

REVIEW OF LIABILITY COMPANIES IN THE FORM OF SOCIAL ENTERPRISE

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Abstrak

Progress social enterprise As a business model that integrates economic goals and social objectives pose normative challenges in corporate law, especially when the Limited liability Company is used as its legal platform. In Indonesia, the legal regime of the Company is limited profit oriented, up to search not yet fully capable of accommodating the dual purpose character attached to it social enterprise.

This condition raises the normative tension between the company's profit orientation and the company's social mission.

This research aims to analyze the concept of limited-form companies social enterprise In Indonesian law and law, it examines the normative tension between profit orientation and social goals. This research uses normative legal research methods with a statutory and conceptual approach. The results of the research show that the law of limited liability companies has not given explicit normative recognition to social enterprise, thus, the social purpose does not have a position equal to the interests of the company. As a result, there is legal uncertainty in the determination of the company's interests and the fiduciary obligations of the directors. This research confirms the need for the reconstruction of corporate law in order to be able to accommodate social enterprise justice and justice.

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INTRODUCTION

The development of global social, economic and legal dynamics in recent decades has prompted a fundamental shift in the way companies look and purpose of their existence. The company is no longer solely understood as an economic instrument to generate profits for the owners of capital, but also as a social entity that interacts directly with society, the environment, and various public interests. This shift comes as we gain awareness of the limitations of purely market mechanisms and the country's capacity to solve structural social problems, such as economic inequality, environmental degradation, limited access to public services, and the marginalization of vulnerable groups. In that context, the demand for business activity is not only measured by efficiency and profitability, but also by its contribution to social welfare and substantive justice.

In response to this condition, social enterprise it develops as an alternative business model that integrates economic goals and social goals simultaneously. Unlike conventional companies that place profits as the main goal, social enterprise explicitly makes the creation of social value a core mission inherent to the identity and operations of the business. Financial gains remain

generated, but are positioned as a means to ensure the sustainability of social missions, not as final objectives. This character makes social enterprise as a hybrid (hybrid business organization) that challenges the classic dichotomy between profit-making agencies and nonprofit organizations.

Nevertheless, progress social enterprise it has significant normative consequences, especially in the context of corporate law. Modern corporate law is generally built on a liberal economic paradigm that places companies as profit-making entities. This paradigm is reflected in doctrine shareholder primacy which positions shareholder interests as the main orientation of the management of the company. Although stakeholder theory has expanded the horizon of the company's objectives by incorporating the interests of others outside the holder stock, the normative structure of corporate law in general still maintains a profit orientation as its basic foundation.

In the context of Indonesia, the paradigm is internalized in Law number 40 of 2007 concerning Limited liability companies. The Limited liability Company is formulated as a legal entity that conducts business activities with capital divided into shares, which implicitly confirms the orientation of the economy and profits as the constitutive objectives of the Company. The arrangement of the Company's social and environmental responsibilities is not intended to change the Company's primary purpose, but rather to add only certain obligations that are external and limited. As a result, the law of the Limited liability Company has not fully provided normative space for the company which was originally established with social purpose as its main mission. In practice, many criminals social enterprise In Indonesia choose to use the legal form of limited liability companies due to pragmatic considerations, such as ease of capital access, operational flexibility, and legal legitimacy in commercial activities. However, this choice raises deep conceptual and normative questions. Limited liability which is carried out as social enterprise being in an ambiguous position: normatively subject to a profit-oriented legal regime, but factually operating with a social mission that often demands restriction or sacrifice of profits. This ambiguity raises fundamental questions about how the concept of limited liability companies is shaped social enterprise It can be understood and placed within the framework of the laws and regulations in Indonesia.

The question is not only conceptual, but also has broad practical and social implications. When social enterprise In the form of a limited liability company that prioritizes social impact—for example by setting lower prices for people's accessibility or by allocating most of the profits to social activities—the policy is potentially viewed as contrary to profit maximization logic. In the context of a society that is still strongly influenced by capitalistic economic norms, there is a risk of tension between practices social enterprise and social expectations of the company as a profit-seeking entity. This raises the normative question of what the concept of PT is social enterprise in profit making it has the potential to overlap or even contradict living and evolving norms in society.

The tension between social goals and profit orientation also impacts aspects of corporate governance and the legal responsibilities of the company's administrators. Limited Company Directors are required to act in the interests of the company, but in the context of PT social enterprise, the meaning of the company's interests becomes no longer single and clear. The absence of strict normative recognition of social objectives as part of the company's interests has the potential to create legal uncertainty, both for the company's administrators and for other stakeholders. In the long run, this condition can hinder development social enterprise and undermine public confidence in socially oriented business models.

Furthermore, the issue shows the gap between the development of business practices and the normative construction of corporate law. On one side, social enterprise develop in response to the community's need for a more equitable and sustainable business model. On the other hand, the Limited liability Company's laws are not yet fully capable of accommodating character and purpose social enterprise conceptual or normative. This gap puts social enterprise in the gray space of the law potential conflicts of interest, regulatory uncertainty, and inconsistencies in the application of norms.

Based on the description, the study is specifically directed to answer two main problems. First, how the concept of limited liability is shaped social enterprise It is understood and regulated within the framework of the laws and regulations in Indonesia. Second, what is the concept of PT social enterprise in the practice of profit taking and management potentially overlap with the norms that live in society, both legal norms, economic norms, and social norms. By examining both of these issues, this research attempts to put it in place social enterprise as a normative issue in corporate law, it is not just a phenomenon of social entrepreneurship.

This research uses a normative legal approach by examining legislation, corporate legal doctrine, and relevant academic literature. Through this approach, the research is expected to make a theoretical contribution in enriching Indonesian corporate legal discourse, as well as normative contributions to the development of legal policies that are more adaptive to hybrid business models. As such, the study is not only academically relevant, but also has practical significance in supporting development social enterprise that is fair, sustainable, and in harmony with the values of national law.

In that context, social enterprise it emerged as one of the institutional innovations that challenged the classic dichotomy between profit-making and nonprofit organizations. Social enterprise not only does it carry out economic activity through market mechanisms, but it also explicitly places the creation of social value as the ultimate goal or at least an objective equivalent to the achievement of financial gain. It is different from the concept of corporate social responsibility (social responsibility) which is additional and does not change the basic orientation of the company, social enterprise making social missions an integral part of the identity and operations of the business.

Globally, progress social enterprise it has encouraged various countries to make regulatory innovations in corporate law. Some jurisdictions introduce a form of specialized business entity, such as benefit corporation In the United States, community interest company In England, or social purpose corporation In a number of European countries. Legal recognition of social enterprise it aims to provide legal certainty for businesses with a dual purpose, while protecting corporate managers from the risk of legal liability when making decisions that prioritize social impact over maximum profit. This phenomenon suggests that corporate laws in different countries are beginning to adapt to the need for a more inclusive and sustainable development-oriented business model.

