

## Urgency Of Halal Certification In Msme Products

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### ABSTRACT

UMKM are business institutions that have proven capable of being the engine of the economy and able to withstand various crises, both national and global. Ponorogo has 39,650 UMKM as of 2022. Since the enactment of the JPH Law, MSMEs have faced a new challenge, namely the obligation to have halal certification for every product marketed. However, halal certification is actually a necessity for MSMEs in an effort to develop and advance their business. Because the halal certification owned by UMKM is able to increase buying interest, buying and selling decisions. But still the awareness to take care of halal certification in UMKM is still low. And in Diponoro go there is still very little for halal certification, especially in the village of Senepo, Slahung sub-district. Efforts for Halal certification continue to be carried out by KUA, one of which is collaboration with the government or campuses to disseminate information to the community. The method used in the implementation of our work program is Halal Dissemination and Certification using the ABCD (Asset Based Community-Driven Development) approach. The results of this activity were the participants in the Certification of Understanding related to Halal Products and the importance of the halal label, as well as making Certification for UMKMs in Senepo Village.

### KEYWORDS

Halal Certification;  
UMKM;  
Economy



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### 1. Introduction

Recently, the issue of halal food has become part of a global issue following the discovery that several processed products were indicated to contain raw materials derived from haram ingredients [1], [2]. The halalness of a product can be determined through an in-depth assessment and research process [3], [4]. On this basis, a halal certification system was developed, the output of which is the issuance of halal certificates for products that meet halal standards and have multiple functions [5], [6].

In this modern era, businesses in the production sector have experienced a very significant increase along with developments in science and technology. This increase in production, apart from making it easier for people to consume it, has also raised new concerns regarding the quality of the product when viewed from the halal aspect [7], [8]. Consumer protection can be realized if the halal aspect is a prerequisite for receiving attention [9], [10]. Of course, this practice ordered by Allah is guaranteed to bring benefits in health, both physical and psychological, both individual and social.

Efforts to provide guarantees of the halalness of a product to the public are an important part of consumer protection law [11], [12]. To realize this effort, of course there is a need for a concept that can be used to determine the size of halal and haram [13], [14]. In an Islamic perspective, the provisions of halal and haram are Allah's rights which are realized through the experience of His law (the Qur'an and Sunnah) [15], [16]. Therefore, knowing the halal and haram laws according to Shari'a is a necessity in consumer protection [17], [18].

Halal Certification is a process to obtain a halal certificate through several stages of inspection to prove that the ingredients, production process and halal guarantee system meet the standards of the Indonesian Ulema Council's Food, Drug and Cosmetic Assessment Institute (LPPOM MUI) [19], [20]. The aim of halal certification is to provide certainty of the halal status of a product as a form of fulfilling consumer rights [21], [22]. Consumer confidence in the halalness of a product will influence the number of consumer purchases of that product [23], [24]. In the previous period, applications for halal

certification by producers were still voluntary [25], [26]. However, after the implementation of Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Guarantees, applications for halal certification by producers are mandatory [27], [28]. The provisions regarding mandatory halal certification for all products are contained in article 4 which states that: "Products entering, circulating and traded in Indonesian territory must be halal certified" (Law No. 33 of 2014, 2014) [29], [30]. Still referring to the law above, the implementation of the halal certification obligation for all products in Indonesia will take effect in the next 5 years after the law is enacted. This means that 2019 is the year the law will be implemented so that all products, including food products, must be halal certified.

The legal basis for the implementation of the latest halal certification is the Government Regulation of the Republic of Indonesia Number 31 of 2019 concerning Implementing Regulations of Law Number 33 of 2014 concerning Halal Product Guarantees where article 72 states that the Obligation to be certified halal for Product Types as intended in Article 68 to Article 71 done step by step. The stages as intended in paragraph (1) are carried out: starting from food and beverage products; and the next stage for products other than food and beverages. In paragraph (4) Products that have not been certified halal as of 17 October 2019 are further regulated by Ministerial Regulation after coordinating with the relevant ministries/institutions.

