

Multi-Party Model in Cooperatives: Deep Understanding of Ratio Legis in Minister of Cooperatives Regulation Number 8 of 2021

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ABSTRACT

In line with the progress of the global economy, especially in Indonesia, it is recognized that a digitalization and modernization era has taken place, which continues to evolve and never ceases. This necessitates cooperatives to strengthen themselves to be healthier, self-reliant, modern, strong, and competitive, in accordance with cooperative principles, enabling them to play a role as a "pillar of the national economy." In April 2022, the Minister of Cooperatives and Small and Medium Enterprises Regulation on Cooperatives with a Multi-Party Model Number 8 of 2021, hereinafter referred to as "Permenkop UKM KMP," came into effect on October 21, 2021. In other countries, the Multi-Party Model Cooperatives, referred to as "KMP," have been commonly used for various business purposes. For example, they have been established in the United Kingdom since 1870, in the United States since the 1990s, in Italy since 1991, in Canada since 1997, in Portugal since 1998, and in France since 2001. Firdaus Putra, the Chairman of the Indonesian Consortium For Cooperative Innovation (ICCI), mentioned in a webinar on the dissemination of Minister of Cooperatives and SMEs Regulation No. 8 of 2021 concerning Multi-Party Model Cooperatives, that Italy is the best-practice example of KMP globally, with approximately 14,000 KMPs as of today. However, with the issuance of Permenkop UKM KMP in Indonesia, the history of Permenkop UKM KMP began only in 2022, making it a relatively new terminology in Indonesia. The issuance of Minister of Cooperatives and SMEs Regulation Number 8 of 2021 on Cooperatives with a Multi-Party Model raises several questions about the reasons behind the introduction of this new regulation. For instance, is the regulation solely implemented as a UUCK (Job Creation Law) enforcement measure, given the mention of the need for cooperatives to support job creation, even though it is not explicitly explained which type of cooperatives are referred to in the UUCK.

Keywords:

Cooperatives, Multi-Party Model Cooperatives (KMP), Economic Development in Indonesia

INTRODUCTION

The preamble of the Constitution of the Republic of Indonesia (UUD NRI 1945) explicitly states one of the state's goals, which is to advance the common welfare based on Pancasila, the fifth philosophy being a part of the nation's outlook on life. The concrete manifestation of efforts to achieve this national goal is through continuous national development aimed at improving the welfare and prosperity of the Indonesian people fairly and evenly. This includes developing a society and an advanced and democratic state administration.

Indonesia is a welfare state, as evident from the state's goals outlined in the fourth paragraph of the preamble of the 1945 Constitution (referred to as UUD 1945): "... to form a Government of the State of Indonesia that protects all Indonesian people and the entire homeland of Indonesia and to advance the common welfare, educate the nation's life, and participate in maintaining world order..." (UUD NRI 1945, n.d.) UUD 1945, as the highest legal source in Indonesia, is also interrelated with Pancasila as the foundation of the Indonesian state. The implementation of the fifth principle of Pancasila, which states "Social Justice for all the people of Indonesia," can be realized through efforts in social welfare administration (Safitri & Dewi, 2021). From this Constitution and the basic principles of the state, it can be concluded that Indonesia is a Welfare State (Sukmana, 2016).

Based on Article 33 (1) of UUD 1945, which states: "The economy is organized as a joint effort based on the principle of kinship," cooperatives are legal entities grounded in the principle of kinship and are suitable as a realization of the above Article's meaning. The legal umbrella for cooperatives is the Cooperative Law Number 25 of 1992, hereinafter referred to as the "Cooperative Law." The Cooperative Law explains the foundation and principles of cooperatives, which are based on Pancasila and the 1945 Constitution and grounded in the principle of kinship. The goal of cooperatives is to advance the welfare of their members, especially, and society in general, as well as to contribute to building the national economic order in the efforts to realize an advanced, just, and prosperous society based on Pancasila and the 1945 Constitution (UU Nomor 25 Tahun 1992, n.d.)