In India, practice social enterprise it also shows significant developments, especially in the education, health, economic empowerment of communities, and environmental preservation sectors. Many social enterprises choose to use the form of a limited liability company due to its flexibility in carrying out business activities, ease of access to funding sources, and relatively strong legal legitimacy in commercial activities. However, this choice raises normative problems that are not simple, considering that the legal regime of limited liability companies in Indonesia is built based on the paradigm of conventional companies oriented to profit search.

Law number 40 of 2007 concerning Limited liability Company basically places profit as the main purpose of the company. Despite the law it regulates social responsibility and corporate environment, the arrangement has not shifted the company's basic orientation from profit creation to social purpose integration. Social and environmental responsibilities are more positioned as additional obligations, not as constitutive objectives attached to the company's identity. In a legal framework like this, social goals are at the heart of it social enterprise it does not obtain a normative position equivalent to the financial objectives of the company.

This condition puts a limited liability in shape social enterprise in an ambiguous position. On the one hand, PT social enterprise it is morally and socially charged to carry out the social mission on which it was founded. On the other hand, the company remains bound to legal norms that emphasize the optimization of the company's profits and interests in the classical sense. This ambiguity has the potential to create normative tensions, especially in the context of the company's determination of interests, fiduciary obligations of directors, as well as the legitimacy of decision-making that prioritizes social impact over financial gain.

These normative tensions are not only theoretical, but also have direct implications for corporate management practices. Directors and management of PT social enterprise be in a dilemma when it comes to choosing between the most financially profitable policies and the ones that are socially most impactful. In the absence of a legal arrangement that explicitly recognizes social goals as part of the company's interests, socially oriented decision-making is potentially questionable from the legal perspective of the company. This shows that the question of PT social enterprise it is not just a matter of choice of form of business, but a structural problem in corporate law.

From a constitutional perspective, existence social enterprise It has strong relevance to the principles of the national economy as stipulated in Article 33 of the Constitution of the Republic of Indonesia in 1945. The principles of togetherness, equitable efficiency, sustainability, and economic independence are values that are in line with character social enterprise. However, these constitutional values have not been fully internalized in the Limited liability Company's arrangement, resulting in a gap between constitutional law ideals and business entity arrangements in practice.

Academic study on social enterprise In Indonesia so far tends to focus on economic aspects, social entrepreneurship, and business management. Meanwhile, a special and in-depth legal review of the Limited liability Company is in shape social enterprise in the normative perspective it is still relatively limited. What's more, there haven't been many studies that critically examine the normative tension between the Company's limited profit orientation and social goals social enterprise As a structural problem in Indonesian corporate law. This condition indicates a lack of research gap) that needs to be filled through a comprehensive and systematic legal analysis.

Based on this background, this study aims to examine the concept of a Limited Liability Company in the form of a social enterprise within the framework of Indonesian legislation and to analyze the normative tension between profit orientation and social objectives in PT practices. Social Enterprise this research uses a normative approach by examining legislation, corporate law doctrine, and relevant academic literature. It is hoped that this research will provide theoretical and normative contributions to the development of Indonesian corporate law. especially in responding to the need for business entity regulations that are able to integrate economic and social goals in a just and sustainable manner.

LITERATURE REVIEW

Limited Liability Company Theory from a Corporate Law Perspective

From a modern corporate law perspective, a Limited Liability Company (PT) is understood as a legal entity born from a capitalist economic construct that places capital as the primary factor of production. Corporate law literature predominantly views PT as an nexus of contracts, namely the node of various contractual relationships between shareholders, directors, commissioners, employees, and creditors. However, within this framework, the position of shareholders remains central because they are the providers of capital and the owners of residual claims on the company's profits (Easterbrook & Fischel, 1991).

Doctrine share holder primacy then developed as the main normative foundation of Limited Liability Company law. This doctrine asserts that the primary objective of a company is to maximize the company's value for shareholders, so that the company's interests are implicitly narrowed down to the economic interests of shareholders. Hansman and Kraakman (2001) even state that shareholder orientation has achieved hegemonic status in modern company law, which they refer to as the end of history for corporate law this view reinforces the normative legitimacy that corporate success is measured primarily through financial indicators.

Implications of domination share holder primacy very significant to the construction of the directors' fiduciary obligations. The directors are seen as fiduciary who are obliged to act in the best interests of the company, which in practice is often interpreted as the economic interests of shareholders. Any decision that has the potential to reduce short-term profits, even if intended to generate social or environmental benefits, risks being questioned as a breach of fiduciary duty (Bainbridge, 2008). Thus, classical corporate law structurally creates incentives to prioritize economic rationality over social considerations.

In the context of Indonesian positive law, this paradigm is reflected in Law Number 40 of 2007 concerning Limited Liability Companies. Although this law recognizes PTs as legal entities with their own objectives and interests, profit-oriented companies remain inherently characteristic. The provisions regarding corporate social and environmental responsibility as stipulated in Article 74 of the PT Law do not shift the primary objectives of companies, but rather add certain obligations for companies operating in or related to natural resources. Indonesian corporate law literature generally interprets these provisions as additional legal obligations, not as a redefinition of the company's objectives.

This normative approach demonstrates that Indonesian Limited Liability Company law remains firmly rooted in a liberal economic paradigm that positions companies as profit-making instruments. Consequently, social objectives are positioned as external elements outside the company's core interests. Within this framework, any attempt to institutionalize social objectives within the PT structure as in the Social Enterprise will always be faced with normative limitations that are structural, not just technical.

This critique of the classical paradigm asserts that corporate law is not value neutral. The profit-orientation institutionalized in PT law is an ideological choice that reflects specific economic values. Therefore, When social realities demand a greater role for companies in addressing social and environmental issues, corporate law is required to adapt. This is where the relevance of the study of Limited Liability Companies comes into play. Social enterprise becomes important, namely as an entry point to re-examine the basic assumptions of corporate law and open up space for the reconstruction of corporate objectives that are more in line with the needs of contemporary society.

Stakeholder Theory and the Paradigm Shift in Corporate Goals

Criticism of dominating doctrine share holder primacy gave birth to an alternative approach known as stakeholder theory. This theory was first formulated systematically by R. Edward Freeman, who defined stakeholders as any individual or group that can influence or be influenced by the achievement of corporate goals (Freeman, 1984). In this perspective, companies are no longer understood solely as economic instruments owned by shareholders, but rather as social institutions that operate within a complex network of interest relationships.

Stakeholder theory challenges the basic assumption that maximizing shareholder profits automatically results in social welfare. Critical literature shows that an exclusive orientation toward profit often gives rise to negative externalities, such as labor exploitation, environmental damage, and social inequality. Therefore, the stakeholder theory emphasizes that corporate objectives should be interpreted more broadly, including the creation of shared value (shared value) for all stakeholders, not just shareholders (Porter & Kramer, 2011).

