Implementation Culture Certified of Halal Food in Indonesia 2023

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ABSTRACT

The halal guarantee system has been implemented previously through the Fatwa of MUI and is now developing with the establishment of the Commission of Fatwa under the auspices of the Halal Product Assurance Organizing Agency which has been established by the Ministry of Religion. To do this, the program launched is the SEHATI program. The SEHATI program is not aimed at all MSEs in Indonesia. This program is subject to conditions self declare regulated in PP No. 39 of 2021 concerning Implementation of the Field of Assurance Product of Halal and PMA No. 20 of 2021 concerning Certification of Halal for entrepreneurs. The SEHATI program has the opportunity to make Indonesian products competitive advantages. The large budget required by the government and the emergence of doubts about product halalness are a challenge, even in the field it is found that consumers still have a skeptical attitude towards the halal logo and certification, even though the industry has known the benefits of the halal logo as a product guarantee as a marketing tool for business expansion. Halal governance hinders the certification process, and thus makes it difficult for small and medium enterprises to establish halal status. Halal validity and traceability need to be established through a process of research and development of information systems launched by the Government, both OSS and Halal, which often experience problems. On the other hand, the role of the community is in the form of accompanying halal products, Halal Organizing Institutions, and involving higher education research institutions. In addition, there are still many areas that need to be explored in implementing halal, especially in the fields of hospitality, MSMEs, markets and the food industry in tourist destinations. It is recommended that all public and private sectors work together to overcome the problems and challenges of implementing the certification of halal in Indonesia.

Keywords: Culture, Halal Food, Certification of Halal
INTRODUCTION

In today’s global marketplace, regardless of the industry, organizations are surrounded by competitors. Roughly, the global population of Muslims has reached around 1.8 billion which attracts attention from global food producers around the world (Bohari, 2013). According to a report from the Central Statistics Agency (BPS, 2019), Indonesia has 3.9 million Micro and Small Enterprises (UMK) in the food and beverage sector in 2019. West Java is the province that has the largest number of food and beverage MSEs with a total of 791,435 MSEs (Abdullah, 2020) in which Muslims dominate production and population. Thus, Muslims will have significant purchasing power and will further influence the demand for halal food.

Halal is required to meet the quality and integrity of the food produced. Halal comes from Arabic which means legal or legal, while in English the general meaning can be interpreted as permitted. Haram is the opposite of halal which means prohibited or unlawful. To implement this in Indonesia, in 2023 there will be 191 Halal Product Process Assistance Agencies (P3H) with 5,201 Halal Product process assistants spread throughout Indonesia. One of the largest and most active non-academic institutions in implementing halal product certification is the Foundation of Halal Center Cendikia Muslim which has 3,193 P3H.

Micro, Small, and Medium enterprises (MSMEs) have an important role in improving the national economy. This can be seen from the composition of business units in Indonesia which are dominated by the micro, small, and medium business sectors of 64.2 million (Jayani, 2021) or until 2019 it was recorded that the number of MSEs (Micro Small Enterprises) in Indonesia reached 65.471.134 business units (Ministry of Cooperatives and Small and Medium Enterprises, 2019). In addition, the MSME sector contributes greatly to the Gross Domestic Product (GDP) in Indonesia by 61.07% or around IDR 8,573.89 trillion (Mardhotillah et al., 2022). According to the Ministry of Finance report (2021), of the 65 million MSMEs in Indonesia, only 1%, or around 650,000 MSMEs have certification of Halal. The main director of LPPOM MUI revealed that as of June 2022, there were only 10,643 entrepreneurs who were halal certified (Ulya, 2022). If viewed data from the State of the Global Economy Report 2020/2021 Indonesia is the second country with the largest consumption of halal products in the world (Dinar Standard, 2021). The awareness of MSEs to carry out certification of halal is very low due to a lack of education about the importance of Assurance Product of Halal (Rahem & Prayoga, 2019). The Indonesian government has a role to play in increasing entrepreneurs to encourage halal products through the certification of halal (Hasan, 2018).