As the global economic development progresses, particularly in Indonesia, there is undeniable digitalization and modernization. This ongoing development requires cooperatives to build themselves to be healthier, self-reliant, modern, strong, and competitive, following cooperative principles. This enables cooperatives to play a role as a "pillar of the national economy." Mohammad Hatta, the father of Indonesian cooperatives and the pioneer of Article 33 of the 1945 Constitution, provided reasons for cooperatives to be considered as the "pillar of the national economy" (Moh. Hatta, 1987), including:

- a. Cooperatives cultivate a self-helping attitude.
- b. Cooperatives possess a communal nature where the interests of society should take precedence over individual or group interests.
- c. Cooperatives are rooted and developed from the native culture of the Indonesian people.
- d. Cooperatives are a manifestation of the nation's original culture.

In April 2022, the Minister of Cooperatives and Small and Medium Enterprises Regulation on Cooperatives with a Multi-Party Model Number 8 of 2021, subsequently referred to as "Permenkop UKM KMP," came into effect on October 21, 2021. In other countries, Cooperatives with a Multi-Party Model, known as "KMP," have been commonly used for various business needs. Examples include the United Kingdom since 1870, the United States since the 1990s, Italy since 1991, Canada since 1997, Portugal since 1998, and France since 2001. Firdaus Putra, the Chairman of the Indonesian Consortium For Cooperative Innovation (ICCI), mentioned in a webinar on the dissemination of Minister of Cooperatives and SMEs Regulation No. 8 of 2021 concerning Multi-Party Model Cooperatives, that Italy is the best-practice example of KMP globally, with approximately 14,000 KMPs as of today. However, in Indonesia, with the issuance of Permenkop UKM KMP, the history of Permenkop UKM KMP began only in 2022, making it a relatively new terminology in Indonesia (Firdaus Putra, 2022)

Unlike cooperatives regulated by the Cooperative Law, cooperatives are traditionally single-party cooperatives or conventional cooperatives, such as agricultural cooperatives that focus solely on businesses related to specific agricultural commodities with membership limited to farmers. In contrast, KMP encompasses members with diverse interests, including individuals and organizations, such as workers, producers, consumers, investors, and the government, with a minimum of two groups of members. For instance, in the coffee processing industry, aggregation involves groups of farmers, workers or employees, partner groups, founder groups, and investor groups, addressing needs in various areas such as services, production,

consumption, distribution, digital, agriculture, social, and more (Firdaus Putra, 2022). From the explanation above, there is an expansion of the meaning of a cooperative, where traditional cooperatives had members of the same type and background. In contrast, cooperatives with a multi-party model can group together members with different backgrounds and then categorize them based on their roles in business activities.

The issuance of Minister of Cooperatives and SMEs Regulation Number 8 of 2021 on Cooperatives with a Multi-Party Model raises several questions about the reasons behind the introduction of this new regulation, such as whether the regulation is solely an implementation of the Job Creation Law (UUCK) since it mentions the need for cooperatives to support job creation, although it is not explicitly explained which type of cooperatives are referred to in the UUCK. Other questions include whether the welfare, as the goal of cooperatives, can be achieved, whether it will alter the identity of cooperatives as outlined in the Cooperative Law, whether the regulation can be morally humane in the face of societal progress, and, of course, whether legal certainty arises with the issuance of this regulation. What essence or meaning does the Cooperative with a Multi-Party Model aim to achieve? This gives rise to a legal issue regarding the expansion of the meaning of cooperatives with the issuance of Minister of Cooperatives and SMEs Regulation Number 8 of 2021 on Cooperatives with a Multi-Party Model. This leads to questions about the ratio legis (legislative intent) and the purpose behind the issuance of Permenkop UKM KMP.

METHOD

The type of research used is normative research. Normative research is legal research that places law as a construction of a norm system, meaning that the system comprises principles, norms, rules from legislation, court decisions, agreements, and also doctrines (teachings). Therefore, normative legal research focuses on legal doctrines, an inventory of positive law, legal discovery in concrete cases, legal systematics, synchronization levels, legal history, and legal comparison (Abdulkadir Muhammad, 2004). This research also employs doctrinal research. Doctrinal research is a prescriptive legal study where legal science examines the purpose of law, justice values, the validity of legal rules, legal concepts, and legal norms (Peter Mahmud Marzuki, 2008).

