

Implementation of Halal Certification (Study of Implementation of Law Number 33 of 2014 concerning Halal Product Guarantees)

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Abstract

The research aims to find out the opportunities and challenges with the implementation of halal certification after the issuance of Law No. 33 of 2014. This research was carried out using field research and legal research, with an exploratory approach. The results of the study show that the participation of MSME actors related to the implementation of halal certification is still low. Then the challenges faced by MSMEs with the existence of a halal certification policy, starting from: a) The halal certification policy places demands on business actors so that their products are halal certified; b) Requirements for completeness of documents that must be completed by MSMEs; c) The minimal capital that is owned and the lack of courage to project with loan capital makes business actors, especially micro-small, dependent on the government; d) Fulfillment of halal criteria related to how business actors prepare materials, products, production facilities, written procedures for critical activities, and traceability; and f) Paradigm of business actors: halal certification for companies with large turnover.

Keywords: *implementation, halal certification, Halal Products*

Abstrak

Penelitian bertujuan untuk mengetahui peluang dan tantangan dengan adanya penerapan sertifikasi halal setelah pengeluan UU No.33 Th 2014. Penelitian ini dilakukan dengan menggunakan jenis penelitian lapangan dan penelitian hukum, dengan pendekatan pendekatan eksploratoris. Hasil penelitian menunjukkan bahwa partisipasi pelaku UMKM terkait dengan pelaksanaan sertifikasi halal masih rendah. Kemudian tantangan yang dihadapi UMKM dengan adanya kebijakan sertifikasi halal, dimulai dari: a) Kebijakan sertifikasi halal memberikan tuntutan bagi pelaku usaha agar produknya tersertifikasi halal; b) Persyaratan kelengkapan dokumen yang harus dilengkapi UMKM; c) Modal yang minim yang dimiliki dan belum beraninya berproyeksi dengan modal pinjaman menjadikan ada ketergantungan pelaku usaha khususnya mikro-kecil kepada pemerintah; d) Pemenuhan kriteria halal terkait bagaimana pelaku usaha mempersiapkan bahan, produk, fasilitas produksi, prosedur tertulis untuk aktivitas kritis, dan kemampuan telusur; dan f) Paradigma pelaku usaha: sertifikasi halal bagi perusahaan yang beromset besar.

Kata kunci: implementasi, sertifikasi halal, Produk Halal

PENDAHULUAN

Indonesia has not been able to play an optimal role in fulfilling this demand. Given the state of the global Islamic economy, several potential opportunities for the development of halal products: halal food and beverages, Muslim tourism, modest Muslim fashion, media and recreation, pharmaceuticals and comics, and the Islamic financial system. In the 2018/2019 Global Islamic Economy Index, Indonesia was recorded as only being in 10th position as a producer of halal products in the world. The high demand for halal products in the world should be an opportunity for the halal industry in Indonesia.

The issue of certification and halal marking of products in the international trade system has received good attention within the framework of providing protection for Islamic consumers throughout the world, as well as as a strategy to challenge globalization competition with the implementation of the free market system in the face of ASEAN-AFTA, NAFTA, the European Economic Community and the Trade Organization International (World Trade Organization). The international trading system has long recognized halal provisions in CODEX which are supported by international organizations agreed between WHO, FAO and WTO (May Lim Charity, 2017: 100). Choosing halal logo products means consuming food and drinks that are guaranteed to be healthy. This makes producers of halal products and services increase the value of halal benefits from guaranteeing the quality of halal products. So this is what makes people believe in the quality of halal products. Thus, Islamic branding (Muhammad Nasrullah, 2015: 82) is proven to influence the decision to buy halal products (Aflit Nuryulia Praswati, 2017: 100)

The Indonesian government has responded positively to the importance of halal certification through several regulations. Halal certification and labeling is not only to save domestic consumers who will face the AEC, but also to increase the competitiveness of Indonesian halal product producers and exporters in the international market. Namely, Law No. 33 of 2014 which requires all production products to be certified halal. Moreover, starting from 17 October 2019, the government issued derivative regulations from Law No. 33 of 2014, namely PP No. 31 of 2019 concerning implementing regulations of Law No. 33 of 2014 concerning Halal Product Guarantees which provides strengthening of previous regulations, and starts actual implementation from what was initially voluntary to mandatory. Even though in PP no. 31 of 2019 provides a period of 5 years from its enactment.

