RELIGION BASED COOPERATIVE: THEORY AND PRACTICE

Trida Gunadi, Nanang Sobarna

Introduction

The prophetic cooperative management has been conceptualized as a governance approach grounded in prophetic virtues—honesty *(ṣidiq*), trustworthiness (*amanah),* intellectual discernment (*faṭonah*), and communicative integrity *(tabligh*). These virtues orient managerial practice toward ethical accountability, collective welfare, and character formation among members, suggesting that cooperative effectiveness is inseparable from moral legitimacy. Prophetic cooperative management has also been elaborated as a value-based leadership framework integrating spiritual accountability, ethical governance, and collective empowerment, positioning organizational leadership as a moral–educational process oriented toward community welfare and character formation.

This interpretation aligns with cooperative theory emphasizing democratic ownership, member participation, and community welfare orientation. Islamic organizational perspectives similarly underscore that economic institutions in Muslim societies are expected to operate within ethical frameworks derived from religious teachings, thereby integrating justice, accountability, and solidarity into institutional practice. Parallel to this, cooperative education traditions conceptualize cooperatives as experiential environments where democratic participation, responsibility, and collaborative problem-solving develop through active engagement rather than abstract instruction.

This perspective is particularly relevant within the Indonesian cooperative context, where cooperatives have historically been framed as instruments of people-centered economic development and democratic learning. The cooperative philosophy articulated by Mohammad Hatta positions cooperatives as schools of democracy that cultivate participation, solidarity, and collective self-reliance. Furthermore, Law No. 25 of 1992 concerning Cooperatives establishes member education as a foundational cooperative principle, reinforcing the view that cooperative sustainability depends upon continuous value transmission and participatory learning.

Accordingly, this article aims to develop a comprehensive conceptual understanding of religion-based cooperatives as integrative socio-economic and educational institutions. Specifically, the study seeks to: (1) conceptualize prophetic cooperative management principles; (2) synthesize Islamic economic perspectives, social capital theory, and cooperative education frameworks to explain institutional dynamics; and (3) examine pedagogical relevance within school and student cooperative contexts. Through these objectives, the study advances a holistic conceptualization of religion-based cooperatives as value-based learning ecosystems connecting ethical governance, participatory economic engagement, and cooperative citizenship formation.

Islamic Perspective

The conceptualization of religion-based cooperatives resonates with Islamic economic thought emphasizing the integration of ethical values and institutional economic arrangements. Scholars highlight that Islamic economics seeks to promote holistic human well-being through harmonization of moral commitments, social institutions, and equitable economic mechanisms. Within this framework, religion-based cooperatives represent institutional vehicles translating ethical ideals into collective economic practice.

Participatory orientation constitutes another defining feature of Islamic value-based economic organization. Members are viewed not merely as production factors but as active agents contributing to development processes. This perspective aligns with cooperative identity in which individuals simultaneously function as owners and users, embedding participation as both structural requirement and moral responsibility. Moreover, Islamic civilizational perspectives suggest that social institutions serve as arenas for ethical practice and value transmission, reinforcing interpretation of religion-based cooperatives as sites of social learning through routine economic interaction.

From an economic theory perspective, religion-based cooperatives can be situated within the broader framework of Islamic economics, which emphasizes justice (*ʿadl*), welfare (*maṣlaḥah*), and balanced distribution of wealth. Classical and contemporary scholars such as Muhammad Umer Chapra and Monzer Kahf argue that economic institutions in Islam must integrate efficiency with moral accountability, ensuring that market mechanisms operate within ethical boundaries. In this regard, religion-based cooperatives embody a hybrid institutional model combining market participation with redistributive and solidaristic functions. The principle of *ta'āwun* (mutual assistance) aligns with theories of social economy and collective action, while prohibitions against *riba* (usury), *gharar* (uncertainty), and exploitative practices reinforce a normative economic order grounded in fairness and transparency. These principles resonate with cooperative economic theory, particularly the notion that member-owned enterprises prioritize service over profit maximization, thereby contributing to inclusive and sustainable development.

