



## Posner, Rawls, and Sen's Perspectives on the Program of Koperasi Merah Putih and Halal Tourism Areas

### Perspektif Posner, Rawls, dan Sen atas Program Koperasi Merah Putih dan Kawasan Wisata Halal

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**Abstract**

Community-based economic development programs, such as the Merah Putih Cooperative and Halal Tourism Zone in Jakarta, often rely on technical-instrumental approaches that lack a robust philosophical foundation, thereby imperiling their sustainability and equity. A significant gap persists between the constitutional ideal of cooperatives as the cornerstone of the Pancasila economy and the suboptimal reality of their implementation in delivering inclusive member welfare. This study aims to critically analyze these programs through the theoretical lenses of Richard A. Posner (economic efficiency), John Rawls (procedural justice), and Amartya Sen (capability empowerment) to construct a holistic and multidimensional evaluation framework. The research employs a qualitative method with a conceptual-philosophical study design. Data were collected through an in-depth literature review of the primary and secondary works of the three philosophers, alongside relevant policy documents. Data analysis was conducted using an interpretive-critical approach to synthesize these divergent perspectives. The findings reveal that integrating the three philosophies produces a tripartite evaluation framework composed of: operational efficiency (Posner), distributive and procedural justice (Rawls), and the expansion of members' substantive freedoms (Sen). This synthesis demonstrates that a program's success is not measured solely by the growth of cooperative assets, but more profoundly by the equitable distribution of benefits and the enhancement of members' capabilities to live lives they have reason to value. In conclusion, community-based economic development necessitates a dynamic equilibrium between the instrument of efficiency, the morality of justice, and the ultimate goal of human empowerment. It is recommended that the Jakarta provincial government adopts this three-pillar framework in designing performance indicators and social audit systems for similar programs to ensure a human-centered socio-economic transformation.

**Kata Kunci:**

Efisiensi  
Ekonomi;  
Ekonomi  
Pancasila;

**Abstrak**

Program pengembangan ekonomi berbasis komunitas, seperti Koperasi Merah Putih dan Zona Pariwisata Halal di Jakarta, seringkali bergantung pada pendekatan teknis-instrumental yang kurang memiliki landasan filosofis yang kuat, sehingga

Keadilan  
Distributif;  
Koperasi;  
Teori  
Kapabilitas.

membahayakan keberlanjutan dan kesetaraannya. Terdapat kesenjangan signifikan antara cita-cita konstitusional koperasi sebagai landasan ekonomi Pancasila dan realitas implementasinya yang suboptimal dalam memberikan kesejahteraan anggota yang inklusif. Studi ini bertujuan untuk menganalisis secara kritis program-program tersebut melalui lensa teoretis Richard A. Posner (efisiensi ekonomi), John Rawls (keadilan prosedural), dan Amartya Sen (pemberdayaan kapasitas) untuk membangun kerangka evaluasi yang holistik dan multidimensional. Penelitian ini menggunakan metode kualitatif dengan desain studi konseptual-filosofis. Data dikumpulkan melalui tinjauan pustaka mendalam terhadap karya primer dan sekunder ketiga filsuf tersebut, bersama dengan dokumen kebijakan yang relevan. Analisis data dilakukan menggunakan pendekatan interpretatif-kritis untuk mensintesis perspektif yang berbeda ini. Temuan menunjukkan bahwa pengintegrasian ketiga filosofi tersebut menghasilkan kerangka evaluasi tiga pilar yang terdiri dari: efisiensi operasional (Posner), keadilan distributif dan prosedural (Rawls), dan perluasan kebebasan substantif anggota (Sen). Sintesis ini menunjukkan bahwa keberhasilan suatu program tidak hanya diukur dari pertumbuhan aset koperasi, tetapi lebih mendalam dari distribusi manfaat yang adil dan peningkatan kemampuan anggota untuk menjalani kehidupan yang mereka hargai. Kesimpulannya, pembangunan ekonomi berbasis masyarakat membutuhkan keseimbangan dinamis antara instrumen efisiensi, moralitas keadilan, dan tujuan utama pemberdayaan manusia. Disarankan agar pemerintah provinsi Jakarta mengadopsi kerangka tiga pilar ini dalam merancang indikator kinerja dan sistem audit sosial untuk program serupa guna memastikan transformasi sosial-ekonomi yang berpusat pada manusia.