Strengthening Law No. 33 of 2014 with PP No. 31 of 2019, its implementation gave rise to many polemics among stakeholders and industry players. Where there are challenges that must be faced and opportunities that can

be taken from implementing this mandatory halal certification policy. One of the obstacles for those who wish to apply for halal certification is that the standard costs set by LPPOM MUI which vary from 2.8 million rupiah to 3.7 million rupiah are relatively too expensive for small, medium or newly formed businesses. Because Small and Medium Enterprises (UKM) are under the responsibility of the Ministry of Cooperatives and SMEs, LPPOM MUI does not have an obligation to directly support SMEs to obtain halal certificates. Not only that, after the issuance of PP no. 31 of 2019, where certification is no longer completely carried out by MUI, but through BPJPH (Halal Product Guarantee Organizing Agency) changing the certification process which is possible to be much longer. Although some parties reject the “mandatory” aspect of halal product certification brought about by the JPH Law, the emergence of the global halal trend has brought us to a world where halal certified products can provide significant comparative advantages, especially when they compete (AKIM, 2019: 117).

Halal certification is one of the instruments that the government must pay attention to so that Indonesia is able to compete in the halal industry. Based on BPS data, there are around 57 million Micro, Small and Medium Enterprises (MSMEs) in Indonesia and the number of those that have halal certificates is still very small. Based on data from the Indonesian Ulema Council (MUI) as the institution authorized to issue halal certification, in the 2014-2015 period national halal certificates were issued for 6,231 companies and MSMEs. Considering that the JPH Law has a very broad target, from micro, small and medium enterprises (MSMEs) to large companies, BPJPH has the task of thinking of solutions to strengthen and prepare MSMEs to be ready to compete in facing the global market, so that they are no longer marginalized by global markets and products. Foreign halal will not dominate the domestic market.

This strengthening changes the stages of the certification process which requires more educational processes for industry players as well as stakeholder readiness. Certification remains a major challenge for the industry and one that must be addressed. Halal certification is a necessary operational step to meet Muslim needs, but it remains a challenging and complex process. Where the implementation of the mandatory halal certification policy has opportunities and challenges. What are the opportunities and challenges of Law No.33 of 2014 and PP no. 31 of 2019 needs to be explored to find the best steps from both industry players and related stakeholders.

RESEARCH METHODS

This research was conducted using a legal research research approach. The object of research is the enactment or implementation of the law studied in this research, which is related to the extent of implementation of PP No.31 of 2019 and

Law No.33 of 2014 concerning the Halal Product Guarantee Law which is the basis for the implementation of the new system for implementing halal certification from voluntary to mandatory. . This research will examine the challenges and opportunities for implementing this policy, both from the perspective of industry players and policy administrators. The problem approach used by the author is an exploratory approach. The exploratory approach aims to deepen knowledge about a particular phenomenon, or to get new ideas about that phenomenon. An exploratory approach is generally carried out on knowledge that is still new, there is not much information about the problem being studied, or even none at all (Amirudin and Zainal Asikin, 2012: 25). Exploratory qualitative research is generally qualitative research that tends to be more open to using various types of evidence and discovering new problems.