The aim of MUI halal certification is basically to protect consumer rights, in this case Muslim consumers. MUI halal certification aims to determine whether or not a product is eligible to receive a halal certificate, where the determination of halal certification is carried out at an MUI trial meeting after an audit has been carried out by related parties, in this case LPPOM MUI, BPPOM, Health Service and several related agencies. The benefits of MUI Halal Certification basically have some urgency, apart from the interests of consumers, business actors, it is also the interests of the government itself, in this case the regional government and the MUI itself. The Ponorogo IKM Forum is holding a Sehati program or free halal certification for MSMEs in Ponorogo in order to follow up on the Indonesian Government's program, which this year provides 25 thousand halal certification processing quotas for products with low risk and not made from poultry. However, according to the Chairman of the Ponorogo IKM Forum, Sunarto, even though the quota is large, the interest of MSME players in Ponorogo in processing halal certification for their products is still low, considering that only around 20 MSMEs have entered the fatwa trial out of hundreds of MSMEs in Ponorogo. In fact, according to Law Number 33 of 2014 concerning Halal Product Guarantees, all products, especially packaging, in 2024 must have halal certification so that the products can enter modern supermarkets.

Based on the above and the phenomena found, researchers are interested in research entitled "URGENCY OF HALAL CERTIFICATION IN MSME PRODUCTS"

## 2. Method

The Community Service Lecture (KPM) work program was implemented in Senepo Village, Slahung District, Ponorogo. The method used in implementing our work program is socialization using the ABCD (Asset Based Community-Driven Development) approach. The ABCD approach strives for a developed social order of community life by utilizing local assets and potential, namely MSMEs in Senepo Village to be able to gain community trust and be able to market outside the area. Apart from that, the approach used in implementing our work program is discussions with the Village Government, BUMDES, KUA regarding MSME data and technical implementation of activities. Discussion activities were carried out 2 weeks before the socialization process was carried out.

The training targets are MSMEs and mothers in Krajan Hamlet, Senepo Village, Slahung, Ponorogo. The training activity was held on July 31 2023 at the Senepo Village Hall which was attended by around 27 people. This Certification activity uses resource persons from the Slahung District Religious Affairs Office to understand the importance of Certification and also the Halal Certification process. Activities for implementing this work program include:

- Search for information and data on MSMEs in Senepo Village, Slahung District
- Creation of NIB for MSMEs
- Explanation of the importance of Halal Certification
- Halal Certification Process for MSMEs that have registered

From Halal Socialization and Certification for MSMEs, it is hoped that participants can market their products outside the region and can also convince consumers that the products they buy are safe for public consumption.

### 3. Results and Discussion

The Indonesian legal system as a system of rules that applies in the country of Indonesia is a very complex and extensive system of rules, consisting of legal elements, where each legal element is interrelated, influences each other and complements each other. Therefore, discussing one area or element or subsystem of law that applies in Indonesia cannot be separated from the others, so that it is similar to the human body, legal elements are like an organ whose existence cannot be separated from other organs. The term system comes from the word *systema* in Latin and Greek, which means a whole consisting of various parts. In general, a system is defined as a collection of elements that interact with each other to achieve a certain goal in a complex environment.

Law Number 33 of 2014 concerning Halal Product Guarantees (or abbreviated as UUJPH) was passed by the House of Representatives on September 25 2014. This Law is expected to provide solutions for society and the business world in the context of protecting consumers and at the same time becomes an umbrella for Laws on various types of halal products in food products, drinks, medicines, cosmetics, chemical products, biological products, and genetically engineered products. The government, led by the Department of Religion and various community institutions, fully supports the implementation of UUJPH. With the implementation of the UUJPH, it is hoped that Indonesian products can compete in terms of quality and quality with foreign products and can be sought after by consumers, especially Muslim consumers, both local and foreign consumers.