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## INTRODUCTION

### Background of Problem

The aspiration for a Pancasila-based populist economy, actualized through the institutional framework of cooperatives, remains a cornerstone of Indonesia's constitutional mandate. In practice, however, the designated role of cooperatives as the pillar of the national economy is frequently marginalized by the dual dominance of market forces and state intervention. This has culminated in significant economic disparities and a persistent weakness in community self-reliance at the grassroots level (Koswara, 2025). In response, the Indonesian Government launched the Merah Putih Village/Sub-district Cooperative Program (*Koperasi Desa Merah Putih* or KDMP) via Presidential Instruction No.9 of 2025, mandating its accelerated establishment (Sekretariat Negara Republik Indonesia, 2025). This program aims not only to revitalize the cooperative institution but also to project a renaissance of the *gotong royong* (mutual cooperation) economy, targeting the formation of 80,000 new units (Farid, 2025). This policy was further fortified by Minister of Finance Regulation No. 49 of 2025 regarding Loan Procedures for Funding the Merah Putih Village/Sub-district Cooperative, which established a synergistic financing scheme between the government

and the banking sector. In urban contexts such as DKI Jakarta, this initiative is strategically linked with the development of Halal Tourism Zones, serving as an inclusive economic strategy grounded in religious and social values (Sutarman, 2024).

Despite its robust normative foundation, the program's implementation confronts a complex array of challenges. A review of existing literature indicates significant risks, including a dependency on government funding, functional duplication with pre-existing Village-Owned Enterprises (BUMDes) (Putra, Wirantari, & Yudarta, 2025), and critical limitations in the human resource capacity of cooperative managers (Afgani & Wanusmawatie, 2025). Furthermore, the predominantly state-centered and top-down implementation approach risks marginalizing genuine community participation and failing to address real-world needs, potentially reducing the program to a mere symbolic project (Farid, 2025; Swenson, 2025). This pronounced gap between the idealization of cooperatives as vehicles for empowerment and the challenge-laden reality of their implementation signifies a crucial policy problem (Siregar, 2016). The significance of this study lies in its endeavor to furnish a comprehensive theoretical perspective for analyzing and evaluating this policy. By integrating three major philosophical frameworks—Richard A. Posner's (2001) economic efficiency, John Rawls's (1971) justice as fairness, and Amartya Sen's (2009) capability approach (Sen, *Inequality Re-examined*, 1973, IX p. 118, p., £ 2.10, 1973)—this research seeks to offer a holistic evaluative lens. Such integration is imperative because the assessment of public policy must not be confined to outputs and efficiency (what is achieved), but must also critically consider the justice of benefit distribution (who benefits) and the expansion of citizens' substantive freedoms (what people can be and do) (Rawls, 1999; Sen, 2004). Therefore, an analysis of the KDMP and Halal Tourism Zone programs through the integrated perspectives of Posner, Rawls, and Sen is both relevant and urgent to ensure that the envisioned economic transformation is genuinely people-centric and sustainable.

## Problem Identification

1. **Financial Dependency and Sustainability:** The program is heavily reliant on capital injections from government budgets and banking loan schemes, creating fiscal vulnerability and threatening long-term sustainability should public funding diminish.
2. **Institutional Overlap and Functional Ambiguity:** There is a significant potential for functional duplication and unhealthy competition between the newly established Merah Putih Village/Sub-district Cooperative and pre-existing Village-Owned Enterprises (BUMDes), leading to resource misallocation.
3. **Limited Managerial Human Resource Capacity:** The administrative, managerial, and entrepreneurial capacities of village officials and cooperative administrators remain underdeveloped, with low digital literacy and a lack of transparent governance practices being primary obstacles.
4. **Constrained Community Participation and Agency:** The top-down, instructive implementation approach risks sidelining community participation in planning and oversight, contradicting the principles of regional autonomy and community empowerment.
5. **Contextual Challenges in Urban Implementation:** Implementation in a metropolitan area like DKI Jakarta faces unique challenges, including intense market competition, high operational costs, and an individualistic urban culture that may not align with the cooperative spirit of mutual help.

## Problem Formulation

How does the critical issue of underdeveloped human resource capacity among cooperative managers—spanning managerial, entrepreneurial, and transparent governance skills—threaten the effectiveness, sustainability, and empowerment objectives of the Merah Putih Village/Sub-district Cooperative and Halal Tourism Zone programs in DKI Jakarta, when analyzed through an integrative theoretical framework of economic efficiency (Posner), distributive justice (Rawls), and capability expansion (Sen)?

