

EFFECTIVENESS OF IMPLEMENTING HALAL CERTIFICATION THROUGH SOCIALIZATION AND TRAINING TO MSMEs IN NORTH SUMATRA

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Abstract: *The purpose of this study is to find out the extent of understanding and awareness of MSME actors regarding the importance of obtaining halal certificates for the products they produce. This is in line with government policy which requires halal certificates for products to be distributed in Indonesia. The implementation of obtaining halal certificates for this product is unknown due to several reasons, including: lack of information obtained due to lack of socialization, training and assistance in obtaining halal certification for MSMEs in North Sumatra Province have not been carried out. Basically, the halal certification program for products produced by MSMEs is very important as an acknowledgment of the halalness of a product issued by the Halal Product Guarantee Agency (BPJPH) based on a written halal fatwa issued by the Indonesian Ulema Council (MUI). In addition, it must be realized that every halal certification issued is a form of government protection for Muslim consumers in this country. The research method used is descriptive with a case study approach. The type of data analysis used is categorization data analysis to measure the variables studied. The results of this study indicate that the existing MSMEs have not received clear information regarding the management of halal certification, have not received intensive training and assistance in obtaining certificates and have not felt the need to administer halal certification for the products they produce*

Keywords: *Halal, Certification, Socialization, Training, and MSMEs.*

Introduction

Halal certification for MSME businesses in Indonesia is officially required on September 14, 2021. Based on Minister of Religion Regulation Number 20 of 2021 concerning halal certification for Micro and Small Enterprises (UMK), all business actors who will distribute their products in Indonesia are required to process their business products in accordance with Islamic law. In accordance with Islamic law, it means that the products they produce must have a halal certificate issued by BPJPH, which is the official institution responsible for administering halal product guarantees. However, in the process of implementing this policy, many problems were found among MSEs in Indonesia, including in North Sumatra.

This research explores how the problems of halal certification are faced by MSME actors in North Sumatra, including: (1) What are the perceptions of MSME actors regarding the importance of halal certification in the products they produce; (2) the extent to which MSME actors need socialization, training and assistance in obtaining halal certification; (3) What are the aspects of economic, financial adequacy and accessibility owned by MSME actors in obtaining halal certification. There are problems with minimal income levels and limitations in the use of information technology which are also obstacles to the process of obtaining halal certification

online. In addition, there is also an aspect of the availability of production facilities where the facilities, infrastructure and facilities owned by MSME actors are inadequate so that the requirements for a halal production process are considered minimal.

In general, these MSME actors do not yet have legal documents for processing halal certification because they still have low legal awareness of their business (Puteh et al, 2022). However, what is most important to note is the perception of MSME actors who have not received accurate information about halal certification. They also think that there is no need to make halal certification. In addition, they are passive and apathetic in seeking halal certification for their products. There are also those who feel that this halal certification is only for medium and large businesses. (Karim et al, 2022)

This study aims: (1) to find out how MSME actors perceive the importance of halal certification in the products they produce; (2) to find out to what extent MSME actors need socialization, training and assistance in obtaining halal certification which is implemented by the government; (3) to find out how aspects of economic, financial adequacy and accessibility owned by MSME actors can influence the decisions of MSME actors to take care of halal certification.

Basically, MSME actors must prepare the stages in obtaining halal certification. The important steps that must be carried out are understanding the policies/regulations related to halal certification, looking for a companion in carrying out halal certification, participating in socialization related to halal certification, participating in halal training, providing assistance in obtaining halal certification, monitoring the halal certification process that has been carried out, following routine coaching after obtaining a halal certificate. When the application for halal certification is carried out by MSME actors in North Sumatra, it will be seen that there are several organizations/institutions/agencies involved so far as follows: Halal Product Assurance Organizing Agency (BPJPH), Halal Inspection Agency (LPH) or Process Assistance Agency Halal products (LP3H), MUI Fatwa Commission or Fatwa Committee and Halal Task Force. It is these organizations/institutions/agencies that carry out socialization, training and mentoring activities for MSMEs in North Sumatra.

Etymologically socialization is an effort to socialize something so that it becomes known, understood, internalized by the community. Socialization in the course of an organization or work program must be carried out continuously if you want to exist in life. This is as stated by Suyanto (2023:13) that socialization is a process that continues to occur throughout our lives. This is in line with what was stated by Agustin (2014: 7) that socialization is a lifelong process with regard to how individuals learn ways of life, norms and ongoing social values in order to develop into individuals who are accepted in their group.