The research approach used is the statutory approach. This approach is chosen because the issues discussed and researched are rules that become a focus and simultaneously a central theme in the research. This approach is also referred to as a juridical approach, involving the examination of legal products. The approach is conducted by scrutinizing all laws and regulations related to the legal issues under consideration. Philipus M. Hadjon and Tatiek Sri Djatmiati also explain that the statutory approach begins with a constitution in terms of legal principles and concepts, followed by its subsequent laws or organic regulations. Additionally, the researcher uses a conceptual approach, which, in using the conceptual approach, brings forth certain thoughts and attributes, interesting objects from practical and knowledge perspectives. This approach emerges when the researcher moves away from views and doctrines that are always evolving in legal science, leading to ideas that give rise to legal understandings, concepts, and principles relevant to the issues at hand. The conceptual approach is used to obtain clarity and scientific justification based on legal

concepts derived from legal principles. In using the conceptual approach, researchers need to refer to legal principles found in legal doctrines and the views of legal scholars. The research sources used by the author include:

a. Primary Legal Sources

Primary legal sources are materials with authority, meaning they are binding. Primary legal materials can be further categorized into primary mandatory authority (including legislation issued in the local legal jurisdiction and court decisions) and persuasive authority (including legislation in another country but concerning the same matter and court decisions in the legal jurisdiction of another country).

b. Secondary Legal Materials

The main secondary legal materials are textbooks containing classical scholars' views with high qualifications and basic principles of legal science. The research materials used include literature, legal journals, theses, documents, state gazettes of regulations, expert opinions, or scholarly works, research results, seminar materials, legal articles, or other scholarly works published on the internet related to the main issues in this writing.

c. Tertiary Legal Materials

Tertiary legal materials consist of legal dictionaries, Indonesian language dictionaries, English language dictionaries, and encyclopedias relevant to the research topic.

Theoretical Basis

a. **Progressive Law Theory**

The term "progressive" is derived from the English word "progress," which implies advancement. Therefore, it envisions a legal system capable of keeping up with the times, responding to societal changes, and serving the community based on moral aspects derived from the Human Resources (HR) of law enforcers themselves.

Prof. Satjipto Rahardjo proposed a line of thought called progressive law, driven by concerns about the weakness of law enforcement in Indonesia today. This thinking has since evolved and inspired many other legal professionals in the country. The Progressive Law Theory, advocated by Prof. Satjipto Rahardjo, emphasizes the importance of rule-breaking in the law enforcement system. One aspect is the pursuit of deeper meanings, which should serve as a new criterion for law and governance. In the evolving times, Progressive Law aims not to treat law as an unfeeling technology but as an institution with moral humanity (Ahmad Rifai, 2011).

Progressive law does not want to turn law into a heartless technology but rather into an institution with moral (Satjipto Rahardjo, 2007). From the above explanation, it can be concluded that progressive law:

- a) Law exists for humans, not for itself;
- b) Law is always in the status of law in the making and is not final;
- c) Law is an institution with moral humanity, not an unfeeling technology.

Progressive law responds to the development and needs of humans, such as the need for truth, justice, well-being, and concern for humanity in general. Progressive law first emerged due to dissatisfaction among legal professionals with the theories and realities present in society.

In this research, the researcher employs the progressive law theory to analyze the factors of moral humanity within the Minister of Cooperatives and SMEs Regulation on Cooperatives with a Multi-Party Model (Permenkop UKM KMP) and its alignment with the goals of cooperatives based on the Cooperative Law.

b. Legal Certainty Theory

According to Utrecht, legal certainty carries two meanings. Firstly, the existence of general rules enables individuals to know what actions are permitted or prohibited. Secondly, it provides legal security for individuals from government arbitrariness because, with these general rules, individuals can understand what the state can impose or require from them (Riduan Syahrini, 1999). The Legal Certainty Theory, introduced by Utrecht, encompasses the values of justice and happiness that it seeks to achieve. This doctrine of legal certainty originates from the Juridical-Dogmatic doctrine based on positivist thought in the legal world. It tends to view law as something autonomous and independent. For adherents of this thought, law is nothing more than a collection of rules. According to this perspective, the purpose of law is simply to ensure the realization of legal certainty. Based on the legal certainty theory and the values it aims to achieve, namely justice and happiness (Achmad Ali, 2002).