## Objectives and Benefits of Research

### *Objectives*

1. To analyze in-depth the complexity and multifaceted dimensions of the implementation problems of the KDMP and Halal Tourism Zone programs, with a specific focus on the root cause of human resource capacity.
2. To evaluate the effectiveness and impact of these policies by integrating three distinct theoretical perspectives: economic efficiency (Posner, *The Efficiency and the Efficacy of Title VII*, 2001), justice as fairness (Rawls, 1971), and the capability approach (Sen, 2004; Sen, *Development as freedom: individual freedom as a social commitment*, 2009).
3. To formulate operational and contextually relevant policy recommendations to strengthen managerial human resources, enhance governance, and ensure effective institutional synergy at the local level.
4. To disseminate the analysis and recommendations to key stakeholders (central and local government, cooperative managers, the community) to support more evidence-based decision-making.
5. To make a theoretical-methodological contribution to public policy studies by demonstrating the integration of Posner, Rawls, and Sen's perspectives as a holistic evaluation framework.

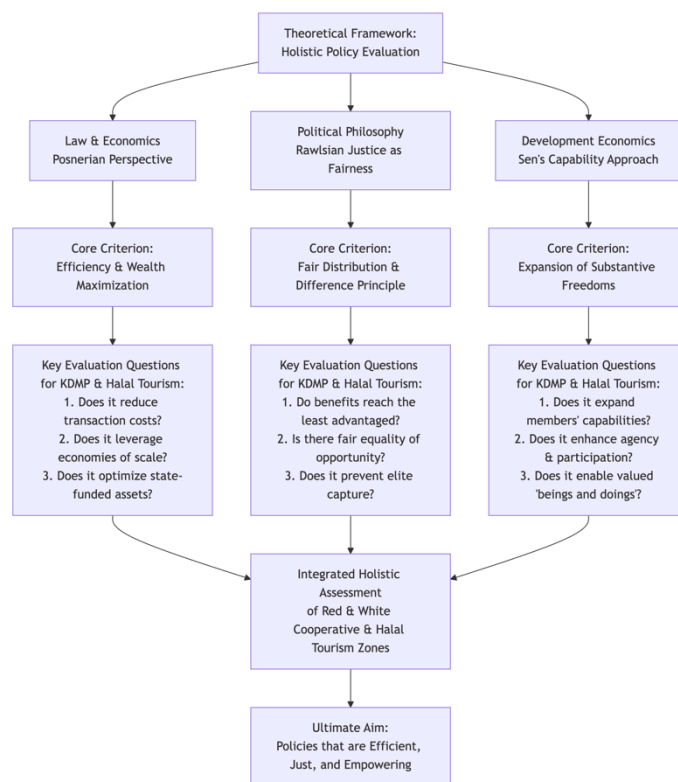
### *Benefits*

1. Academic Benefit: This study presents a policy analysis supported by an integration of legal-economic theory and moral philosophy, thereby enriching the discourse on populist economics and sustainable development in Indonesia.
2. Practical Benefit for Policymakers: It provides concrete policy options (such as training models, social audit systems, and integrated performance indicators) to improve the design and implementation of similar policies in the future.
3. Benefit for Cooperative Managers and the Community: It enhances the understanding of good governance principles, transparency, and participation, which can ultimately strengthen the economic independence and welfare of members.
4. Benefit for the General Public: It promotes public transparency and accountability in the execution of strategic national programs and raises critical public awareness regarding their economic rights.

## THEORETICAL AND CONCEPTUAL FRAMEWORK

### Theoretical Framework

This study requires a robust theoretical framework to analyze the Merah Putih Village/Sub-district Cooperative Program (KDMP) and Halal Tourism Zones beyond a purely technical-instrumental approach. Such a framework must be capable of a holistic evaluation, assessing not only feasibility and outputs (what is achieved) but also the justice of benefit distribution (who benefits) and the enhancement of the community's substantive freedoms (what people can be and do). To this end, the integration of three major perspectives—law and economics (Posner & Parisi, 2016), political philosophy (Rawls, 1971; Rawls, 1999), and development economics (Sen, *Inequality Re-examined*, 1973, IX p. 118, p., £ 2.10, 1973; Sen, 2004; Sen, *Development as freedom: individual freedom as a social commitment*, 2009)—offers a solid analytical foundation for examining the dimensions of efficiency, justice, and empowerment within public policy as visualized in Figure 1 on below.