From a regulatory and institutional perspective, the economic legitimacy of religion-based cooperatives is reinforced by both national and international frameworks. In Indonesia, Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian establishes cooperatives as people-centered economic entities grounded in democratic participation, equity, and education, while subsequent policies such as Undang-Undang Nomor 21 Tahun 2008 tentang Perbankan Syariah provide a broader legal environment for sharia-compliant financial practices. At the global level, the principles articulated by the International Cooperative Alliance reinforce cooperative values of self-help, responsibility, democracy, and solidarity, which converge with Islamic ethical imperatives. Empirical and theoretical studies in the social capital tradition, notably by Putnam (1993), further support the argument that trust-based governance enhances economic performance and institutional resilience. Taken together, these theoretical, scholarly, and regulatory perspectives position religion-based cooperatives as viable economic institutions that integrate ethical norms, participatory governance, and socially embedded market activity within a coherent developmental framework.

The ethical foundation of Islamic economic practices, including religion-based cooperatives, is deeply rooted in the teachings of the Al-Qur'an, which emphasizes justice, mutual assistance, and prohibition of exploitation. One of the most relevant principles is *ta'āwun* (cooperation), as stated in Surah Al-Mā'idah (5:2): *"And cooperate in righteousness and piety, but do not cooperate in sin and aggression."* This verse provides a normative basis for cooperative economic institutions that prioritize collective welfare and moral responsibility. In the context of religion-based cooperatives, this teaching reinforces the idea that economic collaboration must be directed toward ethical ends, ensuring that profit-seeking behavior remains aligned with social justice and communal benefit.

Furthermore, the prohibition of unjust economic practices such as *riba* (usury) is clearly articulated in the Al-Qur'an, particularly in Surah Al-Baqarah (2:275): *"Allah has permitted trade and forbidden usury."* This distinction establishes a foundational principle in Islamic economics, encouraging legitimate trade and risk-sharing while rejecting exploitative financial practices. Religion-based cooperatives, therefore, operate within a framework that promotes fairness, transparency, and shared risk, aligning closely with cooperative economic models that emphasize equitable distribution and member-oriented services. Such principles ensure that economic activities contribute not only to financial sustainability but also to ethical integrity and social welfare.

In addition to Qur'anic guidance, the traditions of the Prophet Muhammad as recorded in the Hadith further strengthen the moral-economic foundation of cooperative practices. A well-known hadith states: *"The truthful and trustworthy merchant will be with the Prophets, the truthful, and the martyrs"* (Tirmidhi). Another narration emphasizes mutual solidarity: *"The believers, in their mutual kindness, compassion, and sympathy, are like one body…"* (Bukhari and Muslim). These teachings highlight the centrality of trust (*amanah*), honesty (*ṣidq*), and social solidarity in economic interactions. In the context of religion-based cooperatives, such values underpin governance practices, member relations, and institutional culture, reinforcing the role of cooperatives as not only economic enterprises but also moral communities that cultivate ethical entrepreneurship and collective well-being.

Social Capital and Institutional Governance

The relational dimension of religion-based cooperatives can be explained through social capital theory, which emphasizes the importance of trust, shared norms, and social networks in sustaining institutional effectiveness. Cooperative environments grounded in religious values often cultivate trustworthiness, solidarity, and collective responsibility, thereby generating relational resources essential for organizational continuity.

Complementary governance perspectives demonstrate that sustainable management of collective institutions depends upon participatory rule systems and trust-based interaction. Cooperative decision-making processes, member deliberation, and transparent accountability mechanisms therefore contribute to institutional resilience. Furthermore, sociological perspectives on embeddedness highlight that economic action is inseparable from social relationships, implying that cooperative transactions are shaped by trust networks and normative expectations. These insights support interpretation of religion-based cooperatives as socially embedded economic institutions where relational capital constitutes a central From a theoretical standpoint, social capital within religion-based cooperatives can be understood through the foundational work of Pierre Bourdieu, who conceptualizes social capital as the aggregate of actual and potential resources embedded in durable social networks, and James S. Coleman, who emphasizes its functional role in facilitating coordinated action. These perspectives are further developed by Putnam (1993) , who distinguishes between bonding and bridging social capital as key elements of institutional cohesion and societal integration. In the context of religion-based cooperatives, bonding social capital emerges through shared beliefs and moral commitments, while bridging capital enables broader collaboration across communities. This dual structure enhances organizational trust, reduces transaction costs, and strengthens collective decision-making, thereby reinforcing the cooperative's capacity to function as both an economic and social institution.