With the issuance of the Minister of Cooperatives and SMEs Regulation on Cooperatives with a Multi-Party Model, also known as Multi-Party Cooperatives, the researcher aims to analyze whether there is legal certainty for the Indonesian community, especially for cooperative organizations or members, with the enactment of this Ministerial Regulation.

c. Welfare Theory

Welfare Theory, based on the grand theory of Welfare State according to Bentham (1748-1832), promotes the idea that the government has a responsibility to ensure the greatest happiness (or welfare) of the greatest number of their citizens. Bentham used the term "utility" to explain the concept of happiness or welfare. Based on the utilitarianism principles he developed, Bentham argued that something that brings extra happiness is good, while something that causes pain is bad (Sukmana, 2016).

From various opinions on social welfare from several figures, the concept of social welfare can be summarized as:

- a) Able to fulfill all the needs required by an individual;
- b) An activity carried out by social welfare institutions that organize social welfare efforts;
- c) An activity or effort undertaken to achieve well-being (Suharto, 2017).

In the Preamble of the 1945 Constitution, the fourth paragraph states: "...to protect the entire Indonesian nation and all parts of Indonesia, promote the general welfare, educate the nation's life, and achieve social justice...". One of Indonesia's state goals is to "promote the general welfare." Thus, it can be concluded that Indonesia adheres to the concept of welfare. The 1945 Constitution leads to the formation of a welfare state model with the following goals: (Marilang, 2016)

- a) Control and utilize socio-economic resources for public interests;
- b) Ensure fair and equitable wealth distribution;
- c) Reduce poverty;
- d) Provide social insurance (Education and Health) for the poor;
- e) Provide subsidies for basic social services for disadvantaged people;

f) Provide social protection for every citizen.

Welfare, according to the 1945 Constitution, is defined as a condition where an individual or a group of people, both men and women, can fulfill their basic rights to maintain and develop a dignified life (UUD Negara Republik Indonesia, 1945).

There are three forms of social organization models, namely the residual welfare state, which gives the government less opportunity for public intervention, thus opening the door to privatization. The institutional/universalist welfare state model emphasizes the state providing maximal and comprehensive public services. The social insurance welfare model places social welfare (government intervention in social welfare affairs) as a tool to increase the productivity of groups receiving social welfare services in the long term (Suryokumoro & Ula, 2020).

The researcher employs the welfare theory to analyze whether there is welfare with the issuance of the Minister of Cooperatives and SMEs Regulation on Cooperatives with a Multi-Party Model for all segments of society in Indonesia, especially the cooperative members themselves.

RESULTS AND DISCUSSION

Cooperative with a Multi-Party Model, also known as Multi-Party Cooperative, is a cooperative with a grouping model of members based on the roles of member groups in a specific business scope tailored to economic interests, business relationships, potentials, and member needs. Meanwhile, Member Party Groups are a collection of cooperative members grouped into one party with a role in a specific business scope. The phrase "Multi-Party" pertains to membership in cooperatives, transforming the conventional cooperative, which previously consisted of "individuals or legal entities of the cooperative," into "Member Grouping." According to the Big Indonesian Dictionary (KBBI), "multi" is a prefix that means many (various), and "party" refers to individuals or groups included in one environment and interest. In conventional cooperatives, all members share similar experiences, resources, skills, networks, thought processes, and relatively similar activity cycles. In contrast, Multi-Party Cooperatives introduce a new approach by grouping members into a minimum of 2 member groups with different backgrounds based on common interests to achieve a common goal. Multi-Party aims to consolidate and mobilize various resources inherent in Member Groups, including capital, labor, land/infrastructure, formulas/Intellectual Property Rights (IPR), data, technology, brand, and others.

The term "cooperative" comes from the words "Cooperative" or "Cooperation," meaning collaboration (Suryokumoro & Ula, 2020). Etymologically, the term "cooperative" consists of two root words: "co," meaning together, and "operation," meaning work. Thus, it can be literally interpreted as working together (Budi Untung, 2005).