**Figure 1.** Theoretical Framework

Posner's theory emphasizes that law and public policy should be evaluated based on their ability to achieve an efficient allocation of resources, often interpreted as the maximization of social wealth (Kornhauser, 2001). In this context, the Merah Putih Village/Sub-district Cooperative can be assessed on its capacity to reduce transaction costs, leverage economies of scale, and optimize the use of state-funded productive assets (as regulated in PMK No. 49/2025 Concerning Loan Procedures for Funding of The Merah Putih Village/Sub-District Cooperatives). Efficiency becomes a crucial instrument to ensure the program does not become a fiscal burden and can survive in a competitive market ecosystem, particularly in an urban area like DKI Jakarta.

Rawls offers a principle of justice centered on *justice as fairness*, with two main principles: equal basic liberties, and the principles of fair equality of opportunity and the



difference principle (Freeman, 2023). The difference principle stipulates that social and economic inequalities are justified only if they benefit the least advantaged members of society. In evaluating the KDMP and Halal Tourism programs, this perspective demands that economic benefits—such as access to funding, asset ownership, and business opportunities—are distributed fairly, with special attention to grassroots communities and vulnerable groups, thereby preventing the concentration of benefits among a select elite.

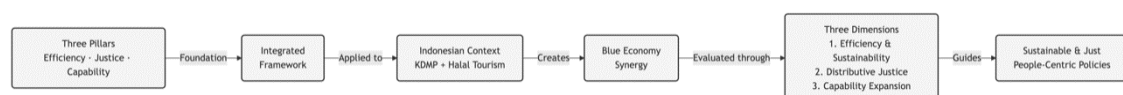
Sen critiques development assessments that focus solely on economic growth or the accumulation of commodities. Instead, his *capability approach* evaluates success based on the expansion of individuals' substantive freedoms to achieve the “beings and doings” they value (Wells, 2014). Development, therefore, is the process of expanding human capabilities. In the context of this study, the KDMP and Halal Tourism programs must be assessed on the extent to which they expand the agency and capabilities of their members—for instance, the capability to participate in the economy, manage businesses independently, and secure a dignified livelihood, which transcends mere income increases.

## Conceptual Framework

The integration of these three perspectives yields a complementary three-pillar evaluation framework. Efficiency (Posner, *The Efficiency and the Efficacy of Title VII*, 2001) provides the rational and instrumental basis for ensuring the program operates optimally and is financially sustainable. Justice (Rawls, 1999) serves as a moral compass, ensuring that the outcomes of this efficiency are distributed in a fair and inclusive manner. Capability (Sen, 2004) becomes the ultimate goal (*telos*), directing all policy towards the enhancement of citizens' real freedoms and autonomy. Without justice, efficiency can become illegitimate; without capability, justice can be merely procedural; and without efficiency, the pursuit of justice and capability becomes unsustainable.

Conceptually, the KDMP program is an instrument for realizing the ideals of the Pancasila economy, which positions cooperatives as the cornerstone of the economy (Oryzawati, 2019). In this ideology, a cooperative is not merely a business entity but a vehicle for a populist economy that prioritizes the principles of kinship, mutual cooperation, and economic democracy. Therefore, its evaluation must consider its alignment with these philosophical values, in addition to conventional business criteria.

The development of Halal Tourism Zones in DKI Jakarta, as regulated by various regional policies, not only targets Muslim tourists but is also directed as a strategy for inclusive, community-based economic development (Harini, et al., 2025). This concept emphasizes the empowerment of local communities, cultural preservation, and the creation of an equitable economic value chain. The synergy between cooperatives as drivers of the local economy and halal tourism as a leading sector creates a “blue economy” model that has the potential to blend religious, social, and commercial values.



**Figure 2.** Conceptual Framework

Based on this theoretical synthesis and key concepts, the conceptual framework for this study is formulated. The KDMP and Halal Tourism Zone programs are positioned as the objects of analysis, to be evaluated through three interconnected dimensions: (1) The Dimension of Operational Efficiency and Sustainability, (2) The Dimension of Distributive and Procedural Justice, and (3) The Dimension of Capability Expansion and

Community Agency. These three dimensions are then operationalized through specific indicators, such as cooperative financial ratios, an index of participation equality, and the enhancement of members' managerial skills, to provide a comprehensive assessment.

