

The Constitutionality of Presidential Instruction Number 9 of 2025 on the Acceleration of the Establishment of Merah Putih Village/Sub-District Cooperatives An Analysis Under Article 33 Paragraph (1) of the 1945 Constitution of the Republic of Indonesia

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ABSTRACT

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This research is based on the issuance of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives, which is aimed at strengthening the people's economy through the development of cooperative institutions at the village and sub-district levels. However, this policy has given rise to constitutional debate, especially because its regulatory pattern is considered to be centralistic and potentially inconsistent with the principles of economic democracy and the principle of family as stated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. This research aims to examine the legal position of the Presidential Instruction in the Indonesian state system, as well as to assess the constitutionality of Presidential Instruction Number 9 of 2025 based on the perspective of Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. The method used is normative legal research with a statutory approach and a conceptual approach. Legal materials are collected through literature studies that include laws and regulations, Constitutional Court decisions, and various legal literature relevant to the object of study. The results of the research indicate that the Presidential Instruction is an internal administrative policy instrument and is not included in the hierarchy of laws and regulations. From a formal perspective, the existence of Presidential Instruction Number 9 of 2025 can be declared valid. However, from a material perspective, its constitutionality is conditional and is largely determined by its implementation pattern in the field. If its implementation is carried out in a participatory manner, respecting regional and village autonomy, and oriented towards the real needs of the community, then the policy is in line with the values contained in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. Conversely, if implemented through a centralistic and top-down approach, this policy has the potential to deviate from the essence of cooperatives as a manifestation of economic democracy. Therefore, further research is needed to assess the effectiveness of the implementation of this policy in various regions.



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Introduction

Indonesia's concept as a state based on law (*rechtstaat*) places law as the foundation for all aspects of national and state life. ¹The principle of a state based on law emphasizes not only the supremacy of law but also guarantees the protection of human rights and the realization of social

¹Jimly Asshiddiqie, *The Constitution and Constitutionalism of Indonesia* , Sinar Grafika, Jakarta, 2010, p. 57.

justice for all citizens. ²In the context of a modern state, the concept of a state based on law has evolved alongside the concept of a welfare state, in which the state functions not only as a guardian of order but also has an active responsibility to realize the welfare of society through various public policies, particularly in the economic sector.³

The Indonesian Constitution expressly regulates the direction of national economic development in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia, which states that "the economy is structured as a joint effort based on the principle of family." ⁴This provision implies that the Indonesian economic system is not based solely on individualism or economic liberalism, but rather on a spirit of togetherness and mutual cooperation. In constitutional interpretation, this principle of family is manifested in the form of economic institutions that reflect the collective participation of society, namely cooperatives.⁵

The affirmation of cooperatives as a key pillar of the national economy can also be seen in the explanation of Article 33 of the 1945 Constitution of the Republic of Indonesia, which positions cooperatives as "the cornerstone of the national economy." This demonstrates that cooperatives are not simply ordinary business entities, but rather a constitutional instrument for realizing economic justice and social welfare. Therefore, all policies related to cooperatives must align with constitutional values, particularly the principles of economic democracy and the principle of family.⁶

From a legal doctrinal perspective, Mohammad Hatta, the Father of Indonesian Cooperatives, emphasized that cooperatives are a concrete form of economic democracy based on a spirit of togetherness and community independence. Hatta viewed cooperatives not only as an economic tool but also as a means of social education to build collective community awareness in managing resources fairly and sustainably. Therefore, the formation of cooperatives should ideally arise from the will and needs of the community itself, not merely as a result of state intervention.⁷

Further regulations regarding cooperatives in Indonesia are outlined in Law Number 25 of 1992 concerning Cooperatives. Article 3 emphasizes that cooperatives aim to advance the welfare of members in particular and society in general, as well as to contribute to building the national economic order. ⁸Furthermore, Article 5 establishes the principles of cooperatives, including voluntary and open membership, democratic management, and equitable distribution of business profits in accordance with each member's business contributions. These provisions emphasize that cooperatives must be formed based on active member participation, rather than through a top-down approach.