The definition of a cooperative is found in Article 1 paragraph (1) of the Cooperative Law, which states: "A cooperative is a business entity consisting of individuals or legal entities of the cooperative, basing its activities on cooperative principles and as a people's economic movement based on the principles of kinship." The legal umbrella for cooperatives, Cooperative Law No. 25 of 1992, was revoked and replaced by Law No. 17 of 2012 concerning Cooperatives. However, since the Constitutional Court decision in Case Number: 28/PUU-XI/2013 on May 28, 2014, which resulted in annulment due to the entire content of the law conflicting with the 1945 Constitution and Article 1 paragraph (1) with the principle of independence stated

in Article 5 letter e as the cooperative's vision: "The cooperative is a legal entity established by individuals or legal entities of the cooperative, with the separation of the wealth of its members as capital to carry out business, fulfilling shared aspirations and needs in the economic, social, and cultural fields in accordance with cooperative values and principles." The phrase "legal entity" creates legal uncertainty because, from a historical perspective, a cooperative is a group of people and not a legal entity. Thus, Law Number 25 of 1992 concerning Cooperatives is considered applicable, later referred to as the "Cooperative Law."

Cooperatives are one of the economic players in Indonesia contributing fairly to the advancement of the Indonesian economy. Cooperatives are considered a legal business form that aligns with the aspirations of the Indonesian nation since cooperatives are formed based on Pancasila and the 1945 Constitution of the Republic of Indonesia. Cooperatives have legal support in the form of Law Number 25 of 1992 concerning Cooperatives, which has been in effect since October 21, 1992, until now, with only one change being Law Number 17 of 2012 concerning Cooperatives, which was later annulled by the Constitutional Court (MK) because it was deemed contradictory to the Constitution (UUD). This long-standing legal framework, without subsequent changes, is considered outdated due to the lack of adaptation to the times. Although still in existence, this regulation raises questions about whether the forms of cooperatives outlined in its articles are still relevant and in line with current developments.

One of the government's efforts to attract public interest in economic activities through cooperatives is by facilitating the formation of cooperatives. Previously, under Law Number 25 of 1992 concerning Cooperatives, the minimum requirement for forming a cooperative was 20 members. After the enactment of Law Number 11 of 2020 concerning Job Creation, which was later repealed and replaced by the issuance of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, and subsequently ratified and enacted as Law Number 6 of 2023 on the Ratification of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation, cooperatives can now be formed with a minimum of 9 members. However, the number of active cooperatives in Indonesia has not experienced significant growth, and in some regions, there has been a decline since the implementation of this regulation. Therefore, the Ministry of Cooperatives and Small, Medium Enterprises, Macro, and Medium is attempting to make a new breakthrough regarding a new form of cooperative that is expected to meet the needs of economic actors and the general public who follow the progress of an ever-evolving era. This is reflected in the Minister of Cooperatives and Small, Medium Enterprises Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives. The difference between Conventional Cooperatives and Multi-Party Cooperatives lies in their membership. With this expanded meaning, a shift in ratio legis or the reasons underlying the formation of this Ministerial Regulation based on the researcher's background explanation is required.

A Ministerial Regulation formulated by the Ministry of Cooperatives and Small, Medium Enterprises must comply with the procedures for the creation of Legislation. This involves stages such as planning, drafting, discussion, harmonization, determination, promulgation, authentication, dissemination, and, finally, documentation, referred to as the Formation of Ministerial Regulations. Ministerial Regulations must not contradict Law Number 12 of 2011 concerning the Formation of Legislation in conjunction with Law Number 15 of 2019 concerning Amendments to

Law Number 12 of 2011 concerning the Formation of Legislation in conjunction with Law Number 13 of 2022 concerning the Second Amendment to Law Number 12 of 2011 concerning the Formation of Legislation. The types and hierarchy of Legislation consist of:

- a. The 1945 Constitution of the Republic of Indonesia;
- b. Decisions of the People's Consultative Assembly;
- c. Laws/Government Regulations in Lieu of Laws;
- d. Government Regulations;
- e. Presidential Regulations;
- f. Provincial Regulations; and
- g. Regency/Municipality Regulations