This integrated framework offers significant added value to public policy studies. It presents a constructive middle ground between the cold logic of the market (Posner & Parisi, 2016; Posner, *The Efficiency and the Efficacy of Title VII*, 2001) and the idealistic moral imperatives (Rawls, 1999; Sen, 2004), grounding both in the socio-cultural context of Indonesia (Pancasila Economy). As such, this framework serves not only as an analytical tool but also as a normative guide for designing and evaluating people-centric, just, and sustainable populist economic policies.

## METHODOLOGY

This study utilizes a qualitative approach employing a conceptual-philosophical policy study design (Brezovec, Ježovita, & Watson, 2025). This approach was selected because the research focus is not on empirical quantitative measurement but on the construction of argumentation and a normative evaluation of public policy, grounded in theories of political and economic philosophy (Gül, 2023). This study design allows the researcher to conduct an in-depth exploration and critical analysis of the value foundations, internal logic, and conceptual coherence of the Merah Putih Village/Sub-district Cooperative Program and the Halal Tourism Zones (Zhao, 2024). Consequently, the primary methodological objective is to provide a profound interpretation and theoretical reconstruction of the policy, rather than to produce statistical generalizations (Islam, Khan, & Baikady, 2022).

Data and analytical materials were gathered through a systematic literature review and an analysis of policy documents. Primary data sources consist of: (1) official policy documents, namely Presidential Instruction No. 9 of 2025 and Minister of Finance Regulation No. 49 of 2025, along with their derivative documents and related technical guidelines; and (2) the original works of the theorists who form the study's foundation: Richard A. Posner (2001), John Rawls (1971), and Amartya Sen (2004). Secondary data sources include reputable scholarly articles (indexed in Scopus/SINTA), books, and research reports related to populist economics, cooperatives, halal tourism, and public policy implementation in Indonesia. This data collection technique was conducted purposively to ensure that all analyzed materials are relevant and possess high credibility to support the construction of the argument.

Data analysis was performed using an interpretive-critical method that integrates two main stages. The first stage involved a thematic content analysis of the policy documents to identify their objectives, schemes, instruments, and underlying assumptions. The second, and core, stage of the study was a philosophical-normative analysis applying the three-pillar framework (Posner's efficiency, Rawls's justice, Sen's capability) as a critical lens to evaluate the program. This process involved a dialectical synthesis between the findings from the documents and the theoretical demands of each perspective, ultimately building a holistic assessment. This technique enables the researcher not only to describe the policy but also to assess its feasibility, justice, and transformative impact within a social philosophy framework.

To ensure analytical validity, this study applies triangulation of data sources and theoretical perspectives. The claims constructed are consistently referenced against primary data sources and supported by credible secondary literature. The study's limitation lies in its non-empirical nature; thus, the findings are more propositional and require further testing through applied research. However, its primary strength is its

capacity to provide a deep philosophical grounding and a multidimensional evaluation framework that can be used by policymakers for reflection and program refinement.