In further developments, stakeholder theory not only serves as a normative critique, but also as a conceptual framework for understanding long-term corporate sustainability. The literature shows that companies that are able to manage stakeholder interests in a balanced manner tend to have better resilience to economic, social, and reputational risks. Thus, an orientation towards stakeholders does not always conflict with the company's economic interests, but can be a prerequisite for business sustainability.

However, from a corporate law perspective, internalization of stakeholder theory into positive legal norms faces significant challenges. Many corporate law systems still maintain a profit-oriented definition of corporate interests, so that the stakeholder theory is more often adopted in managerial practices and internal company policies than normatively institutionalized. Bainbridge (2008) argues that without explicit changes in the legal framework, the stakeholder theory risks weakening the accountability of directors by expanding the company's objectives without providing clear legal standards.

On the other hand, a number of literatures actually view these limitations as an indication of the need for corporate legal reconstruction. Recognition of the interests of stakeholders is considered crucial to adapt corporate law to social realities and the demands of sustainable development. Several countries have begun to respond to this idea by expanding directors' fiduciary obligations to include social and environmental considerations, although their implementation remains partial and contextual.

In the Indonesian context, the influence of stakeholder theory in Limited Liability Company law, the provisions are still relatively limited. The regulation of corporate social and environmental responsibility is often understood as a form of recognition of the interests of stakeholders, but not to the point of redefining the company's objectives. As a result, there is a gap between development of normative theory and practice of corporate law. This gap then opened up space for the emergence of the concept Social Enterprise as a form of business that more explicitly institutionalizes social goals into the company's structure and goals.

Thus, stakeholder theory can be seen as a conceptual bridge between the conventional Limited Liability Company paradigm and hybrid business models such as Social Enterprise. Although not yet fully internalized in corporate law, this theory provides a normative basis for challenging the sole orientation towards profit and opens up space for the development of business forms that are more responsive to social interests.

The Concept of Social Enterprise as a Hybrid Business Form

Draft Social Enterprise developed in response to the limitations of conventional business models and non-profit organizations in addressing complex and sustainable social problems. International literature views Social Enterprise as a form of hybrid business (hybrid organization) which integrates market logic with social missions institutionally. This hybrid character distinguishes Social Enterprise from conventional profit-oriented companies and non-profit organizations that rely on donations and grants.

Defourny and Nyssens suggest that Social Enterprise is characterized by three main dimensions: the economic dimension (sustainable business activities), the social dimension (the primary objective of creating social value), and the governance dimension (limiting profit distribution and stakeholder participation in decision making). Within this framework, profit is not eliminated but repositioned as an instrument to support the social mission. This view emphasizes that Social Enterprise is not an anti-profit entity, but rather a business that subordinates profit to social goals.

Another approach was developed by Yunus through the concept social business, which is normatively stricter, emphasizing that investors pursue social impact rather than dividends. While this model is not universally applied, Yunus's literature reinforces the thesis that business logic can be used to address social issues without being subject to the imperatives of capital accumulation. In this context, market discipline is seen as a means to ensure the efficiency and sustainability of social missions.

Hybrid character Social Enterprise giving rise to internal tensions which Battilana calls mission drift, namely the risk of a shift in orientation from social to economic goals due to market pressures. The literature shows that without an adequate governance and regulatory framework, Social Enterprise potentially co-opted by the logic of profit, thereby losing its social identity. Therefore, many studies emphasize the importance of institutional design and explicit legal recognition to maintain a balance between social mission and economic sustainability (Battilana et al., 2015).

From a corporate law perspective, Social Enterprise challenges the traditional legal classification that divides entities binary between for-profit and nonprofit organizations. This classification has proven inadequate to accommodate entities with dual purposes. Kerlin asserts that the response to Social Enterprise highly dependent on the national legal context, so that countries develop diverse regulatory models, ranging from the creation of new forms of business entities to modifications of existing corporate legal regimes.

Normative implications of hybrid characters Social Enterprise very significant. On the one hand, the flexibility of the business form allow Social Enterprise operate innovatively and adaptively. On the other hand, the lack of clear legal recognition of social objectives has the potential to create legal uncertainty, particularly regarding corporate interests, management's fiduciary obligations, and the legitimacy of profit distribution. Therefore, international corporate law literature emphasizes that success Social Enterprise depends not only on the commitment of actors, but also on a legal framework capable of accommodating its hybrid nature.

In the Indonesian context, the concept Social Enterprise growing rapidly in practice, but has not been followed by adequate normative recognition. Social Enterprise often understood sociologically and managerially, but has not been systematically placed within the corporate legal framework. This condition causes Social Enterprise must adapt to the available legal forms, such as Limited Liability Companies, even though their normative characteristics are not entirely

aligned. This situation then gives rise to normative problems when Limited Liability Companies are used as a vehicle. social enterprise, which will be discussed further in the next sub-chapter.

Limited Liability Companies as a Social Enterprise Platform: Normative Problems

Use of Limited Liability Company (PT) as a legal entity for Social Enterprise a PT is a practically rational choice, but normatively problematic. From a practical perspective, a PT offers strong legal legitimacy, flexibility in business activities, easy access to capital, and widespread recognition in the modern economic system. However, from a corporate law perspective, a PT is designed based on the conventional profit-oriented corporate paradigm, making it incompatible with the character of a private company. Social Enterprise which carries the dual goal of profit and social mission.

The main normative problem lies in the concept of corporate interests (corporate interest). In Limited Liability Company law, the interests of the company are generally interpreted as the economic interests of the company which ultimately lead to the interests of the shareholders. When a PT is used as a legal entity, Social enterprise, a fundamental question arises: can corporate interests encompass social objectives that consciously sacrifice or limit profit maximization? In the absence of explicit regulation, social objectives are potentially viewed as secondary interests that lack the same normative legitimacy as the company's economic interests.

This issue has direct implications for the fiduciary obligations of directors. The Board of Directors of PT. Social Enterprise Companies face a dilemma when faced with choosing policies that are financially suboptimal but have significant social impacts. Within the framework of classical corporate law, such decisions are potentially questionable as a violation of the directors' obligation to act in the best interests of the company. Bainbridge (2008) asserts that without a normative redefinition of the company's interests, broadening the company's objectives can actually create legal uncertainty and weaken the accountability of directors.

In addition, normative problems also arise in the aspect of profit distribution. Social Enterprise Companies generally impose profit distribution restrictions to ensure that the majority of profits are reinvested in social missions. However, within the legal framework of Indonesian PTs, profit distribution is a normatively protected shareholder right. Profit distribution restrictions that lack an explicit legal basis have the potential to create internal corporate conflict, particularly when there is a difference of interest between socially oriented founders and economically oriented shareholders.