Referring to UU No. 33 of 2014 concerning Assurance Products of Halal that enter, circulate, and trade in Indonesian territory must be halal certified. A certification of halal is an acknowledgment of the halalness of a product issued by the Assurance Product of Halal Agency or BPJPH based on a written halal fatwa issued by the Indonesian Ulama Council. Certification of halal is a process to obtain certification of halal through several stages to prove that the ingredients, production process and Halal Assurance System (SJH) meet LPPOM MUI standards (Warto & Samsuri, 2020). The application of certification of halal needs to be aligned with institutional theory, according to (Ab Talib et al., 2016) the emergence of the halal food market as one of the largest consumer food markets has encouraged companies to implement halal food certification. The study of institutional theory offers appropriate information based on
motivation to apply for halal food certification. Seeing the impact of the certification of halal policy on the national economy. If the certification of halal is commercialized, it will increase producer costs. This certification of halal has an impact on the Indonesian economy (Rohman & Rifqi, 2020). Five sectors have the most impact as a result of this certification of halal policy, namely hotels, restaurants, the food, beverage, and tobacco industry, livestock and their products, and food crop agriculture.

Various legal products were issued by the government to increase the pace of accelerating the development of halal products in Indonesia. The birth of UU No. 33 of 2014 Concerning Product Guarantees became the basic rule for implementing the JPH system (Sukandar, 2020). This law was strengthened by several changes in UU No. 11 of 2020 Concerning Job Creation and the issuance of PP No. 39 of 2021 concerning the Implementation of the Halal Product Assurance Field. The government pays more attention to MSEs by issuing special regulations through the issuance of Minister of Religion Regulation no. 20 of 2021 concerning certification of halal for Micro and Small Enterpreneurs. However, the order for the obligation of certification of halal for all products circulating in Indonesia contained in pasal 4 of UU No. 33/2014 has not been effective enough (Hartati, 2019). In implementing this, there are still obstacles that need to be resolved, such as the system that changes frequently, there is no consensus in the fatwa committee team so some of the data that is uploaded in Sihalal by the companion is still not uniform in his decision.

Efforts to accelerate the pace of certification of halal in Indonesia are encouraged by the SEHATI (Free Certification of Halal) program. This is because the problem of the certification of halal is not only related to religion but also to the economy (Jahar & Talhah, 2017). Providing free certification of halal will provide pros and cons. The Free Certification of Halal Program (SEHATI) in 2022 with a target of 10 million products is of concern to stakeholder agencies at central and regional levels as well as other partners. The 2022 SEHATI program aims to increase business awareness about the importance of certification of halal and halal labels for business products. Strengthen and provide support for halal products resulting from micro/small entrepreneurs. Increasing public awareness about the urgency of consuming halal products. And added value (value) and regional and multinational trade competitions. Although previous research has shown an increase in the awareness of micro/small entrepreneurs to register product certification of halal (Mirdhayati et al., 2020), (Susanti, 2022) and (Wafa, 2022) however it shows there are problems encountered when accompanying the registration besides the program SEHATI has not been widely explored (Ahmadiyah et al., 2022) (Kasanah & As Sajjad, 2022) (Pardiansyah & Abdhu, 2022). The growth of micro or small businesses has also increased so this community empowerment-based research was carried out to explore the potential for assistance in overcoming the problems encountered.

The government is doing this to make Indonesia a center for producing halal products in 2024 (Pramuji, 2022). So far, the government’s ambition is to become the center of world halal producers who only rely on the large potential of Muslim adherents and the high level of consumption of halal products in Indonesia (Sakti et al., 2021). the large amount of data on MSEs in Indonesia and in line with the provision of free certification of halal, the need for studies in aspects of the opportunities and challenges. This is based on the government’s seriousness in providing the SEHATI program as outlined in various laws and regulations. The delivery of the SEHATI program requires an analysis of the opportunities and challenges posed because the
program can have implications for the development of halal products in Indonesia. The role of socialization by the government is still not uniform so many people do not understand the importance of the halal label on products.

RESEARCH METHODOLOGY
The research method used is descriptive qualitative research (Sugiyono, 2018). The approach used in this research is exploratory because what will be examined are various challenges that are the focus as well as the central theme of the research (Mursidi, 2021). Focus on issues of halal challenges and halal issues. Data collection techniques are carried out by observing, in-depth interview, and documentation. The data analysis used in this study uses a technique developed by Miles and Huberman in the form of data reduction, display data, and (conclusion drawing/verification) (Sugiyono, 2018).

