

Research Article

The problems of implementing Halal certification through the self-declaration program for MSMEs in Indonesia: A Case Study

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ABSTRACT

This study aims to find out the problems of implementing halal certification through the self-declare program for MSMEs in Banten Province. The quantitative descriptive research method uses a literature study approach and in-depth observation of the problems of implementing halal certification through the self-declare program. The population in this study are all MSME actors who apply for halal certificates in the Banten Province area. The sample used in this study is a saturated sample, namely as many as 176 SMEs, the data analysis technique used is quantitative descriptive. Based on research that the problems of implementing halal certification through the Self Declare program for MSMEs in Banten Province have been going very well. Many MSEs and consumers are starting to realize the importance of halal branding, the majority of Indonesia's Muslim population as a market, and the global halal lifestyle. Regulation of halal certificates for MSE actors is carried out using the halal self-declare route with verification from Halal Product Process (PPH) assistants regulated in Law no. 33 of 2014, PP no. 39 of 2021, PMA No. 20 of 2021, Decree No. 77 of 2021, Decree No. 33 of 2022, and Decree No. 135 of 2022. Problems that arise in the implementation of halal certificates include: (1) lack of halal awareness and socialization of halal certificates to MSEs, (2) the role of related stakeholders is not yet optimal, (3) business actors who are not responsive to regulations on halal certificates and services digital, and (4) assistance in the process of halal products has not been maximized and the emergence of parties who take advantage of the trend of the halal certificate program.

Keywords: Halal certification; Self-declaration; MSMEs; Indonesia

1. INTRODUCTION

A Muslim's need for halal products must be supported by halal guarantees. However, not all products marketed in Indonesia are guaranteed to be halal. Muslim consumers are among those affected by the large number of products that do not have a halal label or non-halal information. Therefore, Muslims also have the right to guarantee the halal product itself which is regulated by law No. 33 of 2014. It is estimated that the number of Muslims will reach 2.76 billion in 2050. This figure is almost equivalent to the number of Christians, namely 2.92 billion. If it is related to the economy, of course this will be a good hope for the Islamic economy, because all Muslims apply the Islamic economic system so that one third of the world's population will apply it (Hendri, 2022). Halal product assurance is an important must to attract the country's attention. Society in general needs government protection for all types of needs that will be consumed, especially food and beverage products that are halal according to Islamic teachings. Therefore, the central and regional governments in collaboration with the ulema have the responsibility to control matters that may affect the halalness of food and beverages that will be consumed by the public, especially for people who are Muslim.

In the current food industry, food is processed through various new processing techniques and methods by utilizing scientific and technological developments, so that it becomes a product that is ready to be thrown for consumption by people all over the world. However, keep in mind that most of the world's food industry and food technology products do not apply the halal certification system. This raises concerns that in the face of free trade at regional, international and global levels. Indonesia is being flooded with food products and other products that contain or are contaminated with haram elements. In processing, storage, handling and packaging techniques, preservatives or mixtures are often used which are certainly harmful to health which contain haram elements which are prohibited in Islam. The issue of halal product certification and labeling in the international trading system has received good attention in order to provide protection for Muslim consumers around the world, as well as a strategy to face the challenges of globalization with the enactment of the free market system within the framework of ASEANNAFTA, NAFTA, the European Economic Community, and the Trade Organization. International (World Trade Organization). The international trading system has long recognized the halal provisions in CODEX which are supported by influential international organizations including WHO, FAO, and WTO. Even the halal lifestyle is currently sweeping the world. It does not only affect countries with a majority population (Charity, 2017).