The provisions regarding corporate social and environmental responsibility in Article 74 of Law Number 40 of 2007 concerning Limited Liability Companies are often viewed as a legitimate basis for corporate social activities. However, legal literature confirms that CSR is not designed to make social objectives a constitutive objective of a company. CSR functions as an additional legal obligation inherent in certain types of businesses, not as a normative basis for integrating social missions into the company's interests. Therefore, CSR is unable to address the structural problems of PT Social Enterprise which is rooted in the company's basic objectives and orientation.

From a comparative law perspective, countries that have accommodated social enterprise through a special form of business entity shows that normative recognition of the company's social objectives functions as a legal certainty mechanism. Forms such as benefit corporation provides a legal basis for directors to consider social and environmental interests without fear

of violating fiduciary obligations. The absence of a similar mechanism in Indonesian company law places PT Social Enterprise in a vulnerable position, because its social goals depend only on internal commitments and do not receive adequate legal protection.

Thus, the use of a Limited Liability Company as a vehicle Social Enterprise The current legal framework in Indonesia reflects a discrepancy between the reality of business practices and the normative construction of corporate law. This problem is structural and cannot be resolved solely through extensive interpretation of existing provisions. A deeper normative reflection is needed on the purpose of Limited Liability Companies and the potential for reconstructing corporate law to accommodate hybrid business models more equitably and sustainably.

National Legal Values and the Relevance of Social Enterprise

In the context of Indonesian national law, the discourse regarding Social Enterprise can not be separated from the basic values underlying the economic system and the objectives of national law. The Indonesian Constitution, through Article 33 of the 1945 Constitution of the Republic of Indonesia, emphasizes that the economy is structured as a joint effort based on the principle of family, with an orientation toward the prosperity of the people. The principles of togetherness, social justice, sustainability, and state control over sectors of production that are important to the nation reflect the view that economic activity is not solely aimed at capital accumulation, but rather at equitable social welfare.

The literature on constitutional law and economic law interprets Article 33 of the 1945 Constitution as the constitutional foundation for an economic model that places social values as an inherent part of business activities. From this perspective, companies are understood not only as private entities pursuing profit but also as instruments of national development with social responsibilities to society. This view aligns with the idea of Social Enterprise which makes economic activities a means to achieve social goals in a sustainable manner.

Apart from the constitution, the values of Pancasila as the basis of the state also provide normative legitimacy for development. Social Enterprise the principle of Social Justice for All Indonesians emphasizes the importance of a fair and equitable distribution of economic benefits, while the principle of Just and Civilized Humanity demands that economic activities be carried out with respect for human dignity. The literature on Pancasila legal philosophy emphasizes that Indonesian economic law should reflect a balance between economic efficiency and social justice, not by adopting the liberal economic paradigm blindly.

Within this framework, Social Enterprise can be seen as a concrete manifestation of national legal values in the practice of business activities. By integrating social objectives into the structure and operations of the business, Social Enterprise represents a corporate model that is in line with legal ideals (legal system) Indonesia. However, this alignment of values is not yet fully reflected in the prevailing corporate legal framework. Limited Liability Company Law still tends to adopt a profit-oriented paradigm rooted in Western corporate law traditions.

The gap between national legal values and corporate legal regulations points to a broader normative issue: the failure to internalize the principles of social justice and sustainability into the constitutive objectives of business entities. In this context, Social Enterprise not only

relevant as an economic or social entrepreneurial phenomenon, but also as a normative critique of the legal orientation of companies that do not fully reflect the basic values of the state.

Therefore, the recognition and regulation Social Enterprise in national law can be seen as part of an effort to reconstruct corporate law to better align with constitutional values and the ideology of Pancasila. Progressive legal literature emphasizes that law is not static but must be responsive to social change and societal needs. Thus, Social Enterprise has strategic relevance as a bridge between modern economic activities and national legal objectives oriented towards social justice and the welfare of the people.

Position of Research in the Scientific Framework

Based on the literature mapping in the previous sub-chapter, it can be emphasized that the study of Limited Liability Companies (PT) in the form of Social Enterprise lies at the intersection of corporate law, corporate purpose theory, and national legal values. Although international literature has grown rapidly in discussing Social Enterprise as a hybrid organization—from both economic, management and governance perspectives—a legal study that specifically examines the normative problems of using PT as a vehicle social Enterprise in the Indonesian context, this is still relatively limited. This gap is particularly evident in the lack of analysis linking corporate objectives, directors' fiduciary obligations, and corporate interests to institutionalized social objectives.

Existing research in Indonesia generally positions Social enterprise within the framework of social entrepreneurship (social entrepreneurship) or corporate social responsibility (CSR). This approach tends to emphasize managerial aspects, business sustainability, and social impact, but does not address structural issues in corporate law in depth. As a result, the use of Limited Liability Companies as a legal form Social Enterprise often treated as a pragmatic choice without critical examination of its normative appropriateness.

On the other hand, conventional corporate law studies are still dominated by discussions of corporate structure, shareholder protection, and economic efficiency, with the assumption of relatively homogeneous, profit-oriented corporate objectives. This literature rarely accommodates the possibility of dual objectives (dual mission) that consciously limits profit maximization to the pursuit of social goals. The gap between these two streams of study—social entrepreneurship and corporate law— indicates an unfilled academic space.

This research positions itself to fill this space by proposing a normative analysis of Limited Liability Companies in the form of Social Enterprise. In contrast to previous research which was descriptive or managerial in nature, this research places the problems of PT Social Enterprise as a structural issue in corporate law, particularly regarding the definition of corporate interests, the fiduciary obligations of directors, and the legitimacy of profit distribution restrictions. Thus, this study seeks to shift the focus of discourse from mere business practices to a normative reconstruction of the purpose and function of Limited Liability Companies.

Theoretically, this research utilizes the framework share holder primacy, stakeholder theory, and concept Social Enterprise as a hybrid effort to test the consistency and limitations of Limited Liability Company law. This approach allows for a more comprehensive analysis of the normative tension between profit orientation and social objectives, while also placing Social Enterprise as a challenge to the basic assumptions of corporate law. In this context, this research

does not simply adopt existing theories but uses them critically to interpret the reality of Indonesian law.

In addition, this research also contributes to the development of national law by linking discourse Social Enterprise with the constitutional values and ideology of Pancasila. By placing Social Enterprise within the framework of Article 33 of the 1945 Constitution and the legal ideals of social justice, this study offers the perspective that the reconstruction of corporate law is not merely a technical necessity, but rather part of an effort to reaffirm the direction of national legal development. This contribution distinguishes this research from previous studies that tend to be a historical and detached from the context of national legal values.

Thus, this research's position within the scientific framework can be formulated as a normative legal study that is interdisciplinary, critical, and contextual. This research is expected to enrich academic discourse on corporate law in Indonesia and serve as a normative reference for policymakers in responding to the development of hybrid business models such as Social Enterprise in a more fair, certain and sustainable manner.