Institutional governance in cooperatives is closely linked to participatory and democratic frameworks that are reinforced by social capital dynamics. The cooperative governance model aligns with principles articulated by the International Cooperative Alliance, particularly democratic member control, member economic participation, and concern for community. These principles are not merely procedural but are deeply relational, requiring high levels of trust, transparency, and accountability among members. In religion-based cooperatives, governance is further strengthened by ethical norms derived from spiritual values, which function as informal regulatory mechanisms guiding behavior. As a result, formal governance structures and informal trust-based relationships interact synergistically, producing a hybrid governance system that enhances both legitimacy and effectiveness.

From a regulatory perspective, the governance of cooperatives in Indonesia is anchored in Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which emphasizes member participation, democratic control, and accountability as core institutional principles. The law underscores that cooperative sustainability depends on active member engagement and continuous education, both of which are intrinsically linked to the development of social capital. Additionally, governance practices are increasingly supported by policies promoting transparency, financial accountability, and institutional strengthening within the cooperative sector. These regulatory frameworks provide a formal foundation that complements the informal norms of trust and reciprocity cultivated within religion-based cooperative environments.

Moreover, contemporary institutional theory highlights that effective governance in socially embedded organizations relies on the interplay between formal rules and informal norms. Scholars such as North (1990) argue that institutions function through both codified regulations and socially constructed constraints that shape human interaction. In religion-based cooperatives, this interplay is particularly evident, as ethical values, religious teachings, and communal expectations operate alongside formal governance mechanisms. This synthesis creates a robust institutional environment in which compliance is not solely enforced through external regulation but is internally sustained through shared moral commitments. Consequently, social capital becomes not only a supportive resource but a central pillar of governance, enabling religion-based cooperatives to maintain trust, adaptability, and long-term institutional resilience.

Pedagogical of Student Cooperative Contexts

The pedagogical relevance of religion-based cooperatives within school and student contexts can be understood through the lens of experiential learning theory, particularly as articulated by Kolb (1984) Cooperative activities provide concrete experiences through which students actively engage in economic practices such as managing resources, participating in decision-making, and organizing collective enterprises. These experiences are then transformed into reflective learning processes, enabling students to internalize values of responsibility, cooperation, and ethical conduct. In religion-based cooperatives, this experiential cycle is enriched by spiritual reflection, allowing learners to connect economic actions with moral and religious principles, thereby fostering holistic development that integrates cognitive, affective, and ethical dimensions.

In the Indonesian context, the pedagogical role of cooperatives is institutionally supported by Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which explicitly identifies education and training as core cooperative principles. This regulatory foundation legitimizes the integration of cooperative activities into educational settings, including schools and universities. Student cooperatives (*koperasi siswa/mahasiswa*) thus become strategic platforms for implementing cooperative education, enabling learners to acquire entrepreneurial competencies, financial literacy, and organizational skills in a structured yet participatory environment. Religion-based adaptations of these cooperatives further ensure that such competencies are developed within an ethical and value-oriented framework.

From a social learning perspective, the pedagogical effectiveness of religion-based cooperatives is also reinforced by interactional processes within peer networks. Drawing on the work of Bandura (1977), learning occurs not only through direct experience but also through observation, imitation, and social reinforcement. Within cooperative settings, students observe ethical leadership, collaborative problem-solving, and responsible economic behavior modeled by peers and mentors. These interactions contribute to the formation of social capital and cooperative identity, as students internalize shared norms and values through continuous participation in collective activities.

The religion-based school cooperatives play a crucial role in fostering long-term cooperative citizenship and ethical entrepreneurship. By integrating prophetic values—such as *ṣidiq*, *amanah*, *faṭonah*, and *tabligh*—into everyday economic practices, these institutions cultivate a generation of learners who are not only economically competent but also morally grounded. This aligns with broader educational goals of character education and civic responsibility, positioning cooperatives as transformative learning ecosystems. Consequently, the pedagogical relevance of religion-based cooperatives extends beyond immediate skill acquisition, contributing to the intergenerational transmission of cooperative values, the strengthening of social cohesion, and the development of inclusive and ethically oriented economic actors.

The role of IKOPIN University

The role of IKOPIN University is central in advancing cooperative education as a distinct academic and practical field within higher education. As a specialized institution focusing on cooperative studies, IKOPIN University conceptualizes cooperatives not merely as economic entities but as integrated systems of education, governance, and social transformation. This orientation reflects the broader theoretical perspective that higher education institutions function as knowledge hubs that produce, disseminate, and apply contextually relevant knowledge. Within this framework, IKOPIN positions cooperative education as an interdisciplinary domain combining economics, management, sociology, and ethics, thereby aligning academic inquiry with real-world cooperative practices.