Any Legislation outside this hierarchy is considered subordinate legislation or implementing regulations (subordinate legislations). These are regulations delegated by the law (delegated legislations) and fall under the category of "allgemeene verbindende voorschriften" (regulations binding for the general public). Their existence is recognized, and they have legal force as long as mandated by higher Legislation or established based on authority. Ministerial Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives is created based on the mandate of higher Legislation. The relevant Legislation is Presidential Regulation Number 18 of 2020 concerning the Medium-Term Development Plan for 2020-2024, which designates Modern Cooperatives as a national priority/strategic program in the Ministry of Cooperatives and Small, Medium Enterprises. This is stated in the Request for Harmonization of the Draft Ministerial Regulation Number: B-511/KUKM/SM/HK.01.00/VII/2021.

Specifically, the procedures for the formation of Ministerial Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives are governed by Ministerial Regulation Number 3 of 2022 concerning Procedures for the Formation of Legal Products within the Ministry of Cooperatives and Small, Medium Enterprises. Legal products within the Ministry of Cooperatives and Small, Medium Enterprises include:

- a. Legislation, which is a written regulation containing legal norms binding on the general public and formed or stipulated by state institutions or authorized officials through procedures specified in Legislation. Types of Legislation in the Ministry of Cooperatives and Small, Medium Enterprises include Laws/Government Regulations in Lieu of Laws, Government Regulations, Presidential Regulations, and Ministerial Regulations; and
- b. Legal Instruments, which are tools or foundations of the law. Legal instruments formed within this Ministry include decisions, circulars, instructions, implementation guidelines/technical instructions, standard operating procedures for government administration, guidelines, domestic agreements, international agreements, and legal advocacy documents.

The ratio legis of a Ministerial Regulation can be derived by examining the contents of an Urgency Text. The Urgency Text is a study document that includes the background, objectives, and main material content to be regulated in the Ministerial Regulation. It serves as the basis or reference material in the creation of the Ministerial Regulation. Urgency Text is used in the creation of Legislation such as Presidential Regulations, Government Regulations, and Ministerial Regulations. In contrast, Academic Text is used only for Draft Laws, Draft Provincial Regulations, and/or Draft Regency/Municipality Regulations. Since the researcher discusses Ministerial

Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives, the text used is the Urgency Text.

The Urgency Text includes an Introduction (background, problem identification, objectives and uses, and methods), evaluation and analysis of related Legislation, philosophical, sociological, and juridical foundations, scope, regulation direction, and material content scope of the Ministerial Regulation (targets, regulation coverage, and regulation direction and material content scope of the Ministerial Regulation), and conclusion. The Urgency Text for Ministerial Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives.

From the Urgency Text, it can be concluded that the background of the formation of Ministerial Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives is the government's effort, especially by the Ministry of Cooperatives and Small, Medium Enterprises, to encourage and develop strong, healthy, independent, and competitive modern cooperatives. The purpose of this regulation is to form policies that support the development of Multi-Party Cooperatives, a strategic step in the transformation of modern cooperatives. The regulation aims to create innovative cooperatives according to the needs and developments of the global economy, providing ease, protection, and empowerment for modern cooperatives in conducting institutional and business activities. The ratio legis within this Urgency Text is the effort of the Ministry of Cooperatives and Small, Medium Enterprises through Multi-Party Cooperatives, which is expected to develop modern cooperatives involving the interests of various parties, improving access to capital, information, skills, being more open to innovation, and more flexible, in line with the needs and development of the global economy. This serves as the basis for considering Ministerial Regulation Number 8 of 2021 concerning Multi-Party Model Cooperatives.