Symptoms that occur in Indonesia require the government to accommodate trends in Indonesia by providing a positive response and legal certainty by issuing regulations related to halal products and labels. Government regulations are needed by the community apart from being an effort to protect consumers as well as to increase the competitiveness of the halal business at home and abroad. Some of these regulations include: Law No. 33 of 2014 which requires all products to be halal certified and furthermore, the issuance of PP No. 31 of 2019 concerning implementing regulations for Law no. 33 of 2014 concerning Halal Product Assurance as a reinforcement of the previous regulation by imposing the implementation of halal certification from voluntary to mandatory status by giving a period of 5 years from its enactment. Since 2019, halal certification has not been carried out by the MUI, but through the Halal Product Guarantee Agency (BPJPH) under the Ministry of Religion. Meanwhile, the latest regulation regarding halal certification is the issuance of Regulation of the Minister of Religion (PMA) No. 20 of 2021 on September 14, 2021 concerning halal certification for Micro and Small Business Actors (Ningrum, 2022).

Therefore, this research was conducted to find out the various problems of halal certification faced by Small Micro Enterprises (UMK) according to PMA No. 20 of 2021. Problems do not only come from urban areas, but also must be balanced from the district area. In the province of Banten, apart from being a prominent area in the agricultural sector, there are also many Micro and Small Enterprises (UMK) or home-based businesses engaged in both the food and beverage sector and other household crafts.

2. METHOD

This study is used quantitative descriptive research with a literature study approach and in-depth observations on the problems of implementing halal certification through the self-declare program. Quantitative research data in the form of numbers and analysis using statistics. According to Sugiyono (2018) the quantitative research method can be interpreted as a research method based on the philosophy of positivism, used to research certain populations or samples. The population in this study are all MSME actors who apply for halal certificates in the Banten Province area. The sample used in this study is a saturated sample, namely as many as 176 MSMEs that apply for halal certificates. Furthermore, the data analysis technique used is descriptive quantitative. Data were obtained from questionnaires using Google forms, journals, books, laws and regulations, electronic media, such as the official website of the Ministry of Religion and other government agencies

3. RESULTS AND DISCUSSION

3.1 Characteristics of Respondents

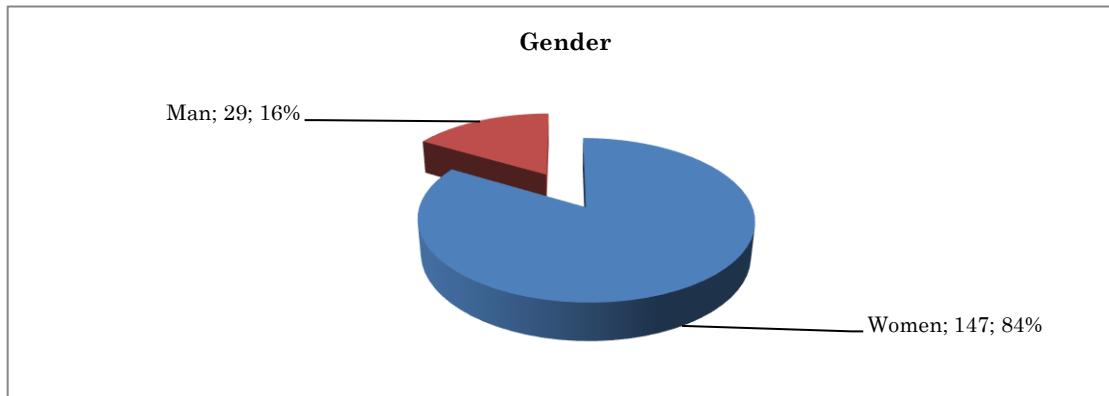


Figure 1. Gender

Based on the Figure 1, it shows that of the 176 respondents, 147 were dominated by female respondents (84%), and the remaining 29 male respondents (16%).