Institutionally, IKOPIN University plays a strategic role in strengthening cooperative ecosystems through education, research, and community engagement. It serves as a center for developing cooperative leadership, producing graduates equipped with competencies in cooperative management, social entrepreneurship, and participatory governance. In addition, the university actively contributes to policy discourse and institutional innovation by conducting research on cooperative development, including religion-based cooperative models. This role aligns with the concept of the “entrepreneurial university,” which emphasizes the contribution of higher education institutions to socio-economic development through knowledge transfer and community empowerment.

From a regulatory standpoint, the role of IKOPIN University is supported by national education and cooperative policies, including Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which emphasizes cooperative education as a foundational principle, and Undang-Undang Nomor 12 Tahun 2012 tentang Pendidikan Tinggi, which mandates higher education institutions to implement the *Tri Dharma Perguruan Tinggi*: education, research, and community service. These regulatory frameworks provide legitimacy and direction for IKOPIN’s mission to integrate cooperative education into formal curricula while extending its impact through community-based programs. As a result, cooperative education is institutionalized not only as an academic subject but also as a societal engagement strategy.

Finally, IKOPIN University plays a pivotal role in promoting the integration of prophetic values, social capital, and cooperative governance within educational practices. By embedding ethical principles such as *amanah*, *ṣidiq*, and *ta’āwun* into its curriculum and institutional culture, the university fosters the development of morally grounded cooperative leaders. This aligns with the vision of Hatta (1954), who viewed cooperatives as instruments of democratic education and economic justice. Through its comprehensive approach, IKOPIN University contributes to the formation of a new generation of cooperative practitioners who are capable of bridging theory and practice, advancing inclusive economic development, and sustaining religion-based cooperatives as transformative socio-economic institutions.

Characteristics of Religion-Based Cooperatives

The synthesis of theoretical, legal, and philosophical perspectives suggests five defining characteristics: (i)Worship orientation and social responsibility – economic activity is framed as morally purposeful practice integrating organizational performance with social contribution: (ii) Ta’āwun as institutional foundation – solidarity and mutual assistance constitute the normative core of cooperative interaction.; (iii) Sharia-aligned transactional ethics – fairness, transparency, and avoidance of exploitation ensure ethical legitimacy; (iv) Trust-based governance as social capital – honesty and accountability function as relational resources supporting organizational resilience; (v) Empowerment and welfare distribution – cooperatives promote inclusive development and capacity building among members.

The findings of this study indicate that religion-based cooperatives operate as hybrid institutional forms that integrate economic rationality with moral and spiritual imperatives. From a theoretical perspective, this aligns with the concept of embedded economies, as articulated by Karl Polanyi, which posits that economic activities are inherently situated within social and cultural frameworks rather than functioning as autonomous systems. The identified characteristic of worship orientation (*ibadah*) reflects this embeddedness, where economic actions are not merely profit-driven but are directed toward achieving broader social and ethical objectives. Empirical observations within cooperative education settings further suggest that such orientation enhances member commitment and organizational legitimacy, as economic participation is perceived as both a material and spiritual endeavor.

The second and third characteristics—*ta'āwun* (mutual assistance) and sharia-aligned transactional ethics—demonstrate the integration of normative Islamic principles with cooperative economic theory. These findings resonate with the work of Ostrom (1990), who emphasizes the importance of shared norms and collective rules in sustaining common-pool resource institutions. In religion-based cooperatives, *ta'āwun* functions as a foundational norm that fosters collaboration, while ethical transaction principles—such as the prohibition of *riba* and *gharar*—serve as regulatory mechanisms ensuring fairness and transparency. From a regulatory standpoint, these practices are consistent with Undang-Undang Nomor 21 Tahun 2008 tentang Perbankan Syariah, which promotes sharia-compliant financial systems, thereby reinforcing the institutional legitimacy of ethical economic practices within cooperative frameworks.

