Implementation of the Halal Product Guarantee Law in Indonesia by the Department of Industry and Trade Cooperatives of Bima City

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**Keywords:** Halal Certificate; Food Regulation; Halal Food; Indonesian Cooperative.

**Abstract:** The obligation to register a halal certificate is stated in Article 4 of The Halal Product Guarantee Laws "Products that enter, circulate, and are traded in the territory of Indonesia must be certified halal". Therefore, the purpose of this study is to explain the mandatory implementation of halal certification carried out by the Department of Cooperative Industry and Trade of the Bima City for its Small & Medium-Sized Enterprises (SMEs), because it is one of the government instruments authorized to accommodate those who wish to register a halal certificate. The research method used in this research is descriptive qualitative, to support this research it takes several parties as respondents from the Department of Industrial and Trade Cooperatives and SMEs (DISKOPERINDAG) and so that this research can produce data that can provide conclusions regarding the implementation of mandatory halal certification by the Department of Cooperative Industry and Trade of the Bima City for its SMEs. From this research, it can be concluded that DISKOPERINDAG has carried out socialization in the form of seminars and training and provided information through the official website of DISKOPERINDAG Bima City. In addition to socialization, DISKOPERINDAG also provides assistance in procuring halal certificates for UMKM in the Bima City, it makes SMEs feel helped in registering halal certificates.

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The introduction
Legally, Indonesia has 6 recognized religions, including Islam, Hinduism, Christianity, Buddhism, Confucianism, and Catholicism. This makes Indonesia the country with the most Muslims in the world. Whereas based on the 1945 Constitution of the Republic of Indonesia, it mandates the state to guarantee the independence of each resident to embrace their own
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religion and to worship according to their religion and beliefs, therefore in guaranteeing every believer of religion to worship and carry out the teachings of his religion, the state is obliged to provide protection and guarantees regarding the halalness of products consumed and used by the public. (Charity, 2017) Consuming halal products is a must for every Muslim, so the government must ensure the halalness of products circulating in the community. The obligation to consume and use halal and good products is contained in the Qur’an Surah Al-Ma’dih verse: 88, which means it is Allah’s command to His servants to consume halal and good food as a form of piety and faith. The definition of halal and thayib can be interpreted as food that has halal quality, is beneficial for the body and is clean and safe from harmful ingredients (Pusparini & Setiaji, 2019).

The halal food industry should be a major concern for business in Indonesia, because the majority of the community is Muslim. One form of government attention is the implementation of halal certification and labeling for all business. The existence of halal certification can provide a sense of security for consumers, because the Muslim community can choose and know products that are halal and haram. For business people, halal certification provides benefits to increase consumer confidence and reach the global halal food market (Warto & Samsuri, 2020). Halal certificate is also an important point in increasing competitiveness in the international industry. Halal food must be fulfilled in every manufacturing process, namely; the process of obtaining food ingredients, their substance and/or basic ingredients, food processing and packaging (Faidah, 2017).

Decades since the establishment of LPPOM and the Indonesian Ulema Council (MUI) many entrepreneurs have not registered their products, because registration to get a halal certificate was not initially required by the government and was only voluntary. Based on the results of halal certification statistics from the Indonesian Ulema Council, the application for halal certification for the 2012-2019 period is no more than 17,495 halal certificates from 274,796 products from 13,961 companies in Indonesia (MUI, 2021). The halal label on a product is determined based on the fatwa of the Indonesian Ulema Council (MUI). The public can accept the fatwa, because MUI is considered a forum that represents various religious organizations in society, and the function of MUI as an institution that is not a state institution but can set various legal norms (non-state norms). With the existence of halal certification in food products, the elements of healthy food are definitely fulfilled. Not only foods, many young people especially student of university also have attention to this halal certification (Mardalis, 2018), it shows that many Indonesian people not only want to fulfill a healthy lifestyle, but also want to fulfill a halal lifestyle (Adinugraha & Sartika, 2019).

To meet the needs and desires of the Indonesian people’s halal lifestyle, the government has made regulations related to halal certification in the 2014 law no. 33 concerning Halal Product Guarantee (Prayutti, 2020). In order to support the implementation of the implementation of the Halal Product Assurance, the government has established the Halal Product Guarantee Agency (BPJPH). To realize halal products, BPJPH cooperates with authorized parties such as the Cooperatives and Trade Office as a forum.
for SMES and MUI as a decision maker for the halal certificate issued. Therefore, this study aims to describe the role and strategy of DISKOPERINDAG Bima City as a facilitator for SMES in making halal certificates.