The Urgency Text must include Philosophical Foundations, Sociological Foundations, and Juridical Foundations, namely:

a. Philosophical Foundations

Philosophical foundations are considerations or reasons that illustrate that the regulation considers the worldview, consciousness, and legal ideals that include the spiritual atmosphere and the philosophy of the Indonesian nation derived from Pancasila and the Preamble to the 1945 Constitution of the Republic of Indonesia.

b. Sociological Foundations

Sociological foundations are considerations or reasons that illustrate that the regulation is created to meet the needs of society in various aspects. Sociological foundations involve empirical facts about the development of issues and the needs of society and the state.

c. Juridical Foundations

Juridical foundations are considerations or reasons that illustrate that the regulation is created to address legal issues or fill legal gaps by considering existing rules that will be amended or repealed to ensure legal certainty and justice in society. Juridical foundations involve legal issues related to the substance or material being regulated, necessitating the formation of new Legislation. Some legal issues include outdated regulations, inconsistent or overlapping regulations, lower-level regulations than the Law resulting in weak enforceability, inadequate regulations, or regulations that do not exist at all.

Multi-Stakeholder Cooperative (MSC), later referred to as "KMP," is also known as Solidarity Cooperative (Solidarity Co-Op), Social Cooperative (Social Co-Op), and

Hybrid Cooperative (Hybrid Co-Op). It is declared to be different from the "New Generation Cooperative" (NGC), which is said to have its own distinctive characteristics (Yulistia adi Nugraha, 2022).

A Multi-Stakeholder Cooperative is a cooperative with a grouping model of members based on the roles of stakeholder groups within a specific business scope tailored to the similarity of economic interests, business relevance, potential, and member needs (Peraturan Menteri Koperasi dan Usaha, 2021).

The Multi-Stakeholder Cooperative is a new cooperative model that was previously a single-party cooperative or known as a conventional cooperative, which can now become either a Single-Party Cooperative or conventional and a Multi-Stakeholder Cooperative. The goal of the Multi-Stakeholder Cooperative is to develop a modern form of cooperative through the application of a multi-stakeholder model where the parties have common interests. It is expected to enhance access to capital, information, skills, innovation, and flexibility for the implementation of the national economic base according to the ideals of the 1945 Constitution.

The organizational structure of the Multi-Stakeholder Cooperative uses the terms Primary Cooperative and Secondary Cooperative, similar to Conventional Cooperatives. However, the distinction lies in having more than one stakeholder with different backgrounds engaged in business activities with shared interests. For example, a primary cooperative, such as a coffee producer aggregation, involves farmers, collectors, entrepreneurs, and investors. In contrast, a secondary cooperative, also in coffee production, may involve combined farmers from different regions, collectors from different areas, entrepreneurs, and investors. The stakeholder groups in the Multi-Stakeholder Cooperative have specificity in terms of shared potential, business relevance, economic factors, and member needs, with rights and obligations regulated in the cooperative's bylaws. Existing cooperatives can also become Multi-Stakeholder Cooperatives by amending the Cooperative's Articles of Association, Division, Mergers, and Consolidation.

The name of a Multi-Stakeholder Cooperative must include the phrase "Multi-Stakeholder" after the term "Cooperative" and the type of cooperative. For example, "Multi-Stakeholder Cooperative originating from a secondary cooperative" is concluded with the abbreviation "(Skd)." The Multi-Stakeholder Cooperative business activities can be carried out as a single business or multi-business, including all types of cooperatives such as Production Cooperatives, Consumer Cooperatives, Marketing Cooperatives, Service Cooperatives, excluding Savings and Loan Cooperatives. The organizational components of the Multi-Stakeholder Cooperative (KMP) consist of:

- a. General Meeting of Members, which is the highest decision-making authority in the KMP, mandatory at least once a year for a meeting of Stakeholder Group members attended by members in one Stakeholder Group listed in the member roster with one vote (non-delegable) and a plenary meeting attended by representatives from each Stakeholder Group with voting rights as regulated in their respective Articles of Association and/or Bylaws;
- b. Board of Directors, consisting of members elected from the General Meeting of the Stakeholder Group, set in the plenary meeting. The Board of Directors must be an odd number and at least 3 (three) people according to organizational needs;
- c. Supervisory Board, consisting of members elected in the General Meeting and then determined in the plenary meeting according to organizational needs.

