. Within the theoretical framework of *Value Creation and Social Change*, village cooperatives function as agents of social change that generate collective welfare through community-based innovation. This distinctive character renders the *Merah Putih Cooperative* not merely a business entity but also a moral instrument that cultivates socio-economic awareness at the grassroots level.

2. From a juridical perspective, the establishment of the *Merah Putih Village Cooperative* represents a recontextualization of the mandate of Article 33 of the 1945 Constitution and the Fifth Principle of Pancasila into a modern legal policy that is responsive to the needs of rural communities. Regulations such as Law No. 25 of 1992 on Cooperatives, Law No. 6 of 2014 on Villages, as well as Minister of Cooperatives and SMEs Circular Letter No. 1 of 2025 and Presidential Instruction No. 9 of 2025 affirm the role of cooperatives as instruments for the equitable distribution of the national economy. Within the *law as social engineering* approach, law functions not merely to regulate, but also to shape more just socio-economic structures through the institutionalization of village cooperatives.

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