In the context of regional government administration, Law Number 23 of 2014 concerning Regional Government stipulates that cooperative affairs are one of the mandatory government affairs that are not related to basic services. This shows that regional governments have strategic authority in fostering, supervising, and developing cooperatives in their regions. ⁹This authority is part of the implementation of regional autonomy, as emphasized in Article 1 number (6) that regional autonomy is the right, authority, and obligation of autonomous regions to regulate and manage their own government affairs and the interests of the local community.¹⁰

²Ni'matul Huda, *State of Law, Democracy and Judicial Review*, UII Press, Yogyakarta, 2005, pp. 23–25.

³Bagir Manan, *Development of Thought and Regulation of Human Rights in Indonesia*, Alumni, Bandung, 2001, p. 14.

⁴The 1945 Constitution of the Republic of Indonesia, Article 33 paragraph (1).

⁵Jimly Asshiddiqie, *Introduction to Constitutional Law*, Rajawali Pers, Jakarta, 2016, p. 412.

⁶Mubyarto, *Pancasila Economics*, LP3ES, Jakarta, 1997, pp. 45–47.

⁷Sri Edi Swasono, "Economic Democracy: The Relationship between Joint Ventures and the Principle of Family," *Journal of People's Economy*, Vol. 3, No. 1, 2004, p. 12.

⁸Law Number 25 of 1992 concerning Cooperatives, Article 3.

⁹Law Number 23 of 2014 concerning Regional Government. Article 1 number (6).

¹⁰Mohammad Hatta, *Building Cooperatives and Cooperatives Building*, Inti Idayu Press, Jakarta, 1987, pp. 21–23.

Furthermore, in the context of village governance, Law Number 6 of 2014 concerning Villages recognizes villages as entities with autonomous authority based on ancestral rights and village-wide local authority. Articles 18 and 19 of the law affirm that villages have the authority to regulate and manage the interests of their communities, including managing local economic potential. Therefore, the establishment of economic institutions in villages, including cooperatives, should be tailored to the needs and characteristics of village communities and implemented in a participatory manner.¹¹

In its development, the Constitutional Court has also provided confirmation regarding the position of cooperatives in the Indonesian legal system through Constitutional Court Decision Number 28/PUU-XI/2013 which annulled Law Number 17 of 2012 concerning Cooperatives.¹² In this decision, the Court assessed that the regulation of cooperatives in the law had deviated from the identity of cooperatives as mandated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. The Court emphasized that cooperatives must remain based on the principle of family and must not be positioned to resemble capitalist business entities. This decision strengthens that cooperatives have a constitutional dimension that cannot be ignored in every government policy.¹³

However, policy dynamics indicate a shift from this ideal concept. This is evident in the issuance of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives. This policy aims to accelerate the formation of cooperatives in all villages and sub-districts in Indonesia as an effort to strengthen the community economy. However, the approach used tends to be top-down and uniform nationally, raising questions about its compatibility with the principles of regional autonomy and community participation.

Policy dynamics indicate a shift from this ideal concept. This is evident in the issuance of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-District Cooperatives. In the First Dictum of the Presidential Instruction, the President expressly instructs Ministers, heads of institutions, governors, and regents/mayors to take coordinated, integrated, and unified steps to accelerate the establishment of Red and White Village/Sub-District Cooperatives nationally. This instruction demonstrates a centralized policy direction, as the initiative for establishing cooperatives no longer comes entirely from the community, but is instead driven by national and uniform central government policies.¹⁴

top-down policy raises questions about its compatibility with the basic principles of cooperatives, which emphasize voluntary member participation, and the principle of regional autonomy, which grants local governments the authority to regulate and manage the interests of local communities. In practice, local governments tend to act solely as implementers of instructions, rather than as independent actors formulating policies tailored to the needs and characteristics of their regions. This has the potential to create a gap between the ideal concept of establishing cooperatives based on community participation and the reality of centralized policy implementation.¹⁵

Based on the above description, it can be concluded that there are important legal issues to be studied, namely those related to the position of Presidential Instruction Number 9 of 2025 in the Indonesian state system, as well as the constitutionality of Presidential Instruction Number 9 of 2025 and in the perspective of Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. This problem becomes increasingly relevant when linked to the decision of the Constitutional Court, especially Constitutional Court Decision Number 28/PUU-XI/2013, which emphasizes that cooperatives must remain based on the principle of family and must not deviate from

¹¹Revrison Baswir, *Indonesian Cooperatives*, BPFE, Yogyakarta, 2013, pp. 67–69.

