

GUARANTEE OF HALAL PRODUCTS SELF DECLARE CONCEPT OF MICRO AND SMALL ENTERPRISES ECONOMICS

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Abstract: Implementation of the self-declare concept in halal product guarantees, especially in the context of micro and small enterprise (UMK) economic actors, which is focused on understanding how the self-declare process can provide convenience and certainty for UMK in obtaining halal certification. The implementation of self-declaration is in line with changes to the halal certification system in Indonesia, this mechanism ensures that the self-declare policy only applies to UMK that meet certain criteria, in line with the government's efforts to encourage the growth of the UMK sector and increase the competitiveness of halal products. It is hoped that self-declaration can create certainty and guarantee of halal products for Muslim consumers, as well as support the growth of the halal industry at national and international levels.

Keywords: (Self Declare, Halal Certification, Micro and Small Enterprises (UMK))

Introduction

Indonesia has a Muslim population that reaches 87.18% of the total population of around 232.5 million people. This shows the enormous potential for sharia economic-based products and services in Indonesia. As the country with the largest Muslim population in the world, Indonesia should be able to play a more optimal role in meeting this broad market demand. However, in The Global Islamic Economy Index 2018/2019, Indonesia was recorded as only being in 10th position as a producer of halal products in the world.¹

The fact that Indonesia ranks relatively low in terms of halal product production shows that there are still obstacles and challenges that need to be overcome. Despite the high demand for halal products in the world, Indonesia has not been able to fully exploit this potential for greater economic benefits.

In choosing food, the majority of consumers prioritize the taste and deliciousness of the food rather than paying attention to its halalness. However, for Muslim consumers, the halal and purity factors of food are very important in accordance with the teachings of Islamic sharia. They want assurance that the products they consume meet established halal standards.

¹ M Muhamad, "Tantangan dan peluang penerapan kebijakan mandatory sertifikasi halal (Studi implementasi UU No. 33 Th. 2014 dan PP No. 31 Th. 2019)," *Jurnal Ilmu Ekonomi Dan Bisnis Islam* 2 (2020): 26.

This religious belief encourages Muslims to increase awareness in ensuring that the food they consume meets the halal criteria set by sharia. By having high concern for aspects such as food sources, processing methods, cleanliness, and the use of additional ingredients in food products. This is due to the belief that obeying religious commands is a form of devotion to Allah and maintaining spiritual and moral integrity as a Muslim.

The importance of consumer awareness of halal products is not only individual, but also has a significant social and economic impact. Consumers who are smart in choosing products can provide encouragement to producers to improve the quality and safety of their products. Apart from that, increasing consumer awareness of halal products also creates opportunities for the development of sustainable halal business and food and beverage industries, supporting the economic growth of this sector.

An increase in the number of micro and small businesses, positive economic growth, the dominant contribution of the tertiary sector, and maintained inflation stability are indications that the economy is experiencing good development. In this context, it is important for micro and small business actors to understand and follow regulations regarding halal product guarantees, such as Law Number 33 of 2014 concerning Halal Product Guarantees.

Literature Review

The legal basis for consuming halal food in the concepts of *halal*, *haram*, *thayyib* and *syubhat* in Islam, contains spiritual values which involve aspects of obedience and obedience to Allah's commands. Apart from that, this concept also reflects the nobility of a person's character and morals. Therefore, Islam pays very high attention to determining the halal, haram, or questionable circumstances (*syubhat*) of food and drink.²

The basis used to indicate the necessity of consuming food and drinks, plants and animals that are halal and *thayyib* (good) is stated in the Al-Qur'an Surah Al-Baqarah [2]: 168

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا
طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ
عَدُوٌّ مُبِينٌ

It means: "O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy."

Determining halal food in Islam involves several aspects, such as the source of food ingredients, processing methods, use of additional ingredients, and sanitation. For example, food derived from animals must be processed in accordance with the procedures stipulated in Islamic law, such as halal slaughter (read the name of Allah) and avoidance of haram ingredients such as pork and alcohol. Apart from that, cleanliness and sanitation in food processing are also important factors in determining its halalness.