METHODS

This research is a normative legal research that aims to study and analyze the concept of a Limited Liability Company in the form of a Social Enterprise from the perspective of Indonesian corporate law, particularly regarding the normative tension between profit orientation and social objectives. The normative approach was chosen because the focus of this research lies in the legal norms, principles, doctrines, and conceptual constructs that shape the legal system of Limited Liability Companies, rather than on empirical behavior or statistical data.

The research approach used includes a legislative approach (statute approach), conceptual approach (conceptual approach), and comparative approach (comparative approach). The statutory approach is used to examine and interpret relevant positive legal provisions, particularly Law Number 40 of 2007 concerning Limited Liability Companies and its implementing regulations, as well as constitutional provisions in the 1945 Constitution of the Republic of Indonesia relating to the national economic system. This approach is important to understand the normative position of Limited Liability Companies within the national legal framework.

The conceptual approach is used to examine and elaborate key concepts in corporate law, such as corporate interests, fiduciary obligations of directors, doctrine shareholder primacy, stake holder theory, as well as the concept Social Enterprise as a hybrid business form. This approach allows for a more in-depth analysis of the normative tensions that arise when social objectives are institutionalized within a limited liability company.

The comparative approach is used to a limited extent to gain perspective on how legal systems in other countries respond to developments. Social enterprise, particularly through the recognition of certain forms of business entities such as benefit corporation and community interest company this approach is not intended to transplant law, but rather to understand the function of normative recognition of corporate social objectives and its implications for legal certainty and the protection of corporate managers.

The legal materials used in this study consist of primary legal materials, secondary legal materials, and tertiary legal materials. Primary legal materials include relevant laws and regulations, especially Law Number 40 of 2007 concerning Limited Liability Companies and the

1945 Constitution of the Republic of Indonesia. Secondary legal materials include corporate law textbooks, national and international scientific journals, and academic works that discuss social enterprise, corporate objectives theory, and corporate governance. Tertiary legal materials are used to a limited extent as a tool to help search for legal terms and concepts.

Collection of legal materials is carried out through literature studies (library research) by systematically and comprehensively tracing legal sources. Analysis of legal materials is conducted using qualitative-normative analysis methods, namely by interpreting legal norms and doctrines through systematic, grammatical, and teleological interpretation to obtain a complete understanding of the objectives and implications of legal regulations.

Drawing conclusions is done through a deductive reasoning method, starting from general norms and theories in corporate law and then applying them to the specific context of a Limited Liability Company in the form of a Limited Liability Company. Social enterprise Through this method, research is expected to be able to formulate coherent legal arguments regarding normative positions. Social Enterprise within the legal framework of Indonesian Limited Liability Companies and its implications for the future development of corporate law.

RESULTS AND DISCUSSION (News706 BT, 12pt)

1. The concept of a limited liability company in the form of Social Enterprise in the Legislation in Indonesia.

Within the framework of positive law in Indonesia, Limited Liability Companies (PT) are constructed as legal entities that conduct business activities with a primary orientation towards profit creation. This orientation is not always explicitly stated but is systematically reflected in the design of Law Number 40 of 2007 concerning Limited Liability Companies (UU PT), particularly through an emphasis on capital structure, shareholder rights, and profit distribution mechanisms. Thus, the paradigm The legal basis of PT Indonesia is still rooted in the conventional company model that places profit as the main indicator of the company's success (Susanto, 2021). Recognition of corporate social and environmental responsibility as regulated in Article 74 of the Company Law is often viewed as evidence that Indonesian corporate law has accommodated social dimensions. However, normatively, this provision cannot be interpreted as recognition of social enterprise as a form of Limited Liability Company oriented towards dual purposes. Social and environmental responsibility in the Company Law is positioned as an ancillary obligation, not as a constitutive goal inherent to the identity of the company. As a result, social goals remain outside the core interests of the company and do not have normative standing equal to economic goals (Sjåfjell, 2021).

This condition indicates that Limited Liability Company law in Indonesia still maintains a clear separation between economic activities and social goals. In this paradigm, the interests of the company are implicitly narrowed down to economic interests related to business sustainability and returns for shareholders. This narrow interpretation raises serious issues when PT is used as a vehicle for social enterprise, as the social goals that form the basis for establishing the business do not receive clear legal legitimacy within the corporate legal structure (Siregar, 2022).

Furthermore, the absence of explicit regulations regarding PT social enterprise impacts the ambiguity of the concept of corporate interest. In practice, corporate interest is often interpreted through the lens of economic efficiency and profit maximization. However, in the context of social enterprise, corporate interest should also encompass the achievement of measurable and sustainable social impact. Without normative recognition of these social goals,

managerial decisions prioritizing social impact may be viewed as deviations from corporate interest, even if they align with the vision and mission of the business (Enriques & Zetzsche, 2021).

Social enterprise practices in Indonesia demonstrate a pragmatic adaptation to the limitations of the available legal framework. Many social entrepreneurs choose the PT form due to operational flexibility, ease of access to funding, and legal legitimacy in commercial activities. However, this choice is more driven by the absence of alternative legal forms specifically designed for dual-purpose enterprises. In other words, PT is used not because of its normative suitability with social enterprise, but rather due to the lack of more appropriate legal options (Siregar, 2022).

From a comparative law perspective, this situation differs from countries that have developed specific business entity forms or modified corporate law to accommodate social enterprise. In various jurisdictions, normative recognition of a company's social goals serves as a mechanism for legal certainty, especially in protecting directors when making decisions that balance economic and social objectives. Recent literature emphasizes that without explicit legal recognition, hybrid enterprises will always be in a vulnerable position to market pressures and internal conflicts within the company (Battilana & Lee, 2021).

In the context of Indonesia, the absence of regulations for social enterprise PT also reflects the delay of corporate law in responding to the evolving socio-economic dynamics. Corporate law still reflects a liberal economic paradigm that positions companies as private entities with the primary goal of capital accumulation, while the reality of business practices shows an increasing demand for companies to play an active role in the creation of social justice and sustainable development. This gap indicates that the issue of social enterprise PT is not merely a technical regulatory issue, but a structural problem in national corporate law.

Thus, it can be concluded that the concept of Limited Liability Company in the form of social enterprise has not yet found a clear place in the legislation in Indonesia. The Limited Liability Company law still does not provide a normative framework that can integrate social goals into the interests of the company in a legal and certain manner. This condition emphasizes the urgency of corporate law reform, both through explicit recognition of social enterprise and through the reconstruction of the concepts of purpose and corporate interests to be more aligned with societal developments and national legal values.