Implementation of socialization is the beginning of the introduction of the management of halal certification for MSMEs. For this reason, socialization cannot be abandoned and must be routinely carried out through any method/technique and media for the purpose of telling something, or changing the opinions, attitudes and behavior of MSME actors regarding the management and ownership of halal certification. Gunawan (2012: 198) explains the purpose of conducting a socialization activity, namely the process of conveying messages by one person to another to inform or change attitudes, opinions, behavior, both directly and indirectly.

The most accurate way to increase the professionalism of MSME actors is through training activities. This is as revealed by Widodo (2015: 82) that training is a series of individual activities in systematically increasing skills and knowledge so that they are able to have professional performance in their field. Through this training activity it is hoped that the learning process will enable MSME actors in North Sumatra to be able to carry out the halal certification process which is now in accordance with the standards set by the government.

Literature Review

North Sumatra has a large Muslim population. The potential for halal food in this area is enormous. This also shows that the market potential for MSME players' products to the Muslim population is very large. This potential has not been matched by the awareness of the life of the Muslim population that has been related to the consumption of halal food. High awareness of halal food consumption has not been matched by the availability of information on halal and certified MSME products.

Awareness of consuming halal products in Indonesia has increased. Awareness of halal products is not only in the commodities of daily necessities, but has entered into food and beverage products, medicines, cosmetics, fashion, hotels, tourism and do not forget to also spread to the financial and investment business. Halal products for MSME players will have high economic value and have a great opportunity to be developed in Indonesia, especially in the North Sumatra region.(Baca, 2021; Nusran, 2018)

Based on research data provided by several survey institutions, it is known that the alignment of the Muslim population in North Sumatra towards halal products is very high. Survey data conducted by The assesment Institue for Foods, Drugs and Cosmetics, the Indonesian Council of Ulama or abbrviated as LPPOM MUI in 2018 concluded that around 83% of consumers in this area stated that they preferred halal products. In addition, another survey conducted by Kantar Worldpanel in 2019 revealed that more than 90% of consumers in Indonesia choose halal products when buying food and drinks. It can be concluded that there is an increase in awareness in consuming halal products due to various factors as follows: (1) increasing public attention to health; (2) religious awareness; (3) the awareness of producers and suppliers in providing products that have been certified halal so as to make it easier for consumers to choose halal products.

Basically, the flow of obtaining halal certificates through 3 main institutions is as follows: (1) An institution called BPJPH, is a body mandated by law in the process of obtaining halal certification, including establishing rules/regulations, accepting and verifying product submissions to be halal certification from Business Actors (product owners), and issuing halal certificates along with halal labels; (2) Halal Inspection Agency or Assistance Agency in charge of checking the adequacy of documents, conducting audits, discussing audit results, reporting on audit results and submitting audit results reports sent to the fatwa commission; (3) The MUI Fatwa Commission, which is tasked with deciding the halal status of products registered for certification, through a meeting of the Fatwa Commission.

Business actors can directly apply for halal certification to BPJPH by registering on the Halal website. Submission of an application for halal certification to BPJPH is carried out through the following stages: application, examination, determination, testing, checking, fatwa, and issuance of certificates. Therefore, a good perception is needed from MSME actors so that socialization and assistance can be carried out for MSME actors.

Method

The method applied in this research is descriptive with qualitative data processing. Data are analyzed using categorization analysis. The categories used are adapted from the theories of socialization, training and mentoring that have been put forward previously. All MSMEs that have participated in socialization and training as well as assistance at the UMSU Halal Center are used as key informants in this study. Data that have been collected through in-depth interviews are processed and analyzed using categorization data analysis. The conclusions obtained per category are used as the basis for making general conclusions.

Result and Discussion

So far, consumer awareness of halal products still needs to be increased, especially in more remote areas. The government, Halal Inspection Agency, and producers and suppliers can work together to increase consumer awareness about halal products and the importance of halal certification. Awareness of this halal life requires certainty from the government through an institution that oversees it in the form of legal certainty from the government. This government policy is needed by MSME actors as an effort to protect consumers in order to increase the competitiveness of the halal products they produce. Legal policy can be seen in Law No. 33 of 2014 which requires all products to be halal certified. Then it was followed by the issuance of PP No. 31 of 2019 concerning implementing regulations for Law no. 33 of 2014 concerning Guarantee of Halal Products as a reinforcement of the previous regulation by imposing the implementation of halal certification from voluntary status to mandatory by giving a period of 5 years from its implementation.