Halal products are products that meet the standards and principles of Islamic sharia. Guarantees of halal products are crucial in ensuring Muslim consumers' trust in the products and services they consume. The aim of Islamic law is to achieve a happy and prosperous life. Namely by taking advantage, preventing or rejecting what is detrimental to life. The essential aim of

² Muchtar Ali, "Konsep Makanan Halal dalam Tinjauan Syariah dan Tanggung Jawab Produk Atas Produsen Industri Halal," *Ahkam: Jurnal Ilmu Syariah* (2016).

Islamic law if formulated in general is to achieve Allah's pleasure in human life in this world and in the afterlife. The legal basis for implementing halal certification is that it only comes from sharia provisions. To ensure the implementation of sharia provisions regarding halal and haram laws. The legal basis for halal products in accordance with Islamic law, among others, is found in the Qur'an: QS. Al-Baqarah[2]:172

يَا أَيُّهَا الَّذِينَ ءَامَنُوا كُلُوا مِن طَيِّبَاتِ
مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِن كُنتُمْ إِيَّاهُ
تَعْبُدُونَ

It means " O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship"

Through his word, Allah commands his faithful servants to eat good food from the good fortune that Allah SWT has bestowed upon them, and that they should always be grateful to him for this good fortune, if they are truly his servants. Eating halal food is one of the causes of prayer being answered and worship being accepted, just as eating haram food prevents prayer and worship being accepted.³

Method

This research is normative legal research, namely research that focuses on applicable norms. Normative legal research is also called doctrinal legal research. In language, normative means adhering firmly to applicable legal norms or rules. In terms of terms, normative legal research is research on law which is conceptualized as what is written in statutory regulations.⁴

This research uses three approaches, namely the statutory approach, conceptual approach and case approach. This research was presented descriptively and analyzed deductively. The data studied is secondary data consisting of primary legal materials, secondary legal materials and tertiary legal materials.⁵

A statutory approach is used to investigate and analyze legal aspects related to the research subject, ensuring consistency with the applicable regulatory framework. Meanwhile, a conceptual approach is used to understand and interpret the key concepts that theoretically underlie the research subject. Finally, a case approach is used to illustrate the application of concepts and legislation in the context of concrete cases. This research was directed descriptively to provide a comprehensive overview of the research material, and the analysis was carried out deductively to draw conclusions based on understanding the data. The data that is the object of research comes from secondary data, involving primary legal materials, secondary legal materials and tertiary legal materials as the main materials for analysis and evaluation.

Discussion and Result

Products are goods and/or services related to food, drinks, medicines, cosmetics, chemical products, biological products, genetically engineered products, as well as consumer goods that are

³ Ibnu Katsir, Muhammad Abdul Ghoffar E.M, dan Muhammad Yusuf Harun, *Tafsir Ibnu Katsir* (Bogor: Pustaka Imam Asy-Syafi'i, 2003).

⁴ Jonaedi Efendi dan Johnny Ibrahim, *Metode Penelitian Hukum Normatif dan Empiris* (Depok: Kencana Prenada Media Group, 2018).

⁵ Ibid.

used, applied or utilized by the public. Halal products are products that have been declared halal in accordance with Islamic law.⁶

Products are goods and/or services related to food, drinks, medicines, cosmetics, chemical products, biological products, genetically engineered products, as well as consumer goods that are used, applied or utilized by the public. Halal Products are Products that have been declared halal in accordance with Islamic law.⁷

The word halal, which comes from Arabic, is rooted in the words (حَلَّ - يَحِلُّ - حِلٌّ / *halla-yahillu -hillan*) which means to free, release, resolve, dissolve and allow. Etymologically, the word halal means things that are permissible and able to be done because they are free or not bound by provisions that prohibit them, or it can also be interpreted as everything that is free from the dangers of this world and the hereafter. In the context of food, halal food is food that can be consumed, produced and commercialized.

Providing halal certification to business actors who produce goods and/or services, the provisions need to be regulated in the form of formal regulations so that they have binding legal force.