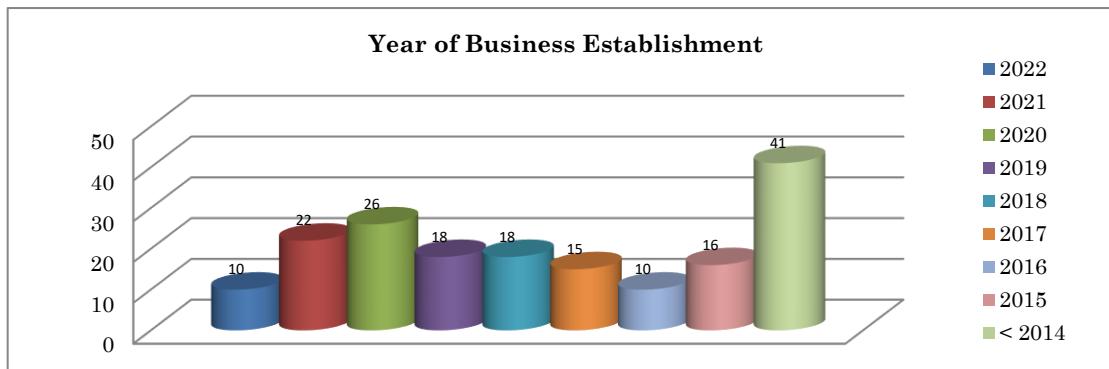


Figure 2. Years of Business Establishment

Based on the Figure 2, it shows that out of 176 MSMEs, dominated by MSMEs which were founded in <2014 as many as 41 MSMEs, which were founded in 2020 as many as 26 MSMEs, which were founded in 2021 as many as 22 MSMEs, which were established in 2018 and 2019 18 MSMEs each, 16 MSMEs established in 2015, 15 MSMEs established in 2017, and the remaining 10 MSMEs established in 2016 and 2022.

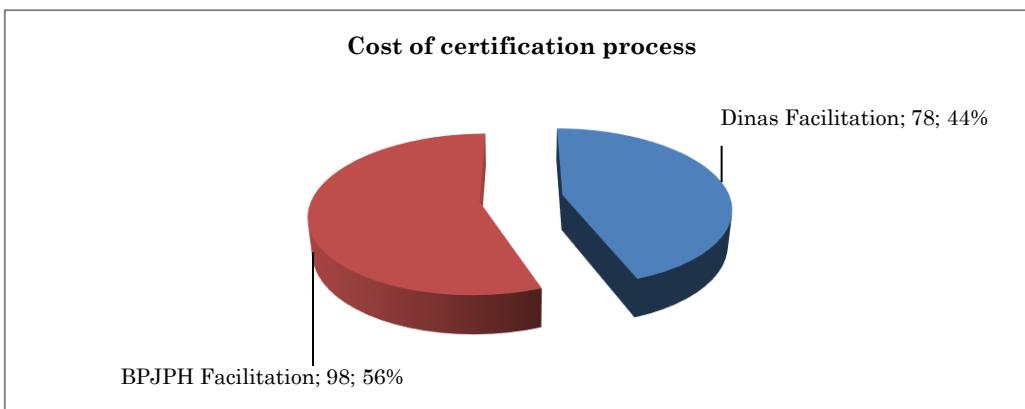


Figure 3. Cost of certification process

Based on Figure 3, it shows that out of 176 respondents, 98 MSMEs (56%) were dominated by respondents with the costs of obtaining certification using BPJPH facilities (56%), and the remaining costs of obtaining certification using office facilities were 78 SMEs (44%)