The fourth characteristic, trust-based governance as social capital, highlights the central role of relational dynamics in sustaining cooperative institutions. This finding is strongly supported by social capital theory, particularly the contributions of Putnam (1993), who underscores trust, norms, and networks as key determinants of institutional performance. In the context of religion-based cooperatives, trust is cultivated through adherence to prophetic values such as *amanah* (trustworthiness) and *ṣidq* (honesty), which function as both ethical imperatives and governance mechanisms. Empirical patterns in cooperative organizations indicate that higher levels of trust reduce transaction costs, enhance participation, and strengthen institutional resilience. These dynamics are also reinforced by Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which emphasizes accountability, transparency, and member participation as core governance principles.

Finally, the characteristic of empowerment and welfare distribution reflects the developmental role of religion-based cooperatives in promoting inclusive economic growth. This finding aligns with the human-centered development paradigm advanced by Sen (1999), which emphasizes capability expansion and social justice as central goals of economic systems. Religion-based cooperatives contribute to this objective by facilitating access to resources, enhancing member capacities, and redistributing economic benefits in a fair and participatory manner. Field-based evidence from student and community cooperatives further demonstrates that such institutions serve as platforms for skill development, entrepreneurship, and social mobility. Collectively, these findings affirm that the five identified characteristics are not only normative ideals but also empirically grounded dimensions that define the operational and transformative potential of religion-based cooperatives within contemporary socio-economic contexts.

Institutional Governance

The findings of this study reaffirm that social capital constitutes a foundational pillar in the governance of religion-based cooperatives, shaping both institutional performance and sustainability. From a theoretical standpoint, the concept of social capital as articulated by Bourdieu (1986), Coleman (1988), and Putnam (2000) highlights the role of networks, norms, and trust in facilitating coordinated collective action. In religion-based cooperatives, these elements are not only socially constructed but also morally reinforced through religious teachings and prophetic values. As a result, trust (*amanah*), honesty (*ṣidq*), and mutual responsibility function as both ethical commitments and institutional assets, enabling cooperative members to engage in economic activities with reduced uncertainty and higher levels of mutual confidence.

Empirical findings further indicate that strong social capital significantly enhances governance quality within cooperative institutions. Trust-based relationships reduce transaction costs, minimize opportunistic behavior, and facilitate efficient decision-making processes. In many cooperative settings, particularly those embedded in religious communities, informal norms often complement formal governance mechanisms, creating a dual system of regulation that is both flexible and resilient. This observation aligns with institutional theory proposed by North (1990), who emphasizes the interplay between formal rules and informal constraints in shaping organizational behavior. In practice, religion-based cooperatives demonstrate that governance effectiveness is not solely dependent on regulatory compliance but also on the internalization of shared values and collective norms.

From a regulatory perspective, the governance of cooperatives in Indonesia is strongly supported by Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which mandates democratic member participation, transparency, and accountability as core institutional principles. These provisions are further reinforced by contemporary governance standards emphasizing good cooperative governance (*GCG*), including accountability, responsibility, independence, and fairness. In religion-based cooperatives, such regulatory frameworks are complemented by sharia-based ethical guidelines, creating a multi-layered governance system that integrates legal compliance with moral accountability. This dual framework enhances institutional legitimacy and ensures that governance practices remain aligned with both national regulations and religious values.

The the integration of social capital and institutional governance in religion-based cooperatives reflects a broader paradigm of value-based organizational management. Governance is not merely a technical or administrative function but a relational and ethical process grounded in shared commitments and collective responsibility. This perspective aligns with contemporary governance discourse emphasizing participatory, inclusive, and trust-based institutional models. By embedding social capital within governance structures, religion-based cooperatives are able to achieve a balance between efficiency and equity, formal regulation and moral obligation, and individual participation and collective welfare. Consequently, they emerge as resilient socio-economic institutions capable of sustaining both organizational effectiveness and community-based development.

Pedagogical Relevance

Educational cooperatives represent environments where democratic participation, collective leadership, and social responsibility are enacted through practice. Through experiential engagement, learners internalize values of trust, accountability, and solidarity as elements of character formation. This dual economic–pedagogical role reflects Indonesia's cooperative education orientation and the philosophical vision of Mohammad Hatta, who framed cooperatives as schools of democracy. Consequently, religion-based educational cooperatives can be conceptualized as micro-institutions of democratic economy where prophetic ethics, cooperative ideology, and experiential learning intersect to support holistic youth development.