The enactment of Law Number 33 of 2014 concerning Halal Product Guarantees (UU JPH), brought changes, especially regarding the institutional implementation of halal certification. In implementing this law, BPJPH was formed in collaboration with other institutions such as the Ministry of Religion, LPH and MUI.⁸

Applying for halal certification can be done in two ways, namely *first regular* and *secondly self declare*. This aims to make it easier for business actors in the application submission process. Furthermore, the halal certification body will conduct audits and inspections directly at the business actor's production facilities. They will check compliance with halal principles, such as separation between halal and non-halal products, cleanliness, and use of halal raw materials. This audit is important to ensure that business actors carry out production processes in accordance with applicable halal standards.

Based on the results of document reviews, audits and inspections, the halal certification body will conduct a comprehensive assessment of the proposed product or service. If the product or service meets the specified halal requirements, the halal certification body will provide a halal certificate to the business actor as proof that their product has met halal standards.

The process of applying for a halal certificate in the *regular manner*, there are document requirements that need to be completed by business actors. This document includes information about business actor data, the name and type of product you want to certify, a list of products produced, and the materials used in the production process.

Business actor data is one of the important documents that must be included. This document contains information about the identity of the business actor, such as name, address, telephone number and other related data. The aim is to ensure that business actors applying for halal certification are legitimate and trustworthy entities.

Apart from that, business actors must also include information about the name and type of product they want to certify. This document provides an overview of the types of products produced by business actors, such as food, drinks or other products. A list of products and materials

⁶ Presiden Republik Indonesia, *Undang-Undang Nomor 33 Tahun 2014 Tentang Jaminan Produk Halal* (Indonesia, 2014).

⁷ Ibid.

⁸ Susilowati Suparto et al., "Harmonisasi Dan Sinkronisasi Pengaturan Kelembagaan Sertifikasi Halal Terkait Perlindungan Konsumen Muslim Indonesia," *Mimbar Hukum - Fakultas Hukum Universitas Gadjah Mada* 28, no. 3 (2016): 427.

used also needs to be included in the application. This includes information about the products produced by business actors and the materials used in the production process. This list is important to ensure that the products and materials used meet the specified halal requirements.

In an effort to make it easier for Micro and Small Enterprises (UMK) to obtain halal certification, the government provides special facilitation. This facilitation is aimed at UMK that meet the *self-declaration criteria* as a simpler and more affordable alternative to the halal certification process. The halal certification process through this facilitation prioritizes UMK so that they can easily fulfill the halal requirements that have been set. As a first step, UMK who are interested in obtaining halal certification need to submit a *self-declaration statement*. In this statement, UMK declare responsibly that the products or services they produce and market comply with halal principles.⁹

Self-declaration criteria serve as a guide for UMK in running their business. This includes fulfilling halal standards in the use of raw materials, production processes and product storage. By following these criteria,¹⁰ UMK demonstrate their commitment to producing products that are halal and meet the needs of Muslim consumers. After UMK submit a *self-declaration statement*, the government will verify UMK compliance with halal requirements. This verification is carried out to ensure that UMK comply with established requirements and produce truly halal products.

Facilitating halal certification for UMK that meet the *self-declaration criteria* is the government's effort to support the growth of UMK and improve the quality of halal products on the market. Through this step, it is hoped that UMK can be more competitive and contribute positively to the halal industry in Indonesia.

Previously, guaranteeing halal products in Indonesia was delegated by the state to the Food, Drug and Cosmetic Research Institute of the Indonesian Ulama Council (LPOM MUI). However, with the enactment of Law Number 33 of 2014 concerning Halal Product Guarantees (UU JPH), the authority to administer halal certification in Indonesia has moved to the Halal Product Guarantee Organizing Agency (BPJPH).¹¹

The JPH Law creates changes in the halal certification system in Indonesia by introducing BPJPH as the institution responsible for administering halal certification. BPJPH is given the authority to issue halal certificates, and one of the tasks carried out by BPJPH is to carry out *self-declaration*.

A *self-declared* halal certificate is a mechanism that allows producers or business actors to declare that their products have met the halal standards set by the Islamic religion. In this case, business actors can submit an independent declaration to BPJPH and state that their products meet the established halal requirements.

With the existence of BPJPH and the *self-declaration mechanism*, it is hoped that it can provide certainty and assurance to Muslim consumers regarding the halalness of the products they consume. Apart from that, this can also encourage the growth of the halal industry in Indonesia and increase the competitiveness of halal products in domestic and international markets.