2. Normative Tension Between Profit Orientation and Social Goals in PT Social Enterprise

The normative tension between profit orientation in Limited Liability Companies in the form of social enterprise and the norms that exist in society is essentially not unrelated to the community's rejection of profit-based economic practices, but rather stems from differing paradigms regarding the primary objectives of business activities. In the context of classical corporate law, profit is placed as the central goal and the main benchmark of the company's success. Conversely, in the development of modern society, especially post-global crisis and the increasing awareness of social inequality issues, companies are increasingly viewed as social institutions that cannot be separated from their responsibility towards public welfare. This tension indicates a shift in social norms that has not yet been fully accommodated by corporate legal norms.

Empirically, contemporary societal norms tend to provide greater legitimacy to companies that can demonstrate a tangible contribution to solving social and environmental problems. Recent research in the fields of corporate sustainability and social enterprise shows that profit orientation is no longer understood absolutely as the

pursuit of maximum profit, but rather as a means to support the sustainability of the company's social mission (Laasch & Pinkse, 2020). In this framework, profit is viewed as an instrument, not an end goal, so the limitation of profit distribution or reinvestment for social purposes is not considered contrary to societal values, but rather as an ethical and responsible business practice.

However, when these practices are placed within the framework of Limited Liability Company law that is still based on the shareholder primacy paradigm, significant normative tensions arise. Conventional corporate law tends to view social goals as additional interests that can only be pursued as long as they do not sacrifice the interests of shareholders. This paradigm creates a gap between legal norms and social norms, where social enterprise practices that gain social legitimacy face normative uncertainty within the legal system company (Sjåfjell, 2021). Thus, the conflict that occurs is not a conflict between the company and society, but rather an internal conflict within the legal system itself.

The tension becomes even more complex when linked to the fiduciary duties of the board of directors. In a social enterprise, the board is expected to make decisions that balance economic interests and social impacts. However, without explicit recognition of social goals in corporate law, decisions prioritizing social impact may be questioned as deviations from the interests of the company. Recent corporate law literature emphasizes that this condition creates a chilling effect, namely the fear of the board to make progressive decisions due to concerns about facing legal risks, even though those decisions align with societal expectations (Enriques & Zetzsche, 2021).

From a sociological perspective of law, this tension reflects the phenomenon of normative lag, which is the delay of law in responding to changes in social values. Social norms develop dynamically through practices, public discourse, and moral demands, while corporate law norms tend to be static and based on the historical construction of classical capitalism. As a result, corporate law functions as a limiting factor for social innovation, rather than as an instrument to facilitate equitable economic transformation (Zumbansen, 2020). In the context of social enterprises, this normative lag has the potential to hinder the growth of business models that are genuinely aligned with societal needs.

In the context of Indonesia, this normative tension has more specific dimensions. Indonesian societal norms have historically and ideologically been influenced by the values of Pancasila and the principle of social justice in Article 33 of the 1945 Constitution. The view that economic activities should serve the common welfare is a value that has deeply rooted in the social and constitutional system of Indonesia. Therefore, the practice of social enterprise that places social goals as an integral part of business activities is actually more in line with Indonesian societal norms compared to models that solely pursue financial profit. The emerging tension emphasizes that Indonesian corporate law still requires a reconstruction of values to align with that ideological foundation.

Furthermore, studies on hybrid organizations show that the tension between profit orientation and social goals is an inherent characteristic of social enterprises that cannot be completely eliminated but must be managed through appropriate legal mechanisms and governance. Without clear normative regulations, social enterprises risk experiencing mission drift, which is a shift in orientation from social goals to profit orientation solely due to market pressures and legal uncertainties (Doherty et al., 2022).

In this context, ambiguous legal norms actually increase the potential for conflict between economic interests and social values. Thus, the normative tension between profit orientation and norms in society cannot be understood as a dichotomous value conflict. This tension reflects the limitations of Limited Liability Company law in accommodating changes in the paradigm of corporate goals. As long as corporate law continues to position

profit as the dominant goal without integrating social objectives, social enterprises will remain in a normative gray area. Therefore, resolving this tension requires a renewal of corporate law that can integrate profit orientation and social goals within a coherent, progressive normative framework that aligns with the values of Indonesian society.

3. Concept Social Enterprise as a Form of Hybrid Business

Draft social enterprise as a hybrid business model, it is a response to the limitations of the classical institutional model in addressing complex and sustainable social problems. This model arose from the realization that pure market mechanisms often fail to reach vulnerable groups in society, while Philanthropic approaches and non-profit organizations are often hampered by limited resources and funding sustainability. Social Enterprise then emerged as a form of institutional innovation that combines economic efficiency with social missions, thus enabling the creation of sustainable social impact through business mechanisms.

As a form of hybrid business, social enterprise can not be understood solely as a company that "has social concerns," but rather as an entity that structurally places social objectives at the core of its business activities. Hybridity social enterprise reflected in institutional designs that consciously combine market logic and social logic. On the one hand, social enterprise operating within market mechanisms, producing products or services, and creating economic value. Furthermore, this economic value is directed toward achieving social goals established at the business's inception.

From a corporate law perspective, this hybrid nature challenges fundamental assumptions about the purpose of a business entity. Traditional corporate law is based on the principle that corporations are established to maximize profits for shareholders, with legal protection mechanisms focused on shareholder interests. Within this framework, social objectives are viewed as ancillary activities outside the company's primary purpose. Social enterprise In fact, it reverses this logic by making social goals the main reason for the existence of a business, while profit is positioned as a supporting instrument.

Hybridity social enterprise, this is also reflected in the management and distribution of profits. Unlike conventional Limited Liability Companies, which give shareholders broad freedom to distribute profits, Social Enterprise generally impose restrictions on profit distribution. Most profits are reallocated to expand social impact, improve service quality, or strengthen business sustainability. This pattern indicates that profits in Social Enterprise has a social function, not merely an economic one. However, this social function has not yet received adequate normative legitimacy within the Indonesian corporate legal system.

In addition, the concept of hybrid business in Social Enterprise also influences patterns of corporate accountability and governance. In conventional companies, primary accountability is directed to shareholders as capital owners. social enterprise, accountability is expanded to include beneficiary groups, local communities, and the wider society. Thus, Social Enterprise demands a more inclusive and participatory governance model. However, Indonesian corporate law does not yet explicitly recognize the interests of non-shareholder stakeholders as part of the company's interests.

In practice in Indonesia, hybrid characters Social Enterprise often experiences a reduction in meaning when having to adapt to the available legal entity forms. When choosing a Limited Liability Company as a legal entity, Social Enterprise legally treated as a for-profit entity subject to all provisions of conventional corporate law. The social objectives pursued are often positioned as a form of corporate social responsibility, rather than as the primary objective inherent in the company's identity. This reduction results in Social Enterprise loses some of its hybrid character in the legal context.