Research data sources are divided into two types, namely primary data sources and secondary data sources. In carrying out this research, it is necessary to use primary data as a basis for taking secondary data as support for the research. Primary data, namely data obtained directly from respondents on the object being studied and which is related to the object being studied. This data can be obtained directly from the field. In this research, the main data source was obtained from BPJPH-Kemenag Kudus, Kudus small and micro scale business actors. Secondary data is data that the researcher has not attempted to collect himself, for example from books, company or organization documents, newspapers and magazines, or other publications. The data collection techniques used are: Interviews, documentation and observation. The data collected was processed and analyzed using qualitative analysis with the following analysis stages:

- a) Data inspection (editing)
- b) Data Tagging (coding)
- c) Data Preparation/Systematization (constructing/systematizing)

RESEARCH RESULTS AND DISCUSSION

Halal Certification Procedure for MSMEs

The implementation of Law No.33 of 2014 (Halal Product Guarantee Law) which was also translated into PP No.31 of 2019 became the focus of concentration in research. Through the JPH Law, the government has implemented a public policy that halal certification is now mandatory for every product in circulation, as stated in Article 4 of the JPH Law: "Products entering, circulating and traded in Indonesian territory must be halal certified." (Law No. 33 of 2014 Article 4). With this implementation, there are many assessments regarding the urgency of halal certification as one of the government's instruments so that Indonesia is able to compete in the global halal industry in addition to acting as a legal umbrella (umbrella act) for consumer protection. In order to achieve this policy direction, it requires effective implementation in the field.

The procedures for processing halal certification for a product can be done online or offline, with the following stages (prasetyo interview, 2022):

- a. The process is for business actors to come to the Regency Ministry of Religion to register,
- b. Registration is accompanied by supporting evidence, including NPWP, data about the product, and if the business actor has a halal supervisor certificate, it can be included. Then the Ministry of Religion at the district level checks the complete forms from business actors,
- c. After the business actor registration files are complete, the files are then sent to the Ministry of Religion Provincial Regional Office (Kanwil) as the Provincial Task Force and Task Force Coordinator,
- d. Previously, the initial process from the Regional Office had to go to the Central BPJPH, and now the process from the Regional Office does not have to go to the Central BPJPH first. After the Regional Office is given the right to make a cover letter for business actors to then use to register with LPPOM,
- e. Through a cover letter, an audit and verification process is then carried out. The new recommended audit process of LPPOM as LPH (Halal Inspection Agency),
- f. After the LPH carries out an audit or verification, the LPPOM sends it to the MUI to get a recommendation for a Halal fatwa,
- g. After MUI sends it to BPJPH to issue a Halal certificate.

From the series of procedures above, it turns out that the level of participation of business actors in registering for halal certification, including MSMEs, is still very low. The low level of participation for halal certification opens the question of whether policy implementation is appropriate or whether there are inhibiting factors found in its implementation.

Response of MSME players to the Mandatory Halal Certification Policy

Since Law no. 33 Yr. 2014 effective October 17 2019, halal certification which was initially voluntary has become mandatory. Halal certification is a necessity for society as a whole, especially Muslims, to obtain legal certainty for products circulating on the market. The mandatory nature of the certification policy places the main demand on producers as parties producing products, who must take care of certification for their products.

Starting from this, researchers explored the responses of business actors to the mandatory halal certification policy. as one of the criteria for policy success, responsiveness refers to the extent to which a policy is able to satisfy the needs, preferences or values of certain groups of society. In other words, from the community's perspective, the success of a policy can be seen through its response to the implementation of the policy, be it a positive response in the form of support or a negative response in the form of rejection. Community

involvement is important in supporting the success of policies, especially business actors who are beneficiaries also have a demand to comply with them. In this case, researchers interviewed MSME owners, who stated "Strongly agree, I have already participated in certification. Maybe just because I'm not cooperative enough. There's only one step left. Because I used to send it to Semarang. I didn't (didn't) dare to go to Semarang in the end so I didn't (didn't) do it. "So I've done it before, but failed, I've been surveyed, actually just providing a photo is enough." (Interview, 2022) Apart from expressing positive responses, statements of participation from business actors show that there is community participation in following what is regulated by law. However, the participation of business actors cannot be used as a definite benchmark for the success of policy implementation. This is because there are still requirements and procedures to be followed, which may become obstacles. Another positive thing expressed by Mr. Sudarmaji, as a business actor, was providing identification of the obstacles he experienced, such as not fulfilling photo requirements and location constraints. His agreement also showed support for participating again, even though he had previously experienced failure.