The Multi-Stakeholder Cooperative is regulated by the Minister of Cooperatives and Small and Medium Enterprises Regulation Number 8 of 2021 concerning the Multi-Stakeholder Cooperative Model. This ministerial regulation serves as an initial rule, and eventually, for legal certainty, it needs to be incorporated into the law so that the regulation has legally binding force. Legislation is dynamic, meaning it can be amended to meet perceived needs at a given time, as long as it does not conflict with higher-level regulations and adheres to the principles of legislation formation, including clarity of purpose, appropriate institutional or organ formation, alignment between type and material content, feasibility and utility, clarity of formulation, and transparency. The Decision Number 28/PUU-XI/2013 contains that Law Number 17 of 2012 concerning Cooperatives contradicts the 1945 Constitution, rendering it without legal binding force. Consequently, Law Number 25 of 1992 concerning Cooperatives remains effective temporarily until the formation of a new law.

Minister of Cooperatives and Small and Medium Enterprises Regulation Number 8 of 2021 concerning the Multi-Stakeholder Cooperative Model expands the meaning of cooperatives, which originally had individual members or legal entities, to a classification of members. This membership is not regulated in Law Number 25 of 1992 concerning Cooperatives. The law, as a higher hierarchy within legislation, holds greater legal force and binding power than Ministerial Regulations, which are not explicitly regulated in terms of their status. This unclear regulation brings uncertainty to the position of Ministerial Regulations, making it challenging to determine their significance. Even though the hierarchy of Ministerial Regulations is not explicitly stated in Law Number 12 of 2011 concerning the Formation of Legislation, and is only mentioned as a form of legislation outside the hierarchy mentioned earlier. Indonesia follows a presidential system of governance, meaning the executive body operates independently of direct legislative oversight. The President, as a state institution within the executive body, carries out duties assisted by state ministers who manage specific areas in the government. As explained earlier, ministerial regulations fall under the jurisdiction of presidential regulations. Therefore, Ministerial Regulations, when placed in the hierarchy of legislation, are positioned below Presidential Regulations. To support the progress of Cooperatives with the new model, namely the Multi-Stakeholder Cooperative, and as long as its content does not contradict higher-level legislation and Pancasila, it is advisable to harmonize the content within Ministerial Regulation Number 8 of 2021 concerning the Multi-Stakeholder Cooperative Model that is not found in Law Number 25 of 1992 concerning Cooperatives. This alignment can include changes in the addition or replacement of chapters, articles, clauses, and explanations within the Cooperative Law, provided that it does not conflict with the prevailing regulations in Indonesia.

CONCLUSION

Minister of Cooperatives and Small and Medium Enterprises Regulation Number 8 of 2021 concerning the Multi-Stakeholder Cooperative Model provides a broader interpretation of the cooperative concept. Initially confined to individual membership or cooperative legal entities, it now involves a grouping of members. This membership system is not elucidated in Law Number 25 of 1992 concerning Cooperatives. As a law situated at a higher hierarchy level in legislation, the law holds stronger legal force and binding power compared to Ministerial Regulations, which are not explicitly regulated regarding their position. This lack of explicit provisions creates

uncertainty about the position of Ministerial Regulations, making it difficult to assess their legal validity.

Although not explicitly stated in Law Number 12 of 2011 concerning the Formation of Legislation, where it is only mentioned as part of legislation outside the entities mentioned in the hierarchy, Indonesia, which employs a presidential system of governance, places the executive body outside direct legislative control.

Acknowledgment

In this framework, the President, as a state institution within the executive body, carries out duties with the assistance of state ministers responsible for specific areas in the government. As explained earlier, regulations issued by ministers fall under the influence of presidential regulations. Therefore, if included in the hierarchy of legislation, Ministerial Regulations are below Presidential Regulations. To support the progress of cooperatives with new models such as the Multi-Stakeholder Cooperative, and as long as its content does not contradict higher-level legislation and the principles of Pancasila, it is advisable to align the content within Ministerial Regulation Number 8 of 2021 concerning the Multi-Stakeholder Cooperative Model that is not covered in Law Number 25 of 1992 concerning Cooperatives through harmonization. This can include additions, changes, or replacements of chapters, articles, clauses, and explanations in the Cooperative Law, as long as it remains in accordance with the prevailing regulations in Indonesia.

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