¹²Constitutional Court Decision Number 28/PUU-XI/2013 concerning the Judicial Review of Law Number 17 of 2012 concerning Cooperatives.

¹³Tulus Tambunan, “Development of Cooperatives in Indonesia”, *Indonesian Journal of Economics and Development*, Vol. 11, No. 1, 2010, p. 28.

¹⁴Ni'matul Huda, *Regional Government Law*, Nusa Media, Bandung, 2019, pp. 82–84.

¹⁵Zainal Arifin Mochtar, “Decentralization and Regional Authority in the Indonesian Constitutional System”, *Constitutional Journal*, Vol. 10, No. 2, 2013, p. 300.

their identity as an embodiment of economic democracy as mandated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. In this decision, the Constitutional Court also emphasized the importance of maintaining the principle of member participation in the formation and management of cooperatives, so that excessive state intervention has the potential to conflict with the constitutional values of cooperatives themselves.

Starting from this background, this study will explain in depth with an analysis entitled: **"Constitutionality of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives Reviewed from Article 33 Paragraph (1) of the 1945 Constitution of the Republic of Indonesia."**

Formulation of the problem

Based on the background explanation, the focus of the problems studied in this research can be formulated as follows:

1. What is the position of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives in the Indonesian constitutional system?
2. How is the constitutionality of Presidential Instruction Number 9 of 2025 reviewed from Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia?

Method

This research uses a normative legal research type, namely research that focuses on the study of applicable legal norms through library studies. Normative legal research is conducted by examining secondary legal materials which include laws and regulations, official documents, and literature in the form of books and scientific journals that are relevant to the object of study, especially those related to the constitutionality of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives from the perspective of Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia.¹⁶

The approaches used in this research are the statutory approach and the conceptual approach. The statutory approach is carried out by examining various regulations related to cooperatives, regional governments, and villages, such as Law Number 25 of 1992 concerning Cooperatives, Law Number 23 of 2014 concerning Regional Government, Law Number 6 of 2014 concerning Villages, and Presidential Instruction Number 9 of 2025 as the main objects of study. In addition, this research also examines relevant Constitutional Court decisions, especially Constitutional Court Decision Number 28/PUU-XI/2013, as analytical material in assessing the conformity of policies with the constitution. Meanwhile, the conceptual approach is used to understand legal concepts that develop in legal doctrine and theory, especially those related to economic democracy, the principle of kinship, regional autonomy, and government authority.¹⁷

The specifications of this research are qualitative juridical, namely research that aims to provide a systematic, factual, and accurate description of the legal problems being studied, and analyze them by linking the provisions of laws and regulations with relevant legal theories. The analysis is carried out descriptively-analytically with an emphasis on legal interpretation of applicable norms, particularly related to the position of the Presidential Instruction in the statutory regulatory system, its conformity with Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia, and its implications for the authority of regional governments and the principle of village autonomy.

The results of this research are expected to not only provide academic contributions to the development of legal science, particularly in the fields of constitutional law and state administrative law, but also serve as considerations for policy makers, central and regional governments, and the public in formulating policies that are in line with the principles of economic democracy and the principle of family as mandated in the 1945 Constitution of the Republic of Indonesia.

¹⁶Peter Mahmud Marzuki, *Legal Research*, Kencana, Jakarta, 2017, pp. 35–37.

¹⁷ *Ibid*, p. 93

Results and Discussion

1. The position of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives in the Indonesian state system

The formulation of a Presidential Instruction (Inpres) is a form of administrative policy issued by the President in his capacity as head of government.¹⁸ In the Indonesian constitutional system, Inpres is not included in the hierarchy of statutory regulations as regulated in Article 7 paragraph (1) of Law Number 12 of 2011 concerning the Formation of Legislation. Therefore, the position of Inpres is not as a generally binding legal norm (*regeling*), but rather as an internal and operational policy instrument (*beleidsregel*) aimed at government officials.¹⁹

Conceptually, Presidential Instructions serve as a means of coordinating, controlling, and directing the implementation of government policies by the President to the executive branch, both at the ministerial and regional government levels. As such, Presidential Instructions are only binding internally on the officials or agencies to which they apply, and do not directly bind the wider public as laws or government regulations do.²⁰

In the context of Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives, this policy represents a form of central government intervention to accelerate the formation of cooperatives nationally. In the First Dictum, the President instructed several ministries/institutions and regional heads to take strategic steps to support the formation of these village/sub-district cooperatives.²¹