The halal certification policy is a good step. Because basically the jenang business he is developing is a business that produces halal products using halal ingredients, including raw materials such as sugar, sticky rice, white sugar, palm sugar and coconut milk; also other additional ingredients such as aromas and flavors. Quoting research conducted by Khabib S. who stated (Khabib Solihin, 2020: 4) several consequences of sharia law that must be adhered to in realizing the sustainability of world life and religious life. As consumers, humans are obliged to prepare and search for or make other efforts to obtain halal and good food that will later be consumed. Meanwhile, producers must produce food that is halal and good so that it does not cause negative impacts and harm consumers. Through halal certification, business actors are encouraged to produce halal food as well as consumer protection. As we see the urgency of halal certification itself, it provides legal certainty regarding the availability of halal products as well as providing comfort, safety and protection for food products, beverages, medicines, cosmetics and consumer goods and services.

One of the positive things from business actors' responses is understanding the use of materials. Mrs. Ngalami added that the use of halal ingredients as a requirement is not an obstacle for her business. Furthermore, although the certification process does not only involve the use of halal materials, there are also other criteria such as products, production facilities, written procedures for critical activities, and traceability. Quoting research conducted by Sodiman, (Sodiman, 2018: 91) the above criteria are mandatory to meet halal standards.

This cannot be separated from halal standards, requirements and procedures that must be passed to obtain a halal certificate. In most countries with large

Muslim populations, it is often assumed that every food product produced in that country is halal, so halal certification is not really necessary. This could be one of the reasons why MSME entrepreneurs are not too enthusiastic about halal certification. However, business actors do not show any rejection of the policy of requiring halal certification. Considering that the time to realize the certification process is 5 years from 17 October 2019 to 17 October 2024 (for food and beverage products), and until 17 October 2026 (for other products), it is possible for MSMEs to postpone the process. Thus, adequate time does not necessarily guarantee that halal certification can be realized without massive efforts such as outreach, education on the urgency of halal certification, or facilities that help make it easier for MSMEs to go through all procedures and complete the required requirements.

Another response regarding this policy, Mr. Fathkah Sudarmaji added (interview, March 2022) that local agencies have widely promoted it as a halal product. MSMEs also find it easy to participate in various training. However, business actors revealed that there are still many obstacles experienced by MSMEs in general, such as: they have not met the requirements, there is still the word laziness from MSMEs themselves apart from the lack of facilities from the department. This is because without facilities, MSMEs still consider the following things, including costs during the certification process which are burdensome for business actors considering that most industries are only home industries with small capital and turnover. There are no basics for implementing the use of loan capital through bank financing, even though they have previously attended training. Because for business actors, not all MSMEs are able to grow big and emphasize that MSMEs need to be facilitated in various ways.

Business actors also convey their assessment of the halal certification policy, as follows; "I think that if there is any facilitation, I think the term MSMEs is actually a home industry that doesn't dare to have a lot of capital, in other words it doesn't dare to speculate. If there is someone who facilitates something like that, yes, I would like to follow. All that remains is for the government to be proactive in visiting or collecting data on who will be included in the training and then following up on the requirements. It's different if it's a big company, it's full of absolutes. If I measure the government's success, the requirements for halal certification are also listed, then the requirements for production that comply with national and international standards are successful depending on the government.