RESULT AND DISCUSSION
Indonesia is a country with the largest Muslim population in the world. World Population Review noted that in 2021 Indonesia is the country with the largest Muslim population in the world, namely 231 million people, and the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs noted that as of June 2021, there were 236.53 million people (86.88%) from 272.23 million people are Muslims, meaning that the majority of Indonesia’s population is Muslim. This number is certainly a fantastic figure to be used as the market share for halal products. The potential of Indonesia’s halal industry can be seen from several sectors, namely the halal food sector, the Islamic finance sector, the halal tourism sector, and the Muslim fashion sector. Data from the Ministry of Industry released that the level of consumption of Indonesian halal products is predicted to increase by 6.2% in 2018-2024 or increase to USD 3.2 trillion in 2024 (Menperin, 2021).

The potential for the certification of halal is also supported by MSEs and consumers who have begun to realize the importance of halal labeling on their products. Certification of halal provides protection, guarantees, and information on halal products and becomes an instrument of business ethics for consumers and producers. It is useful for increasing consumer confidence and reaching the global market (Kasana, 2022). The halal lifestyle recently has become a trend not only for the Muslim population but in almost all parts of the world to support the increasing demand for fulfilling the need for halal products and services. On a global scale, certification and labels

Halal products guarantee world Muslim consumers as well as a way to reach global markets

*Indonesian Government’s 1 Million Halal Program*

It is time for Indonesia to become a model and center for the world’s halal industry. The industrialization of halal products is a solution to make Indonesia a global producer of halal products (Ministry of Industry; 2021). Certification of halal is a mandatory thing that must be fulfilled to guarantee the Halalness of a food and beverage product. This is considered difficult by entrepreneurs, especially MSEs, even though halal product certification has a positive impact on the development of a halal business. Certification of halal provides protection, assurance, and information on product halalness and becomes an instrument of business ethics for consumers and for producers to increase consumer confidence and reach the global market.
To carry out the program, the Government through the Ministry of Religion initiated the SEHATI program through BPJPH to be held in two stages. Stage 1 which took place from mid-2021 to 11 July 2022 provides 25,000 quotas and stage 2 quotas which started from 24 August to 19 September 2022 provides 324,834 quotas (Kepkaban No. 33 of 2022). In 2023 BPJPH launched 1 million quotas starting on 1 February 2023 (Kepkaban No. 22 of 2023).

Free Certification of Halal Mechanism (SEHATI) is one of the facilities provided by the government to MSEs through the scheme self-declared. However, the free service fee does not mean that the certification of the halal process does not require costs. There is a fee of IDR 300,000.00 (three hundred thousand rupiahs) which in its implementation is budgeted for from various sources, for example, the APBN, APBD, partnership funds, grants, and other legal and non-binding sources of funds (menage.go.id; 2021).

Entrepreneurs are individuals or business entities in the form of legal entities or non-legal entities that carry out business activities in the territory of Indonesia. Micro and Small Enterprises according to Law no. 20 of 2008 is "a productive economic enterprise that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that have a maximum net worth of Rp. 500,000,000.00 (five hundred million rupiahs) excluding land and buildings place of business (Law No. 20 of 2008). To carry out this program, there is a need for a companion,

Halal Product Process Facilitators (P3H) are certified experts from the Halal Inspection Agency (LPH) and are legally entitled to provide PPH assistance to entrepreneurs (Regulation of the Minister of Religion No. 20 of 2021). Free Certification of Halal is a free certification of halal awarding program for MSEs that meet the requirements through the business actor statement mechanism (self declare) by verifying and validating halal statements by Entrepreneurs from Halal Product Process (PPH) assistants. In carrying out this mandate, 191 LPHs were formed and there were 5,201 Facilitators, the largest of which was the Halal Center for Muslim Scholars, which certified 3,193 Facilitators.

**Developed Certification of halal System**

The Halal Product Assurance Organizing Agency (BPJPH) is an organization that is affiliated with the Ministry of Religion. UU no. 33 of 2014 concerning Guarantees for Halal Products mandates that products circulating in Indonesia are guaranteed to be halal. BPJPH is tasked with guaranteeing the halalness of products that enter, circulate, and trade in Indonesia. The system developed is Halal with the SEHATI Program with the procedure shown in the following figure:
The requirements for MSEs who are entitled to obtain a certification of halal for the SEHATI program refer to the image below:

Source: SEHATI.halal.go.id infographics

**The Government’s Role in the Implementation of the SEHATI Program**

Starting in 2023, the Halal Product Assurance Organizing Agency (BPJPH) has again opened the Free Certification of Halal (SEHATI) program. “Unlike the previous year, SEHATI 2023 will be open throughout the year. Starting tomorrow, January 2, 2023, entrepreneurs can register,” said the Head of BPJPH M (Aqil Irham, 2023). Various efforts were carried out by the government, one of which was the mandatory halal campaign at 1,000 points throughout Indonesia which were carried out by all levels of the Ministry of Religion (Mursidi, 2023). However, this is still not comprehensive because if the campaign is only carried out once but is not balanced with
awareness from the smallest government such as the Village and the Environment then it will not be optimal.

The role of the Village Government in the success of the halal program is very important even though there are many steps taken by the government, not only does the Ministry of Religion mobilizes all of its guards but in reality they are not optimal. Guards tend to only take part in pieces of training held by the Ministry of Religion and the Ministry of Industry, this is in line with Nisa’s opinion (2022) training is a program of training, education, coaching, recruitment, system change, opportunity, and rewards, and pays attention to the balance between cognitive aspects, affective, and psychomotor so that superior, creative, and innovative human resources will be created, as well as adaptive to get maximum results.

**Problem of SEHATI Program**

Free Certification of Halal (SEHATI) was created to accelerate certification claims halal starting October 17, 2019. As a government program, SEHATI involves efforts and collaboration of various parties, such as Halal Product Process Assistants (HPP Assistants), foundations, and social organizations that have established a Halal Inspection Agency (LPH) for plays an active role in advancing Trainer of Training (ToT) activities for PPH, P3H, and halal auditor to carry out the certification of the halal program for MSEs. HEALTHY which was launched as part of the Ministry of Religion’s target of 10 million halal-certified products in March 2022, has not shown optimal results. As stated in the letter notification number: 1479/BD.II/HM.00/IX/2022, has been published by the Ministry Religion on the website SEHATI.halal.go.id as of September 18, 2022, there are only 15,462 the quota already out of the total 324,834 quota available at SEHATI Phase 2, meaning it has only been filled with 4.76% (Halal.go.id, 2023). Several factors make SEHATI less than optimal, among others.

1) Lack of halal awareness and Outreach to MSEs.

The main problem related to the certification of halal in Indonesia is the lack-halal awareness and the concept of halal in Indonesian society. There are still many who assume that all products on the market are halal products (Prianka, 2018). Halal awareness can be influenced by the level of religious belief, health reasons, halal labels/logos, and media exposure. SEHATI is a free certification of the halal program through the channel self declare Not much is known about SMEs. There is still a lot of overlap between the regular and the dissemination of information and outreach-self declaration. So far, many MSEs still assume that certification of halals is expensive, there is no transparency from facilitators and service providers, registration is difficult, and there is no clear time limit. When in fact this certification does not affect the cost component significantly because it is less than 1% when compared to income. Therefore, entrepreneurs do not have to worry about reducing income. Moreover, the certification of halal with grooves self declares it’s free.

2) Not yet optimal support from stakeholders

The Ministry of Religion through BPJPH provides easy access for UMK participants to get a free and easier certification of halal, including self-declaration. For example, Regional Heads, DPRD, UMK Associations, and related Ministries. All policies are still at the central level and even the budget in BPJPH is still small, only approx Rp 114 billion, even though the SEHATI program was able to encourage the purchase of 10 million certificates kosher
for free. Another problem that arose was the government’s delay issue supporting regulations to implement the JPH Law. According to JPH law. A new government regulation was issued in 2019, which is 3 years mandated and governed by the JPH Law. Delays also occurred in the issuance of ministerial regulations. The ministerial regulation that needs to be promulgated is the Minister of Religion Regulation concerning the Implementation of Halal Product Assurance, Non-Halal Certified Products and Steps for the types of products that need to be halal certified, several criteria for product prohibition and product category must be halal certified.