The conceptual framework of religion-based cooperatives integrating prophetic values, social capital, and cooperative education provides analytical support for the development trajectory of Koperasi Desa Merah Putih (KDMP) as an emerging model of village-centered cooperative revitalization in Indonesia. KDMP initiatives emphasize strengthening local economic resilience, expanding community participation, and enhancing institutional capacity at the village level. These objectives resonate strongly with the hybrid institutional character identified in this study, whereby cooperatives simultaneously function as economic enterprises, social institutions, and value-oriented learning environments. In this sense, religion-based cooperative frameworks can enrich KDMP implementation by embedding moral intentionality, trust-based governance, and solidarity-driven participation into village cooperative development strategies. The relevance of prophetic cooperative management in KDMP implementation further supports the argument that ethical leadership and value-oriented governance strengthen institutional trust and community participation in village cooperatives (Wahyudin, 2022).

From an institutional perspective, KDMP programs seek to address structural challenges frequently encountered in rural cooperatives, including limited managerial capacity, weak member participation, and fragile trust relations. The prophetic cooperative management framework articulated in this study offers normative and practical resources for overcoming these constraints. Ethical leadership grounded in honesty, accountability, and communicative transparency can strengthen legitimacy and member confidence, thereby contributing to institutional stabilization. Simultaneously, the principle of ta'āwun as collective solidarity provides a culturally resonant mechanism for mobilizing community participation and reinforcing cooperative identity within village contexts characterized by strong social and religious ties.

Moreover, the social capital dimension of religion-based cooperatives aligns with KDMP's emphasis on community empowerment and participatory governance. Trust networks, shared norms, and reciprocal cooperation constitute relational infrastructures that support collective economic action in rural environments. Integrating social capital perspectives into KDMP design can therefore enhance collaborative decision-making, reduce coordination costs, and foster sustained member engagement. In addition, the embeddedness of cooperative transactions within local social relations supports adaptive economic practices responsive to community needs, strengthening cooperative relevance and resilience.

The educational dimension identified in this study further expands KDMP potential beyond economic development toward community learning and leadership formation. Village cooperatives can function as informal learning platforms where members acquire financial literacy, entrepreneurial competence, and collaborative problem-solving skills through participation. When integrated with religious value education and local cultural practices, KDMP cooperatives may evolve into community-based learning ecosystems that support intergenerational knowledge transfer and youth engagement. This educational function is particularly significant for cooperative regeneration, as involvement of younger members contributes to continuity of cooperative identity and innovation capacity.

In the context of KDMP, the pedagogical dimension becomes particularly strategic, as village cooperatives evolve into platforms for community empowerment and leadership formation. The integration of social capital, trust-based governance, and value-oriented participation strengthens the capacity of cooperatives to address rural development challenges. By embedding education within economic institutions, KDMP initiatives can foster adaptive, resilient, and ethically grounded communities.

The table confirms that religion-based cooperative models provide a comprehensive framework for linking education, economy, and social development. Through the convergence of theory, regulation, and practice, these cooperatives contribute to the formation of cooperative citizenship, ethical entrepreneurship, and sustainable community development. As such, they represent not only economic organizations but also transformative pedagogical institutions capable of shaping future generations and strengthening socio-economic resilience at multiple levels.

The Role of IKOPIN University

The findings of this study indicate that IKOPIN University plays a strategic and distinctive role as a higher education institution specializing in cooperative studies, functioning not only as a knowledge producer but also as an institutional catalyst for cooperative development. From a theoretical perspective, this role aligns with the concept of the engaged or civic university, which emphasizes the integration of academic knowledge with societal needs. IKOPIN operationalizes this model by positioning cooperative education as an applied and value-based discipline, bridging theory and practice through curriculum design, field engagement, and institutional partnerships. As a result, the university contributes to shaping cooperative ecosystems that are both intellectually grounded and socially embedded, particularly in the development of religion-based cooperatives.

From a pedagogical standpoint, the study finds that IKOPIN University adopts a praxis-oriented learning model that reflects the principles of experiential and transformative learning. Drawing on the theoretical contributions of David A. Kolb and Jack Mezirow, cooperative education at IKOPIN integrates classroom instruction with real-world engagement through internships, cooperative laboratories, and community service programs. This approach enables students to internalize cooperative values, develop managerial competencies, and construct professional identities rooted in ethical and participatory principles. In the context of religion-based cooperatives, such pedagogical practices are further enriched by the integration of prophetic values, fostering graduates who are not only technically competent but also morally grounded.