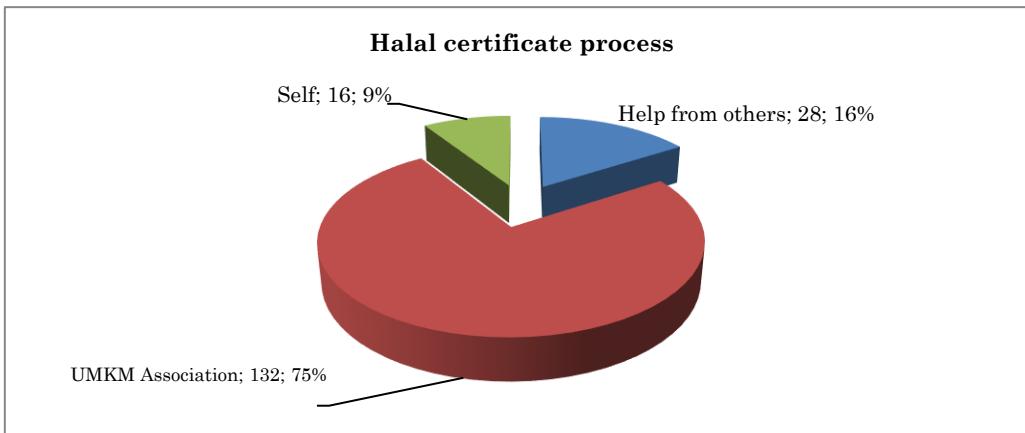


Figure 4. Halal certificate process

Based on Figure 4, it shows that out of 176 respondents, dominated by respondents who arranged for halal certificates using the services of 132 (75%) MSME associations/associations, 28 (16%) obtained halal certificates using the services of other parties, and the remaining 16 (9%) took care of the halal certificate.

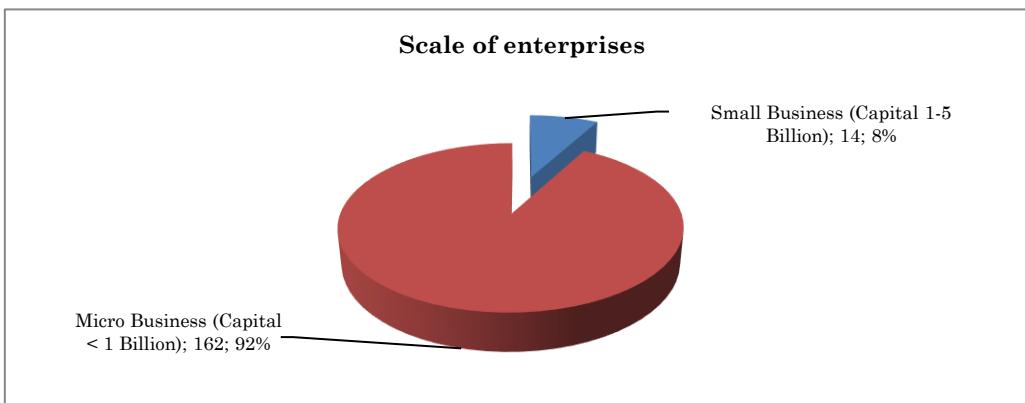


Figure 5. Scale of enterprises

Based on Figure 5, it shows that out of 176 respondents, it was dominated by respondents with micro business scale (business capital <1 billion) as many as 162 MSMEs (92%), and the remaining respondents with small businesses (business capital 1-5 billion) as many as 14 MSMEs (8%)

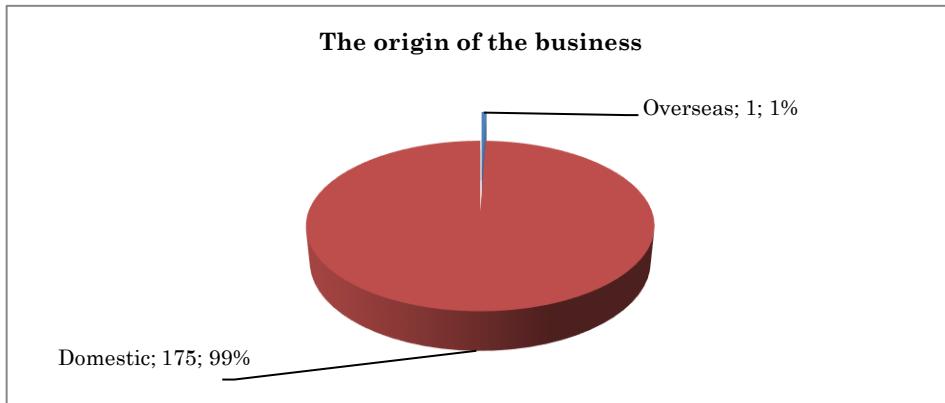


Figure 6. The origin of the business

Based on Figure 6, it shows that out of 176 respondents, 175 MSMEs (99%) were dominated by domestic respondents, and 1 MSME (1%) came from abroad.