This situation creates normative tension between business practices and the legal framework that regulates them. On the one hand, Social Enterprise are required to remain competitive and economically sustainable. On the other hand, a strong social orientation often necessitates decision-making that is not always aligned with the logic of profit maximization. Without normative recognition of this hybrid nature, socially oriented decisions are potentially questionable from a corporate law perspective.

Furthermore, hybridity social enterprise also has implications for the conception of justice and the function of law in society. By integrating economic and social goals, Social Enterprise offers an alternative approach to development that pursues not only economic growth, but also equitable distribution of benefits and social sustainability. In this context, Social Enterprise can be seen as a concrete manifestation of the values of social justice embedded in the national legal system. However, without adequate regulatory support, this potential is difficult to optimize.

From the perspective of the results and discussion of this research, the concept Social Enterprise as a form of hybrid business shows an imbalance between the dynamics of practice and regulatory readiness. Practice social enterprise while corporate law has evolved in response to real social needs, corporate law remains stuck to the old paradigm of rigidly separating for-profit and non-profit entities. This imbalance indicates that Indonesian corporate law has not fully accommodated institutional innovation in the business world.

Thus, this discussion confirms that Social Enterprise As a hybrid business form, it requires a legal framework that can accommodate the integration of economic and social goals equally. Without clear regulations, Social Enterprise will continue to exist in a normative gray area that creates legal uncertainty and limits its scope for movement. This finding provides an important basis for further analysis regarding the absence of PT regulations. Social Enterprise and the urgency of corporate law reform in Indonesia.

4. Critical Analysis of The Absence of PT Regulation Social Enterprise

The absence of specific regulations regarding Limited Liability Companies in the form of social enterprise the gap in Indonesian positive law not only indicates a normative vacuum, but also reflects a paradigmatic problem in national corporate law. Limited Liability Company Law is still built on the classical assumption that the primary purpose of a business entity is to create economic profits for shareholders. This assumption is deeply embedded in the normative structure of the Limited Liability Company Law, so the development of business models that integrate social missions and economic objectives does not find a clear place in the legal system. Consequently, Social Enterprise Those who choose the PT form are forced to operate within a legal regime that is not designed to support such a hybrid character.

From a legal theory perspective, this regulatory vacuum poses a serious problem for the principle of legal certainty. Legal certainty demands clarity of norms, both regarding the legal status of subjects, the objectives of legal entities, and the legal consequences of actions taken. In the context of PT Social Enterprise the law does not provide clarity regarding the place of social objectives within the corporate interest structure. This ambiguity opens up room for diverse interpretations, whether by directors, shareholders, law enforcement officials, or judges. As a result, the sustainability of a company's social mission depends heavily on the subjective will of internal actors, rather than on objective and binding normative guarantees.

The absence of regulations also has a direct impact on the legal protection aspect for PT Managers Social Enterprise. Directors who make strategic decisions to prioritize social

impact potentially face legal risks if the decision is deemed to be financially detrimental to the company. Within the legal framework of profit-oriented companies, there are no explicit norms protecting directors when they consciously choose social goals as a primary consideration in decision-making. This situation creates a chilling effect, where company managers tend to be defensive and avoid innovative social policies in order to minimize the risk of legal liability.

Structurally, there is a vacuum in PT regulations. Social Enterprise also shows the limitations of the law in responding to economic and social dynamics. Developments in Social Enterprise reflect a shift in perspectives on the role of corporations in society, where companies are no longer merely understood as instruments of capital accumulation but also as agents of social change. However, Indonesian corporate law has not fully internalized these changes. Instead of accommodating innovative business models, the law forces them to operate. Social Enterprise to adapt to a conventional normative framework, thus potentially reducing the social character that is its main identity.

Furthermore, the absence of this regulation also has implications for aspects of corporate governance (corporate governance). Without a clear legal framework, oversight mechanisms for achieving social goals are weak. There are no normative standards for reporting social impact, mission-based performance evaluation, or accountability mechanisms to non-shareholder stakeholders. As a result, claims to be Social Enterprise has the potential to become merely a normative label without substantial guarantees, which could ultimately damage the credibility of the business model in the eyes of the public.

In the context of national legal development, the lack of PT regulations on social enterprise also demonstrates the gap between constitutionally enshrined legal values and the reality of corporate regulation. The principles of social justice, sustainability, and general welfare reflected in Pancasila and Article 33 of the 1945 Constitution should be the foundation for the development of economic law. However, existing Limited Liability Company law still emphasizes economic efficiency and transaction certainty over the integration of social values. This inconsistency raises critical questions about the extent to which national corporate law truly reflects the ideals of Indonesian law.

Normatively, the absence of PT Regulations on Social Enterprise can not be maintained as a neutral policy option. In the context of the increasing role of social enterprise in addressing various social issues, the absence of laws has the potential to hinder innovation and weaken the business sector's contribution to sustainable development. Therefore, this gap should be understood as a normative deficit which demands a regulatory response, both through the formation of new forms of business entities, modifications to the Limited Liability Company regime, and strengthening the recognition of social objectives in existing company law.

Thus, this analysis confirms that the absence of regulations regarding PT Social Enterprise is not just a technical legislative issue, but a fundamental problem in the orientation and direction of the development of Indonesian corporate law. Without normative reform that explicitly recognizes and protects the hybrid nature of business, PT Social Enterprise will continue to be in a legally vulnerable position. This situation reinforces the urgency of reconstructing corporate law as part of efforts to create a more equitable economic system oriented toward broader social interests.

MANAGERIAL IMPLICATION

Managerial implications in the context of Limited Liability Companies (PT) in the form of Social Enterprise must be placed within a broader framework than just the efficiency of company management. Unlike conventional companies, PT Social Enterprise operating in a normative context that does not fully support its dual-purpose nature. The absence of legal regulations that explicitly recognize social objectives as part of the company's interests means that managerial practices face not only market challenges but also legal uncertainty. Therefore, the managerial implications formulated in this study are reflective, strategic, and serve as a form of adaptation to the structural limitations of Indonesian corporate law.

First, this study implies that the management of PT Social Enterprise must consciously position the social mission as a constitutive element in the company's institutional design. In the absence of external normative legitimacy, the company's articles of association, internal regulations, and strategic policies become the primary instruments for institutionalizing social objectives. The explicit formulation of the social mission in the company's fundamental documents serves as a basis for internal legitimacy for the board of directors in implementing policies that are not solely oriented towards short-term profits. The corporate governance literature shows that clarity of institutional objectives is crucial for consistent decision-making and organizational stability, particularly in entities with dual objectives.

Second, an important managerial implication is the need to develop a value based corporate governance model (value-based governance). In PT Social Enterprise Management cannot rely on financial performance indicators as the sole measure of success. Strategic decision-making must be based on the integration of economic performance and social impact. This requires the development of a performance measurement system capable of representing social objectives in a measurable and accountable manner. Stake holder theory emphasizes that the long-term sustainability of a company is greatly influenced by its ability to create value for various stakeholders. Thus, this managerial implication demands a paradigm shift from profit maximization going to value creation more comprehensive.