Empirical observations further reveal that IKOPIN University plays a significant role in strengthening institutional governance and social capital within cooperative sectors. Through research, training, and capacity-building initiatives, the university contributes to enhancing managerial professionalism, accountability, and participatory governance in cooperatives. This role is consistent with social capital theory as articulated by Robert D. Putnam, where educational institutions act as key agents in cultivating trust, networks, and shared norms. IKOPIN's engagement with cooperative practitioners, local communities, and student organizations fosters relational capital that supports institutional resilience and innovation, particularly in emerging models such as religion-based and village cooperatives.

From a regulatory and institutional perspective, the role of IKOPIN University is reinforced by national policy frameworks, including Undang-Undang Nomor 12 Tahun 2012 tentang Pendidikan Tinggi and Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which emphasize the integration of education, research, and community service (*Tri Dharma Perguruan Tinggi*) alongside cooperative education principles. These regulations provide a formal mandate for IKOPIN to engage in cooperative development as part of its institutional mission. In practice, this translates into collaborative programs with government agencies, cooperative organizations, and community groups, thereby positioning the university as a key intermediary between policy, knowledge, and grassroots implementation.

Finally, the study finds that IKOPIN University plays a transformative role in advancing the integration of prophetic values, social capital, and cooperative education within contemporary cooperative discourse. By embedding ethical leadership, trust-based governance, and participatory learning into its academic and institutional practices, IKOPIN contributes to the formation of a new generation of cooperative leaders capable of addressing complex socio-economic challenges. This aligns with the broader vision of Mohammad Hatta, who conceptualized cooperatives as instruments of democratic education and social justice. Consequently, IKOPIN University emerges not only as an academic institution but also as a driving force in shaping religion-based cooperatives as holistic socio-economic and pedagogical institutions that support inclusive development and sustainable cooperative citizenship**.**

The existing curriculum at IKOPIN University reflects a distinctive academic positioning of cooperative education as a scientific field that integrates theoretical rigor with applied institutional practice. As a discipline, cooperative education at IKOPIN is structured around core domains such as cooperative economics, cooperative management, governance systems, and social entrepreneurship, complemented by interdisciplinary perspectives from sociology, development studies, and Islamic economics. The curriculum is designed not merely to transmit knowledge but to construct a systematic understanding of cooperatives as socio-economic institutions grounded in values, participation, and collective ownership. Courses typically incorporate analytical frameworks, case studies, and policy analysis, enabling students to critically examine cooperative performance, institutional challenges, and development strategies within both national and global contexts.

Moreover, the curriculum emphasizes a strong praxis orientation, positioning cooperative education as an applied science (*ilmu terapan*) that connects classroom learning with real-world cooperative environments. Through structured programs such as field practicum, cooperative internships, community service (*pengabdian kepada masyarakat*), and student cooperative laboratories, learners engage directly with cooperative institutions to test theoretical concepts and develop professional competencies. This approach aligns with national higher education mandates under Undang-Undang Nomor 12 Tahun 2012 tentang Pendidikan Tinggi and cooperative principles embedded in Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian, which emphasize the integration of education, research, and community engagement. Consequently, IKOPIN's curriculum not only advances cooperative studies as a scientific discipline but also contributes to the formation of practitioners who are capable of bridging theory, policy, and practice in strengthening cooperative institutions, including religion-based and community cooperatives.

Conclusion and Recommendations

This study demonstrates that religion-based cooperatives constitute a distinctive and integrative institutional model that bridges economic activity, moral values, and educational processes. By synthesizing perspectives from Islamic economics, cooperative theory, social capital, and experiential learning, the research confirms that such cooperatives operate not merely as economic entities but as value-driven systems grounded in ethical governance and collective responsibility. The conceptual framework of prophetic cooperative management—anchored in ṣidiq, amanah, faṭonah, and tabligh—emerges as a critical foundation for shaping transparent, accountable, and socially oriented organizational practices. These values reinforce the argument that institutional effectiveness in cooperative settings is inseparable from moral legitimacy and trust-based relationships.

The findings further highlight five defining characteristics of religion-based cooperatives: worship-oriented economic intentionality, ta'āwun-based solidarity, sharia-aligned transactional ethics, trust-based governance as social capital, and empowerment-focused welfare distribution. These characteristics are not only normative ideals but are also supported by theoretical insights, regulatory frameworks, and empirical observations. Together, they form a coherent institutional system in which ethical commitments, participatory governance, and inclusive economic practices interact dynamically. This integration enables religion-based cooperatives to contribute to sustainable development, social cohesion, and equitable economic participation.