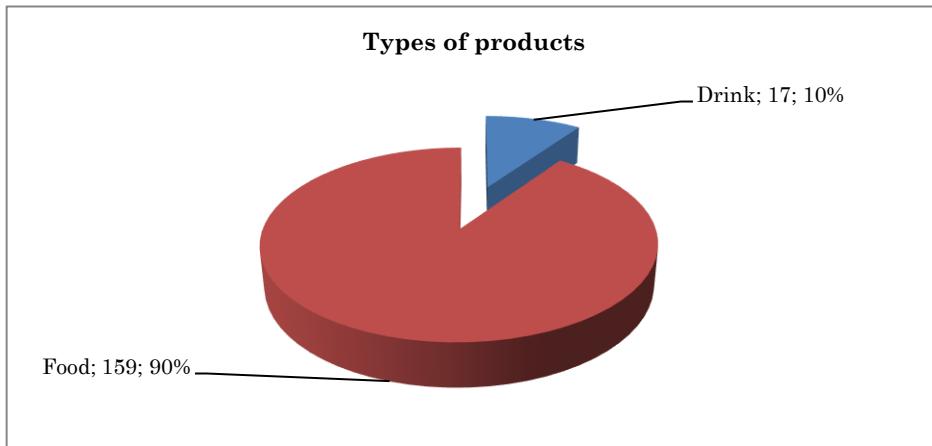


Figure 7. The types of products

Based on Figure 7, it shows that of the 176 respondents, 159 MSMEs (90%) sold food products, and the remaining 10 MSMEs (10%) sold beverage products.

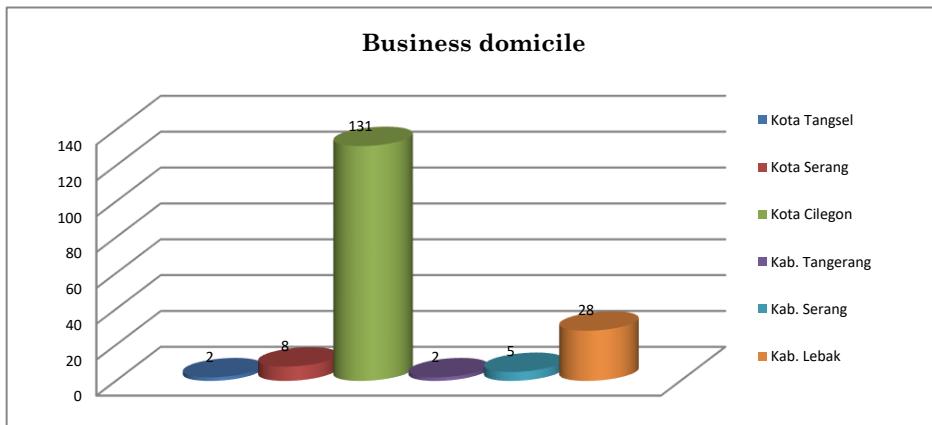


Figure 8. Business domicile

Based on Figure 8, it shows that of the 176 MSMEs, dominated by MSMEs domiciled in Cilegon City as many as 131 MSMEs, 28 MSMEs domiciled in Lebak Regency, 8 MSMEs domiciled in Serang City, 8 MSMEs domiciled in Serang Regency as many as 5 SMEs, and SMEs domiciled in South Tangerang City and Tangerang Regency each with 2 SMEs.

Table 1. Recapitulation of Interpretation Number Calculation Results From Halal Certification Implementation Variables