## RESULTS AND DISCUSSION

### Results

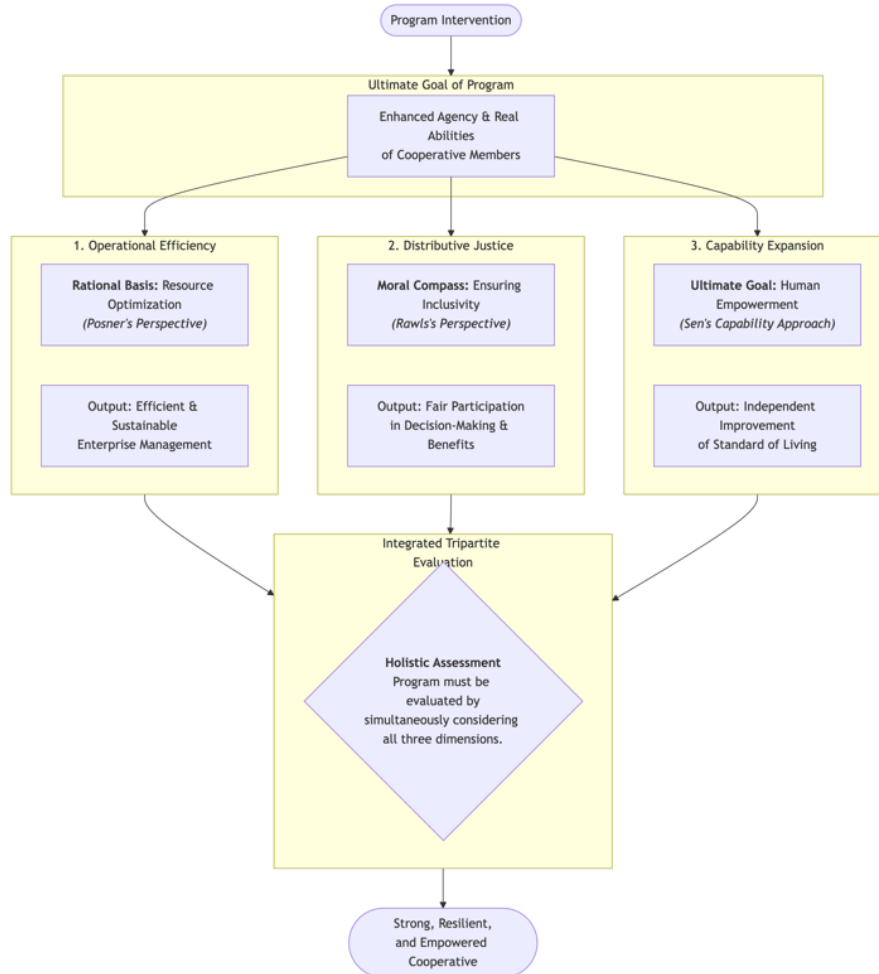
A review of the governing policy documents reveals that the Merah Putih Village/Sub-district Cooperative (KDMP) Program and the Halal Tourism Zones in DKI Jakarta are supported by a robust and synergistic legal foundation. The program was initiated through Presidential Instruction No. 9 of 2025 concerning its Accelerated Establishment, which was subsequently implemented with a dedicated funding scheme via Minister of Finance Regulation No. 49 of 2025. This policy framework positions cooperatives as the primary vehicle for revitalizing the *gotong royong* economy while integrating them with the development of halal tourism as a value-based, inclusive economic strategy.

An analysis through the Posnerian lens reveals that the program's instrumental success is measured by its ability to create an efficient allocation of resources. Posner argues that sound law and public policy are those that maximize social wealth. In this context, the program is deemed efficient if it successfully reduces transaction costs, optimizes the utilization of public assets (such as state properties provided), and generates a net economic value greater than its incurred social costs.

Through the Rawlsian framework, the evaluative focus shifts to the dimension of benefit distribution. Justice as fairness demands adherence to two primary principles: equal basic liberties and the difference principle, which justifies inequality only if it benefits the least advantaged members of society. The findings indicate that the program must ensure that economic benefits—such as access to capital and business opportunities—are distributed equitably, with particular attention to micro-scale MSMEs, women, and grassroots communities surrounding the tourism zones.

The Senian approach redirects the metric of success from mere economic outputs to the expansion of individuals' substantive freedoms. True development is the process of expanding people's real capabilities to be and to do what they have reason to value. In the program's context, this means success is measured by the extent to which it enhances the agency and real abilities of cooperative members to manage their enterprises, participate in decision-making, and independently improve their standard of living.





**Figure 3.** Holistic Program Evaluation Framework for Cooperative Empowerment

The integration of these three perspectives yields a tripartite evaluation framework as viewed in Figure 3 contained of: (1) Operational Efficiency (Posner) as the rational basis for resource optimization; (2) Distributive Justice (Rawls) as the moral compass for ensuring inclusivity; and (3) Capability Expansion (Sen) as the ultimate goal of human empowerment. This framework demonstrates that program assessment must be holistic, simultaneously considering all three dimensions.

Further analysis identifies a significant gap between the policy's ideals and its implementation reality. The primary challenges identified are: (1) limited human resource capacity among managers in entrepreneurial and managerial aspects; (2) potential institutional overlap with pre-existing Village-Owned Enterprises (BUMDes); and (3) a persistent top-down approach that risks marginalizing community participation and agency. These challenges threaten the achievement of the desired efficiency, justice, and capability outcomes.

## Discussion

The integration of the three theoretical perspectives is not a mere aggregation but a synthesis that creates a richer and more realistic evaluative lens. Posnerian efficiency provides the necessary instrument for the program's financial viability; without it, the program would become a fiscal liability. However, efficiency requires the moral direction of Rawlsian justice to ensure its fruits are not monopolized by a small elite. Furthermore,

both these aspects must be oriented towards a substantive end: the expansion of community capabilities as articulated by Sen. This framework thus offers a constructive path between market pragmatism and moral imperatives.