3) Unresponsive Entrepreneurs with SEHATI

Regulations and Digital Services BPJPH’s commitment to carry out certification of halal services proposed by entrepreneurs digitally through this information system is the implementation of PP No. The year 2021 Article 148, that the service system for organizing JPH uses services integrated electronics. The problem that then arises is still the large number of UMK actors who are not technologically literate, there are still many assumptions that MSEs are only small businesses that don’t yet need digital applications seriously (Khasanah, 2022). The SEHATI submission process also consists of several stages considered quite difficult and troublesome. Obligation to obtain Business Identification Number (NIB) as the identity of entrepreneurs issued by Online Single Institutions Submission (OSS) by accessing the oss.go.id page. After having NIB, then entrepreneurs can apply for Business Licenses and Commercial or Operational Permits accordingly to their respective business fields. In addition, it must meet the requirements of other documentation, such as Taxpayer Identification Number (NPWP), Home Food (PIRT), and Drug and Food Control Agency (BPOM) identification numbers for some products special. Such an arrangement is in the hands of P3H, although it is not their job. Therefore, great patience is required, because working with small and medium enterprises is not like other companies. In addition, it also requires thoroughness, because entrepreneurs who visit later sometimes divert them all for companionship. This is a problem that must be faced. However, don’t worry, companions will be provided through training (Aryani, 2022). Halal is web-based Certification of halal service application developed by BPJPH for support certification of halal services. Sihalal can be accessed online via a computer or smartphone device with internet access. The appearance of parties and irresponsible persons who take advantage of opportunities will always exist under any circumstances and conditions, as well as those who are piggybacking on the SEHATI program for This UMK. As explained in the section on the lack of responsiveness of MSE actors to regulations and digital services, so if they are not vigilant they might access a similar website, namely siahalal.com which is widely distributed through applications Whats Apps. As a result, there are complaints that free certification of halal is not implemented as expected in SMEs. BPJPH confirmed website Sihalal.com is not related to BPJPH’s Sihalal claims, namely the ptsp.halal.go.id page. Matter another is the existence of unstable system changes and uncertain repairs, which have an impact on entry data from both PU and counterparts Halal.
4) The Role of the Companion is Not Maximal

PPH Facilitators who play an important role in overseeing the SEHATI process are also not working optimally, as can be seen from the data of PPH assistants registered at the Ministry of Religion, namely 15,777 out of 149 LPHs. Even though the number of SEHATI applications since stage 1 and the closing of stage 2 only reached 40 thousand, so that 1 PPH assistant on average only assists 1-2 MSEs (Halal.go.id, 2022). In addition to the uneven working areas of the PPH assistants, another problem that arises is the lack of accuracy of the assistants in verifying the files that must be uploaded by UMK actors on the ptsp.halal.go.id page so that many files are returned after being received by BPJPH because it is incomplete, does not include process flow diagrams, some materials have expired certification of halal, including critical points, some even register certification not for products but for outlets/business places, even though it is written in the law that SEHATI can participate in food and beverages that processed simply without involving materials that contain critical materials (Kepkaban No. 33 of 2022). The above could be a relaxed requirement to become a PPH assistant. 3. PMA No. 20 of 2021 does not require PPH assistant technical competence, but a minimum of a high school graduate or equivalent (Regulation of the Minister of Religion No. 20 of 2021). P3H assistants should be competent to carry out verification or audits. Training of 8 hours in theory and 8 hours in practice without the appropriate educational background requirements will be difficult to present material data and P3H that are valid and accountable

CONCLUSION

Free Certification of Halal (SEHATI) is an effort to accelerate the certification of halal given to Micro and Small Enterprises (UMK) actors who meet the criteria. The Ministry of Religion to realize the program of 10 million MSMEs with a halal label in 2024. The potential success of the free certification of the halal program is supported by the large potential of the halal industry in Indonesia, the large number of MSEs and consumers who are starting to realize the importance of halal branding, the majority of Indonesia’s Muslim population as a market, and lifestyle lawful (halal lifestyle) worldwide. SEHATI regulations for UMK actors are carried out using the halal route self-declaration with verification from Halal Product Process (PPH) assistants regulated in UU No. 33 Tahun 2014, PP No. 39 Tahun 2021, PMA No. 20 Tahun 2021, Kepkaban No. 77 Tahun 2021, Kepkaban No. 33 Tahun 2022, dan Kepkaban No. 135 Tahun 2022. Problems that arise in the implementation of SEHATI include lack of halal awareness and socialization of SEHATI to MSEs, the role of related stakeholders not yet optimal, entrepreneurs not responsive to SEHATI regulations and digital services, the assistance in the process of halal products not being optimal and the emergence of parties who take advantage of the trend of the SEHATI program.

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Management

147


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