Starting in 2019, halal certification is no longer the responsibility of LPPOM MUI, but through the Halal Product Guarantee Agency (BPJPH) under the Ministry of Religion. 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. Even though a policy has been issued covering halal products, halal labels and halal certificates issued by the Government, the reality is that during implementation it raises many serious problems among stakeholders and MSME actors. We can see this from the following discussion.

a) Perceptions of MSME actors regarding the Importance of Halal Certification in Their Products

The results of this study indicate that all business actors are aware of the importance of halal certification in the products they produce. With the existence of halal certification on their products, the selling value of these products will increase. Halal certification for products is one of the legal aspects needed when they are going to sell their products at large outlets such as Indomaret and Alfamart. When they are going to take part in exhibitions or bazaars, they also require that the products on display must have halal certificates. When the halal label is printed on their products, buyers will be sure to buy their products without having to explain it to consumers. Business actors also realize that when their products have received halal certification they will find it easy to promote them to all groups, especially Muslim buyers. This is in accordance with current developments that many people are starting to show interest in the concept and understanding of the halal lifestyle in their daily life. Consumers are increasingly critical in making purchases of each of their products, both consuming food products and services.

The results of this study are also consistent with research conducted by Tumangger et al (2022) entitled *Analysis of the Influence of Halal Product Certificates in Increasing Consumer Purchase Interest Herbal Network International - Herbal Penawar Alwahida Indonesia* which states that halal labels affect purchase intention, which means that halal labels on the packaging can influence the purchase intention by consumers. Increasing buyer interest in products labeled halal will certainly increase economic growth as stated by Jailani & Adinugraha (2022) that the halal lifestyle in the Islamic banking sector, halal food and halal tourism can increase Indonesia's economic growth.

If we look at the condition of North Sumatra, which has a large Muslim population, the potential for halal food certification in this area is enormous. This also shows that the perception of MSME actors on the importance of obtaining halal certification is also very large. This potential has not been matched by the availability of information on MSME products that are halal and have been halal certified in a certain area, there is no information on institutions and

assistants who can assist them in processing halal certification. In addition, the seriousness of MSME actors to register products is still very low due to the lack of involvement of related local government elements such as trade, industry, tax, education, etc.

b) Socialization, Training and Assistance in Management of Halal Certification Applied by the Government to MSME Actors.

In this study it was found that awareness of the importance of halal certification has not been followed up by business actors to register their products to obtain halal certificates. Some of the reasons they put forward include the very high cost. Business actors think that they have to pay a large amount of money to arrange halal certification for the products they produce. Business actors also think that obtaining a halal certificate must go through complicated procedures and take a very long time. Another view is the unpreparedness of business actors with several conditions that must be met when applying for halal certification, such as having a business identification number (NIB) and other legal aspects. The results of this study are supported by research conducted by Latifa (2022) which concludes that the challenges faced by MSME actors with the implementation of the policy of obligatory halal certificates include completeness requirements documents, requirements for having a halal supervisor who is also a partner for halal products, processes that are still manual, fulfillment of halal criteria, and problems within the UMKM internally.

Business actors also lack clear and complete information about mandatory halal certification policies. Lack of information about the latest procedures for obtaining halal certificates is also a major obstacle for business actors in obtaining halal certificates for their products. In order to obtain clear and complete information about the mandatory policy for halal certification, it is necessary to carry out socialization, training and mentoring activities for business actors related to the rules and procedures for obtaining halal certification.

Amrizal (2021) reveals that there are national issues related to ongoing government programs which are a top priority. One of the statutory mandates related to halal policy is the establishment of a Halal Product Guarantee Agency (BPJPH) under the Ministry of Religion of the Republic of Indonesia which is responsible for all matters related to halal policy. So far, business actors know that the management of halal certification is carried out by LPPOM MUI, so it is necessary to hold socialization to convey this information. Apart from outreach, other activities that need to be carried out are training and assistance to business actors to assist in obtaining halal certification for their products.

In this study interviews were conducted with several business actors regarding their responses and responses regarding the socialization, training and mentoring activities they had participated in. The results of the interviews show that this activity is very effective in efforts to accelerate halal certification which has been proclaimed by the government with various timelines. The deadline for mandatory halal certification for food and beverage products is October 17, 2024 and for medicinal, cosmetic and consumer goods products on October 17, 2026. Among the socialization activities they participate in are carried out by agencies related to MSMEs such as the cooperative office, ministry of industry and commerce. Several business actors also received socialization directly from BPJPH and also from the Ministry of Religion at regional and regional levels. The Majelis Ulama Indonesia as well as several community organizations also provide socialization relating to the management of the halal certification. Socialization was also carried out by religious extension workers under the Indonesian Ministry of Religion. This socialization activity is quite helpful for business actors to understand some of the changes related to the current mandatory halal certification policy. Business actors hope that the forms of socialization carried out can be varied and also take advantage of existing social media. Socialization carried out through seminars can only be attended in part by obtaining

socialization about halal certification carried out by local governments so that the involvement of many parties is needed to support the delivery of this information. Forms of socialization can also be done by utilizing social media as a means of conveying information that is widely accessed by the public.