This finding implies a need to reorient policy design from being input-based to being outcome- and process-based. Program performance indicators must transcend the mere number of cooperatives formed or the value of investment. They must incorporate metrics for equitable participation, enhancement of managerial capacity, and the expansion of economic opportunities for vulnerable groups. Supportive policies, such as continuous training and mentorship, become crucial for building these capabilities.

The program's implementation involves multiple actors with complex interests. Central and local governments, as regulators and funders, have an interest in the program's success as a political achievement. Cooperative managers may face a conflict of interest between managing for member welfare and personal motives. The community, as beneficiaries, has an interest in access and control but often possesses weak bargaining power. These dynamics can distort the program's objectives if not managed with transparent and accountable governance.

Implementing the program in a metropolitan context like Jakarta presents unique challenges. The principles of mutual cooperation and collective economy, which are the soul of cooperatives, must adapt to an urban ecosystem that is individualistic, competitive, and high-cost. The Halal Tourism Zones must also compete with other commercial tourist destinations. This demands innovative cooperative models, for instance, by leveraging digital technology for marketing and management and building strategic partnerships with other businesses.

A comparison with similar initiatives, such as BUMDes or previous cooperative programs, reveals a recurring pattern of problems: dependency on government funding, short program life cycles, and a lack of sustainable empowerment. The critical lesson is that program sustainability hinges on managerial capacity and member participation, not just on the strength of regulations or the size of the budget. The KDMP is at risk of repeating these past failures if it does not systematically build these two key elements.

In synthesis, the discussion converges on a central argument: the socio-economic transformation championed by this program will only be meaningful if it positions humans as subjects, not objects, of development. This means policies must be designed to expand citizen agency and capabilities. The resulting policy recommendation is the need to redesign the implementation mechanism by emphasizing: (1) strengthening human resource capacity through adaptive education and training; (2) creating a participatory and transparent governance system; and (3) developing a monitoring and evaluation system that uses a composite of efficiency, justice, and capability indicators.

### Research Limitation

This study has several limitations that must be acknowledged. *First*, being a conceptual-philosophical inquiry, it relies on document and literature analysis and thus does not present direct empirical data from the field regarding the program's implementation. *Second*, although it endeavors to integrate three major theoretical perspectives, the synthesis may not fully capture the complexities and tensions that exist among these paradigms in actual practice. *Third*, the study's focus at the macro policy analysis level may not adequately touch upon the micro-political and cultural dynamics at the community level, which significantly influence program success. These limitations open avenues for future empirical research to test and refine the proposed evaluation framework.

## Novelty and Contribution

This study offers a significant novel contribution to the fields of public policy and populist economics in Indonesia. *First*, it is a pioneering effort to integrate three disparate theoretical paradigms—law and economics (Posner), political philosophy (Rawls), and development economics (Sen)—into a coherent analytical framework for evaluating a national public policy. *Second*, the resulting synthesis (the three-pillar framework of efficiency, justice, and capability) provides a holistic and multidimensional policy evaluation model that can be adopted for assessing similar community-based programs. *Third*, the study applies this global theoretical framework to the specific context of the Pancasila Economy and urban policy in DKI Jakarta, thereby offering a perspective that is both contextual and relevant for Indonesian policymakers. Thus, the study's contribution lies in enriching academic discourse while simultaneously providing a practical analytical tool to enhance the quality of formulation and evaluation of populist economic policies in the future.

## CONCLUSION AND RECOMMENDATION

### Conclusion

This study concludes that the integration of three theoretical perspectives—Richard A. Posner's economic efficiency, John Rawls's justice as fairness, and Amartya Sen's capability approach—yields a holistic and more humane framework for evaluating the Merah Putih Village/Sub-district Cooperative and Halal Tourism Zone Program. Posner's perspective confirms the necessity of a rational basis of operational efficiency and fiscal accountability to ensure public resources maximize social welfare and sustainability. Rawls's lens serves as a crucial reminder that without the principles of distributive and procedural justice, efficiency risks concentrating benefits among a select elite, mandating a design that specifically advantages the least well-off. Sen's approach fundamentally shifts the ultimate goal from mere economic output to the expansion of substantive freedoms and the real capabilities of the community to become independent subjects of their own development. The synthesis of these philosophies reveals that core implementation challenges, particularly weak human resource capacity and a top-down approach, are rooted in an imbalance in pursuing these three essential values. The comparative analysis of policy alternatives indicates that a Holistic Integration model, which simultaneously pursues efficiency, justice, and empowerment, is the most conceptually ideal. Therefore, the primary contribution of this study is the provision of a three-pillar analytical framework applicable to the evaluation and design of other populist economic policies, enriching the discourse on the Pancasila Economy with relevant global philosophical perspectives. The conceptual-philosophical limitation of this study invites further empirical research to test and refine this framework in the field and to develop contextualized instruments for measuring capability in urban Indonesian society.