However, from a constitutional law perspective, questions arise regarding the limits of authority to use the Presidential Instruction as a policy instrument. This is because the material regulated in the Presidential Instruction touches on aspects that are normatively regulated in higher-level legislation, such as:

1. Law Number 25 of 1992 concerning Cooperatives emphasizes that the formation of cooperatives must be based on voluntary, participatory and member-based principles;
2. Law Number 23 of 2014 concerning Regional Government which gives authority to regional governments in the development and guidance of cooperatives;
3. Law Number 6 of 2014 concerning Villages affirms village autonomy in regulating and managing its interests, including in the formation of village economic institutions.

Thus, if the Presidential Instruction is used to encourage the formation of cooperatives in a uniform and top-down manner, this has the potential to create tension with the principles of regional autonomy and village autonomy which are guaranteed in the Indonesian constitutional system.²²

Furthermore, from a legal hierarchy perspective, a Presidential Instruction does not have the power to amend, add to, or deviate from provisions within the law. If the substance of a Presidential Instruction actually results in an impact that contradicts the law, its legal validity can be legally challenged, even if the review mechanism is not through the Constitutional Court, but rather through the Supreme Court or through administrative and political oversight.²³

¹⁸Ridwan HR, *State Administrative Law*, Rajawali Pers, Jakarta, 2016, p. 98.

¹⁹Maria Farida Indrati, *Legal Science: Types, Functions, and Content*, Kanisius, Yogyakarta, 2007, p. 192.

²⁰Philipus M. Hadjon, *Introduction to Indonesian Administrative Law*, Gadjah Mada University Press, Yogyakarta, 2011, p. 152.

²¹Muchsan, *Supervision System for the Actions of Government Officials*, Liberty, Yogyakarta, 2007, p. 45.

²²Indroharto, *Efforts to Understand the Law on State Administrative Courts*, Sinar Harapan Library, Jakarta, 2002, p. 87.

²³Eko Prasoj, "Bureaucratic Reform and Public Policy", *Journal of Public Policy*, Vol. 8, No. 1, 2017, p. 12.

Furthermore, from the perspective of a state based on law (*rechtstaat*), every government action must be based on the principle of legality (*wetmatigheid van bestuur*). This means that policies taken by the President, including through Presidential Instructions, must not conflict with higher laws and regulations or constitutional principles, especially those relating to economic democracy as regulated in Article 33 paragraph (1) of the 1945 Constitution ²⁴of the Republic of Indonesia .

Thus, the position of Presidential Instruction Number 9 of 2025 in the Indonesian state system can be understood as:

1. Administrative policy instruments (*beleidsregel*), not statutory regulations;
2. It is internal and binds government officials, not the general public;
3. Does not have the power to deviate from or change statutory norms;
4. Must remain subject to the principles of the rule of law, the principle of legality, and the constitution.

Therefore, if in its implementation the Presidential Instruction gives rise to practices that are contrary to the principles of cooperative participation, regional autonomy, and village autonomy, then this can be the basis for conducting a critical study regarding the constitutionality of the policy from the perspective of Indonesian constitutional law.

2. The constitutionality of Presidential Instruction Number 9 of 2025 as reviewed from Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia

The formulation of the constitutionality of a government policy is essentially determined by its conformity with the basic norms contained in the 1945 Constitution of the Republic of Indonesia as the highest law in the Indonesian state system. ²⁵In the context of the national economic system, Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia has a very fundamental position, because it regulates the basic principles of organizing the national economy which are based on the values of togetherness, justice, and social welfare. This article states that "the economy is structured as a joint effort based on the principle of family" . This norm is not only declarative, but also contains philosophical, sociological, and legal meanings that must be a guideline in every state economic policy.

From a constitutional law perspective, Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia reflects the concept of economic democracy, namely an economic system that places the people as the main subject in economic activities, not merely the object of policy. Economic democracy demands active community participation, equitable distribution of development results, and fair and sustainable management of economic resources. One concrete manifestation of the implementation of this principle is cooperatives, which are historically and normatively positioned as the "pillar of the national economy".²⁶

In the Indonesian legal system, cooperatives are not viewed simply as ordinary business entities, but rather as a people's economic movement based on voluntary, participatory, and democratic principles. This aligns with the cooperative's character, which positions members as both owners and users of services, making their existence highly dependent on active community participation. Therefore, the establishment of cooperatives must be normatively born from the collective needs and awareness of the community (*bottom-up*), not solely the result of state intervention (*top-down*) .

Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives introduces a new dynamic in cooperative development policy in Indonesia. ²⁷This Presidential Instruction is essentially an administrative policy instrument used by the President to direct and coordinate the implementation of government

²⁴Jimly Asshiddiqie, *Regarding the Law* , Rajawali Pers, Jakarta, 2014, p. 210.

²⁵Mahfud MD, *Debate on Constitutional Law after the Constitutional Amendment* , Rajawali Pers, Jakarta, 2013, p. 87.

²⁶Sri Edi Swasono, *Indonesia and the Doctrine of Social Welfare* , UI Press, Jakarta, 2010, p. 56.

²⁷Tulus TH Tambunan, "The Role of Cooperatives in the National Economy," *Journal of Economics and Development* , Vol. 18, No. 1, 2017, p. 45.

programs. In its first dictum, the President instructs ministries/agencies and regional heads to take strategic steps to accelerate the formation of village/sub-district cooperatives nationally.²⁸

Although formally this policy is within the scope of the President's authority as head of government, substantially this policy raises constitutional questions, particularly regarding its suitability with Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia. This is because the approach used in this policy tends to be centralistic, uniform and top-down, so that it has the potential to conflict with the basic principles of cooperatives and economic democracy.²⁹

a. The Principle of Economic Democracy as a Constitutional Parameter

Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia contains the principle of economic democracy which emphasizes that the economy must be structured as a joint venture. The phrase "joint venture" indicates the active involvement of the community in the process of establishing and managing economic activities. In the context of cooperatives, this means that cooperatives must be formed based on the initiative of members, not through coercion or instructions from outside parties.³⁰

Under Presidential Instruction No. 9 of 2025, the formation of cooperatives is encouraged through central government instructions to regional governments. This situation has the potential to reduce the space for community participation, as cooperatives are not entirely born from real community needs, but rather in response to government policy. Consequently, there is a risk that the cooperatives formed will simply be an administrative formality without a strong social foundation.³¹

Thus, if public participation is limited, this can be seen as not being in line with the principles of economic democracy as mandated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia.

b. The Principle of Family and Its Relevance in the Formation of Cooperatives

The principle of kinship is a core value that underpins the organization of the national economy. This principle reflects harmonious, cooperative, and mutually beneficial relationships between economic actors. In cooperatives, this principle of kinship is realized through equal and participatory relationships among members.³²

However, a uniform and centralized policy approach has the potential to ignore the social, economic, and cultural characteristics of communities in each region. Cooperatives should grow and develop according to local needs. If cooperatives are formed without considering local conditions, they have the potential to be ineffective and unsustainable.³³

Thus, a top-down approach to establishing cooperatives can diminish the significance of the principle of kinship, as the relationships formed are not based on shared needs and awareness, but rather on administrative instructions. In Indonesia's constitutional economic system, cooperatives serve as a means of empowering the people economically, a means of distributing welfare, and a manifestation of economic democracy.

However, in the context of the Presidential Instruction (Inpres), cooperatives have the potential to shift their function to become instruments of government programs. Cooperatives will no longer be fully owned by the community but instead become part of the state's policy agenda.³⁴ This shift could result in a diminished sense of community ownership of cooperatives, weak member participation, and poor institutional sustainability.

²⁸Presidential Instruction Number 9 of 2025 concerning the Acceleration of the Establishment of Red and White Village/Sub-district Cooperatives, First Dictum.

²⁹The 1945 Constitution of the Republic of Indonesia, Article 33 paragraph (1).

³⁰I Gusti Ngurah Wairocana, "Economic Policy Problems from a Constitutional Perspective," *IUS Law Journal*, Vol. 9, No. 2, 2021, p. 210.

³¹Sri Soemantri, *Anthology of Indonesian Constitutional Law*, Alumni, Bandung, 2011, p. 145.

³²Mubyarto, *Pancasila Economics*, LP3ES, Jakarta, 2004, p. 72.

³³*Ibid.*

³⁴Law Number 25 of 1992 concerning Cooperatives, Article 5.