If these people just follow. Sometimes there is training and assistance is given, sometimes the assistance is not right, the specifications are different, for example, in the form of a machine but the specifications are different from what was expected, it doesn't match. Sometimes it's like that. If the government wants it, for example, to give machines to those who have machines, that might be very

important. It's been given before. But it's not standard. For example, the engine was given a diesel engine above, even though the diesel uses fuel, not yet later, in the end it wasn't used. In the end, I don't know if it was put there and then cannibalized or processed. If it's standard, now there are many standard ones. If I make it myself, it's not standard, it's only for mixers. If the standard can be raised, it can be lowered, there are individual cylinders. Returning to the problem of MSMEs in the Jenang sector, especially in Kaliputu residents, which are the center, so in essence these residents also want to compete, but usually they are constrained by space, if you are like me, you can't develop, ora iso tuku Tanah sing Luwih Jembar (can't buy more land)." (Interview, n.d, March 15, 2022)

Based on the results of the interview above, there are points conveyed regarding halal certification policies, namely;

1. MSMEs hope to be facilitated in every way
2. MSMEs do not dare to invest a lot of capital/speculate
3. The government is expected to be proactive and follow up on what is determined
4. Halal certification for large companies is an absolute requirement
5. Success depends on the government, business actors only carry out
6. The provision of assistance is different from what was expected
7. Limited space limits the fulfillment of halal criteria
8. MSMEs also want to compete

Apart from giving approval as explained previously, the existence of obstacles makes MSMEs have high hopes for being given halal certification facilities. Business actors also provide an assessment of the policy, that the halal certification policy with all the requirements/procedures that have been listed to become a production that complies with national standards and international standards can be successful depending on the government. Business actors just carry out things and the government is expected to be proactive and follow up on what has been determined. Through community participation and proactiveness from the government, it will provide more results and push towards policy direction.

Community involvement is important in supporting policy success. Moreover, when the community has a better understanding of the program's objectives and provides input. Primarily understanding the urgency of halal certification through established standards to encourage increased added value and competitiveness of Indonesian halal products at home & abroad; provide reciprocal benefits in international trade in halal products, as well as foster international cooperation in trade in halal products.

The statement that limited space limits the fulfillment of halal criteria, and that sometimes the provision of assistance is different from what was expected, shows that the community can identify the obstacles they face. Quoting Hayat's

explanation (<https://www.researchgate.net/publication/335788910>) that policies cannot be separated from community participation in their implementation. Society is not only the object of policy but a subject who has an important role in policy. Especially when the halal certification paradigm which is only for large companies, and is an absolute requirement for companies with large turnover, turns into a necessity for all business actors without exception. As stated in Article 4 of the JPH Law: "Products entering, circulating and being traded in Indonesian territory must be halal certified." (UU No. 33 of 2014 Article 4) whose substance is understood as well as the urgency and benefits of implementing the policy. And the spirit of MSMEs in competing is an important point as a driver for MSMEs to participate in order to realize increased added value and competitiveness as is the direction of policy.

Challenges and opportunities faced by MSMEs with the implementation of the mandatory halal certification policy after the issuance of Law No. 33 of 2014 and PP no. 31 Yr. 2019

In reality on the ground, even though the parties encourage effective implementation, the implementation of the mandatory halal certification policy for MSMEs in Kudus Regency still causes problems as discussed at the beginning of the chapter. However, it will be more meaningful and provide solutions to existing problems, if these problems are interpreted as a challenge that must be faced or even as an opportunity that can be exploited by business actors, in this case MSMEs, regarding the mandatory halal certification policy.

For this reason, we will analyze what challenges MSMEs must face and what opportunities MSMEs can take advantage of with the mandatory halal certification policy. The challenges that MSMEs must face are; First: The halal certification policy places demands on business actors to have their products certified as halal. The JPH Law has been legally implemented, meaning that all business actors, or all products in circulation must be halal certified, as stated in Article 4 of Law No.33 of 2014 and Article 2 paragraph (1) of PP No.31 of 2019. The policy also provides administrative sanctions for those who violate it as stated in Article 27 of Law No.33 of 2014. Meanwhile, PP UU No.31 of 2019 as an explanatory regulation or implementing regulation does not have a translation of sanctions. However, it is only explained in article 2 paragraphs 1-4 PP No.31 Th.2019, as follows; Products entering, circulating and traded in Indonesian territory must be halal certified. Products originating from prohibited materials are excluded from the obligation to be halal certified. Products as intended in paragraph (2) must be given a statement that they are not halal. Business actors are obliged to include a statement that they are not halal. on the Products as intended in paragraph (3).