Implementation of the Halal Socialization and Certification work program for MSME Products begins with extracting information regarding the number of MSMEs that do not yet have Halal Certification. A Halal Certificate is an acknowledgment of the halalness of a product issued by the Halal Product Guarantee Organizing Agency which is based on a written halal fatwa issued by the MUI/Halal Fatwa Committee, while the institution tasked with carrying out inspection and/or testing activities on product halalness is the Halal Inspection Agency.

The Ponorogo Regency Government is holding the issuance of one million free Halal Certifications for MSMEs in Ponorogo until October 17 2024. Ponorogo's halal product consultant and assistant said that there are already around 2,585 MSMEs and small and medium industries who have registered their products with the Product Guarantee Organizing Agency Halal For MSMEs that do not yet have a Halal Label, sanctions will be imposed.

The urgency of halal certification for MSMEs includes, among other things, the process of protecting the rights of Muslim consumers through MSME halal certification. Having halal certification can also provide added value to the products that MSMEs buy and sell because consumers will have more confidence in these products after having a halal certificate and a halal label. Halal certification is also able to provide a guarantee that the product is fit for consumption for consumers, because at the stage of granting a halal certificate it must pass testing of the production process and raw materials that are truly fit for consumption for consumers. Halal certification is also able to ward off consumer doubts about consuming MSME products.

Every producer or MSME who wants to apply for halal certification for their products must fill out the form provided by LPPOM-MUI. Once filled in completely, the form is returned to the LPPOM-MUI office accompanied by the Halal Guarantee System (SJH) document described in the halal guidebook along with standard production procedures. These documents must be complete and correct because they are a requirement for making a certificate. If the documents are complete and correct, LPPOM-MUI will send a team of auditors to the location to check and check the company's halal guarantee system. On the other hand, if the documents are not complete and correct, then all application documents will be returned so that they can be completed again. The auditor team's report will be discussed at the LPPOM-MUI internal session. If it meets the halal requirements, the halal certificate will be processed at the MUI fatwa commission hearing. The result of the MUI fatwa commission hearing is the issuance of halal certificates for products that meet the requirements.

Halal certification is an important component that Micro, Small and Medium Enterprises (MSMEs) need to have before selling their products. By obtaining halal certification, the public will not question the halalness of the products being sold. Moreover, currently, policy makers have provided a free halal certification program for MSEs. Halal certification has been issued by BPJPH since 2019. There are at least four stages that business actors go through to obtain halal certification. Here are the steps:

### **3.1. Apply**

The first stage, business actors, whether micro, small, medium or large companies, apply for halal certification by registering online via the page <https://ptsp.halal.go.id> On this page, business actors must include complementary documents such as business actor data , name and type of product, list of products and materials used, product processing, and halal product guarantee system documents. "To submit an application to BPJPH, you must go through BPJPH. Then complete the required documents, now it is online.

### **3.2. Choose A Halal Inspection Agency**

After the documents are submitted, BPJPH then checks the completeness of the documents. If the documents are complete, BPJPH will send a notification to business actors to choose a Halal Inspection Institution . Currently, there are 3 listed in the system, including LPPOM MUI. In this stage, the process takes approximately two working days.

### **3.3. Halal Inspection Agency examiner**

After selecting a Halal Inspection Institution, the institution will check and test the halalness of the products you register. Due to checking and testing, the process takes about 15 working days. "So there is time given to the Halal Inspection Agency to carry out inspections and tests on products.

### **3.4. Get a halal decision**

After being inspected and declared halal, the Halal Determination Agency will submit it to the MUI to obtain a halal determination of the product through a fatwa trial that is held. The process takes 3 working days. At the same time, the results of the LPH inspection and testing are also submitted to BPJPH to obtain halal certification. If the MUI fatwa session states that the registered product is halal, BPJPH will also issue a halal certificate which takes around 1 working day. "After being declared halal by the MUI, BPJPH will issue halal legality, in the form of a halal certificate and a halal label which will be placed on the business actor's product packaging.