### Recommendation

Based on the conclusions and the comparative analysis of policy alternatives, the following policy recommendations are proposed:

1. The Provincial Government of DKI Jakarta, the Ministry of Cooperatives and SMEs, and the Ministry of Tourism and Creative Economy should formally adopt and implement the three-pillar evaluation framework (efficiency, justice, capability) into

the technical guidelines and monitoring systems for the Merah Putih Village/Sub-district Cooperative and Halal Tourism Zone Program. Implementation can commence with pilot projects in 3-5 representative sub-districts, with the formation of an Integrated Indicator Design Team comprising academics, cooperative practitioners, and community representatives.

2. Develop and apply an integrated performance measurement system based on Social Return on Investment (SROI) that quantifies not only financial returns but also social impacts, such as an index of participation equality and an increase in members' capability scores. This system must be simple, operationalized by cooperative managers with training, and serve as a condition for periodic evaluation and continued funding assistance.
3. Reallocate a significant portion of the program's budget from mere physical asset distribution to sustainable financing for massive and participatory capacity building. Specifically, it is recommended to allocate a minimum of 30% of operational assistance funds for: (a) a Cooperative Cadre School with a curriculum that balances managerial competence, legal awareness, and critical literacy; (b) an on-the-job mentoring program by locally recruited community facilitators; and (c) a micro-innovation fund managed democratically by members to test new business ventures.
4. Strengthen the institutional framework by implementing affirmative action mechanisms and participation quotas to guarantee the Rawlsian principle of justice. This includes: (a) a minimum quota of 40% for women in management and training; (b) special allocation of business rights in halal tourism areas for cooperatives whose primary members are from micro and ultra-micro enterprise categories; and (c) the establishment of a Participatory Policy Oversight Forum at the sub-district level with the right to provide input and file complaints directly to the local government.

By implementing these value-integration-centered recommendations, the Merah Putih Village/Sub-district Cooperative Cooperative and Halal Tourism Zone Program is expected to transform from a mere administrative instruction into a resilient, just, and genuinely empowering socio-economic movement that enables communities to manage their own economic future.

### **AUTHORS' CONTRIBUTION STATEMENT**

**Andra Bani Sagalane** was responsible for the initial conceptualization of the article and the formulation of an integrative theoretical framework linking the perspectives of Posner, Rawls, and Sen to the policy context of the Merah Putih Village/Sub-district Cooperative Program. He also conducted a primary philosophical-normative analysis of the three paradigms, drafted a comprehensive initial draft of the manuscript, and coordinated the revision process and integrated input from all other authors.

**Sirot** contributed in-depth analysis of public policy aspects and program implementation, particularly in identifying gaps between normative design and operational challenges at the regional level. He also verified the legal basis and cited policy documents and compiled the policy analysis and alternative solutions, along with a scoring table.

**Muhammad Hasyim** focused on strengthening the legal-economic perspective (Posner) and social justice (Rawls) in the local Indonesian context. His contributions included developing arguments on the relevance of justice as fairness and wealth maximization theories for evaluating people's economic development, as well as assisting

in the interpretation of findings and refining the discussion flow to align with socio-cultural realities.

**Ade Netra Kartika** played a role in developing Amartya Sen's capability perspective and synthesizing it with two other theories. She also conducted a systematic literature review to support the conceptual framework, developed the conceptual-philosophical study methodology, and critiqued the draft for logical coherence and analytical depth to ensure the quality of the writing, emphasizing its higher-order thinking skills (HOTS) approach.

**Faisal Santiago**, the promoter, provided academic guidance and strategic oversight throughout the writing process. His contributions included validating the research direction, refining the problem formulation and conclusions, and ensuring the academic quality of the manuscript through an in-depth critical review of the article's substance, structure, and argumentation before it was approved for publication.

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