In these four articles, the consequence is that every product must be

certified halal, and whether it has not been certified, whether it is not halal has not been explained in detail regarding this matter. Apart from that, this provision certainly puts pressure on business actors to register for halal certification. Where until the end of the phasing process there are provisions for the imposition of administrative sanctions for products that have not been certified halal, namely that business actors are subject to administrative sanctions, which can be in the form of verbal warnings, written warnings, administrative fines, or subject to publication through official BPJPH media. In the event that these administrative sanctions are not heeded, business actors are required to include information about whether they are halal. As stated by the Ministry of Religion, all products in circulation must be certified, whether halal or not, as required by law (Interview, n.d. 18 March 2022).

The second challenge is the problems that MSMEs must face in the halal certification process. Starting from the problem of not meeting the complete document requirements, which include business actor data (Business Permit or legality of the business being run and certified halal supervisor); names and types of products that do not violate or use names that are related to something that is haram; the list and materials used must be halal, whether raw materials, additional materials or auxiliary materials; halal product processing does not involve substances or processes that are haram; as well as halal guarantee system documents. The next challenge is due to the minimal capital they have and the lack of courage to project with loan capital, which results in the dependence of business actors, especially micro and small businesses, on the government. Costs during the certification process and its extension are quite burdensome for SMEs. Earning margins are thin and sometimes only meet daily needs and subsequent production capital. Even if the economic scale is too small, it is difficult to expect to be able to reduce costs to reach the point of long-term efficiency (Muh.Musawantoro, 2019).

Processes that are still manual and do not use online applications are also challenges for business actors. Perpetrators have to go back and forth to the office to arrange certification, especially if there are still deficiencies and lack of understanding regarding the requirements and flow of halal certification. The Ministry of Religion even revealed that there have been business actors who felt they were being diverted or the term was 'passed around' when processing halal certification. Initially, business actors register in the local district (Interview, n.d., 18 March 2022). Thus, perpetrators must be prepared and prepared for all possibilities that could occur due to a system that is still manual. Furthermore, the problem of fulfilling halal criteria is still an obstacle. Regarding how business actors prepare materials, products, production facilities, written procedures for critical activities, and traceability. In terms of the materials used, for example, companies must not only use goods that are halal according to the law, but must

also be proven by labels on the material packaging, unless they are original products from the initial supplier, such as chilies, onions, rice, etc. And the company explains the material matrix in each product.

The use of halal materials must also be accompanied by maintaining the cleanliness of production facilities. Such as the availability of a place to wash hands, the floor must be clean or at least 'plastered' (coated with cement) so that it does not touch the ground directly, there is a place to separate and not be mixed with anything haram or unclean. As stated by Mr. Fatkhah Sudarmaji, that "wanting to be labeled halal, even though it is halal but dirty, does not guarantee that it will pass" (Interview, n.d., 18 March 2022). However, the limitations of the Central BPJPH, but from the Central BPJPH it is directed to the Regional Office, when at the Regional Office, business actors are directed to the place owned by the business actor to run their business, which often hinders business actors from preparing (Interview, n.d., 18 March 2022). Spacious and adequate space makes it easier for business actors to organize and arrange production facilities to maintain cleanliness and to protect them from anything that is haram or unclean. On the other hand, narrow space makes production more difficult to keep clean, and also allows the use of containers/facilities at the same time for something that is haram or unclean, for example the use of random places for placing materials to be processed or the use of road alleys for placing processed products (Interview, n.d., 18 March 2022). So, the challenge for business actors is to use halal materials and be proven with a halal label, and production facilities must also maintain hygiene and cleanliness despite their limitations.