**Research methods**

This research is a descriptive research with empirical juridical type, namely describing the results of research that are related to the implementation of certain laws/regulations with an approach approach. The research locus is located in Bima City with subjects from DISKOPERINDAG and business of SMEs in Bima City who were randomly selected to obtain original data.

The primary data in this study were obtained by interview and documentation methods. Primary data is the result of interviews with DISKOPERINDAG employees and SMEs in the city of Bima. The secondary data were obtained from journals and regulations related to the research theme with a span of the last 10 years. The data obtained is then processed and re-described systematically to explain halal certification for SMEs in Bima City.

**Discussion and Results**

**Halal Product Guarantee Regulation**

For Muslim consumers, the halalness of a product to be consumed or used is very important and has long received special attention. In today's era, international trade, ownership of halal labels and certificates has received a very good place and welcome, therefore the strategy used to distribute halal products to Muslim consumers is also included in the challenges of globalization (Charity, 2017). For Indonesia itself, regulations have been specifically formulated regarding the rules governing Halal Product Guarantee (JPH), namely Article 4 of Law No.33 of 2014.

In this article it says "Products that enter, circulate, trade in the territory of Indonesia must be certified halal". From this it can be said that all products sold and distributed throughout Indonesia are required to register their products in order to obtain halal certification. This halal product guarantee law has come into effect since October 17, 2019, the JPH Law itself will be issued by the government through the Halal Product Assurance Agency (BPJPH) of the Ministry of Religion of the Republic of Indonesia. For the initial stage, the implementation of this halal product guarantee is still within the scope of food, beverage and drug products, for the certification process itself starting from October 17, 2019-17 October 2024. For the next step, the authority is applied to other products, this stage will be enforced on 17 October. October 2021 with a different period.

The presence of regulations regarding Halal Product Guarantee or JPH has become a legal protector in the implementation of the JPH in Indonesia (Sayekti, 2014). Indonesia as one of the countries with the largest Muslim population in the world, therefore Indonesia has a large enough opportunity to expand the halal market and become the largest producer of halal products in the world, therefore the government should pay more
attention to the needs of halal goods or products circulating in the world. Indonesia.

An explanation of what a Halal Product Guarantee is itself is something that can guarantee that it has protective properties for those who consume or who use an item or service which then as evidence for safety is given information in the form of a label or verbal which has been tested first. as well as a series of research and supervision then only validated with the issuance of halal certification as evidence (Sayekti, 2014).

The implementation of the Halal Product Assurance is carried out by the Minister by establishing the Halal Product Assurance Organizing Agency (BPJPH). BPJPH in running JPH has the authority including:
1. Detailing and issuing JPH regulations.
2. Issuing JPH procedures, foundations, regulations, and provisions.
3. Issuing and revoking Halal Certificates and Halal Labels on Products.
4. Carry out the registration of Halal Certificates for imported products.
5. Carry out counseling, teaching, and promotion of Halal Products.
6. Carry out a feasibility test on LPH.
7. Carry out the registration of Halal Auditors.
8. Carry out inspections on JPH.
10. Cooperating with local and international agencies regarding the implementation of JPH.

To carry out its obligations, BPJPH also cooperates with relevant ministries and/or agencies, the Indonesian Ulama Council (MUI) and the Halal Inspection Agency (Lembaga Pemeriksa Halal, LPH). Cooperation between BPJPH and relevant Ministries and/or Institutions is carried out in accordance with the functions and authorities of the relevant ministries and/or agencies, for example the Ministry of Industry in regulating and fostering and supervising industry related to basic materials and food additives used to create Halal Products, the Ministry of Trade in terms of fostering the Business Actors and the public, supervision of Halal Products in the market, and to increase market accessibility.

The form of cooperation between BPJPH and LPH is for product inspection and/or testing, then the form of cooperation between BPJPH and MUI is to provide the final decision, namely determining the halalness of a product. The implementation of JPH has the aim of ensuring certainty, safety, security, and comfort, the availability of halal products for residents to consume and utilize products and provide added value for business to produce and trade halal products as well as to protect consumers as well as assist Indonesia in responding to market demand in a holistic manner. Globally, so that Indonesian producers are able to participate in global market competition.