Third, this study confirms that the management of PT Social Enterprise must actively manage relations with shareholders as the primary legal actors within a Limited Liability Company structure. In the context of Indonesian law, which is still oriented toward protecting shareholder rights, a misalignment between the investor's vision and the company's social mission has the potential to create serious internal conflict. Therefore, the implications The managerial aspect is the need for shareholder selection that understands the character of the company. Social Enterprise, and managing investor expectations through transparency and ongoing strategic communication. The literature on hybrid organizations shows that the success of Social Enterprise highly dependent on the alignment of values between capital owners and company managers.

Fourth, in a situation where there is no explicit legal protection for social objectives, PT management social enterprise required to apply a precautionary approach (prudential approach) in decision-making. Any policy that prioritizes social impact needs to be designed with arguments that demonstrate its link to the company's long-term interests. This approach is not only important from a business perspective but also as a legal risk mitigation strategy against potential allegations of breach of fiduciary duty by directors. Corporate law literature emphasizes that without a clear normative basis, managerial decisions based on social values must be framed as part of the company's sustainability strategy.

Fifth, the strategic managerial implications are the need to strengthen the practice of documentation and reporting of social impacts (social impact reporting). In PT Social Enterprise, social impact reporting serves not only as a means of public accountability, but also as a mechanism of internal and external legitimacy. With systematic reporting, management can demonstrate that decisions prioritizing social objectives have a rational basis and a real contribution to the company's sustainability. The international literature on Social Enterprise positioning impact reporting as an important instrument to maintain stakeholder trust and prevent the occurrence of mission drift.

Sixth, this study implies that the management of PT Social Enterprise It is necessary to view managerial practices as part of the transition process towards corporate law reform. In this context, management plays a role not only as an implementer of internal policies but also as a normative actor that indirectly shapes new practices and precedents in the business world. Governance practices consistent with social objectives can provide an empirical basis for policymakers to formulate legal regulations that are more responsive to hybrid business models.

Overall, the managerial implications formulated in this study confirm that the management of PT Social Enterprise demands managerial capacity that goes beyond conventional corporate practices. Management is not only required to achieve economic efficiency, but also to maintain the integrity of the social mission within a legal framework that is not yet fully adaptive. Therefore, managerial implications in this study must be understood as a medium-term adaptive strategy that enables PT Social Enterprise survive and develop sustainably, while awaiting a more inclusive and equitable normative reconstruction of Indonesian corporate law.

CONCLUSION

This research is based on the awareness that development Social Enterprise is not a temporary phenomenon or simply a social entrepreneurship trend, but rather a reflection of a fundamental change in how society views the role of companies in the social and economic order. Social Enterprise present as a response to the state's limitations in meeting public needs and the market's failure to distribute welfare fairly. In this context, the use of a Limited Liability Company as a legal entity social enterprises hows the existence of new dynamics that challenge the basic assumptions of conventional corporate law.

The results of the study show that normatively, Limited Liability Company law in Indonesia still operates within a classical paradigm that places profit as the primary objective of a company. Although Law No. 40 of 2007 concerning Limited Liability Companies recognizes the obligation of social and environmental responsibility, this regulation has not shifted the fundamental orientation of companies from the logic of maximizing profit to the integration of economic and social objectives. Thus, the existence of a PT in the form of a limited liability company (PT) is Social Enterprises till in a normative grey area, where social objectives do not receive legal legitimacy equal to the company's economic interests.

This study confirms that the main problem of PT Social Enterprise does not lie in the practice of profit-making itself, but rather in the absence of a normative framework capable of interpreting profit as a means, not an end in itself. In the model Social Enterprise Profit serves as an instrument to ensure the sustainability of the social mission. However, from the perspective of applicable Limited Liability Company law, profit remains positioned as the primary indicator of a company's success. This inconsistency creates significant normative tensions, particularly in the context of determining the company's interests and fulfilling the directors' fiduciary obligations.

Furthermore, this study shows that the tension between the profit orientation of PT Social Enterprise and societal norms are not antagonistic. On the contrary, the practice of social enterprise In fact, they often reflect social values inherent in society, such as solidarity, distributive justice, and sustainability. Limiting profit distribution and prioritizing social impact are not deviations from social norms, but rather concrete manifestations of society's ethical demands on the business world. Thus, the conflict that arises is not a conflict of social values, but rather a conflict between the reality of social practices and the normative structure of corporate law, which remains narrowly profit-oriented.

From a broader perspective, this research's findings demonstrate a gap between national legal values and the prevailing corporate legal framework. Article 33 of the 1945 Constitution of the Republic of Indonesia affirms that the national economy is structured as a joint venture based on the principles of kinship, social justice, and sustainability. These values are conceptually very much in line with the character of the Indonesian people. Social Enterprise However, Limited Liability Company law does not fully reflect this constitutional orientation, as it still adopts the corporate law paradigm that arose from liberal and individualistic economic traditions.

In this context, Social Enterprise can be seen as a practical critique of corporate law that is not yet responsive to social needs. The existence of PT Social Enterprise reveals the limitations of the overly narrow concept of corporate interests and opens up space for reformulating corporate objectives within the national legal framework. In other words, the discourse on Social Enterprise not only relevant for the development of business models, but also for the renewal of corporate law as part of the development of equitable national law.

This study also concluded that there is no specific regulation regarding PT Social Enterprise creates legal uncertainty that has the potential for systemic impact. Directors are in a dilemma when they have to choose between compliance with the logic of profit and commitment to a social mission. In the long term, this condition can weaken sustainability Social Enterprise and encourage the occurrence of mission drift, namely a shift in business orientation due to market pressure and unclear legal protection. Without normative intervention, Social Enterprise at risk of being reduced to a conventional company with a mere social label.

Therefore, this study emphasizes the urgency of reconstructing Limited Liability Company law to accommodate the realities of hybrid businesses. This reconstruction does not necessarily have to be realized through the creation of new laws, but can be achieved through various legal policy options, such as explicitly recognizing social objectives in the company's articles of association, expanding the definition of the company's interests, or adjusting the fiduciary obligations of directors to include normative social and environmental considerations. This approach will provide legal certainty while maintaining a balance between business flexibility and protecting social values.

Ultimately, this research places PT Social Enterprise as a meeting point between law, economics, and social values. Discourse on Social Enterprise opens up broader space for reflection on the role of law in directing economic activity so that it is not solely oriented towards efficiency and profit, but also towards justice and the common welfare. Thus, the recognition and regulation Social Enterprise in Indonesian corporate law is not only a technical need, but also part of a strategic effort to realize an economic legal system that is in line with constitutional ideals and the dynamics of modern society.

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