If this happens, the cooperative will no longer function as mandated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia .

c. The Constitutional Court's Perspective on Article 33 of the 1945 Constitution of the Republic of Indonesia

In its ruling, the Constitutional Court emphasized that Article 33 of the 1945 Constitution of the Republic of Indonesia must be interpreted as the basis for implementing economic democracy that guarantees public involvement. While the state does have a crucial role in regulating and directing the economy, this role must not be dominant.

The Constitutional Court emphasized that the state functions as a regulator and facilitator, while the public remains the primary actor in economic activity, and economic policies must guarantee fairness and participation. Therefore, policies that are overly dominant by the state and diminish the public's role are potentially inconsistent with the constitutional interpretation of Article 33.³⁵

Based on the description above, the constitutionality of Presidential Instruction Number 9 of 2025 can be analyzed in two dimensions, namely:

Formally, the Presidential Instruction is a legitimate policy within the President's authority to carry out governmental functions. There is no direct violation of policy-making procedures.³⁶

Materially, there is the potential for constitutional problems if the policy reduces community participation, the formation of cooperatives is not based on the needs of members, there is state domination in people's economic institutions, and the principle of family is not implemented in real terms.

Thus, the constitutionality of this Presidential Instruction is conditional, meaning it depends heavily on its implementation in the field. If, in practice, the community remains actively involved, regional governments are given authority, and cooperatives are formed according to local needs, then this policy can still be considered in line with Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia .

On the other hand, if the implementation is centralistic, non-participatory, and ignores cooperative principles, then the policy has the potential to conflict with the constitution.³⁷

Thus, it can be emphasized that Presidential Instruction Number 9 of 2025 is in a constitutionally problematic position. On the one hand, this policy aims to accelerate community economic development through cooperatives. However, on the other hand, the approach used has the potential to ignore the basic principles that are the constitutional foundation of cooperatives themselves. ³⁸Therefore, policy adjustments are needed to be more participatory, respect regional and village autonomy, and strengthen the role of the community as an economic subject. With this approach, the policy of establishing cooperatives is not only administratively valid, but also has strong constitutional legitimacy in accordance with Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia .

Conclusion

1. Presidential Instruction Number 9 of 2025's position in the Indonesian constitutional system is not as a law with generally binding force, but rather as an internal and operational administrative policy instrument (*beleidsregel*). Therefore, the Presidential Instruction only binds government officials as implementers of the President's policies and cannot be used as a basis for establishing new legal norms that deviate from or replace provisions in the law. In this context, the use of the Presidential Instruction to encourage the formation of cooperatives

³⁵Constitutional Court Decision Number 28/PUU-XI/2013.

³⁶ *Ibid.*

³⁷ Ahmad Redi, "Presidential Authority in Forming Public Policy," *Constitutional Journal*, Vol. 17, No. 3, 2020, p. 412.

³⁸Zainal Arifin Mochtar, *Independent State Institution* , Rajawali Pers, Jakarta, 2016, p. 133.

nationally must remain within the corridor of administrative authority and not exceed the limits specified in the legal regulatory system.

2. The constitutionality of Presidential Instruction Number 9 of 2025, reviewed from Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia, is conditional, depending on its implementation in the field. Formally, the Presidential Instruction is valid as part of the President's authority in carrying out government functions. However, materially, there is the potential for inconsistency with the principles of economic democracy and the principle of family if the policy is implemented in a centralistic, non-participatory manner, and ignores the role of the community and regional government. And if the formation of cooperatives is not based on the needs and participation of members, then this has the potential to deviate from the identity of cooperatives as an embodiment of economic democracy as mandated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia .

Suggestion

1. The central government needs to adjust the implementation of Presidential Instruction No. 9 of 2025 to prioritize participatory principles, providing greater space for communities and local governments in the cooperative formation process. This policy should not be uniform and top-down , but rather tailored to local needs and characteristics, ensuring that the cooperatives formed have a strong and sustainable social base.
2. It is necessary to strengthen regulations and harmonize policies between the central and regional governments in the development of cooperatives, so that there is no overlapping of authority or deviation from the principles of regional autonomy and village autonomy. In addition, the government needs to ensure that every policy related to cooperatives remains in line with the principles of economic democracy, the principle of family, and constitutional values as stipulated in Article 33 paragraph (1) of the 1945 Constitution of the Republic of Indonesia , so that cooperatives truly function as an instrument for community economic empowerment.

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