Halal Certificate

Halal comes from the Arabic language, namely halla - yahillu - billan which means freeing, releasing, allowing which in other words everything or treatment which if done by that person, the person will not be punished for his actions (Dahlan, 2006). There are 5 things that cannot be separated from
our lives, namely halal, haram, doubtful, makruh, and permissible. Allah gives orders to humans to eat or use halal methods in everything so that they can increase faith and provide security for their creatures (Ghazali, 2002). At the beginning of Islam, the human condition could not be said to be in a stable state or usually we know this early period as the era of ignorance or the age of ignorance so that in terms of consuming food, humans at that time were very stupid to be able to sort and choose the food to be eaten, so because of ignorance Humans at that time Allah sent down Islam on this earth to provide information on the treatment of humans at that time until the present, including the decline of Islam to provide knowledge about food that can be eaten or which cannot be eaten (Qardhawi, 2000).

The definition of Halal Certificate is contained in Article 1 of Law No. 33 concerning Halal Product Guarantee which says that "Halal certificate is an acknowledgment of the halal status of a product given by BPJPH according to a written fatwa issued by MUI", the registration of a halal certificate itself aims to obtain legal recognition (Siregar & Alam, 2018). It is valid that the products sold have complied with the halal requirements. From the above understanding, it can be said that a halal certificate is proof of the halalness of a product after an inspection by the LPH has been carried out, which then when it has obtained the halal certificate, the producer is allowed to print a halal label on the product packaging as information for its customers (Maslul & Utami, 2018). Halal certificates for cosmetic, drug, and food products are required to guarantee the halal status of circulating products (Tarigan, 2018) thereby providing a sense of security for buyers in using them. The process of making halal products is ensured by the manufacturer with the procedure for applying the Halal Assurance System, from here it can be interpreted that a halal certificate is a good goal from the government so that products circulating for sale are guaranteed to be safe from parties who intend to distribute non-halal products among the Indonesian population who are generally Muslim.

Implementation of the Mandatory Halal Certification of the Department of Cooperatives, Industry and Trade, City of Bima

The form of implementation or realization of the mandatory halal certification carried out by the Department of Cooperative Industry and Trade of the city of Bima is to carry out socialization, counseling, and coaching regularly every year in the form of education and training. The following is a form of education and training that has been held by DISKOPERINDAG as a form of implementation of the mandatory halal certification:

1. Food processing training for SMEs throughout the city of Bima by the Department of Cooperative Industry and Trade in the city of Bima on June 24 - 28, 2019 at the UPT PLUT-KSMES in the city of Bima which was attended by 30 participants from various SMEs in the City of Bima. The training participants not only get material exposure about the management of halal food and products from competent
instructors but are also directly required to practice under the direct guidance of the instructor.

2. Entrepreneurship education and training for food SMEs in Bima City, the training was held for 3 days from 12-14 September 2018. The activity was opened by Assistant III for General Administration of the Bima City Secretary, Ir. Dervish, attended by 30 participants consisting of food processing business in the city of Bima. Aims to provide new knowledge and insight for food business in the City of Bima, so that in the future they are able to produce products that compete in regional and even national markets because they are able to manage and improve product quality with the presence of PIRT, or halal labels on the packaging.

3. Socialization of the creation of halal labels at the Marina hotel by the Department of Cooperative Industry and Trade of the City of Bima for 3 days from March 17-19, 2020 and was attended by 50 participants who are SMEs in the city of Bima, with the aim of educating business about the importance of having a halal certificate for products circulating in the market and a speaker from the LPPOM-MUI Bima city.

4. The training on the procurement of halal certificates at PLUT by the Department of Cooperative Industry and Trade of the City of Bima, was conducted for 2 days on 5-6 October 2019 at PLUT (Figure 4.1) and was delivered by responsible speakers regarding assistance in procuring halal certificates and followed 30 participants from SMEs who have passed the selection of certificate subsidy assistance.

5. Socialization through announcements announced on the official website of the DISKOPERINDAG Service and social media facebook.

In addition to socialization through several programs above, the City of Bima DISKOPERINDAG also facilitates SMEs that have met the requirements and the files needed to be processed for halal certification. The length of time required to obtain a halal certificate facilitated by DISKOPERINDAG Bima City is between 2 weeks until 2 months. In the last 2 years, after SMEs received halal certificates, they no longer received training on halal certificates, this is because DISKOPERINDAG has carried out several socializations. In contrast to previous years, which required training for SMEs that had obtained a halal certificate.

The following is the flow of the process for applying for halal certification by DISKOPERINDAG Bima City:
The Response of Fostered SMEs Regarding Assistance for Procurement of Halal Certificates by the Department of Industry and Trade Cooperatives of Bima City

Halal certificate is a mandatory thing that must be owned by a product that enters and circulates and is sold in Indonesia and to obtain it, several stages are needed including screening, and inspection and proof of the product to be given the halal certificate (Agustina et al., 2019). The purpose of implementing halal certification for SMEs is to convince consumers about the halalness of the products they consume, from this purpose it will increase consumers’ desire to buy products because they feel safe when consuming them.