No.	Statements	Mean	Descriptions
1	The requirements set by BPJPH in the Self Declare program are as expected	4,52	Very good
2	Ease of access Information provided by BPJPH regarding the Self Declare program is as expected	4,51	Very good
3	The procedures stipulated by BPJPH regarding halal certification through the Self Declare program are as expected	4,51	Very good
4	Ease of procedures in the process of inspecting halal products as expected	4,47	Very good
5	Timely completion of halal certification at BPJPH as expected	4,30	Very good
6	Timely completion of inspection of halal products at LPH as expected	4,34	Very good
7	Halal certificate received as expected	4,41	Very good
8	The competence of Halal Process Assistance officers is as expected	4,56	Very good
9	The timeliness of the service of the Halal Process Assistance officer is as expected	4,49	Very good
10	The friendliness of the Halal Process Assistant officers is as expected	4,59	Very good
11	The communication skills of Halal Process Assistance officers (oral and written) are as expected	4,53	Very good
12	Ease of obtaining information on means of submitting complaints, suggestions, or input on service quality as expected	4,49	Very good
13	Handling of complaints, complaints and suggestions (filled in if you have ever submitted a complaint, suggestion or input) is as expected	4,34	Very good
14	The politeness of the Halal Process Assistance officer is as expected	4,58	Very good
15	I am satisfied with the requirements set by BPJPH in the Self Declare program	4,46	Very good
16	I am satisfied with the ease of access to information provided by BPJPH regarding the Self Declare program	4,49	Very good
17	I am satisfied with the procedures set out in BPJPH regarding the Self Declare program	4,47	Very good
18	I am satisfied with the ease of procedures in the inspection process for halal products	4,46	Very good
19	I am satisfied with the timely completion of the halal certification.	4,39	Very good
20	I am satisfied with the timely completion of inspection of halal products at LPH	4,40	Very good
21	I am satisfied with the halal Certificate received	4,44	Very good
22	I am satisfied with the competency of the Halal Process Assistant officer at LPH	4,47	Very good
23	I am satisfied with the timeliness of the service of the Halal Process Assistant officer at LPH	4,49	Very good
24	I am satisfied with the politeness of the Halal Process Assistance officer	4,49	Very good
25	I am satisfied with the communication skills of Halal Process Assistance officers (oral and written)	4,51	Very good
26	I am satisfied with the friendliness of the Halal Process Assistance officers.	4,52	Very good
27	I am satisfied with the handling of complaints, complaints and suggestions (insert if you have ever submitted a complaint, suggestion or input).	4,34	Very good
28	I am satisfied with the ease of obtaining information on the means of submitting complaints, suggestions, or input on service quality	4,45	Very good
29	Easy application to use	4,43	Very good
30	Attractive application display	4,28	Very good
31	There is a user manual tutorial	4,29	Very good
32	The terms contained in the application are easy to understand	4,34	Very good
The average number of interpretations		4,45	Very good

Source: (Research results, 2022)

Based on Table 1, the results of the recapitulation of the problematic implementation of halal certification through the Self Declare program for MSMEs in Banten Province can be seen in Table 1 above, it can be concluded that the average interpretation score is 4.45 with very good respondent responses.

Halal Certificate Regulations for Micro and Small Enterprises (UMK)

The Halal Certification Mechanism is one of the conveniences provided by the government to MSEs through a self-declare scheme in Banten Province, however, the free service fee does not mean that the halal certification process does not require costs. There is a fee of IDR 300,000.00 (three hundred thousand rupiah) 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 (Kemenag.go.id, 2021).

The regulations governing governance, administrative requirements and sanctions regarding halal certificates that are implemented in Banten Province include: "1) Law Number 33 of 2014 concerning Halal Product Guarantees, 2) Government Regulation Number 39 of 2021 concerning Implementation of the Product Guarantee Field Halal, 3) Regulation of the Minister of Religion Number 20 of 2021 concerning Halal Certification for Micro and Small Business Actors, 4) Decree of the Head of the Halal Product Assurance Organizing Agency Number 33 of 2022 concerning Technical Guidance for Companion of Halal Product Process in Determining Halal Certified Obligations for Micro Business Actors and small based on statements by business actors, 5) Decree of the Head of the Halal Product Assurance Organizing Agency Number 77 of 2021 concerning Stipulation of Technical Guidelines for Facilitating Free Halal Certification for Micro and Small Business Actors in 2021, and 6) Decision of the Head of the Halal Product Assurance Organizing Agency Number 122 of 2022 concerning Instructions Technical Facilitation of Free Halal Certification for Micro and Small Business Actors in 2022 Quotas and Conditions (Kemenag.go.id, 2022a). The halal certificate program initiated by the Ministry of Religion through BPJPH has been held in two stages. Phase 1 which took place from mid-2021 to 11 July 2022 provided 25,000 quotas and stage 2 quotas which started from 24 August to 19 September 2022 provided 324,834 quotas (Kemenag.go.id, 2022a).

