

ABSTRACT

Historically cooperatives started from the results of spontaneous small business and done by the small people. Low economic ability for small workers to escape suffering. Cooperatives is a part of the three pillars of the economy that participate build people's welfare. In the economic life of the Indonesian nation the cooperative is seen very important. This is evidenced by the legal basis of the cooperative itself, namely the 1945 Constitution Article 33 Paragraph 1. The majority in Indonesia is Muslim, that's why the government of Indonesia need to consider Muslim interest in the development of economic, sharia cooperative is one of the ways of government to cover Muslim who want to join in cooperative with Islamic perspective. Moreover, sharia cooperative is a steady economic, democratic, autonomous, participative, and socially in business operation based on moral principles by considering the halal and haram of a business conducted in accordance with sharia principle. This research discusses how does the supervision of Sharia Cooperative was conducted by Cooperative and Small and Medium Enterprise Office and Sharia Supervisory Board in Yogyakarta. This research is normative and empirical legal research. The data were obtained from law books and journal and also through interview with respondent. Establishment of this cooperative is to meet the needs of its members with a relatively cheaper price, provide convenience for its members who need business capital, and give benefits for its members. Though sharia cooperative run its activity within Islamic perspective, it is not guaranteed to be free from violation.

Keywords: *Supervision, Cooperative, Sharia Cooperative,*