The reality on the ground is very different from what we have hoped for so far and even in contrast to what is expected by the Department of
Cooperative Industry and Trade of the city of Bima, how not many SMEs are reluctant to register their product halal certificates for various reasons, for example requiring more time in the process, requiring quite a lot of costs and the lack of information about the importance of halal certificates for products circulating in the market.

However, according to the researcher's assumptions and also supported by the results of interviews conducted with several SMEs, many of them are reluctant to register halal certificates for their processed products if they are not really needed because the costs incurred to make halal certificates themselves are quite expensive, in addition to the problem of many costs from some business are reluctant to make halal certificates because they think there are too many files that must be completed and the process is quite time-consuming, it is different if they have passed the verification to get halal certificate assistance provided by the provincial service through the Industry and Trade Cooperative Service, it will be completely wrong. properly assisted by the service until the costs will be assisted by the service.

Here, the researchers describe the results of interviews that researchers conducted during July 2021 with several SMEs. Judging from the results of interviews with researchers with resource persons of SMEs assisted by the Department of Industry and Trade Cooperatives in the city of Bima, in general conclusions can be drawn from the responses of the SMEs, including:

1. Seven respondents have attended seminars or socialization about halal products by the Department of Cooperative Industry and Trade of the City of Bima and have passed verification to get halal certificate assistance so that they already have halal certificates, according to the seven business above they have not experienced any difficulties at all because all assisted by the Department of Industrial and Trade Cooperatives in the city of Bima
2. Two respondents have attended seminars or socialization about halal products by the Department of Cooperative Industry and Trade of the city of Bima and have passed verification to get halal certificate assistance so that they have halal certificates, and according to them all are made easier by the service but when all matters have been completed certificates do not come out immediately need to wait a while and must be billed continuously.
3. One respondent has attended seminars or socialization about halal products by the Department of Cooperative Industry and Trade of the city of Bima and has passed verification to get halal certificate assistance so that he already has a halal certificate but the certificate has expired or has expired.
4. Two respondents have attended seminars or socialization about halal products by the Department of Cooperative Industry and Trade of the City of Bima but did not pass the verification to get halal certificate assistance because the annual turnover does not meet the general criteria for receiving assistance so they do not have halal certificates for their products.
5. Two respondents have attended seminars or socialization about halal products by the Department of Cooperative Industry and Trade of the city of Bima but did not pass the verification to get halal certificate assistance because the problem did not have packaging and part so they did not meet the general criteria for getting assistance, and currently do not yet have a halal certificate for their products.

6. One respondent has attended a seminar or socialization about halal products by the Department of Cooperative Industry and Trade of the city of Bima and has passed verification to get halal certificate assistance and almost got a halal certificate but during the audit there were obstacles that resulted in the failure to get a halal certificate.

Table 1 Data identification of responses and problems faced by SMEs in the process of making halal certificates

<table>
<thead>
<tr>
<th>No</th>
<th>Respondent</th>
<th>Form of Business</th>
<th>Year</th>
<th>Socialization</th>
<th>Register For Halal Certificate</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ifa Gisa Cake (Ig)</td>
<td>Bolu dan Kue kering</td>
<td>2018</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>less satisfied</td>
</tr>
<tr>
<td>2</td>
<td>Ari Cake (Ac)</td>
<td>Kue basah dan kue kering</td>
<td>2019</td>
<td>Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>3</td>
<td>Aw Bakery (Aw)</td>
<td>Kue basah dan kue kering</td>
<td>2018</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>less satisfied</td>
</tr>
<tr>
<td>4</td>
<td>Sari Laut (Sl)</td>
<td>Abon tuna</td>
<td>2016</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>5</td>
<td>Susu Kuda Liar (Skl)</td>
<td>Susu kuda liar</td>
<td>2015</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>6</td>
<td>Dapur Kimka (Dk)</td>
<td>Pizza dan korean food</td>
<td>2016</td>
<td>Seminar, Training</td>
<td>Registered, Expired</td>
<td>satisfied</td>
</tr>
<tr>
<td>7</td>
<td>Ken Jaya Food (Kjφ)</td>
<td>Bakso ikan</td>
<td>2017</td>
<td>Official Website KOPERINDA, Seminar, Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>8</td>
<td>Stik Keju Kurnia (Sk)</td>
<td>Stik keju</td>
<td>2018</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>9</td>
<td>Aisy Bima (Ab)</td>
<td>Makanan dan minuman</td>
<td>2017</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>10</td>
<td>Mataho (Mt)</td>
<td>Dodol rumput laut dan permen rumput laut</td>
<td>2018</td>
<td>Seminar, Training</td>
<td>Registered, Passed</td>
<td>satisfied</td>
</tr>
<tr>
<td>11</td>
<td>Tahu Ridho (Tr)</td>
<td>Tahu goreng</td>
<td>2017</td>
<td>Seminar</td>
<td>Registered, Not Pass</td>
<td>less satisfied</td>
</tr>
<tr>
<td>12</td>
<td>Aneka Abon Ayu (Aa)</td>
<td>Abon ayam dan abon sapi</td>
<td>2018</td>
<td>Seminar, Training</td>
<td>Registered, Not Pass</td>
<td>less satisfied</td>
</tr>
<tr>
<td>13</td>
<td>Fauziah Donat (Fd)</td>
<td>Donat</td>
<td>2018</td>
<td>Seminar, Training</td>
<td>Registered, Almost pass</td>
<td>less satisfied</td>
</tr>
</tbody>
</table>
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To understand clearly and know the number and responses or problems that faced by each business actor who has become a respondent, the researchers made the following table:

Table 2: Data identification of responses and problems faced by SMEs uses the initials of the respondents in the process of making halal certificates.

<table>
<thead>
<tr>
<th>Initials of Respondents</th>
<th>Responses/Problems</th>
<th>Number of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ac, sl, sk1,kjf,sk,As,mt</td>
<td>Safe, there are no problems because it is fully assisted by the DISKOPERINDAG Service</td>
<td>7</td>
</tr>
<tr>
<td>Ab, ig</td>
<td>It will take some time to get a halal certificate after all the files pass</td>
<td>2</td>
</tr>
<tr>
<td>Dk</td>
<td>Halal certificate expired</td>
<td>1</td>
</tr>
<tr>
<td>Aa,</td>
<td>Turnover less than 150 million</td>
<td>1</td>
</tr>
<tr>
<td>Tr ,kjb</td>
<td>Constrained on legality PIRT and packaging</td>
<td>2</td>
</tr>
<tr>
<td>Ps</td>
<td>The duration of the business is less than 6 months</td>
<td>1</td>
</tr>
<tr>
<td>Fd</td>
<td>One of the production ingredients is not qualified on BPOM and is not labeled halal</td>
<td>1</td>
</tr>
</tbody>
</table>

SMEs hope that the Department of Industry and Trade Cooperatives in the city of Bima can continue to help business to improve product quality and help business who do not have a halal certificate and do not know about procedural problems and what criteria must be met by business to register. The agency is also expected to be able to further optimize the socialization of halal products in the Bima City area, both for the general public, especially for business. In the future, SMEs hope that the DISKOPERINDAG service has a special program for the procurement of halal certificates in general in the community so that the general public and business will definitely know if the DISKOPERINDAG service can assist in making halal certificates.

In Article 4 of Law No. 33 of 2014 concerning the guarantee of halal products, it has been stated that "products that enter, circulate and trade in Indonesian territory must be certified halal", the DISKOPERINDAG Office of Bima City also hopes that with a regulation like this the community and business who are in the Bima City area is able to implement it, and with the authority and responsibility of the DISKOPERINDAG service, the service will continue to try to keep socializing and assisting business to make halal certificates.
Conclusion

Based on the results of the research conducted, it can be seen that the form of implementation of the mandatory halal certification by DISKOPERINDAG City of Bima for its SMEs is through socialization, namely in the form of seminars or training, as well as providing announcements through the official DISKOPERINDAG website, as a forum to provide socialization and invite The SMEs they support about the importance of registering halal certificates both explicitly and implicitly, in addition to socializing, the form of implementation carried out by the service for the SMEs they foster is by helping SMEs to get assistance in procuring halal certificates for free and still helping SMEs who do not qualify. selection of halal certificate assistance procurement, but only helps provide information and helps provide data from DISKOPERINDAG if needed.

The views of research respondents as SMEs in the City of Bima stated that they had received socialization about halal products and the procurement of halal certificates by the Department of Cooperative Industry and Trade of the city of Bima, as well as of the 15 respondents who interviewed 10 of them had received full assistance in procuring halal certificates by the department. because it has met the requirements and criteria given to get assistance in procuring the halal certificate. 5 of them did not get halal certificate assistance because they did not meet the requirements and criteria provided, but overall the responses of SMEs were satisfied with the assistance provided by the Department of Industry and Trade Cooperatives in the city of Bima in terms of procuring halal certificates.

Reference


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