The next challenge is internal problems in MSMEs, which make them feel lazy and unenthusiastic about the policies being implemented. Closely related to how MSMEs are still waiting for facilities or encouragement from the government which makes MSMEs less motivated to be independent. Apart from that, there is also a lack of human resources (HR) owned by business actors, especially in capital, marketing or in product innovation and managerial matters. Such as the condition when the perpetrator can only wait for consumers to come to order, there is no outbound marketing or even selling to wholesalers to sell with their packaging and brand (Interview, n.d., 18 March 2022). In line with research from Bambang Suhardi, et al, it is not uncommon for business units that are still on a micro scale to only carry out production processes based on requests from customers (make-to-order) and also provide finished products which will be distributed every day to several outlets they own (make-to-stock) (Bambang Suhardi, 2019).

Apart from marketing, capital, innovation, internal problems in managerial matters also become challenges for business actors, especially on the micro and small scale. For example, in production management, business actors have challenges

how to design quality products, increase production capacity, streamline production processes and layout, optimize inventory, as well as people and work systems which often only rely on employees around their environment and cannot maintain employees as permanent employees. Furthermore, in financial management, business actors must be able to separate working capital from personal finances and carry out financial bookkeeping.

Meanwhile, business actors with large turnover, in this case large and medium scale companies, usually have good HR, marketing, finance and production managerial systems that are more focused and planned. Medium-scale companies have the motivation to see future business prospects, and the existence of opportunities and a secure and large market share and are generally more business-oriented (Tulus T.H., 2017: 6). Meanwhile, micro business actors tend to be more motivated to obtain increased income to meet their family's daily living needs, and small scale business actors are sometimes more realistic in looking at future business prospects with limited capital constraints. It cannot be denied that there is a paradigm for micro-small business actors, especially that halal certification is an absolute requirement for companies with large turnover. As stated by Mr. Sudarmaji; "If the turnover is large, then we might really need it" (Interview, n.d., 18 March 2022). Because of the limitations that business actors have, they feel lazy and not too enthusiastic about the policies being implemented.

Thus, the following are the challenges faced by MSMEs with the mandatory halal certification policy, starting from:

1. The halal certification policy places demands on business actors to have their products certified as halal,
2. Requirements for complete documents that MSMEs must complete,
3. Having minimal capital and not having the courage to project with loan capital means that business actors, especially micro and small businesses, are dependent on the government.
4. The process is still manual and does not use an online application,
5. Fulfillment of halal criteria related to how business actors prepare materials, products, production facilities, written procedures for critical activities, and traceability,
6. Internal problems in MSMEs include the lack of human resources which makes them feel lazy and unenthusiastic about the policies implemented (MSMEs are less self-motivated)
7. Business actor paradigm:
8. halal certification for companies with large turnover

Meanwhile, opportunities that business actors, especially MSMEs, can take advantage of with the mandatory halal certification policy are as follows; First: halal certification gives business actors comfort in running a business. Products that are halal certified will be preferred and enjoyed by consumers so that they can increase sales. This is because halal products are proven to be of high quality and very good for the health of the human body. As stated by the Ministry of Religion: "Logically, if we Muslims pay attention to the halalness of products, make sure we choose products that are halal certified" (Interview, n.d., 18 March 2022). Apart from business licensing in obtaining certification, business actors must also strive to fulfill halal criteria which include materials, facilities, traceability that proves halal and toyyiban. So, for business actors who have obtained a halal certificate, it means that the business they are running is legal, so they are safe and secure in carrying out their business (Interview, n.d., 18 March 2022).