The role of higher education institutions, particularly IKOPIN University, is identified as central in advancing cooperative education and institutional development. Through its praxis-oriented curriculum, research initiatives, and community engagement, IKOPIN acts as a catalyst for strengthening cooperative ecosystems. Its contribution reflects the broader mandate of higher education to integrate knowledge production with societal transformation. By positioning cooperative education as both a scientific discipline and an applied field, IKOPIN supports the development of competent and ethically grounded cooperative practitioners capable of addressing contemporary socio-economic challenges.

Based on the findings and discussion, several strategic recommendations can be proposed to strengthen the development and implementation of religion-based cooperatives as integrative socio-economic and educational institutions.

First, it is recommended that policymakers and cooperative authorities further institutionalize the integration of ethical and religious values within cooperative governance frameworks. This can be achieved by developing guidelines and standards for prophetic-based cooperative management that align with existing regulations such as Undang-Undang Nomor 25 Tahun 1992 tentang Perkoperasian and Undang-Undang Nomor 21 Tahun 2008 tentang Perbankan Syariah. By embedding principles such as ta'āwun, amanah, and sharia-compliant transactions into formal governance systems, cooperatives can enhance their legitimacy, accountability, and long-term sustainability while maintaining alignment with both legal and moral frameworks.

Second, cooperative practitioners and managers are encouraged to strengthen social capital as a core institutional asset. This involves fostering trust-based relationships, participatory decision-making, and transparent accountability mechanisms within cooperative organizations. Capacity-building programs focusing on leadership ethics, conflict resolution, and community engagement should be prioritized to reinforce internal cohesion and reduce opportunistic behavior. Strengthening social capital will not only improve governance quality but also enhance institutional resilience and member commitment, particularly in community-based and religion-oriented cooperative environments.

Third, in the educational sector, it is recommended that schools, universities, and training institutions expand the integration of cooperative education into formal and informal learning systems. Student and school cooperatives should be systematically developed as experiential learning laboratories where learners can acquire financial literacy, entrepreneurial skills, and ethical values simultaneously. Curriculum development should incorporate interdisciplinary approaches combining cooperative economics, social capital theory, and value-based education, thereby reinforcing the role of cooperatives as pedagogical ecosystems that support holistic student development.

Fourth, higher education institutions—particularly IKOPIN University—should further strengthen their role as centers of excellence in cooperative studies and development. This includes expanding research on religion-based cooperative models, enhancing community engagement programs, and building strategic partnerships with government agencies, cooperative organizations, and village institutions. The integration of Tri Dharma Perguruan Tinggi (education, research, and community service) should be continuously optimized to ensure that academic knowledge contributes directly to solving real-world cooperative challenges, especially in emerging initiatives such as village cooperatives (e.g., Koperasi Desa Merah Putih).

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Tentang Penulis

Trida Gunadi, merupakan Dosen Universitas Koperasi Indonesia sejak tahun 1988, Pendidikan Sarjana (S1) ditempuh di Institut Manajemen Koperasi Indonesia lulus tahun 1986. Pendidikan Pasca Sarjana (S2) Prodi Akuntansi dan Koperasi ditempuh di Universitas Padjadjaran lulus tahun 1996, Pendidikan Pasca Sarjana (S3) diselesaikan di Prodi Pendidikan Luar Sekolah Universitas Pendidikan Indonesia lulus tahun 2011. Aktif diberbagai kegiatan yang terkait dengan kegiatan Pemberdayaan Masyarakat, Koperasi dan UMKM.

Nanang Sobarna, lahir di Kabupaten Sumedang – Jawa Barat. Menyelesaikan pendidikan S1 Fakultas Syariah UIN Sunan Gunung Djati Bandung. Pendidikan S2 Prodi Ekonomi Islam Konsentrasi Ekonomi dan Perbankan Syariah di UIN Sunan Gunung Djati Bandung. Saat ini penulis sedang menempuh pendidikan S3 Prodi Hukum Islam Konsentrasi Ekonomi Syariah di UIN Sunan Gunung Djati Bandung. Penulis juga aktif menulis dan menjadi pengelola beberapa Jurnal Ilmiah Nasional. Penulis adalah Ketua Prodi Ekonomi Syariah Fakultas Ekonomi dan Bisnis, Ikopin University.