In order to provide convenience and certainty for Micro and Small Enterprises in obtaining halal certification, the rules regarding *self-declaration* for UMK are regulated in Article 79 of

⁹ Menteri Agama Republik Indonesia, *Peraturan Menteri Agama Republik Indonesia Nomor 26 Tahun 2019 Tentang Penyelenggaraan Jaminan Produk Halal* (Kemenag RI, 2019).

¹⁰ Aslikhah dan Moh. Mukhsinin Syu'aibi, "Fenomenologi Self Declare Sertifikasi Halal Bagi Pelaku UMKM Produk Makanan dan Minuman Untuk Peningkatan Awareness Sertifikasi Halal Di Kabupaten Pasuruan," *muallim* (2023): 68–83.

¹¹ Indonesia, *Undang-Undang Nomor 33 Tahun 2014 Tentang Jaminan Produk Halal*.

Government Regulation Number 39 of 2021 concerning Implementation of the Halal Product Guarantee Sector.

Article 79 requires BPJPH to create a mechanism related to self-declaration. This mechanism aims to make it easier for UMK to obtain halal certification with a process that is simpler and does not burden them administratively and financially.

BPJPH is also mandated to set halal standards that will serve as a reference for implementing the self-declaration. This halal standard includes the requirements and criteria that UMK must fulfill so that their products can be declared halal independently. These halal standards must take into account the halal aspects that have been determined by the Indonesian Ulama Council (MUI) and ensure that products declared as halal meet the requirements expected by Muslim consumers.

The *self-declaration* mechanism for halal certificates provides UMK with the opportunity to declare independently that the products they produce comply with established halal requirements.

As for more detailed regulations regarding this matter, there are derivative regulations, namely Article 79 Paragraph (2) Government Regulation (PP) Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Sector, as follows: "(2) *Micro and Small Business Actors as intended Paragraph (1) is a productive business that has net assets or has annual sales results in accordance with statutory provisions.*"¹²

In this regulation, UMK are defined as businesses that are small and have certain characteristics, such as a limited business scale and the amount of assets or sales that do not exceed certain limits determined by statutory regulations. This arrangement ensures that the criteria for UMK entitled to carry out halal self-declaration are in accordance with applicable regulations.

This is important to ensure that regulations regarding halal *self-declaration* only apply to UMK who meet certain requirements. Given these limitations, it can be emphasized that the halal *self-declaration policy* is aimed at providing convenience and flexibility for UMK who have limited business scale and resources to obtain formal halal certification.

This arrangement is also in line with the government's efforts to encourage the development of the UMK sector in Indonesia. By making it easier for UMK to obtain halal certification through independent declaration,¹³ it is hoped that UMK can be more competitive in the halal market and increase the accessibility of halal products for Muslim consumers.

Conclusion

The process of applying for halal certification regularly and *self-declaring* aims to provide convenience to business actors, especially UMK. The government provides special facilitation through *self-declaration* as a simpler alternative to halal certification. This process involves submitting an independent statement by UMK. This facilitation aims to support the growth of UMK, make them more competitive, and increase their contribution to the halal industry.

Self-declare mechanism gives producers the freedom to declare the halalness of their products, with BPJPH as the supervisor. The combination of BPJPH and *self-declare* is expected to provide certainty and guarantee of halal products, support the growth of the halal industry, and increase the competitiveness of halal products in domestic and international markets. This is in

¹² Fitri Rafianti, Robi Krisna, dan Erwin Radityo, "Dinamika Pendampingan Manajemen Halal Bagi Usaha Mikro dan Kecil Melalui Program Self Declare," *JSSH: Jurnal Sains Sosio Humaniora* 6, no. 1 (2022): 1–8.

¹³ Istianah dan Dewi Gemala, "Analisis Masalah Pada Konsep Halal Self-Declare Sebelum Dan Pascaenachment Undang-Undang Cipta Kerja," *Al-Adl : Jurnal Hukum* 14, no. 1 (2022): 85.

line with the government's efforts to support the development of the UMK sector, provide convenience and increase the accessibility of halal products for Muslim consumers.

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