In this service work program, we collaborate with the Slahung District Religious Affairs Office and coordinate with the village, PKK women, and MSME actors in Senepo Slahung Village, Ponorogo, to discuss the preparation of the schedule, event concept, location, and activity participants. . It is hoped that with this initial coordination, the right schedule and location can be arranged so that the MSME seminar can be effective and right on target. Apart from that, participants who will attend are deemed appropriate by mutual agreement to follow directions from the KUA.

Preparation for Socialization. In this case, what is prepared is material that will be displayed in briefing and counseling sessions, preparation of speakers, checking and arranging activity locations, as well as preparation of equipment and supporting preparations such as participant attendance lists, food, back drop, sound system, etc.

The event started at 09:00 WIB at the Senepo Village Hall office. The invited guests were PEMDES, BUMDES, the Chair of the Senepo Village PKK, and around 27 participants, including 10 people from MSMEs and around 17 people from women, composition. The first event was singing the song Indonesia Raya, Second, the first speech was delivered by Kanzul Fawaid as the group representative and the second was delivered by Mr. Hinada as a representative of the Senepo Village government. Third, the presentation of the importance of Halal certification from Mr. Ansori as a representative of the Slahung District Religious Affairs Office to guests. invitations and participants who attended as well as handing over souvenirs to Mr. Ansori as souvenirs from Group 32, the fourth arrangement was prayer led by Zainul Muqorobin, the fifth arrangement of events was the handing over of files such as FC KTP, product photos and NIB for MSEs who register with students who will be followed up by the Slahung District Religious Affairs Office to produce a Halal Certificate.

Mr. Ansori explained to the halal socialization & certification participants about the importance of NIB and Halal Certificates because by 2024 the government has made it mandatory for every MSME in Indonesia to have an NIB and Halal Certificate. This briefing can provide an example for MSME players so that they can provide new innovations that have their own appeal because having a halal label can guarantee the product. And it is hoped that MSME players will be aware of the benefits that every business actor must have an NIB and Halal Certificate because it can develop the businesses owned by MSME players to support their economy.

Collection, Checking and Submission of NIB. If MSMEs do not have an NIB, it will be made by IAIN Ponorogo students who work in the Economics Division. After making the NIB, the data will then be submitted to the Religious Affairs Office in Slahung District. After submitting the files to the Slahung District Religious Affairs Office, there will be confirmation to the registered MSMEs and they will be distributed directly by the Slahung District Religious Affairs Office for halal certification.

#### 4. Conclusion

A Halal Certificate is an acknowledgment of the halalness of a product issued by the Halal Product Guarantee Organizing Agency (BPJPH) which is based on a written halal fatwa issued by the MUI/Halal Fatwa Committee, while the institution tasked with carrying out inspection and/or testing activities on product halalness is the Halal Inspection Agency (LPH). The urgency of halal certification for MSMEs includes, among other things, the process of protecting the rights of Muslim consumers through MSME halal certification. Having halal certification can also provide added value to the products that MSMEs buy and sell because consumers will have more confidence in these products after having a halal certificate and a halal label. Halal certification is also able to provide a guarantee that the product is fit for consumption for consumers, because at the stage of granting a halal certificate it must pass testing of the production process and raw materials that are truly fit for consumption for consumers. Halal certification is also able to ward off consumer doubts about consuming MSME products. Halal certification is an important component that Micro, Small and Medium Enterprises (MSMEs) need to have before selling their products. By obtaining halal certification, the public will not question the halalness of the products being sold. Moreover, currently, policy makers have provided a free halal certification program for MSMEs.

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#### Author Contribution

The Community Service Lecture (KPM) work program was implemented in Senepo Village, Slahung District, Ponorogo.

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#### Conflict of Interest

The authors declare no conflict of interest.

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