Several business actors also received training or workshops conducted by the government or other institutions. One form of training they receive is halal supervisor training. Halal supervisor is one of the important elements that must be understood by business actors in obtaining halal certificates. One of the conditions for obtaining a halal certificate is having a halal supervisor. There are still many business actors who do not understand the role and function of halal supervisors in managing halal certification. The lack of understanding and readiness of business actors in preparing halal supervisors in their business scope is in accordance with the results of research by Maghfirotn and Wirdyaningsih (2022). Therefore, it is necessary to hold a lot of training for halal supervisors for business actors as a mandatory requirement to take care of halal certification. Halal supervisor training is expected to be facilitated by the government or other community institutions, especially for Small Micro Enterprises (UMK) because independent training requires high costs and is very burdensome for UMK actors.

In addition to participating in socialization and training, several MSME actors receive assistance in obtaining halal certificates. Assistance is facilitated by the service and also other institutions. Assistance is provided to MSME actors such as 1) assisting in registering Business Identification Numbers (NIB); 2) assist with registration and filling in data on the Halal website; and 3) provide assistance in terms of implementing the halal product guarantee system (SJPH) in their businesses.

One of the legal aspects that must be possessed by business actors to be able to register in the management of halal certification is that they must already have an NIB. In fact, there are still many business actors who do not have an NIB and this happens because they do not know how to get an NIB. If someone already has an NIB but it is still not in accordance with the type of business they have. Another obstacle is that they are not yet willing to take care of the NIB because they do not have a tax payer identification number (NPWP). Therefore, assistance in getting NIB is also very helpful for business actors in obtaining halal certification.

Other assistance provided by business actors is to help them register on the Halal website. Before registering they must have prepared the necessary documents. Some of the documents that must be prepared include: data on business actors, names and types of products, lists of products and materials used, product processing processes, and documents on the halal assurance system. Business actors are assisted to prepare a list of materials used in the production process and look for the halal certificate number of these materials. Business actors are also assisted in filling in the manual for the halal product guarantee system (SJPH) as one of the documents that must be available. Business actors are also guided to implement a halal guarantee system in the production process they carry out. The implementation of this halal guarantee system must be ensured that it is carried out as well as possible by business actors. Business actors are asked to have a high commitment in implementing the halal product guarantee system in their products. SJPH criteria are built on a framework of five fundamental principles (arkan al-halal) encompassing commitment and responsibility, Materials, Halal product process, products, monitoring and evaluation.

c) Aspects of Economic, Financial Adequacy and Accessibility that Influence MSME Actors to Make Decisions in Administering Halal Certification.

The key informants selected in this study revealed that economic deficiencies or financial conditions faced by MSME actors still exist and are a classic reason for starting halal certification.

The results of this study are in accordance with what was stated by Konety et al (2018) that many business actors do not have halal certification because there is an assumption that obtaining halal certification requires quite a large fee and a lack of knowledge about the procedures for obtaining halal certification. There are many complaints about this economic problem, especially for MSMEs whose business is in the form of stalls and also meat-based products. Because the free halal certificate issued by the government does not cover the category of stall business and also meat-based food.

Another obstacle encountered by business actors is the lack of access to information and knowledge for obtaining halal certification. There are still many business actors who do not know the stages in obtaining halal certification. In addition, business actors are still unable to independently access the website provided by BPJPH. This is in accordance with the writings of Agustina et al (2019) which state several reasons why they do not yet have halal product certification, including (1) they do not understand the importance of halal certification and its impact on their business; (2) do not understand how to apply for a halal certificate for their products; (3) do not understand the use of halal certification so they choose to postpone the processing; and (4) considers the process of applying for halal certification to be very complicated.

The importance of conducting socialization and providing more massive information from assistants and assisting institutions is the right way to overcome the above problems. It's just that the existence of assistants and LP3H is very unlikely to carry out socialization to all MSME actors. The participation of all government agencies and community institutions related to trade, tourism, education, religion, and others is urgently needed to accelerate the dissemination and delivery of information on this halal certificate.

Conclusion

The conclusions of this study are as follows:

- a) the perception of MSME actors regarding the importance of halal certification for the products they produce is very adequate. This is because awareness of halal culture does not only occur in one area of life.
- b) socialization, training and assistance in obtaining halal certification implemented by the government for MSME actors through LPH and LP3H are recognized as very important and useful for MSME actors who intend to carry out halal certification.
- c) the aspects of economic, financial adequacy and accessibility of MSME actors greatly influence the decisions of MSME actors to take care of halal certification.

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