Problems of the Halal Certification Program

Several factors have led to the not optimal implementation of halal certificates, among others

1. Lack of Halal Awareness and Outreach to UMK Actors

Halal awareness can be influenced by the level of religious belief, health reasons, halal labels/logos, and media exposure (Sari & Junaidi, 2020). Sehati as a free halal certification program through the self-declare route is not widely known by MSEs. The dissemination of information and outreach still overlaps a lot between the regular and self-declare routes. So far, many MSEs in Banten Province have assumed that halal certificates are expensive, there is no transparency from facilitators and service providers, registration is difficult, and there is no clear time limit (Fakhruddin, 2020).

2. Not Optimal Support of Related Stakeholders

The Ministry of Religion through BPJPH provides easy access for UMK actors to get halal certificates for free and more easily, namely by halal self-declaring. However, there are no supporting regulations and rules for halal certificates issued by other stakeholders, for example from regional heads, DPRD, UMK associations in Banten Province, and related ministries. All policies are still at the central level and even the budget at BPJPH is still small, only around 114 billion rupiah, even though the halal certificate program is expected to be able to boost the acquisition of 10 million free halal certificates (Kemenag.go.id, 2022b).

3. Unresponsive Business Actors with Halal Certificate Regulations and Digital Services

The problem that then arises is that there are still many MSEs in Banten Province who are not technologically literate, there are still many assumptions that MSEs are just small businesses that do not yet need digital applications seriously. The flow of submitting a halal certificate which consists of several stages is also considered quite difficult and troublesome. The obligation to obtain a Business Identification Number (NIB) as a business actor's identity issued by the Online Single Submission (OSS) agency by accessing the oss.go.id page. After having an NIB, business actors can apply for business licenses and commercial or operational permits in accordance with their respective business fields. In addition, the obligation to complete other document requirements such as Taxpayer Identification Number (NPWP), Home Industry Food (PIRT), Registration Number from the Food and Drug Supervisory Agency (BPOM) for certain special products. In fact, it is not uncommon for this procedure to be handed over to PPH assistants even though it is not actually their obligation (Khasanah, 2022).

4. The Role of PPH Companion is Not Maximal

The working area of the PPH assistants is not evenly distributed, another problem that arises is the lack of accuracy of the assistants in verifying the files that must be uploaded by UMK actors in Banten Province on the ptsp.halal.go.id page so that many files are returned after being received by BPJPH because they are incomplete, not include process flow diagrams, some materials have expired halal certificates, including critical points, some even register certification not for products but for outlets/business places, even though it is clearly written in the law that halal certificates can be included are food and beverages that are processed simply without involving materials containing critical materials (Kepkaban No. 33 of 2022)

4. CONCLUSION

Based on the results of data processing and analysis of the results of the research, it can be concluded that the problems of implementing halal certification through the self-declare program for MSMEs in Banten Province have gone very well. Many MSEs and consumers are starting to realize the importance of halal branding, the majority of Indonesia's Muslim population as a market, and the global halal lifestyle. Regulation of halal certificates for MSE actors is carried out using the halal self-declare route with verification from Halal Product Process (PPH) assistants regulated in Law no. 33 of 2014, PP no. 39 of 2021, PMA No. 20 of 2021, Decree No. 77 of 2021, Decree No. 33 of 2022, and Decree No. 135 of 2022. Problems that arise in implementing halal certificates include: (1) lack of halal awareness and socialization of halal certificates to MSE actors, (2) the role of related stakeholders is not yet optimal, (3) business actors who are not responsive to regulations on halal certificates and services digital, (4) the facilitation of halal product processes has not been maximized and the emergence of parties who take advantage of the trend of the halal certificate program.

AUTHOR'S CONTRIBUTIONS

The author discussed the results and contributed to from the start to final manuscript.

CONFLICT OF INTEREST

The author declare that he has no competing interests.

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