Apart from these benefits, the second opportunity for a mandatory halal policy is that through certified products, MSMEs are able to compete with products produced by large companies. Makes it easier to market to supermarkets or to distributors/wholesalers and retail outlets. As well as encouraging business actors to export to international markets. As reported by Suaramerdeka.com, business actors who have obtained halal certification can easily enter malls and supermarkets (Saiful Annas, "Halal facilities boost the competitiveness of MSMEs", accessed via <http://puasmerdeka.com> on 27 April 2020). The halal certification policy provides encouragement for business actors to take advantage of the existing atmosphere to compete and develop their businesses.

Furthermore, through products that have been certified, there is a large market potential for business actors if they can be utilized by business actors. The halal food market is (Riaz., 2019: 67) one of the largest industrial parts in the world of the entire global food and agricultural industry. Moreover, currently the development of the real sector, in this case the halal product industry, has become a special concern for the government, this can be seen from the government's efforts to issue a legal framework for the development of the domestic halal product industry. MSMEs as the largest economic sector in Indonesia in quantity have great power to rise in strengthening the halal value chain. So that strengthening the MSME sector will directly strengthen the halal industry and encourage the achievement of key indicators or achievements, including equality, welfare (welfare effect), and also the nation's economic independence (Bappenas, Indonesian Sharia Economic Master Plan 2019-2024)

The next opportunity, training and halal certification facilities which are carried out as a form of strengthening the MSME sector, is an incentive for business actors to take care of halal certification. Through public education with various training and outreach

to become a halal product, the public, especially business actors, understand the urgency of halal certification. Providing facilities also motivates business actors to be motivated to take care of certification for their products. For this reason, the participation of business actors in every training or facility from other related agencies/parties provides openness for business actors in terms of business development, both capital and marketing, as well as maintaining product quality through halal certification. Apart from the lack of facilities provided and the lack of massive education regarding halal certification for MSMEs as explained previously, MSME participation whenever there is training or facilities is an opportunity for MSMEs to take advantage of in developing their business.

Business actors who have used halal materials from halal sources such as agricultural products, slaughtering according to Islamic law, processing to produce halal products also have the opportunity to participate in processing halal certification. This is because business actors have fulfilled important points as halal producers providing halal products for consumers. Furthermore, business actors prepare other equipment to meet the requirements and criteria set and if the business actor feels that there are no obstacles for the business actor to take part in certification, this also encourages business actors to take care of halal certification for their products. Thus, the following is an opportunity for a mandatory halal certification policy for MSMEs;

- a. Halal certification provides business actors with comfort in running a business,
- b. Through certified products, MSMEs are able to compete with products produced by large companies,
- c. There is a large market potential for business actors if business actors can exploit it,
- d. Halal certification training and facilities are carried out as a form of strengthening the MSME sector, to encourage business actors to process halal certification,
- e. Business actors who have used halal materials must then prepare other equipment

CONCLUSION

Based on the results of research and analysis, it can be concluded that the challenges faced by MSMEs with the mandatory halal certification policy, start from: 1) The halal certification policy places demands on business actors to have their products certified as halal; 2) Requirements for complete documents that MSMEs must complete; 3) Having minimal capital and not having the courage to project with loan capital means that business actors, especially micro and small businesses, are dependent on the government; 4) The process is still manual and does not use an online application; 5) Fulfillment of halal criteria related to how business actors prepare materials, products, production facilities, written

procedures for critical activities, and traceability; 6) Paradigm for business actors: halal certification for companies with large turnover. Opportunities that can be exploited by business actors, especially MSMEs, with the mandatory policy of halal certification, are as follows: halal certification provides business actors with comfort in running a business; the existence of a mandatory halal policy means that through certified products, MSMEs are able to compete with products produced by large companies; Through products that have been certified, there is a large market potential for business actors if they can be utilized by business actors; Halal certification provides business actors with comfort in running a business; Through certified products, MSMEs are able to compete with products produced by large companies; 5) There is a large market potential for business actors if business actors can exploit it; Halal certification training and facilities are carried out as a form of strengthening the MSME sector, to encourage business actors to take care of halal certification,

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